

Predictmedix Inc. (formerly, Cultivar Holdings Inc.)

Condensed interim consolidated financial statements

For the three and nine months ended October 31, 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 AND NINE MONTHS ENDED OCTOBER 31, 2020 AND 2019
(Unaudited - Amounts expressed in Canadian Dollars)

TABLE OF CONTENTS

	Page No
Cover	1
Index	2
Condensed Consolidated Interim Statements of Financial Position as at October 31, 2020 (unaudited) and January 31, 2020 (audited)	3
Condensed Consolidated Interim Statements of loss and Comprehensive loss for the three and nine months ended October 31, 2020 and October 31, 2019 (unaudited)	4
Condensed Consolidated Interim Statements of Changes in Equity for the nine months ended October 31, 2020 and October 31, 2019 (unaudited)	5
Condensed Consolidated Interim Statements of Cash Flows for the nine months ended October 31, 2020 and October 31, 2019 (unaudited)	6
Condensed notes to the interim consolidated financial statements	7-23

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Condensed Interim Statements of Financial Position

(Unaudited – expressed in Canadian dollars)

ASSETS	October 31, 2020		January 31, 2020	
CURRENT				
Cash	\$	705,556	\$	1,493,577
Sales tax receivable		79,293		10,133
Prepaid expenses (Note 6)		171,615		130,669
		<u>956,464</u>		<u>1,634,379</u>
Intangible assets (Note 12)		136,525		-
Property and equipment (Note 7)		9,066		20,191
Right-of-use asset (Note 15)		-		12,192
TOTAL ASSETS	\$	<u>1,102,055</u>	\$	<u>1,666,762</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	\$	91,231	\$	67,917
Lease liability current portion (Note 15)		-		11,921
		<u>91,231</u>		<u>79,838</u>
Lease liability non-current portion (Note 15)		-		3,268
TOTAL LIABILITIES		<u>91,231</u>		<u>83,106</u>
SHAREHOLDERS' EQUITY				
Share Capital (Note 9)		3,813,234		4,119,484
Warrant reserve (Note 9)		123,283		123,283
Share-based payment reserve (Note 8)		574,847		15,922
Accumulated deficit		(3,500,540)		(2,611,940)
	\$	<u>1,010,824</u>	\$	<u>1,646,749</u>
Non-controlling interest		-		(63,093)
TOTAL SHAREHOLDERS' EQUITY		<u>1,010,824</u>		<u>1,583,656</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$	<u>1,102,055</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)

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 Loss and Comprehensive Loss
(Unaudited- expressed in Canadian dollars)

	For the three months ended October 31, 2020	For the three months ended October 31, 2019	For the nine months ended October 31, 2020	For the nine months ended October 31, 2019
Expenses:				
Administration and general	\$ 205	\$ 26,804	\$ 8,169	\$ 34,597
Audit and accounting	5,740	-	22,240	-
Amortization (Note 7)	877	-	2,631	-
Consulting fees	69,500	61,474	139,438	86,474
Legal fees	20,458	6,693	116,410	14,430
Management fees (Note 10)	51,900	66,606	164,000	192,691
Marketing expenses	78,846	-	158,253	-
Patent and trademark expenses	7,622	-	7,622	250
Rent expenses (Note 10)	6,000	4,500	15,500	13,500
Research and development	-	-	26,300	73,993
Share based compensation (Note 8)	231,601	5,536	558,925	9,085
Transfer agent and filing fees	4,460	-	42,539	-
Travel, entertainment and related	8,632	21,098	22,831	43,274
Vehicle use expenses (Note 10)	8,000	1,500	13,500	4,500
	\$ (493,841)	\$ (194,211)	\$ (1,298,358)	\$ (472,794)
Income (Loss) from discontinued operations (Note 5)	-	(6,916)	346,296	(33,374)
Loss from acquisition of subsidiary		(1,480,071)		(1,480,071)
Loss and comprehensive loss	\$ (493,841)	\$ (1,681,198)	\$ (952,062)	\$ (1,986,239)
Loss and comprehensive loss attributable to:				
Shareholders	\$ (493,841)	\$ (1,677,671)	\$ (949,220)	\$ (1,969,218)
Non-controlling interest	\$ -	\$ (3,527)	\$ (2,842)	\$ (17,021)
Loss per share-Basic and Diluted	\$ (0.005)	\$ (0.017)	\$ (0.009)	\$ (0.021)
Weighted average number of shares outstanding- Basic and Diluted	100,888,986	99,799,349	101,197,625	95,744,936

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 October 31, 2020 and October 31, 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
Private placement of units	3,296,000	700,717	123,283	-	-	-	824,000
Shares issued as finders fees	66,400	-	-	-	-	-	-
Shares issuance cost	-	(95,444)	-	-	-	-	(95,444)
Shares issued for services	800,000	80,000	-	-	-	-	80,000
Share-based compensation	-	-	-	9,085	-	-	9,085
Reverse takeover of subsidiary	6,514,249	1,367,992	-	-	-	-	1,367,992
Net loss for the period	-	-	-	-	(17,021)	(1,969,218)	(1,986,239)
Balance as at October 31, 2019	103,954,149	\$ 4,094,485	\$ 123,283	\$ 14,621	\$ (60,739)	\$ (2,289,641)	\$ 1,882,008
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	-	-	-	558,925	-	-	558,925
Shares issued on acquisition of intangible asset	50,000	53,000	-	-	-	-	53,000
Exercise of options	905,000	130,750	-	-	-	-	130,750
Exercise of warrants	100,000	50,000	-	-	-	-	50,000
Net loss for the period	-	-	-	-	(2,842)	(949,220)	(952,062)
Balance as at October 31, 2020	101,109,149	\$ 3,813,234	\$ 123,283	\$ 574,847	\$ -	\$ (3,500,540)	\$ 1,010,824

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 nine months ended October 31, 2020	For the nine months ended October 31, 2019
OPERATING ACTIVITIES		
Net income (loss)	\$ (952,062)	\$ (1,986,239)
Non-cash items included in net loss and other adjustments:		
Amortization	2,631	-
(Income) Loss from discontinued operations	(346,296)	33,374
Loss from acquisition of subsidiary	-	1,480,071
Share-based compensation	558,925	9,085
Shares issued for services	-	80,000
Changes in non-cash working capital:		
Sales tax receivable	(69,160)	-
Prepaid expenses	(40,946)	(44,513)
Loans and advances	-	(47,001)
Accounts payable and accrued liabilities	23,314	(37,986)
Net assets from discontinued operations	(59,523)	(49,640)
CASH USED IN OPERATING ACTIVITIES	(883,117)	(562,849)
INVESTING ACTIVITIES		
Purchase of property and equipment	-	(13,368)
Cash acquired on acquisition of subsidiary	-	3,448
Intangible asset addition paid in cash	(83,525)	-
CASH USED IN INVESTING ACTIVITIES	(83,525)	(9,920)
FINANCING ACTIVITIES		
Issuance of shares for cash	-	824,000
Share issue expenses	-	(95,444)
Share issuance on exercise of options and warrants	180,750	
Deferred costs	-	61,474
Lease payments made for discontinued operations	(2,129)	(7,076)
CASH PROVIDED (USED) BY FINANCING ACTIVITIES	178,621	782,954
NET CHANGE IN CASH DURING THE PERIOD	(788,021)	210,185
CASH, BEGINNING OF PERIOD	1,493,577	1,558,949
CASH, END OF PERIOD	\$ 705,556	\$ 1,769,134

Cash paid for interest and income taxes	\$	-	\$	-
---	----	---	----	---

Supplemental cash flow information

Non-cash transactions during the period

Shares issued for acquisition of intangible assets	\$	53,000	-
--	----	--------	---

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

October 31, 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.

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 October 31, 2020, the Company had cash of \$705,556, working capital of \$865,233 and an accumulated deficit of \$3,500,540. 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 December 30, 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.

3. Significant Accounting Policies (Cont'd)

Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recorded on a straight-line basis over the estimated useful life of the asset acquired, which varies depending on the nature of the intangible asset. Intangible assets are amortized from the date when they are available for use.

The estimated useful life is reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis. Internally incurred development costs are recognized as intangible assets when the following criteria are met:

- a) it is technically feasible to complete the intangible asset so that it will be available for use;
- b) management intends to complete the intangible asset and use or sell it;
- c) there is an ability to use or sell the intangible asset;
- d) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- e) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- f) the expenditure attributable to the intangible asset during its development can be reliably measured.

Intangible assets may relate to the Company's external development expenditures in relation to intellectual property development. Development expenditures that do not meet these criteria are recognized as an expense as incurred. Intangible assets with definite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. These intangible assets will be amortized when they are ready for use. The amortization period and the amortization method are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates on a prospective basis.

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 October 31, 2020.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

October 31, 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)
<hr/>		
Net liabilities assumed		(122,079)
Fair value of shares issued		(1,367,992)
<hr/>		
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.

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. 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 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 nine months ended October 31, 2020	For the nine months ended October 31, 2019
Expenses:		
Administration and general	\$ -	\$ 3,587
Amortization	2,871	13,353
Interest expense	687	3,162
Legal fees	-	5,490
Travel, entertainment and related	2,014	7,782
Net loss for the period prior to the sale transaction	(5,572)	(33,374)
Gain on divestiture	351,868	-
Income (Loss) from discontinued operations, net of tax	\$ 346,296	\$ (33,374)

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

October 31, 2020

(in Canadian dollars)

(Unaudited)

6. Prepaid Expenses

Prepaid expenses as of October 31, 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 October 31, 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	2,631	-	2,631
Discontinuance of business (Note 5)	(4,078)	(5,929)	(10,007)
Balance as at October 31, 2020	\$ 4,302	\$ -	\$ 4,302
Net Carrying Amounts			
As at January 31, 2020	\$ 16,204	\$ 3,987	\$ 20,191
As at October 31, 2020	\$ 9,066	\$ -	\$ 9,066

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

October 31, 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. These options expired in October 2020. 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

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 nine months ended October 31, 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 October 31, 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 nine months ended October 31, 2020.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

October 31, 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 October 31, 2020	\$ 103,446

During the nine months ended October 31, 2020, the Company expensed \$471,264 relating to the vesting of options, resulting in unvested stock- based compensation expense of \$103,446 as of October 31, 2020.

d) On July 17, 2020, the Company granted options to its consultants to purchase up to 80,000 common shares. These options were issued at an exercise price of \$1.02 per share and vest one year after date of grant. These options have a term of five (5) years expiring on July 17, 2025. 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	5 years
Unvested stock-based compensation expense as of October 31, 2020	\$ 43,241

During the nine months ended October 31, 2020, the Company expensed \$17,917 relating to the vesting of options, resulting in unvested stock- based compensation expense of \$61,118 as of October 31, 2020.

e) On September 17, 2020, the Company granted options to its consultants to purchase up to 200,000 common shares. These options were issued at an exercise price of \$0.54 per share and vest on date of grant. These options expire on March 30, 2022. 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	1.5 years
Unvested stock-based compensation expense as of October 31, 2020	\$ -

During the nine months ended October 31, 2020, the Company expensed \$50,969 relating to the vesting of options, resulting in unvested stock- based compensation expense of \$nil as of October 31, 2020.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

October 31, 2020

(in Canadian dollars)

(Unaudited)

8. Stock-Based Compensation (Cont'd)

f) On September 21, 2020, the Company granted options to its consultants to purchase up to 250,000 common shares. These options were issued at an exercise price of \$0.59 per share and vest in equal installments over a quarterly basis throughout the term. These options have a term of one (1) year expiring on September 21, 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 October 31, 2020	\$ 38,859

During the nine months ended October 31, 2020, the Company expensed \$18,515 relating to the vesting of options, resulting in unvested stock-based compensation expense of \$38,859 as of October 31, 2020.

As of October 31, 2020, there was \$185,506 (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
Issued	80,000	\$1.02
Issued	200,000	\$0.54
Issued	250,000	\$0.59
Expired	(250,000)	\$0.10
Exercised	(100,000)	\$0.10
Exercised	(805,000)	\$0.15
Outstanding, October 31, 2020	9,575,000	\$0.18

As at October 31, 2020, the Company had the following share purchase options outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining Life (Years)	Expiry Date
9,045,000	6,783,750	\$0.15	0.43	April 6, 2021
80,000	-	\$1.02	4.71	July 17, 2025
200,000	200,000	\$0.54	1.41	March 30, 2022
250,000	62,500	\$0.59	0.43	September 21, 2021
9,575,000	7,046,250	\$0.18	0.49	

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

October 31, 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 October 31, 2020, the Company has 101,109,149 common shares issued and outstanding.

b) Share issuances

During the nine- month period ended October 31, 2020

- The Company cancelled 4,000,000 common shares pursuant to the sale of its interest in Cultivar JA (Note 5).
- 805,000 shares were issued upon exercise of 805,000 options at a price of \$0.15 per share and 100,000 shares were issued upon exercise of 100,000 options at a price of \$0.10 per share for total gross proceeds of \$130,750.
- 100,000 shares were issued upon exercise of 100,000 warrants at a price of \$0.50 per share for gross proceeds of \$50,000.
- 50,000 shares were issued pursuant to the acquisition of MobileWellbeing ("MWB"), an innovative, feature rich, Telemedicine Remote Patient Monitoring platform (Note 12)

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 October 31, 2020, the Company had the following warrants outstanding:

Outstanding	Exercise Price	Remaining Life (Years)	Expiry Date
1,548,000	\$0.50	0.78	August 11, 2021

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

October 31, 2020

(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:

	Nine months ended October 31, 2020		Nine months ended October 31, 2019	
Management fees to the CEO	\$	74,000	\$	72,000
Management fees to a prior director		6,000		36,000
Management fees (issued in shares) to a director		-		55,000
Management fees to the COO		50,000		5,000
Management fees to the CFO		34,000		24,691
Total Management fees	\$	164,000	\$	192,691
Vehicle expense to the CEO		7,500		4,500
Vehicle expenses to the CTO		5,000		-
Rent to the CEO included in rent expense		15,500		13,500
	\$	192,000	\$	210,691

	Three months ended October 31, 2020		Three months ended October 31, 2019	
Management fees to the CEO	\$	25,500	\$	24,000
Management fees to a prior director		-		18,000
Management fees to the COO		18,000		5,000
Management fees to the CFO		8,400		19,606
Total Management fees	\$	51,900	\$	66,606
Vehicle expense to the CEO		4,000		1,500
Vehicle expenses to the CTO		4,000		-
Rent to the CEO included in rent expense		6,000		4,500
	\$	65,900	\$	72,606

During the nine months ended October 31, 2020, the Company paid \$38,022 (2019 \$nil) being marketing expenses to companies controlled by the children of the CEO.

As of October 31, 2020, there was \$7,000 due to related parties (October 31, 2019 - \$nil)

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

October 31, 2020

(in Canadian dollars)

(Unaudited)

11. Commitments and Contingencies

Effective July 1, 2020, the Company signed a two-year contract with a corporation owned and controlled by the CEO to pay monthly compensation of \$8,500 for CEO services. In addition, the Company is obligated to pay monthly rent for \$2,000 and an additional \$1,500 for the use of a personal vehicle.

Effective July 1, 2020, the Company signed a two-year contract with a corporation owned and controlled by the CTO to pay monthly compensation of \$6,000 for CTO services. In addition, the Company is obligated to pay an additional \$1,500 for the use of a personal vehicle.

12. Intangible Assets

a) On July 21, 2020, the Company completed the acquisition of MobileWellbeing ("MWB"), an innovative, feature rich, Telemedicine Remote Patient Monitoring platform that will integrate with the Company's Artificial Intelligence ("AI") driven rapid screening system for infectious diseases, including COVID-19.

The consideration for the purchase was satisfied by payment in cash for \$25,000, issuance of 20,000 shares and additional 30,000 shares to be issued on the 90th day of close. Consideration paid in the form of equity instruments is being considered share-based payment within the scope of IFRS 2 Share-based Payment and this asset acquisition is fair valued for a total consideration for \$78,000 at the point control was obtained.

The acquisition has contingent considerations and royalty payments on achievement of certain milestones. The Company shall pay royalty of 20 percent of gross sales from the first \$2.5 million in sales generated exclusively from the MWB platform. In addition, the Company is obligated to issue an additional 200,000 common shares commencing with the release of the initial version of the MWB platforms to the market and achievement of sales related milestones.

Contingent consideration in an asset acquisition was discussed at the March 2016 IFRS Interpretations Committee (IFRIC) meeting. An accounting policy choice exists, therefore an entity may recognize a liability for the expected variable payments at the time control of the underlying asset is obtained or they may only recognize such a liability as the related activity that gives rise to the variability occurs. The Company has opted to recognize the liability only when the related activity that gives rise to the variability occurs.

Consideration	\$
Cash consideration on closing	25,000
Issued shares (50,000 shares issued at \$1.06/share)	53,000
	78,000
Purchase Price allocation	
	\$
Intangible asset- MWB remote patient monitoring platform	78,000
	78,000

b) The Company's other intangible asset relates to the development of infectious disease symptom screening solution ("IDSS").

These intangible assets are currently in the development phase and are not in use. Amortization will be recorded on these intangible assets from the date when they are put to use.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

October 31, 2020

(in Canadian dollars)

(Unaudited)

12. Intangible Assets (Cont'd)

The Company's intangible assets are comprised of the following:

	MWB		IDSS		Total
<u>Cost</u>					
Balance at January 31, 2019	\$	-	\$	-	\$ -
Additions		-		-	-
Balance at January 31, 2020	\$	-	\$	-	\$ -
Acquisition		78,000		-	78,000
Additions		7,425		51,100	58,525
Balance at October 31, 2020	\$	85,425	\$	51,100	\$ 136,525
<u>Net Book Value</u>					
Balance, October 31, 2020	\$	85,425	\$	51,100	\$ 136,525
Balance, January 31, 2020	\$	-	\$	-	\$ -

13. 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.

13. Financial Instruments (Cont'd)

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 October 31, 2020, the Company had sufficient cash of \$705,556 to settle current liabilities of \$91,231.

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.

(c) 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.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Interim Condensed Consolidated Financial Statements

October 31, 2020

(in Canadian dollars)

(Unaudited)

14. Capital Management

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at October 31, 2020 totaled \$1,010,824. 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.

15. 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 October 31, 2020 on account of the sale of Company's interest in Cultivar JA (Note 5).

16. 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 period. All assets are located in Canada