

# **WESTECH ADVANCED MATERIALS LTD.**

Non-consolidated Financial Statements (unaudited)  
for the Year Ended March 31, 2019  
and Notice to Reader

**WESTECH ADVANCED MATERIALS LTD.**  
NON-CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2019  
(unaudited - see Notice to Reader)

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CHARTERED  
PROFESSIONAL  
ACCOUNTANTS

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Big enough to know. SMALL ENOUGH TO CARE.

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## NOTICE TO READER

On the basis of information provided by management, we have compiled the balance sheet of Westech Advanced Materials Ltd. as at March 31, 2019 and the statement of income and retained earnings for the year then ended.

We have not performed an audit or review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

*Durward Jones Barkwell + Company LLP*

**Durward Jones Barkwell & Company LLP**  
**Licensed Public Accountants**

**May 22, 2019**

**WESTECH ADVANCED MATERIALS LTD.**  
NON-CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS  
YEAR ENDED MARCH 31, 2019  
(unaudited - see Notice to Reader)

	<u>2019</u>	<u>2018</u>
<b>SALES</b>	<b>\$ 7,286,788</b>	<b>\$ 7,846,725</b>
<b>COST OF GOODS SOLD</b>	<b>6,379,083</b>	<b>7,075,297</b>
<b>GROSS PROFIT</b>	<b>907,705</b>	<b>771,428</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Advertising and promotion	1,485	1,995
Bank charges and interest	8,727	7,765
Computer maintenance	3,837	3,228
Depreciation	299,310	232,066
Insurance	29,475	15,965
Interest on related party loans	1,292	5,622
Office	7,813	4,549
Professional fees	91,707	52,041
Rent	40,927	36,037
Repairs and maintenance	272	1,237
Salaries and benefits	203,842	262,373
Travel	2,260	9,953
Utilities and telecommunications	3,869	5,443
Vehicle	2,583	11,741
	<b>697,399</b>	<b>650,015</b>
<b>INCOME FROM OPERATIONS</b>	<b>210,306</b>	<b>121,413</b>
<b>GAIN ON FOREIGN EXCHANGE</b>	<b>6,907</b>	<b>89,428</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>217,213</b>	<b>210,841</b>
<b>INCOME TAXES (RECOVERED)</b>		
Current	127,757	66,582
Future	(60,600)	(39,800)
	<b>67,157</b>	<b>26,782</b>
<b>NET INCOME</b>	<b>150,056</b>	<b>184,059</b>
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	<b>731,259</b>	<b>547,200</b>
<b>RETAINED EARNINGS, END OF YEAR</b>	<b>\$ 881,315</b>	<b>\$ 731,259</b>

**WESTECH ADVANCED MATERIALS LTD.**

NON-CONSOLIDATED BALANCE SHEET

MARCH 31, 2019

(unaudited - see Notice to Reader)

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 2,529,213	\$ 119,426
Accounts receivable	1,380,688	2,826,689
Income taxes recoverable	-	22,638
Inventory	114,107	159,066
Prepaid expenses	3,610	-
	<b>4,027,618</b>	3,127,819
<b>Future income taxes</b>	<b>130,402</b>	69,802
<b>Investment in related parties</b>	<b>100</b>	100
<b>Computer equipment</b>	<b>403</b>	638
<b>Intangibles</b>	<b>2,416,528</b>	2,629,615
<b>Goodwill</b>	<b>3,344,728</b>	3,344,727
	<b>\$ 9,919,779</b>	\$ 9,172,701
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 2,327,877	\$ 1,788,986
Income taxes payable	58,130	-
Due to related party	6,669	6,669
	<b>2,392,676</b>	1,795,655
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share capital</b>	<b>6,175,717</b>	6,175,717
<b>Currency translation adjustment</b>	<b>470,071</b>	470,070
<b>Retained earnings</b>	<b>881,315</b>	731,259
	<b>7,527,103</b>	7,377,046
	<b>\$ 9,919,779</b>	\$ 9,172,701

Approved by the Board:

..... Director

..... Director