



**PLATEAU**  
**ENERGY METALS**

## **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**For the Nine Months Ended June 30, 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	June 30, 2020 Unaudited	September 30, 2019 Audited
<b>Assets</b>			
<b>Current Assets</b>			
Cash		\$ 1,718,271	\$ 1,167,651
HST receivable		77,925	85,167
Advances and deposits		34,070	33,103
Prepaid expenses		96,785	214,462
<b>Total Assets</b>		<b>\$ 1,927,051</b>	<b>\$ 1,500,383</b>
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	8 and 9	\$ 1,269,491	\$ 1,085,229
Promissory notes	9	200,000	-
		1,469,491	1,085,229
<b>Shareholders' Equity (Deficiency)</b>			
Share capital	5	63,830,058	61,410,575
Warrants	6	1,790,803	1,318,499
Stock options	7	3,084,292	2,865,195
Contributed surplus		11,343,169	10,403,550
Cumulative translation reserve		(257,916)	(387,094)
Deficit		(79,332,846)	(75,195,571)
		457,560	415,154
<b>Total Liabilities and Equity</b>		<b>\$ 1,927,051</b>	<b>\$ 1,500,383</b>

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 June 30,		Nine months ended June 30,	
	2020	2019	2020	2019
<b>Expenses</b>				
Corporate and administrative expenses	\$ 425,188	\$ 434,162	\$ 1,391,166	\$ 1,730,802
(Gain)/loss on foreign exchange	62,516	102	92,529	136,709
(Gain)/loss on shares for services	11,550	-	11,550	(76,054)
Share-based compensation (note 7)	494,760	303,983	811,899	599,721
Exploration and evaluation (note 4)	654,452	1,051,412	1,830,392	3,446,253
Interest income	-	(4,735)	(261)	(5,838)
<b>Loss for the period</b>	<b>(1,615,963)</b>	<b>(1,784,924)</b>	<b>(4,137,275)</b>	<b>(5,831,594)</b>
<b>Other comprehensive loss for the period</b>				
Items that may be reclassified to profit and loss:				
Currency translation adjustment	(25,930)	(84,943)	129,178	53,799
<b>Total comprehensive loss for the period</b>	<b>\$ (1,641,893)</b>	<b>\$ (1,869,867)</b>	<b>\$ (4,008,097)</b>	<b>\$ (5,777,795)</b>
<b>Loss per share – basic and diluted</b>	<b>\$ (0.02)</b>	<b>\$ (0.02)</b>	<b>\$ (0.05)</b>	<b>\$ (0.075)</b>
Weighted average number of common shares outstanding, basic and diluted				
	89,790,674	79,241,986	89,790,674	77,301,690

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
Common shares and warrants issued for cash (note 5, 6)	18,849,995	2,435,612	1,227,030	-	-	-	-	3,662,642
Issued to finders (note 5, 6)	512,228	132,296	66,882	-	-	-	-	199,178
Issuance costs (note 5, 6)	-	(148,425)	(74,791)	-	-	-	-	(223,216)
Warrants expired	-	-	(746,817)	-	746,817	-	-	-
Stock options expired	-	-	-	(192,802)	192,802	-	-	-
Stock options granted (note 7)	-	-	-	411,899	-	-	-	411,899
Foreign currency translation adjustment	-	-	-	-	-	129,178	-	129,178
Net loss	-	-	-	-	-	-	(4,137,275)	(4,137,275)
June 30, 2020	104,904,608 \$	63,830,058 \$	1,790,803 \$	3,084,292 \$	11,343,169 \$	(257,916) \$	(79,332,846) \$	457,560
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)	1,904,413	1,103,720	(151,283)	-	-	-	-	952,437
Warrants expired	-	-	(7,877)	-	7,877	-	-	-
Shares for services	745,658	473,946	-	-	-	-	-	473,946
Stock options granted (note 7)	-	-	-	599,721	-	-	-	599,721
Foreign currency translation adjustment	-	-	-	-	-	53,799	-	53,799
Net loss	-	-	-	-	-	-	(5,831,594)	(5,831,594)
June 30, 2019	79,542,385 \$	60,218,662 \$	1,177,987 \$	2,573,721 \$	10,403,550 \$	(235,264) \$	(73,834,732) \$	280,402

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

	Nine months ended June 30,	
	2020	2019
<b>Cash Flows from Operating Activities</b>		
Net loss for the period	\$ (4,137,275)	\$ (5,831,594)
Items not affecting cash:		
Gain on shares for debt	-	(76,054)
Share-based compensation	811,899	599,721
	(3,325,376)	(5,307,927)
Net changes in non-cash working capital:		
HST receivable	7,242	(285)
Advances and deposits	(967)	-
Prepaid expenses	117,677	(108,854)
Accounts payable and accrued liabilities	(215,737)	31,010
	(3,417,161)	(5,386,056)
<b>Cash Flows from Financing Activities</b>		
Issuance of share capital	3,662,642	5,008,500
Exercise of warrants	-	952,437
Share issuance costs	(24,038)	(348,252)
Promissory notes (note 9)	200,000	-
	3,838,603	5,612,685
Effect of exchange rate changes on cash and cash equivalents	129,178	53,799
Change in cash and cash equivalents	550,620	280,428
Cash and cash equivalents – beginning of period	1,167,651	690,033
<b>Cash and cash equivalents – end of period</b>	<b>\$ 1,718,271</b>	<b>\$ 970,461</b>
<b>Supplemental Cash Flow Information</b>		
Non-cash working capital		
Interest received	\$ 261	\$ 5,838

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 Nine Months Ended June 30, 2020 and 2019

Stated in Canadian Dollars

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### 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 nine months ended June 30, 2020, the Company incurred a comprehensive loss of \$4,008,098 (2019 – \$5,777,795), and as of that date, the Company had a working capital of \$457,559 (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 during the reporting period raised \$3.66 million through a private placement. 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 the novel corona virus (“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. As of the date of issuance of these condensed consolidated interim financial statements, the impact of COVID-19 on the business of the Company is uncertain, 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.

The global pandemic caused by COVID-19 and the measures undertaken to contain COVID-19 or remedy its impact may also: i) affect the Company’s ability to access its properties for indeterminate amounts of time; ii) affect the health of its employees or consultants, resulting in delays or diminished capacity; iii) result in the reduced availability or failures of various local administration and critical infrastructure; iv) cause social instability in Peru which in turn could impact the Company’s ability to maintain the continuity of its business operating requirements; or v) result in additional and unknown risks or liabilities to the Company. The extent to which the global pandemic may impact the Company’s business will depend on future developments which are highly uncertain and are not able to be determined at this time.

# Plateau Energy Metals Inc.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended June 30, 2020 and 2019

Stated in Canadian Dollars

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### 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 condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"). The IAS 34 condensed interim consolidated financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2019, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Standards Interpretations Committee. The significant accounting policies (Note 3) have been applied consistently to all periods. These policies are based on IFRS effective as of June 30, 2020. On August 27, 2020, the Board of Directors approved these statements on the recommendation of the Audit Committee.

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.

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

a. Critical accounting judgments and estimation uncertainties (continued)

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.

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.



# Plateau Energy Metals Inc.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended June 30, 2020 and 2019

Stated in Canadian Dollars

### 4. MINERAL PROPERTIES AND EXPLORATION EXPENDITURES

The Company is principally engaged in exploration for lithium and uranium on its properties located in the Macusani plateau region of Peru. As at June 30, 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 June 30, 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 nine months ended June 30, 2020 and 2019, are as follows:

#### Exploration spend by property

	2020	2019
Macusani – East	\$ 781,180	\$ 869,294
Macusani – West	157,004	73,721
Corachapi	88,853	231,059
Kihitian	17,502	15,863
Chacaconiza	301,206	1,869,614
Quelcaya	457,334	386,703
Colibri II and III	16,125	-
Chimboya	11,188	-
	\$ 1,830,392	\$ 3,446,253

### 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 nine months ended June 30, 2020, the Company:

- Completed two separate non-brokered private placements and issued 14,699,995 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. An amount of \$1,227,030 was allocated to the warrants. In connection with the private placement, the Company paid finder's fees of \$99,141 in units, on the same terms as the units in the private placement, and incurred fees of \$24,038 and issued 512,228 finders warrants with a fair value of \$66,862. Issuance costs of \$74,791 were allocated to warrants.

## Plateau Energy Metals Inc.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended June 30, 2020 and 2019

Stated in Canadian Dollars

#### 5. SHARE CAPITAL (CONTINUED)

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
Issued for cash	18,849,995	1,227,030	0.40
Issued to finders	512,228	66,882	0.40
Issuance costs	-	(74,791)	-
Expired	(2,821,627)	(746,817)	(0.50)
Balance June 30, 2020	24,667,091	\$ 1,790,803	\$ 0.46

# Plateau Energy Metals Inc.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended June 30, 2020 and 2019

Stated in Canadian Dollars

### 6. WARRANTS (CONTINUED)

During the nine months ended June 30, 2020, the Company:

- Issued 18,849,995 warrants and 512,228 finders' warrants in connection with a private placement. Each warrant entitles the purchase of one common share at a price of \$0.40 per share at any time, with expiry date April 27, 2024 as to 13,338,006 warrants; expiry date May 12, 2024 as to 1,874,217 warrants, and expiry date May 13, 2014 as to 4,150,000 warrants. If the closing price of the Company's common shares on the TSX-V is at or above \$0.80 for a period of 20 consecutive trading days, the Company may, within ten days thereof, accelerate the expiry date of the warrants such that the warrants expire on the first business day that is 30 business days after the date of notice. The relative fair value of the warrants was estimated at \$1,293,912 using the Black-Scholes pricing model.
- The Black-Scholes pricing model assumptions are as follows:

Share price	\$0.24- \$0.32
Expected life	4.0 years
Risk-free interest rate	0.41 %
Expected dividend yield	nil %
Expected volatility based on the historical volatility of the Company's shares	83 %

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 %

# Plateau Energy Metals Inc.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended June 30, 2020 and 2019

Stated in Canadian Dollars

### 6. WARRANTS (CONTINUED)

At June 30, 2020, the following warrants were outstanding:

Expiry date	Exercise price (CAD)	Number outstanding
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
April 27, 2024	0.40	12,938,283
April 27, 2024	0.40	399,723
May 12, 2024	0.40	1,761,712
May 12, 2024	0.40	112,505
May 13, 2024	0.40	4,150,000
		24,667,091

### 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 nine months ended June 30, 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 %

## Plateau Energy Metals Inc.

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended June 30, 2020 and 2019

Stated in Canadian Dollars

#### 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. 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	-	411,899	0.87
Expired	(875,000)	(192,802)	(0.56)
June 30, 2020	6,913,750	\$ 3,084,292	\$ 0.65

At June 30, 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 June 30, 2020, the total number of options exercisable is 6,105,426 with a weighted average exercise price of \$0.62.

# Plateau Energy Metals Inc.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended June 30, 2020 and 2019

Stated in Canadian Dollars

### 8. RELATED PARTY DISCLOSURES

During the nine months ended June 30, 2020 and 2019, the Company carried out the following transactions with related parties:

	2020	2019
Directors' fees paid or accrued	\$ 36,000	\$ 36,000
Consulting and management fees paid to directors and officers	269,760	343,068
Rent paid to a company in which an officer of the Company is an officer	4,500	9,500
Storage rental paid to a company controlled by a director (USD)	12,600	12,600

Included in share-based compensation for the nine months ended June 30, 2020 is \$602,828 (2019 – \$508,065) related to stock based compensation granted or proposed to management and directors. (See Note 9 below). As at June 30, 2020, accounts payable and accrued liabilities included \$84,023 (September 30, 2019 – \$119,823) related to various related parties disclosed above.

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 the due date. (Refer Note 9 below).

### 9. CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities include: an accrual of \$400,000 for non-cash, stock-based compensation to offset management and staff salary sacrifices during the COVID-19 pandemic as well as incentive and other deferred compensation; accrued deferred director fees of \$80,000; accounting accruals for expenditures paid on annual basis; accrued annual property concessions fees of \$384,000 for the 2020 year payable no later than June 2021; and accruals of \$104,000 for possible fines relating to Minergia properties predating the Companies acquisition of the properties.

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.

On April 27, 2020 notes to the value of \$600,000 were settled, and one note in the amount of \$200,000 was extended to June 27, 2021 carrying interest at 12% until maturity. In addition, accumulated interest through June 27, 2020 of \$11,063 was settled in cash.

### 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 June 30, 2020. The Company's cash and cash equivalents are on deposit with a highly rated banking group in Canada.

# Plateau Energy Metals Inc.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended June 30, 2020 and 2019

Stated in Canadian Dollars

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### 10. FINANCIAL INSTRUMENTS (CONTINUED)

#### *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 June 30, 2020, the Company has current assets of \$1,977,051 and current liabilities of \$1,469,491. All of the Company's current financial liabilities and receivables, with the exception of a promissory note, have contractual maturities of less than 90 days and are subject to normal trade terms. The Company's working capital is \$457,560 as at June 30, 2020. The Company intends to address its future 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 June 30, 2020, the Company had cash of US\$54,935 and accounts payable and accrued liabilities of US\$16,886. As at June 30, 2020, the Company had cash of 919 Peruvian New Sols and accounts payable and accrued liabilities of 1,563,000 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 \$4,714. 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 \$40,543.

### 11. CAPITAL DISCLOSURES

The Company's objective when managing capital is to raise sufficient funds to execute its exploration plans. At June 30, 2020, the Company's capital consists of shareholders' equity of \$457,560 (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 nine months ended June 30, 2020.

# Plateau Energy Metals Inc.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Nine Months Ended June 30, 2020 and 2019

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### 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 nine months ended June 30, 2020		
Accounts payable and accrued liabilities	\$ 640,675	\$ 628,816
Loss for the period	2,499,433	1,637,842
As at and for the nine months ended June 30, 2019		
Property, plant and equipment	\$ -	\$ 9,125
Accounts payable and accrued liabilities	426,372	516,147
Loss for the period	2,385,341	3,446,253

### 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 June 30, 2020:

- 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.
- In August 2020, the court process for the concessions was officially resumed, however COVID-19 work restrictions in Peru have added significant delays to court procedures and the Company has not been provided with a timeline for an expected decision for the Precautionary Measure on the remaining 15 concessions.
- Meetings with MINEM and INGEMMET have continued to advance the administrative process, but recent personnel changes within these institutions will likely lead to some delays with talks restarting with new Ministers within MINEM.
- 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.