



**DISCOURSE MEDIA INC**

**Financial Statements**

**Year Ended December 31, 2019**

*(Unaudited - See Notice To Reader)*

**DISCOURSE MEDIA INC**  
**Index to Financial Statements**  
**Year Ended December 31, 2019**  
*(Unaudited - See Notice To Reader)*

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## NOTICE TO READER

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On the basis of information provided by management, we have compiled the balance sheet of Discourse Media Inc as at December 31, 2019 and the statements of deficit and loss for the year then ended.

We have not performed an audit or a 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.

*Jason Ding*

Jason Ding, CPA Inc  
Chartered Professional Accountants

Surrey, British Columbia  
April 8, 2020

**DISCOURSE MEDIA INC**  
**Balance Sheet**  
**December 31, 2019**  
*(Unaudited - See Notice To Reader)*

	2019	2018
<b>ASSETS</b>		
CURRENT		
Accounts receivable	\$ 13,562	\$ 25,118
Prepaid expenses	510	510
Sales tax receivable	-	4,560
	<u>14,072</u>	30,188
PROPERTY AND EQUIPMENT <i>(Net of accumulated amortization) (Note 3)</i>	23,200	28,614
DEPOSITS	<u>22,414</u>	22,414
	<u>\$ 59,686</u>	<u>\$ 81,216</u>
<b>LIABILITIES</b>		
CURRENT		
Bank indebtedness	\$ 18,740	\$ 135,370
Line of credit	59,626	65,935
Accounts payable and accrued liabilities	89,989	48,462
Current portion of long-term debt	44,000	124,000
Deferred income	-	89,795
Sales tax payable	13,478	-
	<u>225,833</u>	463,562
DUE TO SHAREHOLDERS	108,183	71,678
CONVERTIBLE DEBT	331,959	226,977
CONVERSION FEATURE OF CONVERTIBLE DEBT	138,475	138,475
NOTE PAYABLE	200,000	120,000
INTEREST PAYABLE	44,046	20,967
LONG-TERM LOAN	<u>154,000</u>	156,000
	<u>1,202,496</u>	1,197,659
<b>SHAREHOLDERS' DEFICIENCY</b>		
SHARE CAPITAL	607,187	579,376
SUBSCRIPTIONS RECEIVABLE	(20,000)	(20,000)
DEFICIT	<u>(1,729,997)</u>	<u>(1,675,825)</u>
	<u>(1,142,810)</u>	<u>(1,116,449)</u>
	<u>\$ 59,686</u>	<u>\$ 81,210</u>

See notes to financial statements

**DISCOURSE MEDIA INC**  
**Statement of Deficit**  
**Year Ended December 31, 2019**  
*(Unaudited - See Notice To Reader)*

	<b>2019</b>	2018
<b>DEFICIT - BEGINNING OF YEAR</b>	<b>\$ (1,675,825)</b>	\$ (540,354)
NET LOSS FOR THE YEAR	<u>(54,172)</u>	(1,135,471)
<b>DEFICIT - END OF YEAR</b>	<b><u>\$ (1,729,997)</u></b>	<b>\$ (1,675,825)</b>

See notes to financial statements

**DISCOURSE MEDIA INC**  
**Statement of Loss**  
**Year Ended December 31, 2019**  
*(Unaudited - See Notice To Reader)*

	2019	2018
<b>REVENUE</b>	<b>\$ 704,782</b>	<b>\$ 244,977</b>
<b>EXPENSES</b>		
Advertising and promotion	64,573	135,689
Amortization	6,084	2,707
Bad debts	-	15,000
Insurance	3,620	6,727
Interest and bank charges	11,506	36,229
Interest on long-term debt	23,079	20,967
Office and miscellaneous	53,710	91,996
Professional fees	59,613	100,966
Rent	133,156	79,698
Repairs and maintenance	-	1,842
Salaries and wages	295,275	794,652
Sub-contracts	94,168	86,902
Travel	12,697	25,469
Utilities	1,069	2,653
	<b>758,550</b>	<b>1,401,497</b>
<b>LOSS FROM OPERATIONS</b>	<b>(53,768)</b>	<b>(1,156,520)</b>
<b>OTHER INCOME</b>		
Loss on foreign exchange	(404)	-
Revaluation surplus	-	21,049
	<b>(404)</b>	<b>21,049</b>
<b>NET LOSS FOR THE YEAR</b>	<b>\$ (54,172)</b>	<b>\$ (1,135,471)</b>

See notes to financial statements

**DISCOURSE MEDIA INC**  
**Notes to Financial Statements**  
**Year Ended December 31, 2019**  
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**1. DESCRIPTION OF BUSINESS**

Discourse Media Inc (the "company") was incorporated provincially under the Business Corporations Act of the British Columbia on January 20, 2016. It's principal business activity is to write and sell journalism articles about complex issues across Canada.

The principal business office of the Company is located at Suite 308, 877 East Hastings Street, Vancouver British Columbia, Canada, V6A 3Y1

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Comparative figures

Certain comparative amounts have been reclassified to conform to the current year's presentation.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Computer software	30% declining balance method
Furniture and fixtures	20% declining balance method
Leasehold improvements	5 years straight-line method

The company regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

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**DISCOURSE MEDIA INC**  
**Notes to Financial Statements**  
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**3. PROPERTY AND EQUIPMENT**

	Cost	Accumulated amortization	<b>2019 Net book value</b>	2018 Net book value
Computer software	\$ 670	\$ 100	\$ 570	\$ -
Furniture and fixtures	14,004	3,921	<b>10,083</b>	12,604
Leasehold improvements	17,316	4,769	<b>12,547</b>	16,010
	<b>\$ 31,990</b>	<b>\$ 8,790</b>	<b>\$ 23,200</b>	<b>\$ 28,614</b>