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**INEO Tech Corp.  
(Formerly Metron Capital Corp.)**

**Consolidated Financial Statements**

As at for the years ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
INEO Tech Corp. (formerly Metron Capital Corp.)

### *Opinion*

We have audited the accompanying consolidated financial statements of INEO Tech Corp. (formerly Metron Capital Corp.) (the "Company"), which comprise the consolidated statement of financial position as at June 30, 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a net loss of \$5,763,004 during the year ended June 30, 2020, and, as of that date, the Company had a history of losses and an accumulated deficit of \$6,383,249. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### *Other Matters*

The consolidated financial statements of INEO Tech Corp. (formerly Metron Capital Corp.) for the year ended June 30, 2019 were audited by another auditor who expressed an unmodified opinion on those statements on November 4, 2019.

### *Other Information*

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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



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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

**“DAVIDSON & COMPANY LLP”**

Vancouver, Canada

Chartered Professional Accountants

October 16, 2020

# INEO Tech Corp. (Formerly Metron Capital Corp.)

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Note	June 30, 2020	June 30, 2019
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$ 1,252,638	\$ 72,836
Accounts receivable	5	221,555	69,877
GST recoverable	6	14,115	803
Other receivable	6	-	24,371
Inventory	7	234,329	98,451
Prepaid expenses		5,037	19,883
		<b>1,727,674</b>	<b>286,221</b>
<b>Non-current assets</b>			
Equipment	8	115,527	25,329
Right-of-use asset	18	144,909	-
		<b>260,436</b>	<b>25,329</b>
<b>Total assets</b>		<b>\$ 1,988,110</b>	<b>\$ 311,550</b>
<b>Liabilities and Shareholders' Equity (Deficiency)</b>			
<b>Current liabilities</b>			
Bank overdraft		\$ -	\$ 13,922
Accounts payable and accrued liabilities	9	234,788	97,223
Due to related parties	14	9,750	182,691
Current portion of lease liability	19	22,940	-
Current portion of loans payable	10	185,270	202,116
		<b>452,748</b>	<b>495,952</b>
<b>Non-current liabilities</b>			
Non-current portion of lease liability	19	121,802	-
Non-current portion of loans payable	10	166,060	183,474
Government grant	11	55,112	-
		<b>342,974</b>	<b>183,474</b>
<b>Total liabilities</b>		<b>795,722</b>	<b>679,426</b>
<b>Shareholders' equity (deficiency)</b>			
Share capital	12	7,505,487	150,960
Reserves	12	70,150	101,409
Deficit		(6,383,249)	(620,245)
		<b>1,192,388</b>	<b>(367,876)</b>
<b>Total liabilities and shareholders' equity (deficiency)</b>		<b>\$ 1,988,110</b>	<b>\$ 311,550</b>

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

Nature of operations (Note 1)

Subsequent event (Note 22)

Approved on behalf of the Board on October 14, 2020:

"Steve Matyas"

Steve Matyas - Director

"Serge Gattesco"

Serge Gattesco - Director

# INEO Tech Corp. (Formerly Metron Capital Corp.)

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Note	For the year ended	
		June 30, 2020	June 30, 2019
<b>Sales</b>	21	\$ 526,954	\$ 424,312
<b>Cost of Sales</b>	21	(241,731)	(150,694)
<b>Gross Profit</b>		<b>285,223</b>	<b>273,618</b>
<b>Expenses</b>			
General and administrative expenses	13	811,648	264,059
Selling	13	304,340	93,349
Research and development	13	280,118	68,040
		(1,396,106)	(425,448)
<b>Other Income (Expenses)</b>			
Other income	11, 13	200,804	16,952
Non-cash loss on completion of RTO	4	(4,804,407)	-
Foreign exchange loss		(1,903)	(1,895)
Interest expense	10, 11	(46,615)	(34,080)
		(4,652,121)	(19,023)
<b>Loss and comprehensive loss</b>		<b>\$ (5,763,004)</b>	<b>\$ (170,853)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>		<b>23,497,848</b>	<b>12,117,347</b>
<b>Basic and diluted loss per share</b>		<b>\$ (0.25)</b>	<b>\$ (0.01)</b>

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

## INEO Tech Corp. (Formerly Metron Capital Corp.)

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)  
(Expressed in Canadian dollars)

	Share capital		Reserves	Deficit	Total Shareholders' Equity (Deficiency)
	Number of shares	Amount			
<b>Balance, June 30, 2018</b>	<b>10,560,000</b>	<b>\$ 150,960</b>	<b>\$ 66,492</b>	<b>\$ (449,392)</b>	<b>\$ (231,940)</b>
Net and comprehensive loss	-	-	-	(170,853)	(170,853)
Share-based compensation	-	-	34,917	-	34,917
<b>Balance, June 30, 2019</b>	<b>10,560,000</b>	<b>\$ 150,960</b>	<b>\$ 101,409</b>	<b>\$ (620,245)</b>	<b>\$ (367,876)</b>
Shares Issued for options	600,000	600	-	-	600
Fair value of options exercised	-	92,639	(92,639)	-	-
Shares of Metron at date of RTO	12,805,835	-	-	-	-
Eliminate shares of Ineo Solutions Inc.	(11,160,000)	-	-	-	-
Private Placement	8,048,498	2,816,974	-	-	2,816,974
Shares issued for the RTO	19,626,407	4,482,042	-	-	4,482,042
Finders' fees	-	(90,466)	-	-	(90,466)
Finders' warrants	-	(4,262)	4,262	-	-
Net and comprehensive loss	-	-	-	(5,763,004)	(5,763,004)
Shares issued for the asset acquisition	200,000	57,000	-	-	57,000
Share-based compensation	-	-	57,118	-	57,118
<b>Balance, June 30, 2020</b>	<b>40,680,740</b>	<b>\$ 7,505,487</b>	<b>\$ 70,150</b>	<b>\$ (6,383,249)</b>	<b>\$ 1,192,388</b>

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

# INEO Tech Corp. (formerly Metron Capital Corp.)

## Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	For the year ended	
	June 30, 2020	June 30, 2019
Cash flows used in operating activities:		
Net loss for the year	\$ (5,763,004)	\$ (170,853)
Items not involving cash:		
Amortization of right-of-use asset	10,351	-
Amortization on property and equipment	22,551	18,277
Bad debts	-	18,000
Interest expense accrued	46,615	12,500
Lease interest expense	6,213	-
Stock-based compensation	57,118	34,917
Non-cash loss on completion of RTO	4,804,407	-
Management compensation – Newman acquisition	50,990	-
Other income	(26,240)	-
Change in non-cash operating working capital:		
Accounts receivable	(141,656)	(63,374)
Accounts payable and accrued liabilities	155,956	31,463
Amounts due to related parties	(172,941)	(37,025)
GST recoverable	(13,312)	(1,372)
Inventory	(104,368)	(71,711)
Prepaid expenses	14,846	5,065
Other receivables	24,371	11,684
	<b>(1,028,103)</b>	<b>(212,429)</b>
Cash flows used in investing activities:		
Purchase of equipment	(103,249)	(3,886)
	<b>(103,249)</b>	<b>(3,886)</b>
Cash flows from financing activities:		
Loans received	100,000	221,590
Loan repayment	(310,773)	(36,000)
Government grant	80,000	-
Bank overdraft	(13,922)	7,839
Proceeds from the issuance of common shares, net of share issuance costs	2,727,108	-
RTO transaction costs, net of cash received	(219,528)	-
Payments for lease obligations	(16,731)	-
Acquisition of Newman	(35,000)	-
	<b>2,311,154</b>	<b>193,429</b>
Change in cash	<b>1,179,802</b>	<b>(22,886)</b>
Cash, beginning	72,836	95,722
Cash, end	\$ <b>1,252,638</b>	\$ <b>72,836</b>

Supplemental cash flow information (Note 16)

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



# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

As at and for the years ended June 30, 2020 and 2019

(Audited - expressed in Canadian dollars)

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## 1. NATURE AND CONTINUANCE OF OPERATIONS

INEO Tech Corp. (formerly Metron Capital Corp.), (the "Company") is a Canadian company incorporated under the laws of the Province of British Columbia on March 4, 2008. The Company's shares trade on the TSX Venture Exchange ("TSX-V") under the symbol INEO. The corporate head office and records office of the Company is located at 105 – 19130 24 Avenue Surrey, BC, V3Z 3S9.

On January 24, 2020, the Company completed its reverse takeover transaction with INEO Solutions Inc. (formerly Flashgate Technology Inc. or "INEO") based on which the Company acquired all of the issued and outstanding shares in the capital of INEO, via a reverse takeover transaction (the "Transaction") (Note 4). Upon completion of the Transaction, INEO became a wholly owned subsidiary of the Company, the resulting issuer and the Company carried on the business previously carried on by INEO. In connection with the Transaction, the Company changed its name to "INEO Tech Corp." and consolidated the common shares of the Company (the "Shares"), on the basis of one (1) post-consolidation Share for every 1.6191 pre-consolidation Shares (the "Consolidation"). The Shares commenced trading on the TSX-V under the new ticker symbol "INEO" on January 29, 2020. Upon completion of the Transaction, the Board of Directors filed a change of year end to change the Company's year end from May 31 to June 30, effective for the year ended June 30, 2020 to align its reporting periods with INEO.

On April 30, 2020, the Company acquired the assets of Newman Loss Prevention Solutions Inc. ("Newman") which include inventory and a vehicle, in exchange for 200,000 common shares of the Company with a future earn-out consideration of another 200,000 common shares upon achievement of certain agreed to milestones (Note 4).

The Company was an exploration stage business engaged in the acquisition and exploration of mineral properties located in Canada and the US. With the acquisition of INEO, The Company's principal business activity changed to provide services and products related to development and sales of advanced electronic article surveillance systems to retailers.

The Company incurred a net loss of \$5,763,004 for the year ended June 30, 2020 (June 30, 2019 - \$170,853). A non-cash loss on completion of the RTO totaling \$4,804,407 was recorded during the year ended June 30, 2020 (2019 - \$Nil). As at June 30, 2020, the Company had a history of losses and an accumulated deficit of \$6,383,249 (June 30, 2019 - \$620,245). As of that date, the Company's current assets exceeded its current liabilities by \$1,274,926 (June 30, 2019 - \$209,731 deficit). Consequently, continuing business as a going concern is dependent upon the success of the Company's sale of inventory, achieving profitable operations, generation of positive cash flows and the ability of the Company to obtain additional debt or equity financing, all of which are uncertain. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

For significant expenditures, the Company will depend on external capital. Such external capital will include the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company's operating commitments and development plans. The issuance of additional equity securities by the Company may result in dilution to the equity interests of current shareholders.

The Company's future capital requirements will depend on many factors, including the cash flows from its operating activities, costs of research and developing its products, operating costs, the current capital market environment, and global market conditions.

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

As at and for the years ended June 30, 2020 and 2019

(Audited - expressed in Canadian dollars)

## 1. NATURE AND CONTINUANCE OF OPERATIONS (CONTINUED)

The continued operations of the Company are dependent on its ability to generate revenues, develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, and ultimately generate profitable operations in the future. The Company has no assurance that it will be successful in its efforts. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the future success of the business could be adversely affected.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

## 2. BASIS OF CONSOLIDATION AND PREPARATION

The consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for the cash flow information.

These consolidated financial statements were authorized for issue by the Board of Directors on October 14, 2020.

These consolidated financial statements are presented in Canadian dollars and include the accounts of the Company and its wholly-owned subsidiaries, each having a Canadian functional currency.

Entity	Parent	Country of Incorporation	Effective Interest
INEO Solutions Inc.	INEO Tech Corp.	Canada	100%
FG Manufacturing Inc. ("FG")	INEO Solutions Inc.	Canada	100%

The consolidated financial statements include the accounts of the Company and its subsidiaries of which it has control. All significant intercompany balances, transactions and any unrealized gains and losses arising from intercompany transactions, have been eliminated.

### Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable at the time such estimate or assumption is made. Actual results may differ from these estimates.

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

As at and for the years ended June 30, 2020 and 2019

(Audited - expressed in Canadian dollars)

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## 2. BASIS OF CONSOLIDATION AND PREPARATION (continued)

### Use of estimates and judgments (continued)

The information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is as follows:

#### *Inventories*

Inventories are valued at the lower of cost and net realizable value. Cost of inventory includes cost of purchase (purchase price, import duties, transport, handling, and other costs directly attributable to the acquisition of inventories), and other costs incurred in bringing the inventories to their present location and condition. Net realizable value for inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions are made in profit or loss in the period for any difference between book value and net realizable value.

#### *Equipment*

The estimated useful lives of assets are reviewed by management and adjusted if necessary. To estimate equipment's useful life, management must use its past experience with the same or similar assets and may review industry practices for similar pieces of equipment and apply statistical methods to assist in its determination of useful life.

#### *Income taxes*

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

The information about significant areas of judgment considered by management in preparing the consolidated financial statements is as follows:

#### *Going concern*

The assessment of the Company's ability to continue as a going concern as discussed in Note 1 involves judgment regarding future funding available for its operations and working capital requirements.

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

As at and for the years ended June 30, 2020 and 2019

(Audited - expressed in Canadian dollars)

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## 2. BASIS OF CONSOLIDATION AND PREPARATION (continued)

### Use of estimates and judgments (continued)

#### *Stock options and warrants*

Determining the fair value of warrants and stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity (deficiency).

#### *Business combinations*

Business combinations require management to exercise judgment in measuring the fair value of assets acquired and liabilities and contingent liabilities incurred or assumed. Judgment is also required in determining what qualifies as part of consideration paid.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### **Cash and cash equivalents**

Cash and cash equivalents include cash on hand and in banks and highly liquid short-term interest-bearing variable rate investments which are readily convertible into a known amount of cash. Cash and cash equivalents are held with Canadian financial institutions. As at June 30, 2020 and 2019, there were no cash equivalents.

### **Inventory**

The Company values inventories at the lower of cost and net realizable value. Cost includes the costs of purchases net of vendor allowances plus other costs, such as transportation, that are directly incurred to bring the inventories to their present location and condition. The Company uses the weighted average method to determine the cost of inventories. The Company estimates net realizable value as the amount that inventories are expected to be sold while taking into consideration the estimated selling costs. Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage, or declining market prices. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is apparent evidence of an increase in selling price then the amount of the write-down previously recorded is reversed. Storage costs, indirect administrative overhead, and certain selling costs related to inventories are expensed in the period incurred.

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

As at and for the years ended June 30, 2020 and 2019

(Audited - expressed in Canadian dollars)

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## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments

#### Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of financial instruments:

Cash	FVTPL
Bank overdraft	FVTPL
Accounts receivable	Amortized cost
Other receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost
Due to related parties	Amortized cost

#### Measurement

##### *Financial assets at FVTOCI*

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

##### *Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

##### *Financial assets and liabilities at FVTPL*

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in the statements of loss and comprehensive loss.

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

As at and for the years ended June 30, 2020 and 2019

(Audited - expressed in Canadian dollars)

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## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial instruments (continued)

#### Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the credit risk on the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

#### Derecognition

##### *Financial assets*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss and comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

##### *Financial liabilities*

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

### Foreign currency translation

The consolidated financial statements are presented in Canadian dollars, which is the Company's and its subsidiaries' functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are re-translated at the period-end exchange rate.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange gains and losses arising on translation are recognized in profit or loss.

### Equipment

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

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

As at and for the years ended June 30, 2020 and 2019

(Audited - expressed in Canadian dollars)

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## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Equipment (continued)

Equipment is subsequently measured at cost less accumulated amortization, less any accumulated impairment losses. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net within other income in profit or loss.

The amortization rates applicable to each category of property and equipment are as follows:

Furniture and equipment	- 20-50% declining balance
Computer hardware	- 55% declining balance
Motor vehicle	- 20% declining balance
Installed units	- 20% declining balance

### Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

At June 30, 2020 and 2019, the Company has not recognized any internally-generated intangible assets.

### Share capital

The Company records proceeds from the issuance of its common shares as equity. Proceeds received on the issuance of common shares are allocated to the common share component. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

As at and for the years ended June 30, 2020 and 2019

(Audited - expressed in Canadian dollars)

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## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Share capital (continued)

The fair value of the common shares issued in the private placement was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted price on the issuance date. The remaining proceeds, if any, are allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve. Management does not expect to record a value to the warrant in most equity issuances as unit private placements are commonly priced at market or at a permitted discount to market. If the warrants are issued as share issuance costs, the fair value of agent's warrants are measured using the Black-Scholes Option Pricing Model and recognized in equity as a deduction from the proceeds.

If the warrants are exercised, the related amount is reclassified as share capital. If the warrants expire unexercised, the related amount remains in warrant reserve.

Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

### Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined that the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

### Net loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated using the treasury stock method. This method assumes that common shares are issued for the exercise of options, warrants and convertible securities and that the assumed proceeds from the exercise of options, warrants and convertible securities are used to purchase common shares at the average market price during the period. The difference between the number of shares assumed issued and the number of shares assumed purchased is then added to the basic weighted average number of shares outstanding to determine the fully diluted number of common shares outstanding. No exercise or conversion is assumed during the periods in which a net loss is incurred as the effect is anti-dilutive.

### Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Parties are also considered to be related if they are subject to common control and related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.



# INEO Tech Corp. (formerly Metron Capital Corp.)

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## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Revenue recognition

The Company derives revenues from the sales of consumable loss prevention products, electronic article surveillance systems ("EAS system"), services installation of EAS system and computer control router ("CNC") cutting services. The installation services and CNC services are provided as separate services per customer request and billed by hours based on the Company's rates. There are no services contracts attached to the sales of the consumable loss prevention products and EAS system. All products and services are sold on a standalone basis.

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

Revenue from the sales of consumable loss prevention products and EAS system is recognized when the products are shipped, or the products delivered and when all significant contractual obligations have been satisfied. Revenue from the sales of consumable loss prevention products and EAS system is recognized upon delivery where there is evidence of an arrangement, the selling price is fixed or determinable and there are no remaining performance obligations. The customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Once products are delivered to the Company's customers, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales order, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Since the installation services and CNC services are provided as separated services per customer request, the revenue for these services is recognized upon the completion of the services and all significant contractual obligations have been satisfied.

### Warranties

Costs of warranty include the cost of labor, material and related overhead necessary to repair a product during the warranty period. The warranty period is usually one to two years. The Company records actual warranty expenditures when they are incurred as warranties are usually not provided. There were minimal warranty expenditures during the years ended June 30, 2020 and 2019.

### Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to equity items, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

As at and for the years ended June 30, 2020 and 2019

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## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Income taxes (continued)

The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting profit (loss) nor taxable profit (loss); and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

### Business combination

Business combinations are accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values at the date of acquisition, of assets transferred, liabilities incurred or assumed, and equity instruments issued by the Company. The acquiree's identifiable assets and liabilities assumed are recognized at their fair value at the acquisition date. Acquisition related costs are recognized in profit or loss as incurred. The excess of the consideration over the fair value of the net identifiable assets and liabilities acquired is recorded as goodwill. Any gain on a bargain purchase is recorded in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. Any goodwill that arises is tested annually for impairment.

### New or amended standards adopted effective July 1, 2019

The Company has adopted the following new or amended IFRS standards for the interim and annual period beginning on July 1, 2019:

#### *IFRS 16 Leases ("IFRS 16")*

On January 2016, the IASB issued IFRS 16, which replaces IAS 17, Leases ("IAS 17") and related interpretations. The standard introduces a single lessee accounting model and requires lessees to recognize assets and liabilities for all leases with a term exceeding 12 months, unless the underlying asset is insignificant. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessors continue to classify leases as operating or finance, with lessor accounting remaining substantially unchanged from the preceding guidance under IAS 17. The Company adopted the standard on July 1, 2019 using the modified retrospective method, with no effect initially recognized in deficit, and no restatement of prior comparative periods.

The Company did not have any leases prior to March 6, 2020, at which point a right-of-use asset and lease liability were recognized in accordance with IFRS 16 (Notes 18 and 19).

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

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## 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **New or amended standards adopted effective July 1, 2019 (continued)**

#### *IFRIC 23, Uncertainty over income tax treatments ("IFRIC 23")*

IFRIC 23 clarifies the application of recognition and measurement requirements in IAS 12, Income taxes, when there is uncertainty over income tax treatments. It specifically addresses whether an entity considers each tax treatment independently or collectively, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, and how an entity considers changes in facts and circumstances. IFRIC 23 became effective for fiscal years beginning on or after January 1, 2019, with earlier application permitted. The Company has adopted this interpretation as of July 1, 2019 and has assessed no significant impact as a result of the adoption of this interpretation.

## 4. ACQUISITIONS

### (a) Reverse takeover

In connection with the completion of the Transaction (Note 1), the Company consolidated its common shares on a 1.6191:1 basis, from 20,733,928 pre-consolidation shares to 12,805,835 post-consolidation shares ("post-consolidated shares") outstanding immediately prior to completion of the Transaction. In exchange for all of the outstanding securities of Ineo Solutions Inc., the Company issued 19,626,407 post-consolidated common shares and options to purchase an additional 175,863 post-consolidation shares at \$0.0888 per post-consolidation share of the Company to the shareholders of Ineo Solutions Inc. pursuant to the share exchange between the Company and the shareholders of Ineo Solutions Inc.

As part of the Transaction, the Company also completed a private placement resulting in the issuance of 8,048,498 subscription receipts (the "Subscription Receipts") of the Company at a purchase price of \$0.35 per subscription receipt for gross proceeds of \$2,816,974 (the "Offering"). On completion of the Transaction, the subscription receipts were automatically converted in accordance with their terms into one common share of the Company and the net proceeds of the Offering were released to the Company from escrow. In addition, the Company issued 262,181 warrants to finders in connection with the Offering, each entitling the holder to acquire one common share of the Company at a price of \$0.35 per common share for a period of 24 months from their date of issue (Note 12).

In accordance with IFRS 3 "Business Combinations", the substance of the Transaction was a reverse takeover of a non-operating company. The Transaction does not constitute a business combination since the Company does not meet the definition of a business under IFRS 3.

As a result, for accounting purposes, the Transaction is being accounted for as a reverse takeover asset acquisition identifying Ineo Solutions Inc. as the acquirer and the net assets of the Company being treated as the acquired assets and the share-based payment under IFRS 2 related to the acquisition of the public company listing. Accordingly, the consolidated financial statements are presented as a continuation of Ineo Solutions Inc. which has a financial year end of June 30.

The Transaction was measured at the fair value of the shares that Ineo Solutions Inc. would have had to issue to the shareholders of the Company, to give the shareholders of the Company the same percentage equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Ineo Solutions Inc. acquiring the Company.

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

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(Audited - expressed in Canadian dollars)

## 4. ACQUISITIONS (continued)

### (a) Reverse takeover (continued)

In addition, 262,181 finders' warrants valued at \$0.016 each (totaling \$4,262) and finders' fees of \$90,466, have been recorded as share issuance costs and charged against share capital. The fair value of the warrants granted were estimated on their dates of issue using the Black-Scholes option pricing model and the following assumptions: volatility rate of 100%, risk-free rate of 1.49%, dividend yield of 0% and weighted average life of 2 years.

The assets acquired and liabilities assumed at their fair value on the acquisition date are as follows:

<b>Consideration</b>	
Fair value of 19,626,407 shares issued (valued at 12,805,835 shares at \$0.35 per share) to the shareholders of INEO Solutions Inc.	\$ 4,482,042
Transaction costs	219,841
<b>Total consideration</b>	<b>\$ 4,701,883</b>
<b>Net assets acquired (liabilities assumed)</b>	
Cash	\$ 313
Sales tax receivable	10,022
Accounts payable	(112,859)
<b>Total net assets acquired (liabilities assumed)</b>	<b>\$ (102,524)</b>
<b>Non-cash loss on completion of RTO</b>	<b>\$ 4,804,407</b>

### (b) Newman acquisition

On April 30, 2020, the Company acquired Newman's assets which include inventory and a vehicle, in exchange for 200,000 common shares in the Company with a future earn-out consideration of another 200,000 common shares upon achievement of certain milestones and \$35,000 in cash. Also, part of the acquisition is the employment of the owner of Newman as part of the Company's management team. The value of this contingent consideration is determined to be \$Nil on the date of acquisition.

In accordance with IFRS 3, the acquisition has met the definition of a business and therefore the transaction was accounted for as a business combination. The fair value of the consideration transferred was determined as face value for the cash consideration and \$0.285 market price per share for the 200,000 common shares of the Company issued on May 13, 2020.

The transaction resulted in management compensation of \$50,990.

The primary purpose of the business combination was to establish synergies between Newman and the Company, acquire access to networks and client base in Alberta and acquire management expertise.

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

As at and for the years ended June 30, 2020 and 2019

(Audited - expressed in Canadian dollars)

## 4. ACQUISITIONS (continued)

(b) Newman acquisition (continued)

In the period from April 30, 2020 to June 30, 2020, there were no sales from the inventories acquired from Newman. The following table summarizes the fair value of the consideration transferred and the fair values assigned to each asset acquired on the April 30, 2020 acquisition date:

<b>Consideration transferred</b>	
Cash	\$ 35,000
Common shares	57,000
<b>Total consideration</b>	<b>\$ 92,000</b>
<b>Identifiable assets acquired</b>	
Inventories	\$ 31,510
Vehicle	9,500
<b>Total identifiable assets acquired</b>	<b>\$ 41,010</b>
<b>Purchase price allocation</b>	
Total identifiable assets acquired	\$ 41,010
Management compensation	50,990
	<b>\$ 92,000</b>

## 5. ACCOUNTS RECEIVABLE

	<b>June 30, 2020</b>	June 30, 2019
Accounts receivable	\$ 221,555	\$ 87,877
Allowance for doubtful accounts	-	(18,000)
<b>Total accounts receivable</b>	<b>\$ 221,555</b>	<b>\$ 69,877</b>

The Company generally does not hold any collateral as security for accounts receivables. There is no significant risk to any particular customer. No allowance for expected credit loss was recognized for the year ended June 30, 2020 (June 30, 2019 - \$18,000). As of the date of this report, \$213,302 of the amounts outstanding by the end of the year were subsequently collected.

## 6. GST AND OTHER RECEIVABLES

	<b>June 30, 2020</b>	June 30, 2019
GST	\$ 14,115	\$ 803
Others	-	24,371
<b>Total</b>	<b>\$ 14,115</b>	<b>\$ 25,174</b>

Other receivables pertain to Scientific Research and Experimental Development tax credits (SR&ED) receivable as at June 30, 2019. During the year ended June 30, 2020, a total of \$67,322 was received (Note 13) relating to SR&ED (which includes the outstanding receivable as at June 30, 2019) and was recorded as other income in the consolidated statements of loss and comprehensive loss.

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

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## 7. INVENTORY

At June 30, 2020 and June 30, 2019, the Company has the following inventories:

	June 30, 2020	June 30, 2019
Raw materials and parts	\$ 111,707	\$ 28,873
Finished goods	122,622	69,578
Total inventory	\$ 234,329	\$ 98,451

## 8. EQUIPMENT

	Furniture and Equipment	Computer Hardware	Motor Vehicle	Installed Units	Total
<b>Costs:</b>					
Balance, June 30, 2018	\$ 95,101	\$ 52,990	\$ -	\$ -	\$ 148,091
Additions	2,528	1,358	-	-	3,886
Balance, June 30, 2019	\$ 97,629	\$ 54,348	\$ -	\$ -	\$ 151,977
Additions	-	9,159	9,500	94,090	112,749
<b>Balance, June 30, 2020</b>	<b>\$ 97,629</b>	<b>\$ 63,507</b>	<b>\$ 9,500</b>	<b>\$ 94,090</b>	<b>\$ 264,726</b>
<b>Accumulated Depreciation:</b>					
Balance, June 30, 2018	\$ 62,591	\$ 45,780	\$ -	\$ -	\$ 108,371
Amortization	14,107	4,170	-	-	18,277
Balance, June 30, 2019	\$ 76,698	\$ 49,950	\$ -	\$ -	\$ 126,648
Amortization	6,988	2,508	317	12,738	22,551
<b>Balance, June 30, 2020</b>	<b>\$ 83,686</b>	<b>\$ 52,458</b>	<b>\$ 317</b>	<b>\$ 12,738</b>	<b>\$ 149,199</b>
<b>Net Book Value:</b>					
June 30, 2019	\$ 20,931	\$ 4,398	\$ -	\$ -	\$ 25,329
<b>June 30, 2020</b>	<b>\$ 13,943</b>	<b>\$ 11,049</b>	<b>\$ 9,183</b>	<b>\$ 81,352</b>	<b>\$ 115,527</b>

## 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2020	June 30, 2019
Accounts payable	\$ 92,237	\$ 62,723
Accrued liabilities	142,551	34,500
Total	\$ 234,788	\$ 97,223

Accounts payable are generally non-interest bearing and are settled on 30 to 60-day payment terms.

Accrued liabilities include accruals for remuneration and benefits and other expenses billed after the reporting period. Accrued liabilities are generally settled within 12 months from the end of the reporting period.

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

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## 10. LOANS PAYABLE

On December 16, 2016, INEO received **\$100,000** as a loan, bearing an annual interest rate of 12.5% from a previously recognized related party (Note 14 – Related Party Transactions). This loan is due on demand and unsecured. During the year ended June 30, 2020 the Company incurred \$12,500 in interest expense (June 30, 2019 – \$12,500).

On September 17, 2017, INEO received **\$200,000** as a loan, bearing an annual interest rate of a floating base rate (“Prime”) plus a variance of 3.25% and compounded monthly. As at June 30, 2020, the floating base rate was 4.55% per year (June 30, 2019 - 6.05%). This loan matures on March 10, 2025 and is secured by guarantee of two major shareholders and the Company’s subsidiaries. The total outstanding principal and interest is repaid by monthly installments of \$2,770. During the year ended June 30, 2020, the Company incurred \$16,215 in interest expense (June 30, 2019 - \$17,046).

On April 4, 2019, INEO received **\$50,000** as a loan, bearing an annual interest rate of a floating (“Prime”) base rate plus a variance of 4.0% and compounded monthly. As at June 30, 2020, the floating base rate was 4.55% per year (June 30, 2019 - 6.05%). This loan matures on February 28, 2026 and is secured by guarantee of two major shareholders and the Company’s subsidiaries. The total outstanding principal and interest is repaid by monthly installments. During the year ended June 30, 2020, the Company incurred \$4,782 in interest expense (June 30, 2019 - \$1,129).

On April 15, 2019, INEO received **\$150,000** as loans from unrelated parties, bearing a fixed annual interest rate of 11% and compounded daily. These loans are due on demand and unsecured. During the year ended June 30, 2020, the Company incurred \$8,676 in interest expense (June 30, 2019 - \$3,405). The loan and accrued interest were fully repaid on January 27, 2020.

On October 3, 2019 INEO received **\$100,000** as a loan from an unrelated party, bearing a fixed annual interest rate of 12% and compounded daily. This loan is due on demand and unsecured. During the year ending June 30, 2020, the Company incurred \$3,090 in interest expense (June 30, 2019 – \$Nil). The loan and accrued interest were fully repaid on January 27, 2020.

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

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## 10. LOANS PAYABLE (continued)

The details of loans borrowed are below:

	Maturity date	Interest rate	June 30, 2020			June 30, 2019		
			Current portion \$	Long-term portion \$	Total \$	Current portion \$	Long-term portion \$	Total \$
Loan - \$200,000	March 10, 2025	Prime +3.25%	<b>33,240</b>	<b>127,420</b>	<b>160,660</b>	44,040	141,550	185,590
Loan - \$50,000	February 28, 2026	Prime + 4%	<b>8,280</b>	<b>38,640</b>	<b>46,920</b>	8,076	41,924	50,000
Loan - \$150,000	on demand	11%	-	-	-	150,000	-	150,000
Loan - \$100,000	on demand	12.5%	<b>143,750</b>	-	<b>143,750</b>	-	-	-
<b>Total loans payable</b>			<b>185,270</b>	<b>166,060</b>	<b>351,330</b>	202,116	183,474	385,590

The loan advances, interest accruals and loan payments made during the years ended June 30, 2020 and 2019 are below:

Balance, June 30, 2018	\$	200,000
Loans advanced		200,000
Interest accrued		21,590
Payments made		(36,000)
<b>Balance, June 30, 2019</b>	<b>\$</b>	<b>385,590</b>
Loans advanced		100,000
Reclassification from due to related parties		131,250
Interest accrued		45,263
Payments made		(310,773)
<b>Balance, June 30, 2020</b>	<b>\$</b>	<b>351,330</b>
<b>Less: Current portion of loans payable</b>		<b>(185,270)</b>
<b>Non-current portion of loans payable</b>	<b>\$</b>	<b>166,060</b>

## 11. GOVERNMENT GRANT

Due the global outbreak of Novel Coronavirus ("COVID-19"), the federal government of Canada introduced the Canada Emergency Business Account ("CEBA"). CEBA provides an interest-free loan ("CEBA Loan") of \$40,000 to eligible businesses. The CEBA Loan has an initial term that expires on December 31, 2022, throughout which, the CEBA Loan remains interest free. Repayment of \$30,000 by December 31, 2022, results in a \$10,000 loan forgiveness. If the balance is not paid prior to December 31, 2022, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025. On May 6, 2020, INEO Solutions and FG Manufacturing each received \$40,000 loans from the Government as part of the CEBA.



# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

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## 11. GOVERNMENT GRANT (continued)

Pursuant to IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, the benefit of a government loan at below - market rate is treated as a government grant and measured in accordance with IFRS 9, Financial Instruments. The benefit of below - market rate shall be measured as the difference between the initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received. The Company has estimated the initial carrying value of each CEBA loan at \$26,880, using a discount rate of 15%, which was the estimated rate for a similar loan without the interest - free component. The difference of \$13,120 will be accreted to each CEBA loan liability over the term of the CEBA Loan and offset to other income on the statements of loss and comprehensive loss.

During the year ended June 30, 2020, total interest expense recognized for the CEBA loans amounted to \$1,352 (June 30, 2019 – \$Nil).

## 12. SHARE CAPITAL AND RESERVES

### Authorized share capital

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

### Issued share capital

During the year ended June 30, 2020, the Company had the following capital stock transactions:

- i) On September 15, 2019, 600,000 common shares were issued on the exercise of 600,000 stock options exercised at \$0.001 per share.
- ii) As part of the RTO, the Company completed a private placement resulting in the issuance of 8,048,498 common shares at \$0.35 per share. In addition, the Company issued 262,181 warrants and paid \$90,466 to finders in connection with the transaction.
- iii) Upon completion of the RTO, the Company also issued 19,626,407 shares to shareholders of INEO (Note 4).
- iv) On May 13, 2020, pursuant to the acquisition of Newman's assets, the Company issued 200,000 common shares at \$0.285 per share (Note 4).

As at June 30, 2020, the Company had 40,680,740 shares issued and outstanding (June 30, 2019 – 10,560,000).

The Company had no capital stock transactions during the year ended June 30, 2019.

### Stock options

The Company has adopted a stock option plan which allows the Company to issue options to certain directors, officers, employees and consultants of the Company to acquire up to 10% of the issued and outstanding common stock. The exercise price of each option cannot be less than the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years.

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## 12. SHARE CAPITAL AND RESERVES (continued)

### Stock options (continued)

Stock options granted under the plan vest immediately subject to vesting terms which may be imposed at the discretion of the directors.

The changes in stock options during the years ended June 30, 2020 and 2019 are as follows:

	June 30, 2020		June 30, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, beginning	700,000	\$ 0.023	700,000	\$ 0.023
Options issued	3,425,863	0.264	-	-
Options cancelled	(100,000)	0.156	-	-
Options exercised	(600,000)	0.001	-	-
Options outstanding, ending	3,425,863	0.264	700,000	0.023
Options exercisable, ending	87,932	\$ 0.089	625,000	\$ 0.023

Details of options outstanding as at June 30, 2020 are as follows:

Expiry date	Exercise price	Average contractual life	Number of options outstanding	Number of options exercisable
January 23, 2025	0.089	4.57	175,863	87,932
April 14, 2025	0.260	4.79	2,750,000	-
April 14, 2025	0.350	4.79	500,000	-

The fair value of stock options granted was determined using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	Year ended June 30, 2020	Year ended June 30, 2019
Expected life of options	5 years	5 years
Annualized volatility	100%	100%
Risk-free interest rate	0.44% - 1.39%	1.64% - 1.82%
Dividend rate	0%	0%

### Warrants

On January 24, 2020, the Company issued 262,181 warrants valued at \$4,262 in connection with the RTO (Note 4). The warrants have an exercise price of \$0.35 and expire on January 23, 2022. The fair value of the warrants granted were estimated on their dates of issue using the Black-Scholes option pricing model and the following assumptions: volatility rate of 100%, risk-free rate of 1.49%, dividend yield of 0% and weighted average life of two years. The fair value of the share warrants is recorded as share issuance costs charged against share capital.

There were no warrants issued during the year ended June 30, 2019.

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

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(Audited - expressed in Canadian dollars)

## 13. BREAKDOWN OF EXPENSES AND OTHER INCOME

General and administrative expenses are composed of the following:

	Note	For the year ended	
		June 30, 2020	June 30, 2019
Accounting and legal	14	\$ 227,993	\$ 76,552
Amortization on property and equipment	8,18	32,902	18,277
Bad debt	5	-	18,000
Insurance		5,254	4,204
Lease interest	19	6,213	-
Office expenses		67,373	40,575
Rent	19	49,232	50,201
Remuneration and benefits	4, 14	353,734	-
Stock-based compensation	12, 14	45,256	34,917
Supplies		23,691	21,333
		\$ 811,648	\$ 264,059

Selling expenses are composed of the following:

	Note	For the year ended	
		June 30, 2020	June 30, 2019
Freight and delivery		\$ 10,286	\$ 9,928
Investor relations		16,032	6,787
Marketing and research		59,776	-
Remuneration and benefits		200,334	73,609
Stock-based compensation	12	6,590	-
Travel		11,322	3,025
		\$ 304,340	\$ 93,349

Research and development expenses are composed of the following:

	Note	For the year ended	
		June 30, 2020	June 30, 2019
Consulting fees		\$ 37,479	\$ 53,266
Remuneration and benefits		237,367	14,774
Stock-based compensation	12	5,272	-
		\$ 280,118	\$ 68,040

Other income is composed of the following:

	Note	For the year ended	
		June 30, 2020	June 30, 2019
CEWS		\$ 121,043	\$ -
Government grant	11	26,240	-
SR&ED	6	42,951	-
Others		10,570	16,952
		\$ 200,804	\$ 16,952

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

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(Audited - expressed in Canadian dollars)

## 13. BREAKDOWN OF EXPENSES AND OTHER INCOME (continued)

Due to the global outbreak of COVID-19, the federal government of Canada introduced the Canada Emergency Wage Subsidy ("CEWS"). CEWS provides wage subsidy to eligible companies who experienced a drop in revenue. The subsidy amount depends on the percentage of revenue drop. If the drop is 30% or higher, the Company can claim 75% of the eligible employees' remuneration up to a maximum of \$847 per week. If the drop is less than 30%, then there will be no subsidy to be claimed. For the year ended June 30, 2020, the total amount received by the Company for the CEWS amounted to \$121,043 (June 30, 2019 – \$Nil).

## 14. RELATED PARTY TRANSACTIONS

### Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured, unless specified.

As at June 30, 2020, the Company has \$9,750 due to related parties (June 30, 2019 - \$182,691):

	June 30, 2020	June 30, 2019
Directors	\$ -	\$ 75,096
Company controlled by directors	-	107,595
Company controlled by the Chief Financial Officer (CFO)	9,750	-
Due to related parties	\$ 9,750	\$ 182,691

The loan to a related party recognized during the year ended June 30, 2019 as part of due to related party with a balance of \$131,250 (principal and interest) as at June 30, 2020 was reclassified to loans payable (Note 10).

During the years ended June 30, 2020 and 2019, the Company had the following transactions with related parties:

Type of Service	June 30, 2020	June 30, 2019
Accounting fees	\$ 31,116	\$ -
Management fees	25,000	-
Remuneration and benefits	208,841	-
Share-based compensation	33,392	-
<b>Total</b>	<b>\$ 298,349</b>	<b>\$ -</b>

Of the total transactions with related parties, the following was paid for key management personnel remuneration:

- Accounting and management fees of \$56,116 (2019 - \$Nil) were paid to a company controlled by the CFO.
- Remuneration and benefits consist of \$104,421 paid to the President, Director and Corporate Secretary (2019 – \$Nil) and \$104,420 paid to the Chief Executive Officer (CEO) and Director (2019 – \$Nil).
- Share-based compensation consists of \$13,181 to the CEO, \$13,181 to the President, Director and Corporate Secretary and a total of \$7,030 to two Directors (2019 – \$Nil).

Under the terms of their management agreements certain officers of the Company are entitled to 24 months of base pay in the event of their agreements being terminated without cause.

# INEO Tech Corp. (formerly Metron Capital Corp.)

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## 15. CAPITAL MANAGEMENT

The Company defines capital as consisting of shareholders' equity (deficiency). The Company's objectives when managing capital are to support the further advancement of the Company's business objectives and existing product lines, as well as to ensure that the Company can meet its financial obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility adjusting it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The approach to capital management has not changed since the prior year, and the Company is not subjected to externally imposed capital requirements.

## 16. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred the following non-cash financing transactions during the years ended June 30, 2020 and 2019:

<b>Supplemental information</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>
Fair value of options exercised	\$ 92,639	\$ -
Finders' warrants	4,262	-
Right-of-use asset and lease liability recognized on adoption of IFRS 16	155,260	-
Reclassification of loans from due to related party	131,250	-
Shares issued for the RTO	4,482,042	-
Shares issued for asset acquisition	57,000	-

## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

### a) Fair value risk

The Company's financial instruments consist of cash, accounts receivable, other receivable, bank overdraft, accounts payable, due to related parties and loans payable.

Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data

Accounts receivable, other receivable, accounts payable and due to related parties approximate their fair value due to their short-term maturities. Cash and bank overdraft under the fair value hierarchy are based on Level 1 quoted prices in active markets for identical assets or liabilities. The fair value of the loans payable also approximates its carrying value due to the fact that the interest rate is approximate to market rates.

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

As at and for the years ended June 30, 2020 and 2019

(Audited - expressed in Canadian dollars)

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## 17. FINANCIAL INSTRUMENTS (continued)

### b) Market risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and price risk and are disclosed as follows:

#### (i) Currency risk

Currency risk is the risk of change in profit or loss that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company has only a nominal amount of assets or liabilities denominated in foreign currencies and engaged in very few transactions denominated in a foreign currency; therefore, its exposure to currency risk is limited.

#### (ii) Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates. The Company is subjected to the risks of fluctuations of the variable interest rates ("Prime") of certain of its loans payable (Note 10). The Company continues monitoring its exposure to the Prime and it is comfortable to this exposure given the relative low fluctuation of the bank interest rates in Canada.

### c) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

All the Company's cash is held through Canadian chartered banks and accordingly, the Company's exposure to credit risk is limited. The Company's GST recoverable and other receivable are refunds due from the Government of Canada and the exposure to credit risk on these amounts are considered to be limited.

The Company's accounts receivable consists of amounts due from various customers. The maximum exposure to credit risk is equal to the carrying value of accounts receivable. The business models of the Company's respective segments require analysis of credit risk specific to each business line. The Company's historic rate of bad debts is low.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all accounts receivable. To measure the expected credit losses, accounts receivable is assessed primarily on days past due combined with the Company's knowledge of past bad debts. During the year ended June 30, 2020, bad debts expense for the Company was \$Nil (2019 - \$18,000).

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

As at and for the years ended June 30, 2020 and 2019

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## 17. FINANCIAL INSTRUMENTS (continued)

### d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At June 30, 2020, the Company has a cash balance of \$1,252,638 and current liabilities balance of \$452,748. The Company manages its liquidity risk by attempting to maintain sufficient cash balances to enable settlement of transactions on the due date. Accounts payable and accrued liabilities and due to related parties are all current. As the Company has limited sources of revenue, it may require additional financing to accomplish its long-term strategic objectives.

### d) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

## 18. RIGHT-OF-USE ASSET

On March 6, 2020, the Company entered into a 5-year lease agreement for leased premises in Surrey, British Columbia, commencing April 1, 2020 and ending on March 9, 2025. The minimum base rent per month for years 1 to 5 of the 5-year lease are respectively \$3,290 for year 1, \$3,360 for year 2, \$3,430 for year 3, \$3,500 for year 4 and \$3,570 for year 5. In accordance with IFRS 16, the Company recognized right-of-use asset of \$155,260 as at March 6, 2020 equal to the present value of all remaining lease payments discounted at an incremental borrowing rate of 12.5%. The Company depreciates the right-of-use assets on a straight-line basis, over the lease term.

	Warehouse	
Cost		Lease
Balance, June 30, 2018 and 2019	\$	-
Additions		155,260
<b>Balance, June 30, 2020</b>	<b>\$</b>	<b>155,260</b>
<b>Accumulated depreciation</b>		
Balance, June 30, 2018 and 2019	\$	-
Additions	\$	(10,351)
<b>Balance, June 30, 2020</b>	<b>\$</b>	<b>(10,351)</b>
<b>Carrying value</b>		
Balance, June 30, 2019	\$	-
<b>Balance, June 30, 2020</b>	<b>\$</b>	<b>144,909</b>

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

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## 19. LEASE LIABILITY

The lease liability is initially measured at the present value of the lease payments to be made over the lease term, using the effective interest method for the present value determination. As the rate implicit in the lease cannot be readily determined, the Company applied an average incremental borrowing rate. The Company used discount rate of 12.5% to calculate the present value of its lease payments. Total interest expense on lease liabilities for the year ended June 30, 2020 was \$6,213 (June 30, 2019 - \$Nil). The following table represents lease obligation for the Company:

As at	June 30, 2020	June 30, 2019
Current	\$ 22,940	\$ -
Non-current	121,802	-
<b>Total lease liability</b>	<b>\$ 144,742</b>	<b>\$ -</b>

The following table shows the rollforward of lease obligations for the years ended June 30, 2020 and 2019:

	June 30, 2020	June 30, 2019
Beginning balance	\$ -	\$ -
Additions	155,260	-
Interest expense	6,213	-
Lease payments	(16,731)	-
<b>Ending balance</b>	<b>\$ 144,742</b>	<b>\$ -</b>
<b>Less: Current portion of lease liability</b>	<b>(22,940)</b>	<b>-</b>
<b>Non-current portion of lease liability</b>	<b>\$ 121,802</b>	<b>\$ -</b>

The following table presents the contractual undiscounted cashflows for lease obligation as at June 30, 2020 and 2019:

	June 30, 2020	June 30, 2019
Less than one year	\$ 39,760	\$ -
One to five years	152,880	-
<b>Total undiscounted lease obligation</b>	<b>\$ 192,640</b>	<b>\$ -</b>

During the year ended June 30, 2020, the Company expensed \$49,232 in short term and low value leases (June 30, 2019 – \$50,201).

## 20. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

For the year ended	June 30, 2020	June 30, 2019
Net loss before income tax	\$ (5,763,004)	\$ (170,853)
Expected income tax (recovery)	(1,556,000)	(46,000)
Permanent differences	1,285,000	-
Share issue costs	(24,000)	-
Adjustments to prior years' provision versus statutory tax returns and other	(33,000)	39,000
Change in unrecognized deductible temporary differences	328,000	7,000
<b>Total income tax expense (recovery)</b>	<b>\$ -</b>	<b>\$ -</b>



# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

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(Audited - expressed in Canadian dollars)

## 20. INCOME TAXES (continued)

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

As at	June 30, 2020	June 30, 2019
Deferred tax assets:		
Property and equipment	\$ 46,000	\$ 17,000
Share issue costs	20,000	-
SRED pool	32,000	-
Non-capital losses carried forward	330,000	83,000
	\$ 428,000	\$ 100,000
<b>Unrecognized deferred tax assets</b>	<b>(428,000)</b>	<b>(100,000)</b>
<b>Net deferred tax assets</b>	<b>\$ -</b>	<b>\$ -</b>

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2020	Expiry Date Range	2019	Expiry Date Range
<b>Temporary Differences</b>				
Property and equipment	\$ 170,000	No expiry date	\$ 63,000	No expiry date
Share issue costs	72,000	2041 to 2044	-	N/A
SRED pool	118,000	No expiry date	-	N/A
Non-capital losses available for future periods	1,222,000	2035 to 2040	309,000	2037 to 2039

Tax attributes are subject to review, and potential adjustment, by tax authorities.

## 21. SEGMENTED INFORMATION

The Company has the following reporting segments: corporate and administration; loss prevention; and fabrication. The reportable segments were determined based on the nature of the services provided and goods sold.

Reportable segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The reportable segments were determined based on the nature of the services provided and goods sold. Loss Prevention refers to sales of security technology, this year's sale of the Company's new product – sneeze guards, and sale of relevant accessories. Fabrication, on the other hand, refers to cutting, assembly and set-up of loss prevention products in customers' premises.

# INEO Tech Corp. (formerly Metron Capital Corp.)

Notes to the Consolidated Financial Statements

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(Audited - expressed in Canadian dollars)

## 21. SEGMENTED INFORMATION (continued)

Consolidated statements of loss and comprehensive loss	During the year ended June 30, 2020				
	Loss Prevention	Fabrication	Welcoming Systems	Corporate and administration	Total
Sales to external customers	\$ 390,291	\$ 136,663	\$ -	\$ -	\$ 526,954
Cost of Goods Sold	(186,452)	(55,279)	-	-	(241,731)
<b>Gross Profit</b>	<b>203,839</b>	<b>81,384</b>	<b>-</b>	<b>-</b>	<b>285,223</b>
Operating expenses	-	-	-	(1,363,204)	(1,363,204)
Interest expense	(45,939)	(676)	-	-	(46,615)
Amortization	(27,777)	(5,125)	-	-	(32,902)
Other income	-	-	-	200,804	200,804
Foreign exchange loss	(1,903)	-	-	-	(1,903)
Non-cash loss on completion of RTO	-	-	-	(4,804,407)	(4,804,407)
	(75,619)	(5,801)	-	(5,966,807)	(6,048,227)
<b>Net loss and comprehensive loss</b>	<b>\$ 128,220</b>	<b>\$ 75,583</b>	<b>\$ -</b>	<b>\$ (5,966,807)</b>	<b>\$ (5,763,004)</b>

Consolidated statements of loss and comprehensive loss	During the year ended June 30, 2019				
	Loss Prevention	Fabrication	Welcoming Systems	Corporate and administration	Total
Sales to external customers	\$ 310,873	\$ 113,439	\$ -	\$ -	\$ 424,312
Cost of Goods Sold	(148,905)	(1,789)	-	-	(150,694)
<b>Gross Profit</b>	<b>161,968</b>	<b>111,650</b>	<b>-</b>	<b>-</b>	<b>273,618</b>
Operating expenses	-	-	-	(407,171)	(407,171)
Interest expense	(34,080)	-	-	-	(34,080)
Amortization	(13,425)	(4,852)	-	-	(18,277)
Other income	-	-	-	16,952	16,952
Foreign exchange loss	(1,895)	-	-	-	(1,895)
	(49,400)	(4,852)	-	(390,219)	(444,471)
<b>Net loss and comprehensive loss</b>	<b>\$ 112,568</b>	<b>\$ 106,798</b>	<b>\$ -</b>	<b>\$ (390,219)</b>	<b>\$ (170,853)</b>

The Company's chief operation decision makers are the CEO, the President and Corporate Secretary, and the CFO. They review the operations and performance of the Company. All of the Company's assets are in Canada.

Sales by geographical locations are as follows:

For the year ended	June 30, 2020	June 30, 2019
Canada	\$ 461,740	\$ 361,878
USA	52,511	16,313
Mexico	10,903	46,121
Netherlands	1,800	-
	<b>\$ 526,954</b>	<b>\$ 424,312</b>

# INEO Tech Corp. (formerly Metron Capital Corp.)

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## 22. SUBSEQUENT EVENT

On August 18, 2020, the Company granted 200,000 stock options to a director of the Company with an exercise price of \$0.26 per share. The stock options shall vest on the basis of 25% on August 18, 2021, 25% on August 18, 2022, 25% on August 18, 2023 and 25% on August 18, 2024. The options shall expire at the end of the term of the Company stock option plan or 30 days after the optionee is no longer a director of the Company, whichever comes first.