MENĒ INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2018

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Menē Inc.
Condensed Consolidated Interim Statement of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	Note	September 30, 2018	December 31 2017
Assets			
Cash and cash equivalents	5	$ 3,826,736	$ 9,193,095
Receivables		86,540	5,594
Inventory	6	6,691,116	2,812,986
Short-term investments	7	6,032,921	76,453
Subscription receivable		-	3,489,690
Prepaid and other assets		599,018	-
Property and equipment		550,967	799,542
Intangible asset		25,604	30,405
Total Assets		**$ 17,812,902**	**$ 16,407,765**
Equity and Liabilities			
Liabilities			
Accounts payable and accrued liabilities		$ 666,217	$ 443,730
Borrowings and payables to related parties	8	7,069,165	2,771,098
Total liabilities		7,735,382	3,214,828
Shareholders' Equity			
Share capital	9	$ 13,617,192	$ 12,889,865
Contributed surplus	10	2,120,634	2,005,119
Accumulated other comprehensive gain (loss)		8,849	(335,279)
Deficit		(5,669,155)	(1,366,768)
Total shareholders' equity		10,077,520	13,192,937
Total Shareholders' Equity and Liabilities		**$ 17,812,902**	**$ 16,407,765**

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

Approved on behalf of the Board:

"Roy Sebag", Director

"Joshua Crumb", Director

Menē Inc.
Condensed Consolidated Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

	Note	For the three months ended September 30, 2018	For the nine months ended September 30, 2018	Period from July 11, 2017 to December 31, 2017
Revenue	11	$ 1,985,711	$ 4,417,523	$ 63,909
Cost of sales		(1,777,303)	(3,809,170)	(51,766)
Gross profit		208,408	608,353	12,143
Operating expenses				
Advertising and promotion		$ 648,181	$ 2,253,559	$ 350,510
Stock-based compensation		469,002	535,570	5,917
General and administrative		69,402	333,826	214,920
Professional fees		421,799	1,218,618	613,303
Foreign exchange (gain) loss		(4,318)	10,748	3,508
Depreciation and amortization		39,161	127,258	55,571
Technology and development costs		26,503	54,918	52,094
Distribution centre operation costs		220,828	459,069	83,088
Other		8,841	8,841	-
Total operating expenses		1,899,398	5,002,407	1,378,911
Operating loss for the period		**$ (1,690,990)**	**$ (4,394,054)**	**$ (1,366,768)**
Interest Income		46,892	91,667	-
Net loss for the period		**$ (1,644,098)**	**$ (4,302,387)**	**$ (1,366,768)**
Other comprehensive income (loss)				
Items that will be reclassified subsequently to income				
Unrealized gain (loss) on foreign currency translation		(47,027)	344,129	(335,279)
Other comprehensive income (loss) for the period		$ (47,027)	$ 344,129	$ (335,279)
Net loss and comprehensive loss for the period		**$ (1,691,125)**	**$ (3,958,258)**	**$ (1,702,047)**
Net loss attributable to equity holders:		**$ (1,644,098)**	**$ (4,302,387)**	**$ (1,366,768)**
Basic and diluted earnings per share	14	#		
Basic & diluted		$ (0.01)	$ (0.02)	$ (0.01)
Weighted average number of common shares	14	#		
Basic & diluted		206,788,362	205,335,325	164,650,530

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements
The period from July 11, 2017 (incorporation) to December 31, 2017 is included as supplemental information

Menē Inc.
Condensed Consolidated Interim Statement of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	For the three months ended September 30, 2018	For the nine months ended September 30, 2018	Period from July 11, 2017 to December 31, 2017
Cash provided by (used in):			
Operating Activities			
Net loss for the period	$ (1,644,098)	$ (4,302,387)	$ (1,366,768)
Items not involving cash:			
Depreciation and amortization	39,161	127,258	55,571
Stock based compensation	394,387	535,570	5,917
Changes in non-cash working capital items:			
Inventory	263,204	(3,878,130)	(2,812,986)
Receivables	12,905	(80,946)	(5,594)
Prepaid and other assets	(341,843)	(524,101)	-
Payable to related parties	(1,034,975)	4,298,067	2,771,098
Accounts payable and accrued liabilities	255,490	222,486	443,730
Net cash used in operating activities	(2,055,769)	(3,602,183)	(909,032)
Investing Activities			
Sale (purchase) of short-term investments	3,466,117	(5,956,468)	(76,453)
Purchase of intangible asset	-	-	(32,005)
Sale (purchase) of property and equipment	133,486	126,118	(853,513)
Net cash (used) provided by investing activities	3,599,603	(5,830,350)	(961,971)
Financing Activities			
Proceeds on issuance of common shares	232,356	3,722,046	11,399,377
Net cash (used) provided by financing activities	232,356	3,722,046	11,399,377
Increase (decrease) in cash and cash equivalents	1,776,190	(5,710,487)	9,528,374
Change in cash related to foreign exchange	(47,028)	344,129	(335,279)
Cash and cash equivalents, beginning of period	2,097,574	9,193,095	-
Cash and cash equivalents, end of period	$ 3,826,736	$ 3,826,736	$ 9,193,095

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements
The period from July 11, 2017 (incorporation) to December 31, 2017 is included as supplemental information

Menē Inc.
Condensed Consolidated Interim Statement of Changes in Equity
(Expressed in Canadian Dollars)
Unaudited

	Number of Shares	Share capital	Contributed surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Shareholders' Equity
Balance, December 31, 2017	205,102,299	$ 12,889,865	$ 2,005,119	$ (335,279)	$ (1,366,768)	$ 13,192,937
Shares repurchased	(500,000)	(51,894)	-	-	-	(51,894)
Stock based compensation	1,097,470	494,971	115,515	-	-	610,486
Exercise of warrants	5,685,002	284,250	-	-	-	284,250
Other comprehensive income for the period	-	-	-	344,129	-	344,129
Net loss for the period	-	-	-	-	(4,302,387)	(4,302,387)
Balance, September 30, 2018	211,384,771	$ 13,617,192	$ 2,120,634	$ 8,850	$ (5,669,155)	$ 10,077,521
Balance, July 11, 2017	-	$ -	$ -	$ -	$ -	$ -
Shares issued	205,102,299	12,889,865	2,005,119	-	-	14,894,984
Other comprehensive loss for the period	-	-	-	(335,279)	-	(335,279)
Net loss for the period	-	-	-	-	(1,366,768)	(1,366,768)
Balance, December 31, 2017	205,102,299	$ 12,889,865	$ 2,005,119	$ (335,279)	$ (1,366,768)	$ 13,192,937

The accompanying notes are an integral part of these unaudited condensed consolidated interim financial statements

1. Nature of operations

Menē Inc. ("Menē" or the "Company") designs, manufactures, and markets 24 karat gold and platinum jewelry under the brand name Menē. The Company retails its jewelry by gram weight direct-to-consumer through a transparent online shopping experience.

Menē was incorporated on July 11, 2017, under the laws of the Province of Ontario, Canada. Menē, Inc., (“Menē Delaware”) was incorporated on November 10, 2016, in the State of Delaware, United States of America. On July 11, 2017 the Company entered into a share exchange agreement with Mene Delaware pursuant to which the Company acquired all the issued and outstanding shares of Menē Delaware in exchange for Class A and Class B common shares in the capital of the Company (the “Acquisition”). Menē Delaware had minimal business activities prior to July 11, 2017.

On October 30, 2018, the Company completed a legal separation from Goldmoney Inc. in a spin-off transaction whereby the company’s subordinate voting shares began trading on the TSX Venture Exchange.

The principal office of the Company is located at 334 Adelaide Street West, Suite 305, Toronto, Ontario M5V 1R4.

2. Significant accounting policies

Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

These unaudited condensed consolidated interim financial statements do not contain all disclosures required by IFRS for annual financial statements but have been prepared using the same accounting policies and methods of application as those used in the most recently prepared audited annual consolidated financial statements. Accordingly, the interim financial statements should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2017. Accounting policies are consistently applied to all periods presented, unless otherwise stated.

These unaudited condensed consolidated interim financial statements were approved for issuance by the Board of Directors on November 29, 2018.

(a) Basis of measurement

These unaudited condensed consolidated interim financial statements have been prepared on an historical cost basis.

In the preparation of these unaudited condensed consolidated interim financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the period including fair value of warrants and options, determination of functional currencies and valuation of intangibles. Actual results could differ from those estimates. Of significance are the estimates and assumptions used in the recognition and measurement of items included in Note 2.

(b) Basis of consolidation

The unaudited condensed consolidated interim financial statements comprise the accounts of the Company and its subsidiary, Mene Delaware. All intercompany transactions, balances, income and expenses are eliminated on consolidation.

(c) Functional and foreign currency translation

The presentation currency of these consolidated financial statements is Canadian dollars. The functional currency for the Company is determined by the currency of the primary economic environment in which it operates (“the functional currency”). The Company’s functional currency is the United States dollar. The balances of foreign currency accounts are translated to the presentation currency at period end using the closing spot rates on the final balance sheet date of the reporting period. The unrealized gains and losses from translation are presented in other comprehensive income and loss.

(d) Revenue

IFRS 15, Revenue from contracts with customers, effective July 11, 2017 was adopted by Menē for revenue recognition.

A five-step model framework is applied in recognizing revenue, depicting the transfer of promised jewelry to customers. These five steps are:

1) Identifying the contract with a customer;
    - the contract has been approved between the Company and the customer
    - each party’s rights in relation to the jewelry to be transferred can be identified
    - payment terms for the product can be identified
    - the contract has commercial substance
    - it is probable that payment for the product will be collected

2) Identifying the performance obligations in the contract;

- at inception of the contract, the Company will assess the product that has been promised to the customer, for which the product or bundle of products are distinct, or is a series of distinct products that are substantially the same and have the same pattern of transfer to the customer

3) Determining the transaction price;
   - the transaction price is the amount to which an entity expects to be entitled in exchange for the transfer of goods and services
   - contracts contain elements of estimate variable consideration, as a result of contract contains elements of variable consideration, the entity will estimate the amount of variable consideration to which it will be entitled under the contract

4) Allocating the transaction price to the performance obligations in the contracts;
   - where a contract has multiple performance obligations, the Company will allocate the transaction price to the performance obligations in the contract by reference to their relative standalone selling prices. If standalone selling price is not directly observable, an estimate will be used based on;
     i. adjusted market assessment approach
     ii. expected cost plus a margin approach; or
     iii. residual approach

5) Recognize revenue when, or as the Company satisfies a performance obligation; revenue is recognized as control of the asset is passed- at a point in time.

The Company recognizes revenue from the sale of jewelry based on the sales proceeds net of sales taxes, rebates and discounts, at the time of transfer of control of the jewelry.

The Company has a lifetime Buyback policy, whereby customers can exchange or sell previously purchased jewelry through mene.com at the prevailing precious metal prices on the date that the Company has verified authenticity of the jewelry. The Company charges a 10% fee on the spot price of the precious metal weight on the date of authenticity (i.e. spot price x weight x 10%) if the customer included the original Certificate of Authenticity in their returned package. The Company defines this as the Buyback Fee. The Company further charges a 5% fee on the spot price of the precious metal weight on the date of authenticity (i.e. spot price x weight x 5%) if the customer did not include the original Certificate of Authenticity in their returned package. The Company defines this as the Assaying Fee.

All five steps of the revenue recognition model are applied to the Buyback policy.

(e) Accounting judgments and estimates

The preparation of these unaudited condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the unaudited condensed consolidated interim financial statements and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed consolidated interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Valuation of warrants and options
The fair value of warrants and options is determined using the Black Scholes option pricing formula. Option pricing models require the input of subjective assumptions including expected dividend yield, expected volatility and expected average life.

Functional currency
Under IFRS, each entity must determine its own functional currency, which becomes the currency that entity measures its results and financial position in. In determining the functional currencies of the Company and its subsidiary, the Company considered many factors, including the currency that mainly influences sales prices for goods and services, the currency of the country whose competitive forces and regulations mainly determine the sales prices, and the currency that mainly influences labour material and other costs for each entity.

(f) New accounting standards issued but not yet effective

IFRS 16 – Leases, In January 2016, the IASB issued IFRS 16, Leases. The objective of IFRS 16 is to bring all leases on balance sheet for lessees. IFRS 16 requires lessees to recognize a "right of use" asset and a lease liability calculated using a prescribed methodology. The mandatory effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019. Early adoption is permitted provided that IFRS 15, Revenue from Contracts with Customers, is also adopted. The Company has not yet assessed the impact of adoption of IFRS 16 on its financial statements.

3. Capital risk management

The Company manages its capital with the following objectives:

(i) to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
(ii) to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general.

The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company considers its capital to be share capital, contributed surplus, accumulated other comprehensive loss, and retained deficit, which at September 30, 2018 totaled $10,077,520. ($13,192,937 as at December 31, 2017)

(Expressed in Canadian Dollars)

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on actual activities and selected financial information is provided to the Board of Directors of the Company.

4. Financial instruments

The Company has determined that the carrying amount of its current financial assets and financial liabilities approximates its fair value, due to the short-term maturity of these financial instruments.

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 valuation techniques based on 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 valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of September 30, 2018, all financial instruments held at fair value are considered to be Level 1.

5. Cash and cash equivalents

Cash and cash equivalents consist of cash in bank accounts, and previously, cash in a Company trust ledger with Peterson McVicar LLP, the Company's legal firm appointed to transact on December 19, 2017 $11,800,542 capital raise.

	As at September 30, 2018	As at December 31, 2017
Cash in Company bank accounts	$3,826,736	$194,293
Cash in trust ledger- Peterson McVicar LLP	-	8,998,801
Cash and cash equivalents	$3,826,736	$9,193,095

6. Inventory

Inventory includes raw materials (metals), work in progress (metals in production), finished goods (jewelry), supplies (packaging bags), labour costs, materials costs (leather bands) and overhead.

		September 30, 2018		December 31, 2017	
		Quantity	Amount	Quantity	Amount
Raw Materials	grams	21,389	$1,000,729	4,674	$210,580
Work in Progress	grams	2,883	121,085	2,398	117,888
Finished Goods	grams	77,975	5,047,324	39,908	2,153,495
Supplies			521,978		331,023
Inventory		102,247	$6,691,116	46,980	$2,812,986

7. Short-term investments

Short-term investments consist of Guaranteed Investment Certificates (GIC) that the Company holds in the bank. GICs denominated in Canadian dollar currency and United States dollar currency earn interest income ranging from 1.60% to 2.50% per annum, maturing in less than 12 months.

	As at September 30, 2018	As at December 31, 2017
Canadian Dollar GIC	$2,020,000	$20,000
US Dollar GIC	4,012,921	56,453
Short-term investments	$6,032,921	$76,453

8. Borrowings and payables to related parties

Borrowings and payables to related parties comprises of $7,026,081 of precious metals extended to the company and various operating expenses paid by Goldmoney Inc. This figure also includes $43,084 paid by other affiliates on behalf of the Company. The loan from Goldmoney Inc. is unsecured, interest free, and has no fixed terms of repayment. There are no penalties for default of any obligation under the loan.

(Expressed in Canadian Dollars)

9. Share capital

The authorized share capital consisted of an unlimited number of common shares.

- Class A Common Shares without par value, 20 votes per share
- Class B Common Shares without par value, 1 vote per share

	Number of shares	Amount
Class A Common Shares Issued (i)	62,337,600	623
Class B Common Shares Issued (i)	84,350,000	13,700
Exercise of Warrants- Class A Common Shares (ii)	32,249,998	1,075,000
Private Placement- Class B Common Shares (iii)	26,164,701	11,800,542
Balance, December 31, 2017	205,102,299	$12,889,865
Exercise of Warrants- Class A Common Shares (iv)	5,685,002	284,250
Class B Common Shares Issued	1,097,470	494,971
Class B Common Shares repurchased (v)	(500,000)	(51,894)
Balance, September 30, 2018	211,384,771	$13,617,192

(i) On July 11, 2017, the Company entered into a share exchange agreement with Mene Delaware pursuant to which the Company has acquired all the issued and outstanding shares of Mene Delaware in exchange for Class A and Class B common shares in the capital of the Company (the "Acquisition"). Upon completion of the Acquisition, Mene Delaware became a wholly owned subsidiary of the Company. On September 6, 2017, the Class A common shares were split on the basis of six Class A common shares for each Class A common share issued and outstanding.

(ii) On October 2, 2017, the Company issued 32,249,998 Class A common shares for a total consideration of $1,075,000 for the exercise of warrant by two directors of the Company.

(iii) On December 19, 2017, the Company issued 26,164,701 Class B common shares for a total consideration of $11,800,542.

(iv) On September 14, 2018, 5,685,002 of Class A Common Shares warrants were exercised for proceeds of $284,250. (Note 15)

(v) On September 18, 2018, the Company repurchased 500,000 Class B Common Shares with a fair value of $51,894.

(Expressed in Canadian Dollars)

10. Contributed surplus

	Note	Amount
Contributed Surplus- Class B Common Shares - Goldmoney Inc.	(i)	$1,999,202
Amortization of Warrants- Class B Common Shares – Private Placement	(ii)	5,917
Balance, December 31, 2017		$2,005,119
Amortization of Warrants- Class B Common Shares – Private Placement	(iii)	99,852
Amortization of Options - Class B Common Shares	(iv)	15,663
Balance, September 30, 2018		$2,120,634

(i) On July 11, 2017, Goldmoney Inc. invested $2,000,000 in the Company, in return for 79,800,000 Class B common shares at a total value of $798, resulting in a contributed surplus of $1,999,202.

(ii) On December 19, 2017, the Company issued 26,164,701 warrants with an exercise price of $0.90 per warrant, expiring in 2 years; one warrant was issued per each Class B common share purchased in the private placement equity raise. In using the Black Scholes warrants pricing formula to calculate the fair value of the options issued (exercise price – $0.90, expected dividend yield 0%, expected volatility 33.33%, risk free interest rate 1.31% and an expected average life of 2 years), it resulted in an amortized stock-based compensation expense of $5,917 for the period.

(iii) This stock-based compensation was the amortization expense for the 26,164,701 warrants issued on December 19, 2017. The expense is an amortization of the full 9 months during the period ended September 30, 2018.

(iv) In July 2018, the Company issued 262,500 options to various consultants with an exercise price of $0.45 per option, expiring in 5 years. In using the Black Scholes pricing formula to calculate the fair value of the options issued (exercise price – $0.45, expected dividend yield 0%, expected volatility 50%, risk free interest rates from 1.72% to 1.86% and an expected average life of 3 years), it resulted in an amortized stock-based compensation expense of $15,663 for the period.

11. Revenue

The Company's revenue is generated from the sale of gold and platinum jewelry through its website. The Company launched its online website to the wider public in January 2018. The Company prices its jewelry to the consumer by gram weight breaking out the value of the precious metal as well as the premium being charged by the company. The company charges a transparently disclosed premium on each item of jewelry it sells. The premium is a percentage applied on the real-time spot prices of gold and platinum jewelry ranging from 18-32% depending on the type of item, inventory levels, and demand

(Expressed in Canadian Dollars)

12. Stock Options

As at September 30, 2018, the Company had the following outstanding stock options:

	Number of Options	Weighted Average Exercise price
Issued- Class B Common Shares (i)	575,000	$0.27
Balance, December 31, 2017	575,000	$0.27
Issued- Class B Common Shares (ii)(iv)	462,500	0.45
Forfeited - Class B Common Shares (iii)	(75,000)	(0.30)
Balance, September 30, 2018	962,500	$0.35

The fair value of share-based awards is determined using the Black-Scholes Option Pricing Model. The model utilizes certain subjective assumptions including the expected life of the option and expected future stock price volatility. Changes in these assumptions can materially affect the estimated fair value of the Company's stock options.

(i) During the period ended December 2017, stock options to purchase 575,000 Class B Common Shares in total were granted to consultants and a director.

The fair value of option granted during the period ended December 2017 was estimated on the date of grant using the Black Scholes option-pricing model with the following assumptions at the measurement date:

Exercise price	$0.20 to $0.30
Risk-free interest rate	1.37% to 1.40%
Expected life	3.0 years
Estimated volatility in the market price of the common shares	50%
Dividend yield	Nil

(ii) During the nine months ended September 30, 2018, stock options to purchase 462,500 Class B Common Shares in total were granted to consultants.

The fair value of option granted during the period ended nine months ended September 30, 2018 was estimated on the date of grant and revised on August 15, 2018 to reflect the change in the exercise price (iv) using the Black Scholes option-pricing model with the following assumptions at the measurement date:

(Expressed in Canadian Dollars)

Exercise price	$0.45
Risk-free interest rate	1.59% to 1.72%
Expected life	3.0 to 5.0 years
Estimated volatility in the market price of the common shares	50%
Dividend yield	Nil

(iii) On June 5, 2018, a consultant resigned and forfeited 75,000 Menē Options.

(iv) On August 15, 2018, amendments to 200,000 stock option agreements were made to change the exercise price ranging from $0.30 to $0.43 to $0.451 per share.

13. Warrants

As at September 30, 2018, the following share purchase warrants were issued and outstanding:

Number of warrants outstanding	Warrant class	Exercise price	Expiry date
12,870,000	Class A	0.10	11-Jul-20 (i)
4,950,000	Class A	0.20	11-Jul-21 (i)
1,000,000	Class B	0.30	15-Aug-22
26,164,701	Class B	0.90	19-Dec-19
44,984,701		$0.58	

On May 25, 2018, a resolution of directors extended the expiry dates of these warrants by 1 year from the original expiry dates of July 11, 2019 and July 11, 2020 respectively.

14. Earnings per share

	For the three months ended September 30, 2018	For the nine months ended September 30, 2018	Period from July 11, 2017 to December 31, 2017
Basic earnings per common share			
Net income attributable to common shareholders	$ (1,644,098)	$ (4,302,387)	$ (1,366,768)
Weighted average number of common shares outstanding	206,788,362	205,335,325	164,650,530
Basic earnings per common share	$ (0.01)	$ (0.02)	$ (0.01)
Diluted earnings per common share			
Net income attributable to common shareholders	$ (1,644,098)	$ (4,302,387)	$ (1,366,768)
Weighted average number of diluted common shares outstanding	206,788,362	205,335,325	164,650,530
Diluted earnings per common share	$ (0.01)	$ (0.02)	$ (0.01)

(Expressed in Canadian Dollars)

15. Related party transactions

Related parties include the Board of Directors, senior management, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at fair value. Key management is defined as those with authority and responsibility for planning, directing and controlling activities of the company, including directors and executive team.

During the three and nine months ended September 30, 2018, the Company paid compensation expense totaling $121,142 to key management personnel.

The Company issued the following set of warrants to directors:

Date	Warrant class	Number of warrants	Exercise price	Expiry date
05-Sep-17	Class A	89,100,000	$0.03	11-Jul-19
05-Sep-17	Class A	12,870,000	0.10	11-Jul-20
05-Sep-17	Class A	4,950,000	0.20	11-Jul-21
02-Oct-17 (i)	Class A	(32,249,998)	(0.03)	11-Jul-19
12-Sep-18 (ii)	Class A	(56,850,002)	(0.03)	11-Jul-19
12-Sep-18 (iii)	Class B	5,685,002	0.05	11-Jul-19
14-Sep-18 (iii)	Class B	(5,685,002)	(0.05)	11-Jul-19
30-Sep-18		17,820,000		

(i) On October 2, 2017, the directors exercised 32,249,998 warrants with an exercise price of $0.03, valued at $1,075,000. This amount was received by the Company on December 19, 2017.

(ii) On September 12, 2018, 56,850,002 Class A Common shares warrants with an exercise price of $0.03 held by directors of the Company were cancelled.

(iii) On the same date, the Company issued 5,685,002 warrants to purchase Class B Common shares with an exercise price of $0.05. The directors executed the agreements on the cancellation of the 54,870,002 Class A Common shares warrants, the issuance of 5,685,002 Class B Common shares warrants, and the exercise of the 5,685,002 Class B Common shares warrants on September 14, 2018.

On October 17, 2017, the Company issued 200,000 stock options to a director with a fair value of $124, an exercise price of $0.20, vesting over 3 years, expiring on October 17, 2022.

On July 30, 2018 the Company issued 150,000 stock options to an officer with a fair value of $23,920, an exercise price of $0.451, vesting over 3 years, expiring on July 30, 2023.Menē has a supply agreement with Goldmoney Inc., dated August 20, 2017. The supply agreement states that Goldmoney is the exclusive supplier of gold and platinum to Menē, and Menē agrees to purchase the metals at a price of 0.5% over the spot price, subject to the terms of the supply agreement.

16. Subsequent events

On November 6, 2018, Class B subordinate voting shares of the Company commenced trading on the TSX Venture Exchange under the trading symbol "MENE".

On November 29, 2018, the Company entered into an agreement with Canaccord Genuity Corp., on behalf of a syndicate of underwriters (collectively, the "Underwriters"), whereby Canaccord Genuity has agreed to purchase, on a "bought deal" basis, an aggregate principal amount of $10,000,000 of securities of the Company (the "Equity Offering"). In addition, the Company has entered into a commitment with a private institutional investor for a concurrent $20,000,000 secured gold note financing (the "Debt Financing"). The gross proceeds of $30,000,000 from the Equity Offering and the Debt Offering will be used to expand inventory and for working capital purposes.

i) Bought Deal Equity Financing:

The Equity Offering contemplates the issuance and sale of 14,286,000 units of the Company ("Units") at a price of C$0.70 per Unit (the "Offering Price"), to be qualified by a short form prospectus. Each Unit will consist of one subordinate voting class B common share of the Company (the "Common Shares") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "Warrant"). Each Warrant will entitle the holder to acquire one Common Share for two years from the closing of the Equity Offering (the "Closing") at a price of C$1.00.

ii) 3.00% Secured Gold Note Debt Financing:

The Debt Financing consists of $20,000,000 principal amount of unique secured gold notes (the "Gold Notes") secured by, among other things, the Company's 24 karat gold and platinum inventory at the Company's vaulted fulfillment center in New Jersey and 15,000,000 Series B common share purchase warrants of the Company (the "Debt Offering Warrants"). Each Debt Offering Warrant will entitle the holder to acquire one Series B common share of the Company for 2 years from the closing of the Debt Offering at a price of C$1.00 per share. The Debt Offering Warrants will be qualified by a prospectus.

The Gold Notes bear an interest rate of 3% per annum payable semi-annually in arrears on June 30 and December 31 of each year, commencing December 31, 2018.

The Company has received a binding commitment from the private institutional investor for $20,000,000 aggregate principal amount of Gold Notes.

The closing date of the Equity Offering and the Debt Financing is scheduled to be on or about December 19, 2018 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of TSX Venture Exchange and the issuance of receipts for the final prospectus by applicable Canadian Securities Administrators.