

Predictmedix Inc. (formerly, Cultivar Holdings Inc.)

Condensed interim consolidated financial statements

For the three months ended April 30, 2020 and 2019

(Unaudited - expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited consolidated interim financial statements have been prepared by and are the responsibility of the management.

The Company's independent auditor has not performed a review of these consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

PREDICTMEDIX INC. (formerly CULTIVAR HOLDINGS INC.)

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED APRIL 30, 2020 AND 2019

(Unaudited - Amounts expressed in Canadian Dollars)

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Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Condensed Interim Statements of Financial Position

(Unaudited – expressed in Canadian dollars)

ASSETS	April 30, 2020		January 31, 2020	
CURRENT				
Cash	\$	1,282,690	\$	1,493,577
Sales tax receivable		15,900		10,133
Prepaid expenses (Note 6)		103,809		130,669
		<u>1,402,399</u>		<u>1,634,379</u>
Property and equipment (Note 7)		10,820		20,191
Right-of-use asset (Note 14)		-		12,192
TOTAL ASSETS	\$	<u>1,413,219</u>	\$	<u>1,666,762</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	\$	44,837	\$	67,917
Lease liability current portion (Note 14)		-		11,921
		<u>44,837</u>		<u>79,838</u>
Lease liability non- current portion (Note 14)		-		3,268
TOTAL LIABILITIES		<u>44,837</u>		<u>83,106</u>
SHAREHOLDERS' EQUITY				
Share Capital (Note 9)		3,579,484		4,119,484
Warrant reserve (Note 9)		123,283		123,283
Share-based payment reserve (Note 8)		199,046		15,922
Accumulated deficit		(2,533,431)		(2,611,940)
	\$	<u>1,368,382</u>	\$	<u>1,646,749</u>
Non-controlling interest		-		(63,093)
TOTAL SHAREHOLDERS' EQUITY		<u>1,368,382</u>		<u>1,583,656</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$	<u>1,413,219</u>	\$	<u>1,666,762</u>

Organization and nature of operations (Note 1)
Basis of presentation and going concern (Note 2)
Commitment and contingencies (Note 11)
Subsequent events (Note 16)

Approved on behalf of the Board of Directors:

/Sheldon Kales/

Signed: Sheldon Kales, CEO and Director

/Rahul Kushwah/

Signed: Rahul Kushwah, COO and Director

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

Predictmedix Inc. (formerly Cultivar Holdings Inc.)Condensed Interim Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)
(Unaudited- expressed in Canadian dollars)

	For the three months ended April 30, 2020	For the three months ended April 30, 2019
Expenses:		
Administration and general	\$ 1,005	\$ 4,430
Amortization (Notes 7)	877	-
Consulting fees	31,890	-
Legal fees	29,670	3,539
Management fees (Note 10)	45,000	29,085
Patent and trademark expenses	-	250
Rent expense (Note 10)	4,500	4,500
Research and development	-	73,733
Samples and testing	-	260
Share based compensation (Note 8)	183,124	1,562
Transfer agent and filing fees	26,039	-
Travel, entertainment and related	7,644	5,183
Vehicle use expenses (Note 10)	1,500	1,500
	<u>(331,249)</u>	<u>(124,042)</u>
Income (Loss) from discontinued operations (Note 5)	346,296	(14,802)
Income (Loss) and comprehensive gain (loss)	\$ 15,047	\$ (138,844)
Income (Loss) and comprehensive income (loss) attributable to:		
Shareholders	\$ 17,889	\$ (131,295)
Non-controlling interest	\$ (2,842)	\$ (7,549)
Income (Loss) per share-Basic and Diluted	\$ 0.0001	\$ (0.0015)
Weighted average number of shares outstanding-Basic and Diluted	102,498,593	93,277,500

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

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Condensed Consolidated Statement of Changes in Shareholders' Equity

for the periods ended April 30, 2020 and April 30, 2019

(Unaudited-expressed in Canadian dollars)

	Number of common shares outstanding	Share capital	Warrant reserve	Share-based payment reserve	Non-Controlling Interest	Deficit	Total
Balance as of January 31, 2019	93,277,500	\$ 2,041,220	\$ -	\$ 5,535	\$ (43,718)	\$ (320,423)	\$ 1,682,614
Share-based compensation	-	-	-	1,562	-	-	1,562
Net loss for the period	-	-	-	-	(7,549)	(131,295)	(138,844)
Balance as at April 30, 2019	93,277,500	\$ 2,041,220	\$ -	\$ 7,097	\$ (51,267)	\$ (451,718)	\$ 1,545,332
Balance as of January 31, 2020	104,054,149	\$ 4,119,484	\$ 123,283	\$ 15,922	\$ (63,093)	\$ (2,611,940)	\$ 1,583,656
Sale of Cultivar Jamaica	(4,000,000)	(540,000)	-	-	65,935	60,620	(413,445)
Share-based compensation	-	-	-	183,124	-	-	183,124
Net income for the period	-	-	-	-	(2,842)	17,889	15,047
Balance as at April 30, 2020	100,054,149	\$ 3,579,484	\$ 123,283	\$ 199,046	\$ -	\$ (2,533,431)	\$ 1,368,382

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

Predictmedix Inc. (formerly Cultivar Holdings Inc.)
Consolidated Statement of Cash Flows
(Unaudited-expressed in Canadian dollars)

	For the three months ended April 30, 2020	For the three months ended April 30, 2019
OPERATING ACTIVITIES		
Net income (loss)	\$ 15,047	\$ (138,844)
Non-cash items included in net loss and other adjustments:		
Amortization	877	-
Loss (Income) from discontinued operations	(346,296)	14,802
Share-based compensation	183,124	1,562
Changes in non-cash working capital:		
Sales tax receivable	(5,767)	-
Prepaid expenses	26,860	10,314
Loans and advances	-	(19,000)
Deferred costs	-	(24,727)
Accounts payable and accrued liabilities	(23,080)	(47,113)
Net assets from discontinued operations	(59,523)	(9,194)
CASH USED IN OPERATING ACTIVITIES	(208,758)	(212,200)
INVESTING ACTIVITIES		
Purchase of property and equipment	-	-
CASH USED IN INVESTING ACTIVITIES	-	-
FINANCING ACTIVITIES		
Lease payments made for discontinued operations	(2,129)	(1,119)
CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(2,192)	(1,119)
NET CHANGE IN CASH DURING THE PERIOD	(210,887)	213,319
CASH, BEGINNING OF PERIOD	1,493,577	1,558,949
CASH, END OF PERIOD	\$ 1,282,690	\$ 1,345,630
Cash paid for interest and income taxes	\$ -	\$ -

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

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

April 30, 2020

(in Canadian dollars)

(Unaudited)

1. Organization and Nature of Operations

Admiral Bay Resources Inc. ("Admiral") was incorporated in British Columbia on September 3, 1987.

Effective September 23, 2019, Admiral was part of a three-cornered amalgamation among Admiral, 2693980 Ontario Inc. (a wholly owned subsidiary of Admiral) and Cultivar Holdings Ltd. (the "Transaction"). Admiral completed the acquisition of all the issued and outstanding shares of Cultivar Holdings Ltd. by way of a three-cornered amalgamation, pursuant to which 2693980 Ontario Inc., amalgamated with Cultivar Holdings Ltd. Pursuant to the Transaction, each registered shareholder of Cultivar Holdings Ltd. received one (1) common share in the capital of the Admiral for each common share held, resulting in the issuance of an aggregate of 97,439,900 common shares to Cultivar Holdings Ltd. Shareholders. As part of the Transaction, warrants of Cultivar Holdings Ltd. were replaced with common share purchase warrants of Admiral. In addition, 500,000 Admiral shares were set aside to be issued to members of Cultivar Holdings Ltd. management team upon the final approval of Jamaica's Cannabis Licensing Authority for the licences involved in the cultivation, processing, retail and transportation of cannabis.

At completion of the Transaction, Admiral changed its name to Cultivar Holdings Inc. (the "Company"). On April 9, 2020, the Company announced that it has completed its name change from "Cultivar Holdings Inc." to "Predictmedix Inc." (the "Name Change"). The CUSIP number assigned to the Company's common shares following the name change is CUSIP 74040L100 (ISIN CA74040L1004). In connection with the Name Change, the Company's trading symbol, as listed on the CSE and the OTCQB have also been changed from "CULT" to "PMED", and from "CVRHF" to "PMEDF", respectively.

On July 16, 2018 the Company had acquired a 100% interest in a newly incorporated CannIP Holdings Inc. (formerly 2639745 Ontario Inc.) ("Cann") a corporation incorporated under the laws of the province of Ontario. Cann is engaged in the development of cosmetic and edible product lines, as well as investment in technology to detect an individual influence of cannabis. The Company did a one for one share exchange with Cann and issued 29,800,000 common shares to the shareholders of Cann.

The Company, through its subsidiaries, is in the business of investment in technology to detect if an individual is under the influence of cannabis and to predict substance addiction in addition to development of cosmetic and edible product lines. On March 27, 2020, the Company sold and discontinued its interests in its marijuana services and products (Note 5).

The Company's corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

2. Basis of Presentation and Going Concern

Basis of Preparation

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for financial instruments recorded at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company and its subsidiaries is the Canadian dollar, which is also the Company's reporting currency.

Statement of Compliance

These condensed interim consolidated financial statements (the "Financial Statements") are unaudited and have been prepared on a condensed basis in accordance with International Accounting Standard 34, Interim Financial Reporting issued by the International Accounting Standards Board ("IASB"), using accounting policies of International Financial Reporting Standards ("IFRS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC. The condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended January 31, 2020, which have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim consolidated financial statements are based on accounting policies as described in the January 31, 2020 annual consolidated financial statements.

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries; Cultivar Holdings Ltd. and Cann from the date of acquisition. The Company has a 100% interest in Cann and in Cultivar Holdings Ltd. The Company had a 49% interest in CJA which was sold on March 27, 2020 (see note 5). All inter-company transactions and balances have been eliminated on consolidation.

Going Concern Assumption

These consolidated financial statements have been prepared using IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the next fiscal year. At April 30, 2020, the Company had cash of \$1,282,690, working capital of \$1,357,562 and an accumulated deficit of \$2,533,431. The continuing operations of the Company are dependent on funding provided by equity investors. The Company intends to finance its future requirements through a combination of equity and/or debt issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms.

This uncertainty may cast significant doubt about the ability of the Company to continue as a going concern. These interim condensed consolidated financial statements do not include any adjustments to the carrying value or presentation of assets or liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates

The preparation of these interim consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the years reported.

Critical Judgements

The preparation of these interim consolidated financial statements requires management to make judgements regarding the going concern of the Company (discussed above), as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries has been determined to be the Canadian dollar.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the interim consolidated financial statements include:

Share-based payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates (Cont'd)

Useful life of property and equipment

Property and equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated physical life of the asset, the potential for technological obsolescence, and regulations.

Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as store profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

Approval of the interim consolidated financial statements

These interim consolidated financial statements were authorized for issuance by the Board of Directors on June 29, 2020.

3. Significant Accounting Policies

The accounting policies set out in the consolidated financial statements at January 31, 2020, have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

COVID-19 Estimation Uncertainty

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

New standards adopted

Effective February 1, 2020, the Company adopted the amendments that were issued by the International Accounting Standards Board on October 22, 2018, to IFRS 3 Business Combinations, which clarified the classification of whether a transaction results in an asset or a business acquisition. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process. The adoption of the amendment to IFRS 3 had no impact on the Company's condensed consolidated interim financial statements as at and for the three months ended April 30, 2020.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

April 30, 2020

(in Canadian dollars)

(Unaudited)

4. Acquisition

During the prior year ended January 31, 2020, the Company completed the following acquisition:

Effective September 23, 2019, the Company was part of a three-cornered amalgamation among the Company, 2693980 Ontario Inc. (a wholly owned subsidiary) and Cultivar Holdings Ltd. (the "Transaction"). The result of the transaction was that Admiral acquired all the issued and outstanding securities of Cultivar Holdings Ltd. on the basis of one share of Admiral for each share of former Cultivar. All outstanding warrants to purchase former Cultivar shares were exchanged, on an equivalent basis, for warrants to purchase shares of the Company. At completion of the transaction, Admiral changed its name to Cultivar Holdings Inc. and former Cultivar was amalgamated into 2693980 Ontario Inc.

Under IFRS, this was considered a Reverse Merger and Recapitalization (commonly referred to as a Reverse Take Over or "RTO"). The Company issued 6,514,249 shares valued at \$0.21 per share, with a total value of \$1,367,992 for the acquisition.

The fair value of the acquired assets and liabilities assumed is as follows:

Assets acquired by the Company:		
Cash	\$	3,448
Prepaid expenses		1,125
Liabilities assumed by the Company:		
Accounts payable and accrued liabilities		(19,127)
Loans payable		(107,525)
Net liabilities assumed		(122,079)
Fair value of shares issued		(1,367,992)
Loss on acquisition		\$ (1,490,071)

5. Sale of interest in Cultivar JA Limited

On March 27, 2020, the Company entered into a sale agreement (the "Sale Agreement") with respect to its 49% interest in Cultivar JA Limited ("Cultivar JA"), which holds a provisional cannabis cultivation license in Jamaica.

Pursuant to the terms of the Sale Agreement, the Company's wholly-owned subsidiary, Cultivar Holdings Ltd., agreed to sell its 49% interest in Cultivar JA and all related royalty interests to the principals of Cultivar JA in exchange for the principals of Cultivar JA agreeing to cancel 4,000,000 common shares of the Company owned by the principals. In addition, the principals also agreed to terminate their right to receive an additional 500,000 common shares of the Company which had been reserved for issuance upon Jamaica's Licensing Authority issuing final approval for Cultivar JA's license.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

April 30, 2020

(in Canadian dollars)

(Unaudited)

5. Sale of interest in Cultivar JA Limited (Cont'd)

The sale agreement constituted a discontinued operation involving the loss of control of Cultivar JA by the Company as of April 30, 2020. A discontinued operation is a component of the Company's business that represents a separate major line of business or a geographical area of operations that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon disposal or earlier, if the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation the comparative statement of comprehensive loss and cash flow operation is re-presented as if the operation had been discontinued from the start of the comparative period.

The sale agreement constituted a discontinued operation of the Company effective March 27, 2020. As a result, all the assets and liabilities of Cultivar JA as of April 30, 2020 have been removed from the statement of financial position of the Company. The cancellation of 4,000,000 shares of the Company have been valued at \$540,000, being the fair value of the shares on the date of the sale transaction.

The expenses of Cultivar JA have been determined to be a discontinued operation by the Company, and as a result, have been disclosed separately on the statement of income (loss) and comprehensive income (loss)

	For the three months ended April 30, 2020	For the three months ended April 30, 2019
Expenses:		
Administration and general	\$ -	\$ 1,816
Amortization	2,871	4,451
Interest expense	687	1,156
Legal fees	-	4,872
Travel, entertainment and related	2,014	2,507
Net loss for the period prior to the sale transaction	(5,572)	(14,802)
Gain on divestiture	351,868	-
Gain (Loss) from discontinued operations, net of tax	\$ 346,296	\$ (14,802)

Predictmedix Inc. (formerly Cultivar Holdings Inc.)
Notes to Interim Condensed Consolidated Financial Statements
April 30, 2020
(in Canadian dollars)
(Unaudited)

6. Prepaid Expenses

Prepaid expenses as of April 30, 2020 include \$70,060 to conduct a study to further validate its proprietary impairment detection technology for both alcohol and cannabis (January 31, 2020: \$70,060)

7. Property and Equipment

	Equipment	Leasehold Improvement	Total
Cost			
Balance as at January 31, 2019	\$ 8,585	\$ 9,916	\$ 18,501
Additions	13,368	-	13,368
Balance as at January 31, 2020	\$ 21,953	\$ 9,916	\$ 31,869
Discontinuance of business (Note 5)	(8,585)	(9,916)	(18,501)
Balance as at April 30, 2020	\$ 13,368	\$ -	\$ 13,368
Accumulated Amortization			
Balance as at January 31, 2019	\$ 2,146	\$ 2,249	\$ 4,395
Amortization	3,603	3,680	7,283
Balance as at January 31, 2020	\$ 5,749	\$ 5,929	\$ 11,678
Amortization	877	-	877
Discontinuance of business (Note 5)	(4,078)	(5,929)	(10,007)
Balance as at April 30, 2020	\$ 2,548	\$ -	\$ 2,548
Net Carrying Amounts			
As at January 31, 2020	\$ 16,204	\$ 3,987	\$ 20,191
As at April 30, 2020	\$ 10,820	\$ -	\$ 10,820

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

April 30, 2020

(in Canadian dollars)

(Unaudited)

8. Stock-Based Compensation

The Company has established a stock option plan whereby officers, directors, employees and service providers may be granted options to purchase common shares at a fixed price. Vesting and expiry provisions are determined at the date of grant. The plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases.

a) In October 2018, the Company granted options to a consultant to acquire a total of 250,000 common shares. These options were issued at an exercise price of \$0.10 per share and vested 75,000 immediately, 37,500 at the date of engineering milestone (vested during the quarter ended July 31, 2019) and balance 137,500 on completion of additional milestones, including 75,000 on model development (vested during the quarter ended October 31, 2019) and 62,500 on project handover, with an expiry term of two years. The fair value of each option used for the purpose of estimating the stock-based compensation was estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate	2.26%
Expected dividends	0%
Expected forfeiture rate	0%
Expected volatility	100%
Expected life	2 years
Unvested stock-based compensation expense as of April 30, 2020	\$ 3,311

During the year ended January 31, 2020, the Company expensed \$5,961 relating to the vesting of 187,500 options, resulting in unvested stock-based compensation expense of \$3,311 as of January 31, 2020. There was no expense for vesting of options during the three months ended April 30, 2020.

b) In November 2018, the Company granted options to a consultant to acquire a total of 100,000 common shares. These options were issued at an exercise price of \$0.10 per share and vested 25,000 immediately, and 25,000 each on April 1, 2019, September 1, 2019 and March 1, 2020 with an expiry term of three years. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate	2.30%
Expected dividends	0%
Expected forfeiture rate	0%
Expected volatility	100%
Expected life	3 years
Unvested stock-based compensation expense as of April 30, 2020	\$ -

During the year ended January 31, 2020, the Company expensed \$4,426 relating to the vesting of 75,000 options, resulting in unvested stock-based compensation expense of \$260 as of January 31, 2020. The Company expensed \$260 for the vesting of 25,000 options during the three months ended April 30, 2020.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

April 30, 2020

(in Canadian dollars)

(Unaudited)

8. Stock-Based Compensation (Cont'd)

c) On April 6, 2020, the Company granted options to its directors, officers and consultants to purchase up to 9,850,000 common shares. These options were issued at an exercise price of \$0.15 per share and have varying vesting periods, with the majority being in equal installments over a quarterly basis throughout the term. These options have a term of one (1) year expiring on April 6, 2021. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate	2.30%
Expected dividends	0%
Expected forfeiture rate	0%
Expected volatility	100%
Expected life	1 year
Unvested stock-based compensation expense as of April 30, 2020	\$ 391,846

During the three months ended April 30, 2020, the Company expensed \$182,864 relating to the vesting of options, resulting in unvested stock- based compensation expense of \$391,846 as of April 30, 2020.

As of April 30, 2020, there was \$395,157 (January 31, 2020: \$3,571) of unvested stock-based compensation expense.

Continuity of the Company's options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, January 31, 2020	350,000	\$0.10
Issued	9,850,000	\$0.15
Outstanding, April 30, 2020	10,200,000	\$0.15

As at April 30, 2020, the Company had the following share purchase options outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining Life (Years)	Expiry Date
250,000	187,500	\$0.10	0.48	October 25, 2020
100,000	100,000	\$0.10	1.52	November 8, 2021
9,850,000	2,462,500	\$0.15	0.93	April 6, 2021
10,200,000	2,725,000	\$0.10	0.94	

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

April 30, 2020

(in Canadian dollars)

(Unaudited)

9. Capital Stock

The Company is authorized to issue the following shares:

- Unlimited number of common shares without par value

a) Common shares

The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

At April 30, 2020, the Company has 100,054,149 common shares issued and outstanding.

b) Share issuances

During the three- month period ended April 30, 2020

- The Company cancelled 4,000,000 common shares pursuant to the sale of its interest in Cultivar JA (Note 5).

During the year ended January 31, 2020:

- The Company issued 800,000 common shares at \$0.10 for services. This includes 550,000 common shares issued to a director valued at \$55,000.
- On August 12, 2019, the Company closed a private placement of 3,296,000 units at \$0.25 per unit for a consideration of \$824,000. Each unit is comprised of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"), with each Warrant exercisable into a common share of the Company at an exercise price of \$0.50 per share for a period of 24 months. The Black-Scholes option pricing model was used to determine the fair value of the warrants using the following weight average assumptions: Expected dividend yield of 0%; risk free interest rate of 1%; expected volatility of 100%; expected life of 2 years. The relative fair value of the warrants has been valued at \$123,283 and common shares at \$700,717 (\$0.21). In connection with this private placement, the Company issued 66,400 shares as finders' fee, and incurred an additional \$95,445 in share issuance costs.
- The Company issued 6,514,249 shares in connection with the acquisition discussed in Note 4.
- On January 10, 2020, the Company issued 100,000 shares for financial media marketing and investor services for a total consideration of \$25,000, to be provided over the period commencing October 28, 2019 and ending on November 1, 2020 (the "Term")

As at April 30, 2020, the Company had the following warrants outstanding:

Outstanding	Exercise Price	Remaining Life (Years)	Expiry Date
1,648,000	\$0.50	1.28	August 11, 2021

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(in Canadian dollars)

(Unaudited)

10. Related Party Transactions

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are members of the Board of Directors, the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”) and the Chief Operating Officer (“COO”).

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

	Three months ended April 30, 2020		Three months ended April 30, 2019	
Management fees to the CEO	\$	24,000	\$	24,000
Management fees to a prior director		6,000		-
Management fees to the COO		15,000		-
Management fees to the CFO		-		5,085
Total Management fees	\$	45,000	\$	29,085
Vehicle expense to the CEO		1,500		1,500
Rent to the CEO included in rent expense		4,500		4,500
	\$	51,000	\$	35,085

As of April 30, 2020, there was \$nil due to any related parties (January 31, 2020 - \$nil)

11. Commitments and Contingencies

Effective July 1, 2018, the Company signed a two-year contract with a corporation owned and controlled by the CEO to pay monthly compensation of \$8,000 for CEO services. In addition, the Company is obligated to pay monthly rent for \$1,500 and an additional \$500 for the use of a personal vehicle.

The Company’s operations were governed by governmental laws and regulations regarding environmental protection. Environmental consequences are difficult to both predict and identify, in terms of level, impact or timeline. At the present time and to the best knowledge of its management, the Company is in conformity with the laws and regulations in effect. Restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at the time.

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(in Canadian dollars)

(Unaudited)

12. Financial Instruments

The fair value of the Company's accounts payable, and loans and advances approximate carrying value, due to their short-term nature. The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at April 30, 2020, the Company had sufficient cash of \$1,282,690 to settle current liabilities of \$44,837.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

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(in Canadian dollars)

(Unaudited)

12. Financial Instruments (Cont'd)**Financial risk management and objectives (Cont'd)***(a) Currency risk*

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. Effective sale of the Company's interest in Cultivar JA in March 2020, the Company has no exposure to any currency except Canadian dollars.

13. Capital Management

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at April 30, 2020 totaled \$1,368,382. The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The sources of future funds presently available to the Company are through the sale of equity capital or debt of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

14. Right-of-use Asset and Lease Liability

Right-of-use Asset of \$nil (January 31, 2020- \$12,192) and total Lease liability of \$nil (January 31, 2020- \$15,189) have been removed from the statement of financial position of the Company as of April 30, 2020 on account of the sale of Company's interest in Cultivar JA (Note 5).

15. Segment Information

The Company, through its subsidiaries, is in the business of investment in technology to detect if an individual is under the influence of cannabis and to predict substance addiction in addition to development of cosmetic and edible product lines. There are no revenues during the year. All assets are located in Canada

16. Subsequent Events

On June 10, 2020, the Company announced the acquisition of MobileWellbeing, an innovative, feature rich, Telemedicine Remote Patient Monitoring platform that will integrate with Predictmedix's Artificial Intelligence ("AI") driven rapid screening system for infectious diseases, including COVID-19. MobileWellbeing is being acquired by Predictmedix (asset purchase) for an upfront cash payment of \$25,000 along with 250,000 common shares and a royalty of 20 percent of gross sales from the first \$2.5 million in sales generated exclusively from the MWB platform. Among 250,000 shares, 150,000 common shares are to be vested with sales related milestones. At the same time, the CEO of MobileWellbeing, Mr. Rajiv Muradia will join the board of Predictmedix as a technical advisor. The transaction is expected to close in August 2020.