RED LIGHT HOLLAND CORP. (FORMERLY ADDED CAPITAL INC.)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2020 AND 2019

(Expressed in Canadian Dollars)

McGovern Hurley

Audit. Tax. Advisory.

Independent Auditor's Report

To the Shareholders of Red Light Holland Corp. (formerly Added Capital Inc.)

Opinion

We have audited the consolidated financial statements of Red Light Holland Corp. (formerly Added Capital Inc.) and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2020 and 2019, and the consolidated statements of operations and comprehensive loss, consolidated statements of changes in shareholders' deficiency and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at March 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years 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. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises 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.

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McGovern Hurley

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 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 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 judgement 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 risks 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.

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 of the audit resulting in this independent auditor's report is Jessica Glendinning.

McGovern Hurley LLP

McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
July 27, 2020

RED LIGHT HOLLAND CORP. (FORMERLY ADDED CAPITAL INC.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at March 31, 2020 and March 31, 2019

	2020	2019
ASSETS		
CURRENT		
Cash	$ 1,963,492	$ -
Cash held in escrow (Note 5)	1,804,290	-
Sales tax receivable	20,874	-
Prepaid financing cost (Note 5)	178,843	-
TOTAL CURRENT ASSETS	3,967,499	-
TOTAL ASSETS	$ 3,967,499	$ -
LIABILITIES		
CURRENT		
Short-term loans payable (Notes 3, 4 and 10)	$ 86,768	$ 1,042,251
Accounts payable and accrued liabilities (Note 10)	890,677	1,100,637
Subscription receipts (Note 5)	3,608,580	-
TOTAL CURRENT LIABILITIES	4,586,025	2,142,888
NON-CURRENT LIABILITIES		
Other liabilities (Note 11)	525,769	525,769
TOTAL NON-CURRENT LIABILITIES	525,769	525,769
TOTAL LIABILITIES	5,111,794	2,668,657
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 6(a))	4,016,634	4,016,634
Shares to be issued (Notes 4, 5 and 13)	1,849,535	-
Warrants (Note 6(f))	260,972	312,952
Contributed surplus	1,848,632	1,796,652
Deficit	(9,120,068)	(8,794,895)
TOTAL SHAREHOLDERS’ DEFICIENCY	(1,144,295)	(2,668,657)
TOTAL LIABILITIES AND SHAREHOLDERS’ DEFICIENCY	$ 3,967,499	$ -

GOING CONCERN (Note 1)
PROVISIONS, COMMITMENTS
AND CONTINGENCIES (Note 8)
SUBSEQUENT EVENTS (Note 13)

APPROVED BY THE BOARD

”Brad Lamb”

Director

“Todd Shapiro”

Director

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

RED LIGHT HOLLAND CORP. (FORMERLY ADDED CAPITAL INC.)
Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
For the years ended March 31, 2020 and 2019

	2020	2019
REVENUES		
Financial advisory	$ -	$ 9,779
Other	-	1,065
TOTAL REVENUES	-	10,844
OPERATING EXPENSES		
General and administrative (Note 10)	325,173	190,885
TOTAL OPERATING EXPENSES	325,173	190,885
NET LOSS AND COMPREHENSIVE LOSS	$ (325,173)	$ (180,041)
LOSS PER SHARE – Basic and diluted (Note 6(e))	$ (0.38)	$ (0.21)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – Basic and diluted	851,335	851,335

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

RED LIGHT HOLLAND CORP. (FORMERLY ADDED CAPITAL INC.)
Consolidated Statements of Changes in Shareholders' Deficiency
(Expressed in Canadian Dollars)
For the years ended March 31, 2020 and 2019

	Common Shares #	Common Shares $	Shares to be Issued $	Warrants $	Contributed Surplus $	Deficit $	Shareholders' (Deficiency) $
Balance, March 31, 2018	**851,335**	**4,016,634**	**-**	**312,952**	**1,796,652**	**(8,614,854)**	**(2,488,616)**
Net loss and comprehensive loss	-	-	-	-	-	(180,041)	(180,041)
Balance, March 31, 2019	**851,335**	**4,016,634**	**-**	**312,952**	**1,796,652**	**(8,794,895)**	**(2,668,657)**
Balance, March 31, 2019	**851,335**	**4,016,634**	**-**	**312,952**	**1,796,652**	**(8,794,895)**	**(2,668,657)**
Shares to be issued	-	-	1,849,535	-	-	-	1,849,535
Expiry of warrants	-	-	-	(51,980)	51,980	-	-
Net loss and comprehensive loss	-	-	-	-	-	(325,173)	(325,173)
Balance, March 31, 2020	**851,335**	**4,016,634**	**1,849,535**	**260,972**	**1,848,632**	**(9,120,068)**	**(1,144,295)**

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

RED LIGHT HOLLAND CORP. (FORMERLY ADDED CAPITAL INC.)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
For the years ended March 31, 2020 and March 31, 2019

	2020	2019
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net loss for the year	$ (325,173)	$ (180,041)
Items not affecting cash:		
Impairment of property, plant and equipment	-	12,914
Movements in working capital:		
Securities owned	-	18,000
Sales tax receivable	(20,874)	-
Accounts payable and accrued liabilities	107,693	113,296
Cash flows (used in) operating activities	(238,354)	(35,831)
CASH FLOWS (USED IN) INVESTING ACTIVITIES		
Cash held in escrow	(1,804,290)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of common shares in subsidiary	358,679	-
Proceeds from issue of subscription receipts	3,608,580	-
Costs of issuance	(46,123)	-
Repayment of short-term loans	-	(18,610)
Increase in short term loans	85,000	53,155
Cash flows from financing activities	4,006,136	34,545
CHANGE IN CASH	1,963,492	(1,286)
CASH, BEGINNING OF YEAR	-	1,286
CASH, END OF YEAR	$ 1,963,492	$ -
SUPPLEMENTAL INFORMATION:		
Shares to be issued in settlement of debt	$ 1,490,855	$ -
Accrued financing costs	$ 132,719	$ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Red Light Holland Corp. (formerly Added Capital Inc.) ("RLHC" or the "Company") ceased revenue producing merchant banking activities during 2019 and is currently evaluating potential future opportunities (see subsequent events note 13). The Company is governed by the Business Corporations Act (Ontario). The address of its registered office is 1 Adelaide Street East, Suite 801, Toronto, Ontario, Canada, M5C 2V9.

Going concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company's subsidiary Northern Securities Inc. ("NSI") discontinued its operations. NSI assigned its client accounts to other brokerage firms pursuant to a consent order, agreed upon with IIROC, issued by an IIROC Hearing Panel on December 14, 2012. On March 19, 2013, NSI and IIROC entered into a settlement agreement which provided for the suspension of NSI as an IIROC member. The suspension from IIROC and assignment of client accounts to other brokerage firms resulted in NSI's business being recorded as discontinued.

The Company is no longer an IIROC member as its membership was terminated with the consent of IIROC and the Company. However, until 2019, the Company continued to have the ability to carry on the following businesses: corporate finance, mergers and acquisition advisory, and research.

In order to mitigate these concerns, the Company has been restructuring its debt, completing financings and is in the process of completing a transaction (see note 13 – subsequent events). Management has considered expectations for future profitability and believes that the Company will continue in operation for the foreseeable future and will be able to restructure or satisfy its liabilities and commitments in the normal course of business, and accordingly, it is appropriate to prepare these financial statements on a going concern basis. If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary in the carrying values of assets and liabilities, the reported net income and the statement of financial position classifications used. Such adjustments could be material.

In March 2020, the outbreak of the novel strain of corona virus, specifically identified as "COVID19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements are presented in Canadian dollars, which is the Company's functional and presentation currency. These consolidated financial statements are presented on a historical cost basis unless an item is reported at fair value, and is presented on an accrual basis, except for cash flow information.

These consolidated financial statements were authorized for issuance by the Company's Board of Directors on July 27, 2020.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Principles of consolidation

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. These consolidated financial statements include the accounts of the Company and all its subsidiaries with its principal subsidiaries being NSI, Red Light Holland Financing Inc. ("Finco") and Red Light Holland Debt Inc. ("Debtco"). Intercompany accounts and balances are eliminated upon consolidation.

Cash and cash equivalents

The Company considers all highly liquid debt instruments with an original maturity date of three months or less to be cash equivalents. As at March 31, 2020, the Company has $1,963,492 in cash and $1,804,290 of cash held in escrow (note 5). As at March 31, 2020 and 2019, the Company did not have any cash equivalents.

Financial instruments – recognition and measurement

Non-derivative financial assets within the scope of IFRS 9 are classified and measured as "financial assets at fair value", as either FVPL or FVOCI, and "financial assets at amortized costs", as appropriate. The Company determines the classification of financial assets at the time of initial recognition based on the Company's business model and the contractual terms of the cash flows.

All financial assets are recognized initially at fair value plus, in the case of financial assets not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets with embedded derivatives are considered in their entirety when determining their classification at FVPL or at amortized cost. Other accounts receivable held for collection of contractual cash flows are measured at amortized cost.

Subsequent measurement – financial assets at amortized cost

After initial recognition, financial assets measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the consolidated statements of operations. The Company's cash and cash held in escrow are classified as financial assets at amortized cost.

Subsequent measurement – financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell in the short term and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in other income or expense in the consolidated statements of operations. The Company's securities owned are classified as financial assets at FVPL.

Subsequent measurement – financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI. The Company does not measure any financial assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of comprehensive (loss). When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company no longer retains substantially all the risks and rewards of ownership.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

The Company's only financial assets subject to impairment are other amounts receivable, which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. To measure estimated credit losses, accounts receivable have been grouped based on shared credit risk characteristics, including the number of days past due. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized.

Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, short-term loans payable, subscription receipts and other liabilities which are each measured at amortized cost. All financial liabilities are recognized initially at fair value and in the case of long-term debt, net of directly attributable transaction costs.

Subsequent measurement – financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in the consolidated statements of operations.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gain or loss recognized in other income or expense in the consolidated statements of operations.

Fair value hierarchy

The fair value hierarchy presented distinguishes between the inputs used in determining the fair value of the Company's various financial instruments. The hierarchy levels are defined as:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Observable inputs other than Level 1 quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs other than quoted prices that are observable or corroborated by observable market data; and

Level 3 – Unobservable inputs that are supported by little or no market activity. Valuation techniques are primarily model-based.

The Company had no financial instruments carried at fair value as at March 31, 2020 and 2019 to classify in the fair value hierarchy.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is recognized in the same statement in which the related item is recognized.

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates enacted or substantively enacted by the reporting date, and any adjustments to tax payable in respect to previous years. Current tax assets and liabilities are offset when the Company intends to settle on a net basis and the legal right to offset exists.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realized or the liabilities settled, based on tax rates and enacted and substantively enacted law by the reporting date.

Deferred tax assets and liabilities are offset when they arise in the same tax reporting group and related to income taxes levied by the same taxation authority, and when the Company has a legal right to offset.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Provisions

Provisions represent liabilities to the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at the present value of the expenditures expected to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in the stock options note 6(b).

The Company has a stock option plan (the "Plan"), which is discussed in note 6(b). The Company uses the fair value-based method of accounting for stock-based compensation arrangements. The fair value of each option granted is accounted for in operations over the vesting period of the option using the Black-Scholes option pricing model at the date of grant, with the related increase to contributed surplus. Upon exercise of the stock options, the consideration paid, together with the amount previously recognized in contributed surplus, is recorded as an increase in share capital. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

Loss per share

Basic loss per share is calculated by dividing net income available to common shareholders by the weighted average number of shares outstanding. Diluted loss per share is calculated by assuming that any proceeds from the exercise of dilutive stock options and warrants would be used to repurchase common shares at the average market price during the period, with the incremental number of shares being included in the denominator of the diluted loss per share calculation. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

Significant judgments, estimates and assumptions

The preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

(a) Income and other taxes

Income, value added, withholding and other taxes The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(b) Provisions and contingencies

Provisions are recorded by the Company when it has determined that it has a present obligation, whether legal or constructive, and that it is probable that an outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. Provisions are recorded based on management's best estimates of timing, and quantum of future outflows. See Note 8.

(c) Going concern

For further information regarding going concern refer to Note 1.

(d) Share based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Accounting policy adoptions and changes

IFRS 16 – Leases – The standard was issued by the IASB on January 13, 2016, and replaced IAS 17, "Leases". IFRS 16 brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and financing leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. The new standard became effective for the Company on April 1, 2019. The adoption of this standard had no impact as the Company does not have any leases.

3. SHORT-TERM LOANS PAYABLE

As at March 31, 2020, the Company has an unsecured term loan outstanding in the amount of $nil (March 31, 2019 – $200,000) owing to an arm's length lender. The loan bore interest at a rate of 12%, matured on March 31, 2013, and is unsecured. The lender agreed to waive all historical and future interest on the loan. During the year ended March 31, 2018 an additional $78,868 was advanced to the Company which was repaid by way of an advance from Victor Alboini ("Alboini"), a director and officer at the time of the advance. In January 2020, the loan was assigned to a subsidiary of RLHC and subsequently settled (see note 4).

As at March 31, 2020, the Company had unsecured loans outstanding with a former director of the Company in the amount of $86,768 and an unsecured demand loan outstanding in the amount of $nil with a former director of the Company (March 31, 2019 – $400,000 and $100,000, respectively) (Note 10). The demand loan became payable in full on June 12, 2013. The lender agreed to waive all historic and future interest on the loans. In January 2020, the loan was assigned to a subsidiary of RLHC and $413,232 was subsequently settled (see note 4).

3. SHORT-TERM LOANS PAYABLE (CONTINUED)

The Company had unsecured loans outstanding in the amount of $nil as at March 31, 2020 (March 31, 2019 – $342,251) owing to Alboini and Stature Inc. ("Stature"), a company wholly-owned by Alboini. Alboini and Stature Inc. ("Stature") agreed to waive all historic and future interest on the loans. In January 2020, the loan was assigned to a subsidiary of RLHC and subsequently settled (see note 4).

During 2020, the Company issued a $85,000 short-term unsecured loan. In January 2020, the loan was assigned to a subsidiary of RLHC and subsequently settled (see note 4).

4. DEBT RESTRUCTURING

During the year RLHC completed conversion of $1,577,623 of debt (the "Debt Conversion") owing to several creditors, through a series of arrangements whereby a wholly owned subsidiary, Debtco, was incorporated for the sole purpose of this transaction and obtaining assignment of the debt (the "Assigned Debt"). Included in the Assigned Debt, are the short-term loans that were settled as discussed in Note 3.

Following the Debt Conversion, Debtco and RLHC were amalgamated. Although, the Debt Conversion process was in January 2020 and the amalgamation was completed on March 2020, the series of arrangements are considered to be part of one economic transaction.

The Debt Conversion resulted in $196,563 of the Assigned Debt being converted at a conversion price of $0.005 per share, and $1,294,292 of the Assigned Debt being converted at a conversion price of $0.02 per share.

In addition, Debtco accepted subscriptions for an aggregate of $14,583 for Debtco Shares at a price of $0.005 per Debtco Share, and an aggregate of $344,096 of for Debtco Shares at a price of $0.02 per Debtco Share.

As the amalgamation has not yet taken place as at March 31, 2020, the resulting 125,148,606 common shares from the Debt Conversion and share subscriptions with a carrying value of $1,849,535 are presented as shares to be issued in the consolidated statement of financial position. See note 13.

5. SUBSCRIPTION RECEIPTS

On October 8, 2019, the Company incorporated ("Finco") (under the laws of the province of Ontario), for the purpose of completing a transaction (the "Transaction"). 50% of the funds raised through subscription receipt financings were subject to escrow.

On December 20, 2019, Finco completed the first tranche of a non-brokered private placement of 13,041,166 subscription receipts of Finco (each, a "Subscription Receipt") at a price of $0.06 per Subscription Receipt for gross proceeds of $782,470 (the "Finco First Tranche"). On February 7, 2020, Finco completed the second tranche of a non-brokered private placement of 28,478,397 Subscription Receipts at a price of $0.06 per Subscription Receipt for gross proceeds of $1,708,704 (the "Finco Second Tranche"). In May 2020, Finco completed the third tranche of a non-brokered private placement of 24,502,967 Subscription Receipts at a price of $0.06 per Subscription Receipt for gross proceeds of $1,470,178 (the "Finco Third Tranche" and together with the Finco First Tranche and the Finco Second Tranche, the "Offering"). Each subscription receipt entitled the holder to receive, without payment of additional consideration or further action on the part of the holder, one common share in the capital of Finco. Upon completion of the Transaction, each common share of Finco was to be exchanged for one RLHC common share. In the event the Transaction did not occur or other escrow release conditions were not satisfied or waived the escrowed funds would be returned to the holders of the subscription receipts on a pro rata basis and the subscription receipts would be cancelled without any further action on the part of the holders.

A total of 66,022,530 Subscription Receipts were issued for gross proceeds of $3,961,352. Of this total, 3,608,580 had been received by March 31, 2020 and has been presented as a subscription receipts liability on the consolidated statement of financial position.

(Expressed in Canadian Dollars)

5. SUBSCRIPTION RECEIPTS (CONTINUED)

The gross proceeds of the Financing, less (i) 50% of the Finder's Fee (as defined below) and the expenses of First Republic Capital Corporation (the "Finder") incurred in connection with the Financing, which were paid to the Finder; and (iii) 50% of the gross proceeds, which were paid to the Company (the gross proceeds net of such deductions, the "Escrowed Proceeds") were delivered to and held by an escrow agent (the "Escrow Agent"). The Escrowed Proceeds, together with all interest and other income earned thereon, are referred to herein as the "Escrowed Funds". The remaining 50% of the Finder's Fee will be released from escrow to the Finder from the Escrowed Funds and the balance of the Escrowed Funds will be released from escrow to the Company upon satisfaction of certain escrow release conditions (the "Escrow Release Conditions") on or before 5:00 pm on June 17, 2020 (the "Escrow Release Deadline"). In the event that (i) the Escrow Release Conditions are not satisfied on or before the Escrow Release Deadline, or (ii) if prior to such time, the Company advises the Finder or announces to the public that it does not intend to satisfy the Escrow Release Conditions, the Escrow Agent will return to holders of Subscription Receipts an amount equal to gross proceeds of the Financing and their pro rata portion of any interest earned thereon. The Company will be responsible and liable to the holders of Subscription Receipts for any shortfall between the gross proceeds raised and the Escrowed Funds.

The Finder received a cash commission of up to 8% of the aggregate gross proceeds from the Financing (the "Finder's Fee"). The Company will also issue to the Finder that number of compensation options (the "Compensation Options") of up to 8% of the aggregate number of Subscription Receipts sold pursuant to the Financing once the Escrow Release Conditions are met. Each Compensation Option entitles the holder thereof to acquire one common share of the Company at an exercise price of $0.06 for a period of 24 months.

Included in prepaid financing costs of $178,843 on the consolidated statement of financial position as at March 31, 2020 are estimated Finder’s Fees totaling $125,843 representing the portion of the fees that was earned by the Finders as at March 31, 2020.

The Escrow Release Conditions were met subsequent to March 31, 2020. See note 13.

6. CAPITAL STOCK

(a) *Share capital*

Authorized
Unlimited number of common shares with no par value
2,000,000 voting, convertible, redeemable, preference shares

Issued and outstanding	
851,335 common shares as at March 31, 2020, 2019 and 2018	$4,068,634

Effective February 13, 2020, the Company consolidated its issued and outstanding common shares on the basis of one (new) post consolidation common share for each 20 (old) pre-consolidation common shares (the “Consolidation”). The Consolidation was approved at the Company’s annual and special meeting of shareholders held on May 8, 2019. The consolidated financial statements reflect the post-consolidation common shares.

No shares were issued during the years ended March 31, 2020 and March 31, 2019.

(b) *Stock options*

On September 26, 2014, the shareholders of the Company approved a new stock option plan (the “Plan”). The Plan’s maximum number of common shares which are reserved for issuance are expressed as a percentage of the issued and outstanding common shares, rather than as a fixed number, and the Plan’s aggregate reservation is restricted to 10%. As at the date hereof, 10% of the issued and outstanding common shares is 85,139 common shares. During the years ended March 31, 2020 and 2019, $nil was recorded as share-based compensation.

All stock options expired unexercised in the year ended March 31, 2020 as a result of the resignation of the holders as directors and officer of the Company. No options were outstanding or exercisable as at March 31, 2020.

(Expressed in Canadian Dollars)

6. CAPITAL STOCK (CONTINUED)

The following table reflects the continuity of options for the year ended March 31, 2020:

		Number of Common Shares				
Expiry Date	**Exercise Price**	**Opening Balance**	**Options Granted**	**Options Exercised**	**Options Expired**	**Closing Balance**
November 11, 2019	$1.00	12,500	-	-	12,500	-
August 24, 2021	$1.00	15,000	-	-	15,000	-
		27,500	-	-	27,500	-

The following table reflects the continuity of options for the year ended March 31, 2019:

		Number of Common Shares				
Expiry Date	**Exercise Price**	**Opening Balance**	**Options Granted**	**Options Exercised**	**Options Expired**	**Closing Balance**
November 11, 2019	$1.00	12,500	-	-	-	12,500
August 24, 2021	$1.00	15,000	-	-	-	15,000
		27,500	-	-	-	27,500

(c) *Employee share purchase plan*

On September 25, 2006, the shareholders of the Company approved the establishment of an employee share purchase plan (“ESPP”). The ESPP allows qualifying employees to purchase common shares of the Company equal to 8% of their annual compensation to a maximum amount of $8,000 per year, unless the Board of Directors waives the individual maximum. The Company matches the number of shares purchased at no additional cost to the employee over a three-year vesting period or such other period determined by the Board of Directors.

There were no purchases under the ESPP for the year ended March 31, 2020 and the year ended March 31, 2019.

(d) *Financings*

The Company did not issue shares in fiscal 2020 or 2019.

(e) *Loss per share data*

The weighted average number of common shares outstanding, used in computing basic and diluted loss per common share for the years ended March 31, 2020 and 2019 were:

March 31, 2020	851,335
March 31, 2019	851,335

The effect of outstanding common share purchase options and warrants on the net loss for the periods presented is not reflected as to do so would be anti-dilutive.

(f) *Warrants:*

	Warrants #	Amount $
Balance, March 31, 2019 and 2018	333,000	312,952
Expiry of warrants	(113,000)	(51,980)
Balance, March 31, 2020	220,000	260,972

(Expressed in Canadian Dollars)

6. CAPITAL STOCK (CONTINUED)

As at March 31, 2020, warrants outstanding were as follows:

		Warrants Outstanding and Exercisable	
Expiry Date	Exercise Price	Number of Warrants	Average Remaining Contractual Life (Years)
December 12, 2021	$1.00	220,000	1.95

7. CAPITAL MANAGEMENT

The Company requires capital to fund existing and future operations and meet regulatory capital requirements. The Company's policy is to maintain adequate levels of capital at all times.

The Company's capital structure includes the following:

	March 31, 2020	March 31, 2019
Short-term loans payable	$ -	$ 1,042,251
Subscription receipts	3,608,580	-
Shareholders' deficiency comprised of:		
Share capital	4,016,634	4,016,634
Shares to be issued	1,849,535	-
Warrants	260,972	312,952
Contributed surplus	1,848,632	1,796,652
Deficit	(9,144,068)	(8,794,895)
	$2,440,285	($1,626,406)

The Company's objectives when managing capital are to (i) provide financial capacity and flexibility in order to preserve its ability to meet its strategic objectives and financial obligations and continue as a going concern; (ii) maintain a capital structure which allows the Company to respond to changes in economic and marketplace conditions and affords the Company the ability to participate in new investments; (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders equal with the level of risk; and (iv) maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to enable it to meet its objectives by: (i) raising capital through loans from third party investors who seek to participate in investment opportunities; and (ii) raising capital through the issuance of securities.

The Company's capital management objectives, policies and processes have generally remained unchanged during the years ended March 31, 2020 and 2019.

8. PROVISIONS, COMMITMENTS AND CONTINGENCIES

The Company is party to legal proceedings and other claims in the ordinary course of its operations. Litigation and other claims are subject to many uncertainties and the outcome of individual matters is not predictable. Where management can estimate that there is a loss probable, a provision has been recorded in its financial statements, where proceedings are at a premature stage or the ultimate outcome is not determinable, then no provision is recorded. It is possible that the final resolution of these matters may require the Company to make expenditures over an extended period of time and in a range of amounts that cannot be reasonably estimated and may differ significantly from any amounts recorded in these consolidated financial statements. Should the Company be unsuccessful in its defense or settlement of one or more of these legal actions, there could be a materially adverse effect on the Company's financial position, future expectations, and cash flows.

The Company is party to certain management contracts. These contracts contain minimum commitments of approximately $244,000 which are due within one year.

9. RISK MANAGEMENT

Fair value of financial assets and financial liabilities

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest rate, currency or credit risks arising from its financial instruments. The fair values of the Company's financial assets and financial liabilities approximate their carrying amounts due to their imminent or short-term maturity.

Interest rate risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As at March 31, 2020, the Company no longer has interest-bearing loans.

Foreign exchange risk
Foreign exchange risk is the risk that the market value of financial instruments and the associated revenues will fluctuate due to changes in exchange rates. The Company does not use derivatives to modify the foreign exchange risk. The Company holds minimal financial instruments in foreign currencies.

Liquidity risk
Liquidity risk is the risk that results from the Company's potential inability to meet its financial obligations as they come due. The Company manages liquidity risk by reviewing the amount of cash available to ensure that it can meet its current obligations. There is no guarantee that the Company will be able to continue to meet its current obligations. See Note 1.

The Company has loans outstanding of $86,768 as at March 31, 2020 (March 31, 2019 - $1,042,251).

Credit risk
The Company's credit risk is primarily attributable to cash and cash held in escrow. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions and cash held in escrow is held with a law firm, from which management believes the risk of loss to be remote.

10. RELATED PARTY TRANSACTIONS

The Company had related party transactions with directors or officers of the Company, or companies with which they were associated, as follows:

a) During the year ended March 31, 2020, Alboini and Stature provided net loan advances of $nil to the Company (2019 – net loan advances of $34,545 to the Company), and there was a balance of $nil owing to them as at March 31, 2020 (March 31, 2019 - $342,251). During the year ended March 31, 2014, Alboini and Stature waived all historical and future interest on their total loans to the Company. During 2020, the loans were settled through the issuance of shares. See Note 3.

b) As at March 31, 2020, the Company had $nil (March 31, 2019 - $500,000) in loans payable to an arm's length lender. These amounts are unsecured, non-interest bearing and due on demand. The loan was assigned from a former director of the Company. During 2020, the loans were settled through the issuance of shares. See Note 3.

c) Accounts payable and accrued liabilities includes $nil in fees due to former officers and current and former directors as at March 31, 2020 (March 31, 2019 - $166,312). These amounts are unsecured, non-interest bearing and due on demand.

10. RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation to key management personnel
Compensation paid or payable during the years ended March 31, 2020 and 2019 to persons and corporations in charge of the planning, direction and control of the Company, including executive and non-executive directors, is as follows:

a) During the year ended March 31, 2020, the Company was charged $20,000 in fees by the CEO and director of Finco for CEO management fees.

b) During the year ended March 31, 2020, the Company was charged $7,500 in fees by the CFO of Finco for management fees.

c) During the year ended March 31, 2020, the Company was charged $17,500 in fee by the President of Finco for management fees.

Equity Transactions
Shares issued during the years ended March 31, 2020 and 2019 to persons and corporations in charge of the planning, direction and control of the Company, including executive and non-executive directors, is as follows:

a) During the year ended March 31, 2020, the Company settled debt of $464,115 (2019 - $nil) through the issuance of 32,408,850 shares (2019 - $nil) (see note 4).

b) During the year ended March 31, 2020, the Company issued $46,667 (2019 - $nil) worth of shares to related parties through the issuance of 2,333,333 common shares (2019 - nil) in the DebtCo financing in January 2020 (see note 4).

c) During the year ended March 31, 2020, the Company issued $200,000 (2019 - $nil) worth of subscription receipts through the issuance of 3,333,333 subscription receipts through the FinCo financing (see note 5).

11. OTHER LIABILITIES

During the year ended March 31, 2017, the Company transferred $525,769 of accounts payable (the “Statute-barred Claims”) to non-current liabilities on the basis that any claims in respect of the Statute-barred Claims were statute barred under the Limitations Act (Ontario). The Statute-barred Claims related to expenses billed by and third party liabilities incurred by NSI which is no longer active. However, for accounting purposes under IFRS, a debt can only be removed from the Company’s Statement of Financial Position when it is extinguished, meaning only when the contract is discharged or canceled or expires. The effect of the Limitations Act is to prevent a creditor from enforcing an obligation but it does not formally extinguish the debt for accounting purposes. It is the position of management of the Company that the Statute-barred Claims cannot be enforced by the creditors, do not create any obligation for the Company to pay out any cash and do not affect the financial or working capital position of the Company. The Statute-barred Claims are required to be reflected on the Company’s Statement of Financial Position as a result of the current interpretation of IFRS, but they are classified as long-term liabilities since the Company has no intention or obligation to pay these Statute-barred Claims and the creditors cannot enforce payment of the Statute-barred Claims. While inclusion of these items is intended solely to comply with the requirements of IFRS, the Company in no way acknowledges any of the Statute-barred Claims.

(Expressed in Canadian Dollars)

12. INCOME TAXES

(a) Provision for income taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2019 - 26.5%) were as follows:

	2020 $	2019 $
(Loss) before income taxes	(325,183)	(180,041)
Expected income tax recovery based on statutory rate	(86,000)	(48,000)
Adjustment to expected income tax benefit:		
Change in Benefit of tax assets not recognized	86,000	48,000
Deferred income tax provision (recovery)	-	-

(b) Deferred income tax

Unrecognized Deferred Tax Assets

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2020 $	2019 $
Exploration and development	4,232,000	4,232,000
Non-capital losses carried-forward	27,659,000	27,334,000
Capital losses carried-forward	86,707,000	86,695,000
Other	441,000	441,000
Total	119,039,000	118,702,000

(c) Tax loss carryforwards

Any non-capital losses that may be utilized to reduce taxable income in Canada in future years expire at the end of the following years:

2027	3,677,000
2029	4,099,000
2030	2,710,000
2031	2,111,000
2032	4,973,000
2033	6,137,000
2034	2,936,000
2035	50,000
2037	146,000
2038	303,000
2039	192,000
2040	325,000
	27,659,000

13. SUBSEQUENT EVENTS

Subsequent to March 31, 2020, the Company entered into a lease agreement to rent two facilities. The lease commences on August 1, 2020 for a period of five years until July 31, 2025. The Company has the option to renew this lease for three more renewal periods of five years each, allowing the Company to potentially lease the space until July 31, 2040. The annual commitment for the first term is € 16,331 ($25,482 CAD).

Subsequent to March 31, 2020, the Company completed the Debt Conversion and Subscription Receipt financing by amalgamating with Debtco and Finco. The Company also effected a change of its name to "Red Light Holland Corp." from Added Capital Inc.

Through the amalgamation, the Company issued 66,022,530 common shares in exchange for each Subscription Receipt and 125,148,606 common shares for the shares to be issued at March 31, 2020 in connection with the Debt Restructuring and private placements completed through Debtco.

The escrowed portion of the net proceeds from the subscription receipts of Finco were released from escrow.

The Company also issued an aggregate of 1,833,333 common shares to certain finders as consideration for assisting in arranging the Debt Conversion and Subscription Receipt financing. The shares issued were valued at $0.06 per share based on the issue price of the Subscription Receipts.

A total of 4,816,802 Finder Compensation Warrants were issued which entitle the holder to acquire one common share of the Company at $0.06 per Finder Compensation Warrant for two years. On May 22, 2020 the Canadian Securities Exchange (the "CSE") provided the Company with approval to list its common shares and the Company commenced trading on May 28, 2020 under the ticker symbol "TRIP" (the "CSE Listing").

In connection with the completion of the Transaction, the board of directors and senior officers of the Company were reconstituted to consist of Todd Shapiro (Director and Chief Executive Officer), Hans Derix (President), Kyle Appleby (Chief Financial Officer), Brad Lamb (Director and Chairman), Anne Barnes (Director), Lowell Kamin (Director), and Binyomin Posen (Director). The Company intends to establish itself as a producer and distributor of its premium brand of psilocybin truffles ("Truffles") within the Netherlands. By doing so, the Company hopes to contribute to the advancement and awareness of Truffles, and promote its potential as a candidate for further research and study.

On May 27, 2020, the Company issued 9,450,000 options to certain directors, officers, and consultants of the Company. The options are exercisable at an exercise price of $0.06 per common share. 2,500,000 options expire five years from the date of issuance. 7,950,000 options expire three years from the date of issuance. The options vest 1/3 immediately, 1/3 in six months and 1/3 in one year. In addition, a consultant was issued 3,000,000 common shares.

On May 27, 2020 8,650,000 warrants were issued to certain consultants of the Company. The warrants are exercisable at an exercise price of $0.06 per common share and expire three years from the date of issuance. The warrants vest 1/3 immediately, 1/3 in six months, and 1/3 in one year.

The Company entered into an agreement effective June 1, 2020 where it was agreed to issue warrants to acquire 186,222 common shares of the Company to a consultant. Each warrant entitles the holder to acquire one common share of the Company for $0.06 for a period of 24 months.

On June 8, 2020, the Company closed the first tranche of a brokered private placement (the “First Tranche”) of Units for gross proceeds of approximately $3,000,000 with one institutional lead investor. Pursuant to the First Tranche, the Company issued a total of 18,181,818 Units at a price of $0.165 per Unit, with each Unit consisting of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.26 at any time until June 8, 2024, subject to an accelerated expiry option. In connection with the First Tranche, the Company paid to the agent a cash fee of $210,000 and issued 1,272,727 compensation options, with each compensation option entitling the holder to purchase one Unit at a price of $0.165 per Unit, for a period of 48 months following the issuance date.

13. SUBSEQUENT EVENTS (CONTINUED)

On June 16, 2020, the Company closed the second tranche of the brokered private placement (the "Second Tranche") of units, for gross proceeds of $830,529. Pursuant to the Second Tranche, the Company issued a total of 5,033,515 units at a price of $0.165 per unit, with each unit consisting of one common share and one warrant. Each warrant entitles the holder thereof to purchase one additional common share at an exercise price of $0.26 at any time until June 16, 2024, subject to an accelerated expiry option. In connection with the Second Tranche, the Company paid the agent a cash fee of $58,137 and issued 352,346 compensation options, with each compensation option entitling the holder to purchase one unit at a price of $0.165 per unit for a period of 48 months following the date of issuance.

On July 16, 2020, the Company closed the final tranche, of the above noted June 8 financing (with the same unit terms). In this tranche, 2,904,848 units were issued for gross proceeds of $479,300.

The Company entered into a securities exchange agreement with PharmaDrug Inc. (CSE:BUZZ) ("PharmaDrug") dated July 14, 2020 (the "Securities Exchange Agreement"). Under the terms of the Securities Exchange Agreement, PharmaDrug agreed to issue 9,333,333 units to the Company (the "PharmaDrug SEAUnits") at deemed price of $0.075 per unit, in consideration for the issuance by the Company of 4,242,424 RLH Units (as defined below) at a deemed price of $0.165 per unit to PharmaDrug. Each PharmaDrug SEA Unit consists of (i) one common share of PharmaDrug (a "PharmaDrug Share"), (ii) 0.9 of a PharmaDrug common share purchase warrant, each whole warrant entitling the holder thereof to acquire one common share of PharmaDrug at a price of $0.13 for a period of 48 months (each whole warrant, a "Class A PharmaDrug Warrant"), and (iii) 0.1 of a PharmaDrug common share purchase warrant, each whole warrant entitling the holder thereof to acquire one common share of PharmaDrug at a price of $0.08 for a period of 48 months (each whole warrant, a "Class B PharmaDrug Warrant"). Each RLH Unit will consist of one common share in the capital of the Company (a "RLH Share") and one common share purchase warrant (a "RLH Warrant") of the Company. Each RLH Warrant entitles the holder to purchase one additional RLH Share at an exercise price of $0.26 at any time for a period of 48 months, subject to an accelerated expiry option. If, following the date that is four months and one day following the date hereof, the volume weighted average trading price of the RLH Shares on the Canadian Securities Exchange (the "CSE") for any 10 consecutive trading days equals or exceeds $0.50, the Company may, upon providing written notice to the holders of RLH Warrants, accelerate the expiry date of the RLH Warrants to the date that is 30 days following the date of such written notice.

In addition, the Company made a cash investment by purchasing 2,666,667 units of PharmaDrug (the "PharmaDrug Subscription Units") at a price of $0.075 per unit for gross proceeds of $200,000. Each PharmaDrug Subscription Unit consists of (i) one PharmaDrug Share, and (ii) one Class B PharmaDrug Warrant.

In June 2020, the Company issued to consultants 1,500,000 stock options (500,000 on June 10, 2020, 500,000 on June 24 and 500,000 on July 16, 2020). 1,000,000 of the Options are exercisable at an exercise price of $0.15 per common share, and 500,000 are exercisable at $0.085. The options expire three years from the date of issuance.

The Company entered into an agreement with Revive Theraputics Ltd. ("Revive"). In May 2020, Finco issued 2,500,000 subscription receipts to Revive valued at $0.06 each which were then converted into common shares of the Company as part of the amalgamation discussed above. As consideration, the Company received 3,000,000 common shares of Revive with a deemed valued of $150,000.

In July 2020, the Company entered into an agreement where it was agreed to issue stock options to acquire 150,000 common shares of the Company to a consultant. Each option entitles the holder to acquire one common share of the Company at a price to be determined by the board of directors for a period of three years.