PFN Group of Companies Limited Partnership

Consolidated Financial Statements

December 31, 2019

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

To the Board of Directors of PFN Group of Companies Limited Partnership:

The accompanying financial statements of PFN Group of Companies Limited Partnership are the responsibility of management and have been approved by the Board of Directors.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors are responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the financial statements. The Board of Directors fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors.

Chalupiak & Associates CPA Professional Corporation, an independent firm of Chartered Professional Accountants, is appointed by the Board of Directors to audit the financial statements and report directly to the Members; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board of Directors and management to discuss their audit findings.

PFN Group of Companies Limited Partnership

Date: January 27, 2021

Chalupiak & Associates CPA Professional Corporation
Chartered Professional Accountants
3261 Saskatchewan Drive
Regina, Saskatchewan S4T 6S4
Phone: 306-359-3711 Fax: 306-569-3030

INDEPENDENT AUDITORS' REPORT

To the Partners of PFN Group of Companies Limited Partnership

Qualified Opinion

We have audited the consolidated financial statements of PFN Group of Companies Limited Partnership, which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements present fairly, in all material respects, the financial position of PFN Group of Companies Limited Partnership as at December 31, 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

As explained in Note #11, the Partnership invested 5 million dollars in 11046896 Canada Inc. to purchase NP Aerospace Limited. We were unable to obtain financial or other supporting information to confirm the details of the purchase transaction and the financial position of 11046896 Canada Inc. as at December 31, 2019.

Due to deficiencies in the Pro Metal Industries Ltd. accounting system, we were unable to confirm the accuracy and completeness of inventory, cost of sales and the classification of expenses related to manufacturing overhead and operating expenses. Any adjustments that might have been necessary would have a consequential significant effect on the Statement of Financial Position of the Partnership as at October 31, 2019, the Statement of Comprehensive Loss as at October 31, 2019, the Statement of Cash Flows as at October 31, 2019 and the related disclosures in the financial statements.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Partnership 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 qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to note #2 in the financial statements, which indicates that the Partnership incurred a net loss of $3,895,558 during the year ended October 31, 2019 and as of that date, the Partnership's current liabilities exceeded its current assets by $2,115,683. As stated in note #2, these events or conditions, along with other matters as set forth in note #2, indicate that a material uncertainty exists that may cast significant doubt on the Partnership's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

The Partnership wrote off the deposit for the gasification unit of $484,210. The deposit was placed to purchase a gasification unit from the United States. This is further explained in note #13.

The Partnership had to repay $209,845 of a grant from Western Economic Diversification Canada ("WED"). This is further explained in note #20.

The Partnership settled a law suit with a customer for the amount of $1,017,411 due to product deficiencies. This amount was recorded as an expense in the current year and is further explained in note #19.

The Partnership had previously recorded an asset of "Income Taxes Recoverable" of $577,816 which was the result of accumulated losses in the Partnership being carried forward for tax purposes that would be used to offset future tax expenses. Due to the significant comprehensive loss of $3,895,558 in the current year and the cumulative deficit of $8,899,460 a material uncertainty exists that casts significant doubt on the Partnership’s ability to generate sufficient future earnings to utilize this amount. Therefore, this amount was reduced to $193,695 which offsets the liability due to timing differences in recording amortization expenses. This is further explained in note #11 and note #18.

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 IFRS, 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 Partnership'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 Partnership or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 Partnership'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 Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Partnership 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.

- 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.

Chalupiak & Associates

Regina, Saskatchewan
January 27, 2021

Chalupiak & Associates

PFN Group of Companies Limited Partnership
Consolidated Statement of Financial Position
December 31, 2019

	2019	2018 Restated
Assets		
Current assets		
Accounts receivable - note 6	$ 545,520	$ 871,065
Inventory - note 7	396,029	576,998
Prepaid expenses - note 8	69,246	41,962
Cash - Lawyers trust account - note 9	-	50,000
Due from PFN Land Acquisition Ltd. - note 10	50,000	-
	1,060,795	1,540,025
Income taxes recoverable - note 11	193,695	577,816
Portfolio investment - note 12	1,200,000	600,000
Investment in associates - note 12	5,000,000	5,000,000
Deposits - note 13	-	484,210
Property, plant and equipment - note 14	11,259,536	2,776,917
	$ 18,714,026	$ 10,978,968
Liabilities		
Current liabilities		
Bank indebtedness - note 15	$ 1,307,438	$ 2,197,461
Accounts payable and accrued liabilities - note 16	1,758,194	1,217,777
Current portion of long-term debt - note 17	163,424	154,701
	3,229,056	3,569,939
Due to Pasqua First Nation - note 10	9,125,779	6,285,639
Due to PFN Group of Companies Inc. - note 10	1,723,879	1,723,880
Long-term debt - note 17	274,306	437,669
Deferred taxes - note 18	193,695	149,287
	14,546,715	12,166,414
Contributed surplus	9,379,161	-
Partners' deficit	(5,211,850)	(1,187,446)
	4,167,311	(1,187,446)
	$ 18,714,026	$ 10,978,968

Approved on behalf of the Partners:

Partner

Partner

		2019	2018
Net income (loss) and comprehensive income (loss)			
PFN Group of Companies LP - Statement of Operations, Schedule 1		$ (128,844)	$ (10,244)
Pro Metal Industries Ltd - Statement of Operations, Schedule 2		(3,895,560)	(1,177,202)
Net loss and comprehensive loss		$ (4,024,404)	$ (1,187,446)
Allocation to partners			
PFN Group of Companies Inc.	*0.10 %*	$ (4,024)	$ (1,187)
Pasqua First Nation	*99.90 %*	(4,020,380)	(1,186,259)
	100.00 %	$ (4,024,404)	$ (1,187,446)

2019

	Balance, beginning of	Share of net loss and comprehensive loss	Balance, end of year
PFN Group of Companies Inc.	$ (1,187)	$ (4,024)	$ (5,211)
Pasqua First Nation	(1,186,259)	(4,020,380)	(5,206,639)
	$ (1,187,446)	$ (4,024,404)	$ (5,211,850)

2018
Restated

	Balance, beginning of	Share of net loss and comprehensive loss	Balance, end of year
PFN Group of Companies Inc.	$ -	$ (1,187)	$ (1,187)
Pasqua First Nation	-	(1,186,259)	(1,186,259)
	$ -	$ (1,187,446)	$ (1,187,446)

PFN Group of Companies Limited Partnership
Consolidated Statement of Cash Flows
For the year ended December 31, 2019

	2019	2018 Restated
Cash flows from (used in) operating activities		
Net loss and comprehensive loss	$ (4,024,404)	$ (1,187,446)
Items not involving cash		
Depreciation	586,198	599,932
Writedown of asset	350,201	-
Changes in non-cash operating items		
Accounts receivable	325,545	(871,065)
Inventory	180,969	(576,998)
Prepaid expenses	(27,284)	(41,962)
Accounts payable and accrued liabilities	540,418	1,217,777
	(2,068,357)	(859,762)
Cash flows from (used in) investing activities		
Income taxes recoverable	384,121	(577,816)
Purchase of portfolio investments	(600,000)	(600,000)
Deposits	484,210	(484,210)
Purchase of property, plant and equipment	(9,419,019)	(3,376,849)
Purchase of investment in associates	-	(5,000,000)
Deferred taxes	44,408	149,287
	(9,106,280)	(9,889,588)
Cash flows from (used in) financing activities		
Due to (from) related parties	2,790,139	8,009,519
Repayment of long-term debt	(154,640)	592,370
Contributions net of withdrawals	9,379,161	-
	12,014,660	8,601,889
Decrease (increase) in bank indebtedness	840,023	(2,147,461)
Bank indebtedness, beginning of year	(2,147,461)	-
Bank indebtedness, end of year	$ (1,307,438)	$ (2,147,461)
Bank indebtedness consists of:		
Cash - Lawyers trust account	$ -	$ 50,000
Bank indebtedness	(1,307,438)	(2,197,461)
	$ (1,307,438)	$ (2,147,461)

1. Nature of Operations

PFN Group of Companies Limited Partnership (the "Partnership") is a limited partnership that was created on December 28, 2017 and began operations on January 1, 2018. The Partners are Pasqua First Nation, the limited partner that holds 999 Partnership units, and PFN Group of Companies Inc., the general Partner that holds 1 partnership unit.

The Limited Partnership is registered in the Province of Saskatchewan. The registered office is located at Pasqua First Nation, Saskatchewan, Canada. The Partnership operations consist of developing businesses for Pasqua First Nation.

The financial statements of the Partnership as at December 31, 2019 and for the year then ended are comprised of the Partnership and its subsidiary Pro Metal Industries Ltd.

2. Going concern

These financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Partnership be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

In the current year, the Partnership reported a significant loss of $4,024,403 (2018 - $1,187,446) and the current liabilities exceeded the current assets by $2,168,261.

The Partnership will continue to rely on the contributions from the limited partner - Pasqua First Nation for the cash contributions to meet its current liabilities.

3. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors on behalf of the Partners and authorized for issue on January 27, 2021.

4. Change in accounting policies

(a) Standards and Interpretation effective in the current period

Impact of initial application of IFRS 16 *Leases*

In the current year, the Partnership has applied IFRS 16 (as issued by IASB in January 2016) that is effective for annual periods that begin on or after January 1, 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged.

There was no significant impact on the Partnership's financial statement on the initial application of the IFRS 16 *Leases*.

Adoption of amendments to IFRS standards and interpretations:

In the current year, the Partnership has applied a number of amendments to IFRS Standards and Interpretations issued by the IASB that are effective for an annual period that begins on or after January 1, 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(b) New and revised IFRS Standards in issue but not yet effective

At the date of authorization of these financial statements, the Partnership has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

IFRS 17 Insurance Contracts

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an investor and its Associate,

Amendments to IFRS 3 Definition of business,

Amendments to IAS 1 and IAS 8 Definition of material,

Conceptual Framework Amendments to References to the Conceptual Framework in IFRS.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Partnership in future periods.

5. Significant accounting policies

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The significant accounting policies are detailed as follows:

(a) Basis of consolidation

The financial statements consolidate the financial statements of the Partnership and Pro Metal Industries Ltd. (the "subsidiary".) The subsidiary was acquired on February 8, 2016 and is involved in custom metal fabrication. The Partnership owns 100% of the common voting shares of Pro Metal Industries Ltd. and Pasqua First Nation Land Acquisition Limited. These financial statements only include the balances of Pro Metal Industries Ltd. as at October 31, 2019 and of Pasqua First Nation Land Acquisition Limited as at December 31, 2019.

Control is achieved where the Partnership is exposed, or has rights, to variable returns from its involvement with the investee and it has the ability to affect those returns through its power over the investee. In assessing control, only rights which give the Partnership the current ability to direct the relevant activities and that the Partnership has the practical ability to exercise, is considered.

The results of the subsidiary acquired during prior years is included in these consolidated financial statements as of the effective date of acquisition.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. Where necessary, adjustments are made to the financial statements of the subsidiary to ensure consistency with the exception of amortization.

Any balances, unrealized gains and losses or income and expenses arising from Partnership transactions, are eliminated upon consolidation.

5. Significant accounting policies, continued

(b) **Basis of presentation**

These financial statements reflect only the assets, liabilities, revenue and expenses of the Partnership and therefore do not include any other assets, liabilities, revenues or expenses of the Partners or the liability of the Partners for income taxes on earnings of the Partnership.

Basis of measurement:

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Financial instruments at fair value through profit or loss are measured at fair value.

Functional and presentation currency:

These financial statements are presented in Canadian dollars, which is also the Partnership's functional currency.

Significant accounting judgements, estimates and assumptions:

The preparation of the Partnership's financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainties about these assumptions and estimates could result in outcomes that would require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date are discussed below.

- Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary;
- Depreciation is based on the estimated useful lives of property, plant and equipment;
- Impairment of property, plant and equipment is based on the estimated recoverable amount of the assets; and,
- The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5. Significant accounting policies, continued

(c) Financial instruments

Financial assets and financial liabilities are initially measured at fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL") are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss. Transactions to purchase or sell these items are recorded on the trade date. During the year, there has been no reclassification of financial instruments.

Financial assets at fair value through profit or loss

The Partnership has classified cash and cash equivalents as a financial asset at fair value through profit or loss. Any gain/loss arising as a result of the difference between the carrying amount and fair value is recognized in total comprehensive income.

Financial instruments at fair value through profit or loss are subsequently measured at their fair value.

Loans and receivables

The Partnership has classified accounts receivable and due from related parties as loans and receivables.

Loans and receivables are subsequently measured at their amortized cost. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, plus or minus any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value are recognized in total comprehensive income upon de-recognition or impairment.

Financial liabilities measured at amortized cost

The Partnership has classified accounts payable and accruals, and due to related parties as financial liabilities measured at amortized cost.

Financial liabilities measured at amortized cost are measured at their amortized cost subsequent to initial recognition. Amortized cost is the amount at which the financial liability is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Net gains and losses arising from changes in fair value are recognized in total comprehensive income upon de-recognition or impairment.

5. Significant accounting policies, continued

(d) Financial asset impairment

The Partnership assesses impairment of all its financial assets, except those classified as fair value through profit and loss. Management considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Any impairment, which is not considered temporary, is included in current year earnings.

(e) Fair value measurements

The Partnership classifies fair value measurements recognized in the statement of financial position using a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1: Quoted prices (unadjusted) are available in active markets for identical assets or liabilities;

- Level 2: Inputs other than quoted prices in active markets that are observable for the asset or liability, either directly or indirectly; and

- Level 3: Unobservable inputs in which there is little or no market data, which require the Partnership to develop its own assumptions.

Fair value measurements are classified in the fair value hierarchy based on the lowest level input that is significant to that fair value measurement. This assessment requires judgment, considering factors specific to an asset or a liability and may affect placement within the fair value hierarchy.

(f) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

(g) Income taxes

The Partnership has elected to account for income taxes using the deferred taxes method. In providing for corporate income taxes, temporary differences between the tax basis of assets or liabilities and their carrying amounts are reflected as deferred taxes. The tax rates anticipated to be in effect when these temporary differences reverse are used to calculate deferred taxes.

5. Significant accounting policies, continued

(h) Inventory

The Partnership's inventory of raw materials is recorded at the lower of cost and net realizable value. Work in process and finished goods are valued at the lower of cost (including an appropriate portion of overhead based on normal operating capacity) and net realizable value. Cost is determined by the first-in, first-out method. Cost of items of inventories that are segregated for specific projects is assigned by using specific identification of their individual costs. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

(i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset or its development when those costs are necessarily incurred for the asset to function in the manner intended by management. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

All assets having limited useful lives are depreciated using the straight-line or declining balance method over their estimated useful lives. Assets are depreciated from the date of acquisition. Internally constructed assets are depreciated from the time an asset is capable of operating in the manner intended by management.

In the year of acquisition, depreciation is taken at one-half of the applicable rates.

The residual value, useful life and depreciation method applied to each class of assets are reassessed at each reporting date.

The methods of depreciation and depreciation rates applicable for each class of asset are as follows:

Buildings	10 %	Declining balance
Equipment	20-30%	Declining balance
Vehicles	30 %	Declining balance
Computer equipment	30 %	Declining balance
Furniture and fixtures	15 %	Declining balance
Leasehold improvements	10 years	Straight-line
Computer software	5 years	Straight-line

Depreciation of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option.

5. Significant accounting policies, continued

(j) Impairment of non-financial assets

At the end of each reporting period, the Partnership reviews the carrying amounts of its property, plant and equipment 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 Partnership estimates the recoverable amount of the cash-generating unit ("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.

Recoverable amount 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 profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(k) Goodwill

Goodwill, arising on the acquisition of a business, represents the excess of the cost of acquisition over the Partnership's interest in the net fair value of the identifiable assets and liabilities of the business recognized at the date of acquisition. Goodwill is initially recognized at cost and is subsequently measured at cost less any impairment losses. Goodwill is tested for impairment annually or more frequently, if the events and circumstances indicate that there may be impairment.

(l) Comprehensive income

Comprehensive income includes all changes in equity of the Partnership, except those resulting from investments by Partners and distributions to Partners. Comprehensive income is the total of net earnings and other comprehensive income. Other comprehensive income comprises revenues, expenses, gains and losses that, in accordance with International Financing Reporting Standards, require recognition, but are excluded from net earnings. The Partnership does not have any items giving rise to other comprehensive income, nor is there any accumulated balance of other comprehensive income. All gains and losses, including those arising from measurement of all financial instruments have been recognized in total comprehensive income for the period.

5. Significant accounting policies, continued

(m) Measurement uncertainty

The preparation of financial statements in conformity with International financial reporting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

(n) Revenue recognition

The Partnership does not recognize revenue before the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Partnership, the stage of completion of the transaction at the end of the reporting period can be measured reliably, the costs incurred for the transaction and the costs to complete the transaction can be measured reliably and collection of the related receivable is reasonably assured.

Revenue from the sale of fabricated products is recognized when the significant risks and rewards of ownership of the products has been transferred to the buyer.

Interest earned on cash and receivables is recognized in the period earned.

Government grant revenue is recognized on a systematic basis over the periods in which the Partnership recognizes expenses as related costs. Government grants are recognized when there is reasonable assurance that the Partnership will comply with the terms and conditions associated with the grants and that the grants will be received for which the funded expenses were incurred.

(o) Portfolio investments

Portfolio investments are recorded at cost. Portfolio investments are written down where there has been a loss in value that is other than a temporary decline.

6. Accounts receivable

	2019	2018
Trade receivables - Pro Metal Industries Ltd	$ 485,040	$ 633,008
Trade receivables	94,925	284,092
Advances receivable	590	590
GST receivable - Pro Metal Industries	29,019	7,061
	609,574	924,751
Less: Allowance for doubtful accounts	64,054	53,686
	$ 545,520	$ 871,065

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

7. Inventory

	2019	2018
Materials - Pro Metal Industries Ltd.	$ 327,405	$ 482,733
Work in Progress - Pro Metal Industries Ltd.	68,624	94,265
	$ 396,029	$ 576,998

The cost of materials used in finished goods are recognized as an expense and are included in cost of sales in the amount of $736,488 (2018 - $1,338,498).

8. Prepaid expenses

	2019	2018
Rent Deposit- Pro Metal Industries Ltd.	$ 32,713	$ 32,713
Insurance - Pro Metal Industries Ltd.	30,251	9,249
Contracts - Pro Metal Industries Ltd.	1,551	-
Property tax - Pro Metal Industries Ltd.	4,731	-
	$ 69,246	$ 41,962

9. Cash - Lawyers trust account

	2019	2018
McDougall Gauley LLP	$ -	$ 50,000

10. Due to (from) related parties

Amounts due to related parties are unsecured, non-interest bearing and have no fixed repayment schedules. Since the related parties have indicated that it is not their intention to request payment of these amounts during the next fiscal year, these amounts have been classified as non-current assets.

	2019	2018 Restated
Due to PFN Group of Companies Inc.	$ 1,723,879	$ 1,723,880
Due to Pasqua First Nation	9,189,497	6,285,639
Due from PFN Land Acquisition Ltd.	(50,000)	-
	$ 10,863,376	$ 8,009,519

11. Income taxes recoverable

In the current year, Pro Metal Industries Ltd. reassessed its probability to generate sufficient taxable income to utilize the carried forwarded non-capital losses generated from the prior year. Based on the assessment there is a low probability that the Pro Metal Industries Ltd will be able to generate sufficient taxable income to utilize the carried forwarded non-capital loss and therefore, recognized Income tax recoverable of $577,816 from prior year became impaired and written down to $193,695. The Partnership has future income taxes payable balance of $193,695 resulting from the temporary differences. The Partnership will be able to use income taxes recoverable against the future income taxes payable and the net impact on the Partnership will be nil. Given the low probability of earning taxable income, the Partnership did not set up current taxes recoverable.

	2019
Opening Deferred taxes	$ 577,816
Less: Impairment	(384,121)
Closing Deferred taxes	$ 193,695

12. Investments

	2019	2018
Portfolio investment - Atlas Biotechnologies Inc.	$ 1,200,000	$ 600,000
Investment in Associates - 11046896 Canada Inc.	5,000,000	5,000,000
	$ 6,200,000	$ 5,600,000

Portfolio Investment
PFN Group of Companies Limited Partnership purchased the following shares from Atlas Biotechnologies Inc:

- August 31, 2018, the Partnership purchased 100,000 Class B common shares of Atlas Biotechnologies Inc. for $600,000 at a price of $6 per share.

- June 20, 2019, the Partnership purchased 100,000 Class B common shares of Atlas Biotechnologies Inc. for $600,000 at a price of $6 per share.

Atlas Biotechnologies Inc. is based in Edmonton, Alberta, Canada and its wholly owned subsidiary, Atlas Growers Ltd., is federally licensed for cultivation and production of cannabis products, with a focus on medical use markets. Atlas Growers Ltd. currently has a purpose-built 38,000 square foot facility and laboratory where it expects to produce 5,500 kg of dried cannabis annually as well as capacity to refine cannabis into pure, isolated cannabinoid concentrates in large volumes.

12. Investments, continued

Investment in Associates

On September 4, 2018, the Partnership signed an agreement with 2646315 Ontario Inc. and formed a new corporation, 11046896 Canada Inc. The Partnership purchased 51% of the shares of 11046896 Canada Inc. for 5 million dollars. The newly formed corporation then purchased 100% of the share capital of NP Aerospace Limited. NP Aerospace Limited has manufacturing facilities in Burlington, Ontario and Coventry, United Kingdom and is a manufacturer of composite materials (such as carbon fibre components) including military helmets, body and vehicle armour, and bomb disposal suits. This investment is recorded at cost when purchased, however; no financial statements have been provided as of the date of these financial statements.

In December 2020, the Limited Partnership received an informal offer to purchase these shares. The Board approved the sale of the shares at a Board meeting on December 28, 2020.

13. Write down of Gasification unit deposit

In the prior year, Pro Metal Industries Ltd. had placed a deposit of $484,210 towards the purchase of Gasification Equipment. In the current year, management identified that the equipment would not be able to meet the stringent Canadian Standards Association code and would not be able to be imported to Canada.

Pro Metal Industries Ltd. management is currently negotiating with the vendor to recover this deposit. At the time that these statements were issued nothing had been settled.

14. Property, plant and equipment

Property, plant and equipment as listed below:

A - Land
B - Buildings
C - Equipment
D - Vehicles
E - Furniture and fixtures
F - Leasehold improvements
G - Computer software & equipment
H - Assets under construction

									2019
	A	B	C	D	E	F	G	H	Total
Cost									
Balance at January 1, 2019	-	9,961	3,637,048	260,507	108,492	973,586	1,419,120	350,201	6,758,915
Additions	9,379,161	-	35,110	-	1,300	-	3,448	-	9,419,019
Writedown of asset	-	-	-	-	-	-	-	(350,201)	(350,201)
Total at December 31, 2019	9,379,161	9,961	3,672,158	260,507	109,792	973,586	1,422,568	-	5,827,733
Accumulated Depreciation									
Balance at January 1, 2019	-	7,194	2,478,162	230,258	57,223	627,199	581,962	-	3,981,998
Depreciation	-	277	243,694	9,710	7,799	55,856	268,863	-	586,199
Total at December 31, 2019	-	7,471	2,721,856	239,968	65,022	683,055	850,825	-	4,568,197
Net book amount at December 31, 2019	9,379,161	2,490	950,302	20,539	44,770	290,531	571,743	-	1,259,536

14. Property, plant and equipment, continued

Property, plant and equipment as listed below:

A - Land
B - Buildings
C - Equipment
D - Vehicles
E - Furniture and fixtures
F - Leasehold improvements
G - Computer software & equipment
H - Assets under construction

									2018
	A	B	C	D	E	F	G	H	Total
Cost									
At January 1, 2018	-	-	-	-	-	-	-	-	-
Additions	-	9,961	3,637,048	260,507	108,492	973,586	1,419,120	350,201	6,758,915
Total at December 31, 2018	-	9,961	3,637,048	260,507	108,492	973,586	1,419,120	350,201	6,758,915
Accumulated Depreciation									
At January 1, 2018	-	-	-	-	-	-	-	-	-
Depreciation	-	7,194	2,478,162	230,258	57,223	627,199	581,962	-	3,981,998
Total at December 31, 2018	-	7,194	2,478,162	230,258	57,223	627,199	581,962	-	3,981,998
Net book amount at December 31, 2018	-	2,767	1,158,886	30,249	51,269	346,387	837,158	350,201	2,776,917

The net book value of the assets include Pro Metal Industries Ltd. of $1,876,566 (2018 - $3,254,778) and Pasqua First Nation Land Acquisition Limited of $9,379,161 (2018 - $nil).

15. Bank indebtedness

The Partnership has an authorized overdraft limit of $125,000 bearing an interest rate of 24% at Peace Hills Trust.

The subsidiary of the Partnership has an authorized overdraft limit of $500,000 bearing an interest rate of 24% and a $1,000,000 revolving line of credit with Peace Hills Trust, of which advances on the credit line are payable on demand and bear interest at prime plus 2%. The credit line is secured by a general security agreement.

	2019	2018
Bank indebtedness - PFN Group of Companies LP	$ 110,715	$ 584,150
Bank indebtedness - Pro Metal Industries Ltd.	1,196,723	1,613,311
	$ 1,307,438	$ 2,197,461

16. Accounts payable and accrued liabilities

	2019	2018
Trade payables - Pro Metal Industries Ltd.	$ 1,616,706	$ 1,118,574
Trade payables - PFN Group of Companies LP	62,241	32,426
Wages and vacation pay - Pro Metal Industries Ltd.	49,867	38,008
CRA payroll deductions - PFN Group of Companies LP	25,262	24,814
Pension - Pro Metal Industries Ltd.	4,118	3,081
PST - Pro Metal Industries Ltd.	-	874
	$ 1,758,194	$ 1,217,777

17. Long-term debt

	2019	2018
Peace Hills Trust term loan - capital asset loan - bearing interest at 5.50%, monthly blended payments of $15,285, maturing May 1, 2022, secured by general security agreement.	$ 437,730	$ 592,370
Less current portion	163,424	154,701
Due beyond one year	$ 274,306	$ 437,669

Estimated principal repayments are as follows:

2020	$ 163,424
2021	172,642
2022	101,664
	$ 437,730

Interest paid to Peace Hills Trust in the current year was $28,251 (2018 - $37,127)

18. Deferred taxes

The subsidiary, Pro Metal Industries Ltd, of the Partnership follows the deferred taxes method of accounting for income taxes whereby the income tax provision is based on the income reported in the accounts. Under this method, the subsidiary corporation makes full provision for income taxes deferred as a result of claiming revenues and expenses for income tax purposes on a different basis than that for accounting purposes.

	2019	2018
2015 fiscal year	$ 27,097	$ 27,097
2016 fiscal year	47,108	47,108
2017 fiscal year	64,923	64,923
2018 fiscal year	10,159	10,159
2019 fiscal year	44,408	-
Balance, end of year	$ 193,695	$ 149,287

19. Mack Defence, LLC - Claim settlement payment

In the current year, the Partnership recognized $1,017,411 in compensation to it's customer Mack Defence, LLC for providing non-compliant manufactured parts that did not meet paint specification.

Also in the current year, Pro Metal Industries Ltd. management proactively identified the non-compliant parts and was voluntarily self-declared to Mack Defence, LLC. Pro Metal Industries Ltd. management was able to negotiate a reimbursement amount to Mack Defence, LLC that significantly reduced the any further potential compensation.

In December 2020, Pro Metal Industries Ltd. filed a legal claim against a former Director and General Manager to recover damages.

20. Repayment of Western Economic Development Grant

In the current year, the Partnership was unable to bring the Gasification unit into Canada which the contribution agreement with Western Economic Diversification Canada (WED) required. Due to this, the Partnership. subsequently repaid $209,845 of the grant back to WED on June 26, 2020.

Subsequent to year end the Partnership renegotiated the contribution agreement with WED. Both parties agreed that the grant repayment would be returned to Pro Metal Industries Ltd. in the form of an amended contribution agreement for the year ending October 31, 2021.

21. Prior period restatement

The comparative figures have been retroactively restated to reflect correction of an error made during the consolidation of the Pro Metal Industries Ltd. into the PFN Group of Companies Inc. in the year end December 31, 2016.

Listed below are the summary of accounts affected in prior year as a result of above mentioned adjustment:

	As previously stated in 2018	Adjustment Increase (Decrease)	Restated 2018
Statement of Financial Position	$ -	$ -	$ -
Non-current asset	-	-	-
Goodwill	476,872	(476,872)	-
Non-current liabilities	-	-	-
Due to PFN Group of Companies Inc.	(2,200,752)	476,872	(1,723,880)
	$ (1,723,880)	$ -	$ (1,723,880)

22. Economic dependence

The Partnership has incurred significant losses in the last two years and the accumulated deficit has increased to $5,211,850. The Partnership is dependent upon the limited partner, Pasqua First Nation for cash injections in order to continue to operate.

23. Subsequent events

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Partnership's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Partnership's operations.

The extent of the impact of this outbreak and related containment measures on the Partnership's operations cannot be reliably estimated at this time.

On March 29, 2020 Pro Metal Industries Ltd. entered into a contract with Public Works and Government Services Canada to deliver and install fifteen Mobile Medical Units at various locations in Saskatchewan and Alberta. An estimate of $2.68 million of revenue should be generated from the contract.

In December 2020, the Limited Partnership received an informal offer to purchase shares of 11046896 Canada Inc. The Board approved the sale of these shares at a Board meeting on December 28, 2020.

24. Lease commitments

The subsidiary of the Partnership has entered into a lease for office and warehouse space (approximately 30,640 square feet) effective March 1, 2019 that runs to March 31, 2024 with an option to renew for another 5 year term. The lease rate per month is $39,146. The tenant is responsible for all operating costs.

25. Capital management

The Partnership's objective when managing capital is to safeguard the Partnership's ability to continue as a going concern, so that it can continue to provide returns for the Partners.

The Partnership sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions, growth, and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Partnership may adjust the amount of dividends paid to Partners, request contributions from Partners, or sell assets to reduce debt. There have been no changes in the monitoring of capital or strategy from the prior year.

26. Related party transactions/disclosures

The related party entities are as follows:

Pro Metal Industries Ltd. is the wholly owned subsidiary of the Partnership.

Pasqua First Nation who is the limited partner owning 99.9% partnership units in the PFN Group of Companies LP. Pasqua First Nation indirectly owns the Company.

During the year, the following transactions were conducted with the related parties:

Pasqua First Nation provided total of $1,179,537 funds to the Partnership.

The Partnership provided total of $174,102 funds to the Pro Metals Industries Ltd.

The Partnership received goods and services of $8,349 from the Pro Metals Industries Ltd.

These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount of consideration established and agreed to by the related parties.

27. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Risk management policy

The Partnership does not have a formal risk management policy.

27. Financial instruments, continued

(b) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the Partnership is a going concern and thus expects to fully repay the outstanding amounts.

(c) Foreign exchange risk

The Partnership is exposed to foreign exchange risk in United States dollars. Foreign exchange risk is the risk that the exchange rate that was in effect on the date that an obligation in a foreign currency was made to the Partnership by a customer, or that an obligation in a foreign currency was made to the Partnership to a supplier, is different at the time of settlement than it was at time that the obligation was determined. The Partnership reduces its exposure to foreign exchange risk by monitoring exchange rates on obligations that are made to the Partnership and engaging in hedges when there is a significant risk of exchange rate movement. The Partnership did not have any hedges at the time that the financial statements were issued. The Partnership does not utilize financial instruments to manage its foreign exchange risk. The Partnership maintains adequate foreign currency balances in its bank provided by its customers that discharged their obligations to the Partnership in the related currency, to discharge its related foreign currency obligations. In the opinion of management the foreign exchange risk exposure to the Partnership is low and is not material.

(d) Credit risk

Credit risk is the risk of financial loss to the Partnership if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arise principally from the Partnership's receivable from customers.

The Partnership does have credit risk in accounts receivable $580,555 (2018 - $917,690).

The Partnership's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The Partnership reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. In monitoring customer credit risk, customer credit balance is grouped based on the following balance aging period.

	1-30	31-60	61-90	over 90	Total
Accounts receivable	$ 430,962	$ 66,922	$ 13,010	$ 69,661	$ 580,555

27. Financial instruments, continued

Expected credit loss assessment

The Partnership uses specific identification method to measure expected credit losses of trade receivable. The Partnership measures expected credit losses based on the characteristics of customer, past payment history, the relationship the Partnership has with the customer and the length of relationship. The following table provides information about the exposure to the credit risk and expected credit losses for trade receivables from customers as at December 31, 2019

	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Current (not past due)	$ -	$ 271,350	$ -	No
1-30 days past due	-	159,612	-	No
31-60 days past due	-	66,922	-	No
61-90 days past due	5.51%	13,010	718	No
More than 90 days past due	90.92%	69,661	63,336	No
		$ 580,555	$ 64,054	

(e) Concentration risk

The Partnership does have concentration risk. Concentration risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of one particular customer’s account represents 80% of the total outstanding receivables at December 31, 2019 credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. At December 31, 2019, receivable from one customer comprised approximately 30% of the total outstanding receivables. The Partnership reduces this risk by regularly assessing the credit risk associated with this account and closely monitoring any overdue balances. In the opinion of management the concentration risk exposure to the Partnership that is associated with their customers is low.

(f) Liquidity risk

The Partnership does have a liquidity risk in the bank indebtedness and accounts payable and accrued liabilities of $2,951,912 (2018 - $3,365,239). Liquidity risk is the risk that the Partnership cannot repay its obligations when they become due to its creditors. The Partnership reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the Partnership low and is not material.

27. Financial instruments, continued

(g) Interest rate risk

The Partnership is exposed to interest rate risk. Interest rate risk is the risk that the Partnership has interest rate exposure on its bank indebtedness, which are variable based on the bank's prime rates. This exposure may have an effect on its earnings in future periods. The Partnership reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable over the period presented. There are some loans payable that are at fixed term rates, or zero interest rates and do not affect interest rate risk. The Partnership does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk exposure to the Partnership low and is not material.

(h) Price risk

The Partnership is exposed to price risk. Price risk is the risk that the commodity prices that the Partnership charges are significantly influenced by its competitors and the commodity prices that the Partnership must charge to meet its competitors may not be sufficient to meet its expenses. The Partnership reduces its exposure to price risk by ensuring that it obtains information regarding the commodity prices that are set by the competitors in the region to ensure that its prices are appropriate. In addition, management closely monitors expenses and matches capital outlays to its revenue stream. In the opinion of management the price risk exposure to the Partnership is low and is not material.

Schedule 1

PFN Group of Companies Limited Partnership

Schedule of PFN Group of Companies LP - Statement of Operations

For the year ended December 31, 2019

	2019	2018
Sales		
Archon Industries Inc.	$ 114,573	$ -
Canadian Security Management	61,767	-
A/C Aboriginal Investment	23,895	-
Clean Harbors Canada Inc.	24,370	84,475
Terrapro Inc.	-	3,596
Enbridge	-	68,100
Natural Resources Canada	-	24,469
Tire installation and sales	92,068	35,183
Other revenue	-	74,980
	316,673	290,803
Cost of sales		
Materials - tires	101,407	74,530
Gross profit	215,266	216,273
Expenses		
Consultants and contractors	146,360	19,613
Bank charges	3,743	5,440
Cultural events	-	3,774
Depreciation	2,540	2,540
Enbridge - NEB expenses	-	300
Insurance	15,249	11,956
Interest on bank overdraft	65,527	93,009
Management fees	-	479
Professional fees	99,332	59,178
Registration, tuitions, memberships	-	2,658
Rent	4,312	-
Repairs and maintenance	-	3,402
Supplies	110	3,798
Training	-	2,501
Travel	6,937	3,228
Wages and benefits	-	14,641
	344,110	226,517
Net loss and comprehensive loss	$ (128,844)	$ (10,244)

PFN Group of Companies Limited Partnership

Schedule of Pro Metal Industries Ltd - Statement Of Operations

For the year ended December 31, 2019

	2019	2018
Sales		
Metal fabrication	$ 2,250,190	$ 2,460,816
Grants	-	1,423,369
Other revenue	128,380	200
	2,378,570	3,884,385
Cost of sales		
Freight	31,424	20,326
Materials	736,488	1,338,498
Salaries and benefits	592,865	1,047,324
Shop supplies	150,878	101,699
Sub-contracts	393,797	84,935
	1,905,452	2,592,782
Gross profit	473,118	1,291,603
Expenses		
Advertising and promotion	25,339	6,544
Bad debts	10,658	33,660
Bad debts (recovered)	16,257	36,537
Bank charges	189,253	51,599
Consultants and contractors	31,789	234,240
Courier and delivery	17,983	12,546
Depreciation	583,661	597,392
Entertainment	16,510	7,782
Equipment rental	25,622	69,414
Insurance	29,218	33,328
Interest on long-term debt	28,252	175,565
Meals and entertainment	6,557	14,636
Other expenses	3,652	-
Professional fees	39,755	104,222
Property taxes	28,343	28,140
Registration, tuitions, memberships	42,624	31,066
Rent	430,134	392,560
Repairs and maintenance	8,538	25,024
Small tools	91,146	142,229
Telephone	10,797	10,965
Training	1,550	8,423
Utilities	64,085	94,140
Vehicle expenses	936	22,202
Wages and benefits	526,023	515,782
Impairment - deferred tax asset - note 11	384,121	-
Writeoff of deposit (net) - note 13	484,210	-
Mack Defence settlement payment - note 19	1,017,411	-
Repayment of WED grant - note 20	209,845	-
	4,324,269	2,647,996

PFN Group of Companies Limited Partnership

Schedule of Pro Metal Industries Ltd - Statement Of Operations, continued

For the year ended December 31, 2019

		2019		2018
Loss before income taxes		(3,851,151)		(1,356,393)
Income tax (recovery)				
Current		-		189,349
Deferred		(44,409)		(10,158)
		(44,409)		179,191
Net loss and comprehensive loss	$	(3,895,560)	$	(1,177,202)