



PLATEAU
ENERGY METALS

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended March 31, 2020 and 2019

Plateau Energy Metals Inc.

Stated in Canadian Dollars, unless otherwise noted

Unaudited

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NOTICE TO READER

The accompanying unaudited condensed interim financial statements have been prepared by the Company's management and the Company's independent auditors have not performed a review of these condensed interim consolidated financial statements.

Plateau Energy Metals Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Unaudited

Stated in Canadian Dollars

	Note	March 31, 2020 Unaudited	September 30, 2019 Audited
Assets			
Current Assets			
Cash		\$ 172,396	\$ 1,167,651
HST receivable		44,550	85,167
Advances and deposits		35,468	33,103
Prepaid expenses		219,945	214,462
Total Assets		\$ 472,359	\$ 1,500,383
Current Liabilities			
Accounts payable and accrued liabilities	8	\$ 1,306,271	\$ 1,085,229
Promissory notes	9	800,000	-
		2,106,271	1,085,229
Shareholders' Equity (Deficiency)			
Share capital	5	61,410,575	61,410,575
Warrants	6	1,318,499	1,318,499
Stock options	7	3,182,334	2,865,195
Contributed surplus		10,403,550	10,403,550
Cumulative translation reserve		(231,986)	(387,094)
Deficit		(77,716,884)	(75,195,571)
		(1,633,912)	415,154
Total Liabilities and Equity		\$ 472,359	\$ 1,500,383

Note 1 – Nature of Operations and Going Concern

Note 14 – Events After the Reporting Date

The accompanying notes form an integral part of these interim condensed 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

Unaudited

Stated in Canadian Dollars

	Three months ended March 31,		Six months ended March 31,	
	2020	2019	2020	2019
Expenses				
Corporate and administrative expenses	\$ 512,626	\$ 651,093	\$ 965,979	\$ 1,296,640
(Gain)/loss on foreign exchange	53,064	131,055	62,516	136,607
(Gain)/loss on shares for services	-	(76,054)	-	(76,054)
Share-based compensation (note 7)	129,530	154,683	317,139	295,738
Exploration and evaluation (note 4)	595,220	744,195	1,175,940	2,394,841
Interest income	-	(937)	(261)	(1,103)
Loss for the period	(1,290,440)	(1,604,035)	(2,521,313)	(4,046,669)
Other comprehensive loss for the period				
Items that may be reclassified to profit and loss:				
Currency translation adjustment	174,467	193,708	155,108	138,742
Total comprehensive loss for the period	\$ (1,115,973)	\$ (1,410,327)	\$ 2,366,205	\$ (3,907,927)
Loss per share – basic and diluted	\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.05)
Weighted average number of common shares outstanding, basic and diluted				
	85,542,385	77,574,256	85,542,385	76,331,542

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

Plateau Energy Metals Inc.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Unaudited

Stated in Canadian Dollars

	Common Stock		Warrants	Stock options	Contributed surplus	Cumulative translation reserve	Accumulated deficit	Total
	Shares	Amount						
October 1, 2019	85,542,385 \$	61,410,575 \$	1,318,499 \$	2,865,195 \$	10,403,550 \$	(387,094) \$	(75,195,571) \$	415,154
Foreign currency translation adjustment	-	-	-	-	-	155,108	-	155,108
Stock options granted (note 7)	-	-	-	317,139	-	-	-	317,139
Net loss	-	-	-	-	-	-	(2,521,313)	(2,521,313)
March 31, 2020	85,542,385 \$	61,410,575 \$	1,318,499 \$	3,182,334 \$	10,403,550 \$	(231,986) \$	(77,716,884) \$	(1,633,912)
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)	5,272,106	4,270,867	737,633	-	-	-	-	5,008,500
Issued to finders (note 5, 6)	-	-	74,025	-	-	-	-	74,025
Issuance costs (note 5, 6)	-	(63,123)	(10,902)	-	-	-	-	(74,025)
Issuance costs (note 5, 6)	-	(297,042)	(51,210)	-	-	-	-	(348,252)
Warrants exercised (note 5,6)	933,335	598,051	(86,273)	-	-	-	-	511,778
Shares for services	745,658	473,946	-	-	-	-	-	473,946
Stock options granted (note 7)	-	-	-	295,738	-	-	-	295,738
Foreign currency translation adjustment	-	-	-	-	-	138,742	-	138,742
Net loss	-	-	-	-	-	-	(4,046,669)	(4,046,669)
March 31, 2019	78,571,307 \$	59,712,993 \$	1,227,078 \$	2,270,012 \$	10,395,673 \$	(150,321) \$	(72,049,807) \$	1,405,628

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

Plateau Energy Metals Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited

Stated in Canadian Dollars

	Six months ended March 31,	
	2020	2019
Cash Flows from Operating Activities		
Net loss for the period	\$ (2,521,313)	\$ (4,046,669)
Items not affecting cash:		
Gain on shares for debt	-	(76,054)
Share-based compensation	317,139	295,738
	(2,204,174)	(3,826,985)
Net changes in non-cash working capital		
HST receivable	40,617	16,581
Advances and deposits	(2,365)	-
Prepaid expenses	(5,483)	(52,698)
Accounts payable and accrued liabilities	221,042	(148,286)
	(1,950,363)	(4,011,388)
Cash Flows from Financing Activities		
Issuance of share capital	-	5,008,500
Exercise of warrants	-	511,778
Share issuance costs	-	(348,252)
Promissory notes (note 9)	800,000	-
	800,000	5,172,026
Effect of exchange rate changes on cash and cash equivalents	155,108	138,742
Change in cash and cash equivalents	(995,255)	1,299,380
Cash and cash equivalents – beginning of period	1,167,651	690,033
Cash and cash equivalents – end of period	\$ 172,396	\$ 1,989,413
Supplemental Cash Flow Information		
Non-cash working capital		
Interest received	\$ 261	\$ 1,103

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

Plateau Energy Metals Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended March 31, 2020 and 2019

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) and on the OTCQB Market in the United States (OTC: PLUUF).

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 interim condensed 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 six months ended March 31, 2020, the Company incurred a comprehensive loss of \$2,366,205 (2019 – \$3,907,927), and as of that date, the Company had a working capital deficit of \$1,633,912 (September 30, 2019 – working capital of \$415,154). Until such time as a revenue stream is generated from operations, the Company is reliant on raising funds to continue operations. To date the Company has been successful in doing so, and subsequent to the end of this reporting period raised \$3.66 million through a private placement (see Note 14). However, there is no assurance that the Company will be able to do so in the future, and 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.

The global pandemic outbreak of COVID-19 has had a material adverse effect on the global economy and on the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market including trading prices of the Company's shares; on the ability to raise new capital; on commodity prices and the future outlook for the Company; and on the ability to conduct operations due to lockdown restrictions. Due to timing of the outbreak, the pandemic has had limited impact on the Company's operations in the period ended March 31, 2020. However, going forward these factors, among others, could have a significant impact on the Company's operational capability, and on its ability to raise further funding to carry out desired work programmes.

2. BASIS OF PRESENTATION

These interim condensed consolidated financial statements include the accounts of the Company and its 100% controlled subsidiary, Macusani Yellowcake S.A.C. ("Macusani Peru"). 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 May 27, 2020, the Board of Directors approved these statements on the recommendation of the Audit Committee.

Plateau Energy Metals Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended March 31, 2020 and 2019

Stated in Canadian Dollars

2. BASIS OF PRESENTATION (CONTINUED)

b. Basis of measurement

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

c. Functional and presentation currency

These interim condensed 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 applied in these interim condensed consolidated financial statements are consistent with the policies applied in the audited annual financial statements for the year ended September 30, 2019, except as disclosed in Note 3 (b) below. Accordingly, they should be read in conjunction with the audited annual financial statements for the year ended September 30, 2019.

a. 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.

Plateau Energy Metals Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended March 31, 2020 and 2019

Stated in Canadian Dollars

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Adoption of IFRS 16 – Leases

On October 1, 2019, the Company adopted IFRS 16 – *Leases*, replacing IAS 17 – *Leases*. IFRS 16 introduces a single, on-balance sheet accounting model for lessees. After analyzing its contracts under the requirements of IFRS 16, the Company, as a lessee, has not recognized any right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. The Company has elected to not apply IFRS 16 to leases with a term of less than 12 months or leases where the underlying asset is of low value. The Company adopted IFRS 16 using the modified retrospective approach, however, no adjustments were needed and therefore none were recorded. The Company's comparative periods remain as previously reported under IAS 17 and related interpretations.

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4, *Determining Whether an Arrangement Contains a Lease*. The Company now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

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 March 31, 2020, the Company, through its Peruvian subsidiary, held a total of 151 mining concessions covering an aggregate area of approximately 93,000 hectares.

As at March 31, 2020, 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. Injunctions have been granted for 17 of the 32 concessions, restoring the validity and rights to Macusani Peru. 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 for the six months ended March 31, 2020 and 2019, are as follows:

Exploration spend by property

	2020	2019
Macusani – East	\$ 433,175	\$ 720,250
Macusani – West	-	73,721
Corachapi	60,788	97,908
Kihitian	6,257	15,034
Quelcaya	355,259	64,380
Chacaconiza	320,461	1,423,547
	\$ 1,175,940	\$ 2,394,841

Plateau Energy Metals Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended March 31, 2020 and 2019

Stated in Canadian Dollars

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 six months ended March 31, 2020, there were no issuances of common shares by the Company.

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.
- 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.

6. WARRANTS

A continuity of outstanding share purchase warrants is as follows:

	Number of warrants	Amount	Weighted Average Exercise Price
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
Balance March 31, 2020	8,126,495	\$ 1,318,499	\$ 0.86

Plateau Energy Metals Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended March 31, 2020 and 2019

Stated in Canadian Dollars

6. WARRANTS (CONTINUED)

During the six months ended March 31, 2020, the Company issued no warrants.

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 %

At March 31, 2020, 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
		8,126,495

Plateau Energy Metals Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended March 31, 2020 and 2019

Stated in Canadian Dollars

7. STOCK OPTIONS

- a. 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.
- b. During the six months ended March 31, 2020, the Company granted no stock options.

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 %

- 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 %

Plateau Energy Metals Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended March 31, 2020 and 2019

Stated in Canadian Dollars

7. STOCK OPTIONS (CONTINUED)

c. A continuity of outstanding stock options is as follows:

	Number of Options	Fair value expensed	Weighted Average Exercise Price
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
Granted in prior years	-	317,139	0.87
Expired	(875,000)	-	(0.56)
March 31, 2020	6,913,750	\$ 3,182,334	\$ 0.65

At March 31, 2020, the following stock options were outstanding:

Expiry date	Exercise price (CAD)	Number outstanding
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
		6,913,750

As at March 31, 2020, the total number of options exercisable is 6,263,750 with a weighted average exercise price of \$0.57.

8. RELATED PARTY DISCLOSURES

During the six months ended March 31, 2020 and 2019, the Company carried out the following transactions with related parties:

	2020	2019
Directors' fees paid or accrued	\$ 24,000	\$ 24,000
Consulting and management fees paid to directors and officers	160,140	259,962
Rent paid to a company in which an officer of the Company is an officer	4,500	7,500
Storage rental paid to a company controlled by a director (USD)	8,400	8,400

Included in share-based compensation for the six months ended March 31, 2020 is \$257,675 (2019 – \$268,030) related to stock options granted to management and directors. As at March 31, 2020, accounts payable and accrued liabilities included \$249,561 (September 30, 2019 – \$119,823) related to various related parties disclosed above.

In addition, during the three-month period ended March 31, 2020, directors of the Company advanced \$320,000 to the Company against the issuance of promissory notes with a maturity date of April 27, 2020. The promissory notes were settled on due date. (Refer note 9 below).

Plateau Energy Metals Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended March 31, 2020 and 2019

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9. PROMISSORY NOTES

On January 27, 2020, the Company issued promissory notes to the total value of \$800,000. The notes are due and payable on April 27, 2020 and may be extended for a period of 2 months on agreement with the lenders. The notes carry interest to the maturity date of 12% per annum, or if extended, of 15% per annum. The notes are unsecured.

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 March 31, 2020. 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 March 31, 2020, the Company has current assets of \$472,359 and current liabilities of \$2,106,271. 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 deficit is \$1,633,912 as at March 31, 2020. 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 March 31, 2020, the Company had cash of US\$40,077 and accounts payable and accrued liabilities of US\$91,415. As at March 31, 2020, the Company had cash of 2,247 Peruvian New Sols and accounts payable and accrued liabilities of 1,679,000 Peruvian New Sols. 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 \$6,621. 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 \$59,738.

Plateau Energy Metals Inc.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended March 31, 2020 and 2019

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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 March 31, 2020, the Company's capital consists of shareholders' deficit of \$1,633,912 (September 30, 2019 – equity of \$415,154).

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 six months ended March 31, 2020.

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 six months ended March 31, 2020				
Accounts payable and accrued liabilities	\$	605,257	\$	701,014
Loss for the period		1,499,310		1,022,003
As at and for the six months ended March 31, 2019				
Property, plant and equipment	\$	-	\$	9,125
Accounts payable and accrued liabilities		191,101		572,122
Loss for the period		1,869,432		2,177,237

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.

14. EVENTS AFTER THE REPORTING DATE

Subsequent to March 31, 2020:

- The Company completed two separate non-brokered private placements and issued 14,699,992 units at a unit price of \$0.19, and 4,150,000 units at a unit price of \$0.21 for aggregate gross proceeds of \$3.66 million. Each unit comprised one common share and one common share purchase warrant exercisable for a period of four years at \$0.40, subject to an acceleration provision. In connection with the private placement, the Company paid finder's fees of \$99,141.60 in units, on the same terms as the units in the private placement.
- The Company repaid promissory notes to the value of approximately \$600,000 on due date of April 27, 2020.
- 2,821,627 warrants expired un-exercised.
- Macusani Peru continues to pursue relief under administrative and judicial procedures regarding the 32 concessions which have been subject to a resolution to cancel their validity. An administrative court has granted a Precautionary Measure under which 17 of the concessions have been restored to Macusani Peru on a temporary basis for the duration of the legal processes. The application for Precautionary Measures for the remaining 15 concessions remains before the court in Peru, which has been under reduced operations during nationally mandated COVID-19 restrictions to safeguard the health and wellbeing of its citizens.
- The Company believes Macusani Peru 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.
- The ongoing lockdowns associated with the continuing COVID-19 virus pandemic are affecting the Company's operational capability, with an as yet unquantifiable impact on future financial performance.