<u>RESTATED </u>FORM2A – LISTING STATEMENT

(the “Listing Statement”)

Dated as at December 30, 2020

AI/ML INNOVATIONS INC. (formerly AIML Resources Inc. and Firebird Resources Ltd.)

(the “Resulting Issuer”)

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ITEM 1: GENERAL

1.1.1 <u>Effective Date of Information</u>

All information in this Listing Statement is as of December 30, 2020 unless otherwise indicated.

1.2 Forward Looking Statements

Cautionary Statement Regarding Forward-Looking Statements

This Listing Statement contains "forward-looking statements" concerning anticipated developments and events that may occur in the future.

All statements, other than statements of historical fact, made by the Issuer that address activities, events or developments that the Issuer expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments.

These statements speak only as of the date they are made and are based on information currently available and on the then current expectations of the Issuer and assumptions concerning future events. Forward looking statements are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements.

In particular, this Listing Statement contains forward-looking statements pertaining to the following:

- the terms, conditions and completion of the Fundamental Change Transaction and Financing;
- the Closing Date and the Effective Date;
- use of proceeds from the Financing;
- the obtaining of all required regulatory approvals in connection with the Fundamental Change
- Transaction and Financing;
- the potential benefits of the Fundamental Change Transaction;
- estimates of the Resulting Issuer's future revenues and profits;

- treatment under government regulatory and taxation regimes;
- the timing of the listing of the Resulting Issuer’s Shares on the CSE;
- the Resulting Issuer’s and the Target’s business strategies, objectives and plans to pursue the commercialization of its products;
- expectations regarding production costs, capacity and yields of the Target and growth thereof;
- the Resulting Issuer’s and the Target’s estimates of the size of the potential markets for its products and the rate and degree of market acceptance of such products and its competitive positions in relation thereto;
- the Target’s intentions to develop its business and operations
- projections of market prices and costs and the future market for the Target’s products and conditions affecting same;
- estimates of the Resulting Issuer’s or the Target’s future revenues and profits;
- the Resulting Issuer’s anticipated cash needs, needs for additional financing and use of funds;
- ability to obtain and protect the Resulting Issuer’s intellectual property and proprietary rights;
- expectations regarding the Resulting Issuer’s ability to raise capital;
- market position, and future financial or operating performance of the Resulting Issuer;
- liquidity of the Shares following the Effective Time; and
- anticipated developments in operations of the Resulting Issuer.

With respect to forward-looking statements listed above and contained in this Listing Statement, management of the Issuer has made assumptions regarding, among other things:

- the Issuer’s and the Target’s ability to satisfy the conditions to the Fundamental Change Transactions and Financing and the Issuer’s;
- the Issuer’s ability to complete the Financing;
- the legislative and regulatory environment;
- the ability to secure necessary personnel, equipment and services;
- that tax regimes will remain largely unaltered;
- the Resulting Issuer’s ability to obtain additional financing on satisfactory terms; and

- the global economic environment.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Listing Statement:

- the possibility that operating results will not be consistent with the Resulting Issuer's or Target's expectations;
- limited operating history and negative operating cash flow;
- competition for, among other things, customers, supply, capital, capital acquisitions of products and skilled personnel;
- consumer acquisition and retention;
- fluctuations in currency and interest rates;
- competition in the digital healthcare industry;
- general operating risks;
- environmental risks;
- risks relating to global financial and economic conditions;
- changes in legislation affecting operations of the Resulting Issuer;
- failure to realize the benefits of the Fundamental Change Transactions and any future acquisitions;
- incorrect assessments of the value of acquisitions; and
- other factors discussed under *"Risk Factors"* below.

Consequently, all forward-looking statements made in this Listing Statement and other documents of the Issuer and the Target are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Issuer or the Target.

Although the Issuer has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this Listing Statement and, other than as required by applicable securities laws, the Issuer assumes no obligation to update or revise them to reflect new events or circumstances.

1.3 Currency

Unless otherwise indicated herein, references to "$", "CDN$" or "Canadian dollars" are to Canadian dollars.

1.4 Accounting Principles

All financial information in this Listing Statement is prepared in accordance with International Financial Reporting Standards.

1.5 Information Concerning the Target

The information contained or referred to in this Listing Statement relating to the Target has been furnished by the Target. In preparing this Listing Statement, the Issuer has relied upon the Target to ensure that the Listing Statement contains full, true and plain disclosure of all material facts relating to the Target. Although the Issuer has no knowledge that would indicate that any statements contained herein concerning the Target are untrue or incomplete, neither the Issuer nor any of its principals assumes any responsibility for the accuracy or completeness of such information or for any failure by the Target to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

1.6 Market and Industry Data

The industry data contained in this Listing Statement is based upon information from independent industry and other publications and the Issuer's management's knowledge of, and experience in, the industry in which the Resulting Issuer will operate. None of the sources of industry data have provided any form of consultation, advice or counsel regarding any aspect of, or is in any way whatsoever associated with, the Acquisition. Industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data at any particular point in time, the voluntary nature of the data gathering process or other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy and completeness of this data are not guaranteed. The Issuer has not independently verified any of the data from third party sources referred to in this Listing Statement or ascertained the underlying assumptions relied upon by such sources.

1.7 Glossary of Terms

For the assistance of Shareholders, the following is a glossary of terms used frequently throughout this Listing Statement. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders. Certain additional terms are defined within the body of this Listing Statement and in such cases, will have the meanings ascribed thereto.

Acquisition Agreement	Collectively, the Target Acquisition Agreement.
Affiliate	Unless specified otherwise, has the meaning ascribed to such term in NI 45-106.
AIML	AI/ML Innovations Inc. (formerly AIML Resources Inc. and Firebird Resources Ltd.)
AI/ML	Artificial Intelligence, Machine Learning
Arm's Length Transaction	A transaction which is not a related party transaction as defined under applicable securities laws. The Fundamental Change Transactions described in this Listing Statement, are Arm's Length Transactions.
ANN	Artificial Neural Network – software designed to mimic human learning patterns
Associate	Unless specified otherwise, has the meaning ascribed to such term in the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder.
Audit Committee	The audit committee of the Board.
BCBCA	The *Business Corporations Act* (British Columbia), S.B.C. 2002, c.57, as amended from time to time, including the regulations promulgated thereunder.

Board of Directors or Board	The board of directors of the Issuer or the Resulting Issuer, as the context requires.
C#, .NET, MSSQL and IIS	Various development software implemented in the architecture of Health Gauge's products
CEO	Each individual who served as Chief Executive Officer of the Issuer or acted in a similar capacity during the most recently completed financial year.
CFO	Each individual who served as Chief Financial Officer of the Issuer or acted in a similar capacity during the most recently completed financial year.
Closing	The closing of the Fundamental Change Transactions.
Closing Date	The date on which the Closing occurs, as agreed by the Issuer and the Target and the Target Shareholders.
Common Shares	The common shares without par value in the capital of the AIML.
company	unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
Control Person	Any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not affect the control of the issuer
CSE	Canadian Securities Exchange
CSE Policies	The rules and policies of the CSE in effect as of the date hereof.
ECG	Electrocardiogram

eCOMM	Internet based sales
executive officer	(i) the chair, (ii) the vice-chair, (iii) a vice-president in charge of a principal business unit, division or function, including sales, finance or production; (iv) an officer, including of a subsidiary, who performs a policy making functions; (v) or any other individual performing policy making functions of a company, including the Issuer, the Target or the Resulting Issuer.
FDA	US Food and Drug Administration – the governing body for the approval of medical devices in the USA.
Financing	The financing to be completed by the Issuer concurrent with the Fundamental Change Transactions to raise a further $1,000,000 through the sale of a further up to 4,000,000 Units at a price of $0.25 per Unit on a non-brokered basis.
Fundamental Change Transaction	Collectively, the Target Acquisition will redirect the Issuer's resources and change the nature of its business from that of a mining issuer to a technology issuer, all as more particularly described in this Listing Statement.
Health Canada	The Canadian federal department responsible for health
Health Gauge	The Target company, officially registered under the laws of Alberta as Salu Design Group Inc.
IFRS	International Financial Reporting Standards.
Insider	if used in relation to a company, means: (a) a director or senior officer of a company; (b) a director or senior officer of a company that is an Insider or subsidiary of a company; (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of a company; or (d) a company itself if it holds any of its own securities.

Issuer	AI/ML Innovations Inc., formerly AIML Resources Inc., a corporation incorporated under the BCBCA and listing on the CSE under the trading symbol “AIML”.
IP	Intellectual Property
Listing Statement	This listing statement dated December 30, 2020
Listing Date	The date on which the Resulting Issuer resumes trading on the CSE after the completion of the Transactions.
MD&A	Management’s discussion and analysis, as such term is defined in National Instrument 51-102 – Continuous Disclosure Obligations of the Canadian Securities Administrators.
Mineral Properties	Collectively, the Issuer’s interests in the mineral exploration properties.
Named Executive Officer or NEO	One of the (i) the CEO, (ii) the CFO, (iii) each of the Issuer’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, or (iv) any additional individuals for whom disclosure would have been provided under paragraph (i) above except that the individual was not serving as an executive officer of the Issuer, nor in a similar capacity, as at the end of the most recently completed financial year end.
NI 52-110	National Instrument 52-110 Audit Committees as adopted the Canadian Securities Administrators and the companion policies and forms thereto, as amended from time to time
person	Broadly interpreted and includes any natural person, partnership, limited partnership, joint venture, syndicate, sole proprietorship, body corporate with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative.

Placement Warrant	The warrants issuable as part of the Units in the Financing, two Series B warrants entitling the holder to acquire a Common Share at a price of $0.50 per Common Shares for a period of period of one year from Listing Date.
PPB	photoplethysmogram – used to measure blood volume changes in tissue
Resulting Issuer	The Issuer, following completion of the Transactions.
Resulting Issuer Stock Option Plan	The stock option plan of the Resulting Issuer
SaaS	Software as a Service – an online, computing cloud based web application
SEC	The United States Securities and Exchange Commission.
SEDAR	The System for Electronic Document Analysis and Retrieval as located on the internet at www.sedar.com.
Series A Warrant	Warrants issued to AIML private placement subscribers allowing the acquisition of one Common Share upon the payment of $0.15 prior to February 18, 2021 and $0.20 thereafter until February 18, 2022
Series A Performance Warrant	Warrants issued as part consideration to the Target Shareholders in respect to the Target Acquisition.
Series B Warrant	Warrants issuable as part of the units in the debt settlement undertaken by the Issuer, one Series B warrant entitling the holder to acquire a Common Share at a price of $0.50 per Common Shares for a period of period of two years from Listing Date.
Series C Warrant	Warrants issuable as part of the Units in the Financing, two Series C warrants entitling the holder to acquire one Common Share at a price of $0.50 per Common Shares for a period of period of one year from Listing Date subject to the right of the

	Issuer to accelerate expiry in the event that the Commons Shares trade at or above $0.60 for a period of 10 days. .
Shareholders	Holders of one or more Common Shares.
Stock Option Plan	The current incentive stock option plan of the Issuer.
Stock Options	Existing options granted by the Issuer pursuant to the Stock Option Plan.
Share Purchase Agreement	The share purchase agreement dated August 16, 2020 between the Target, its shareholders, and the Issuer.
Target	Salu Design Group Inc. a company incorporated pursuant to the laws of Alberta
Target Acquisition	The acquisition of 70% of the issued and outstanding Target Shares by the Issuer pursuant to the Target Acquisition Agreement.
Target Acquisition Agreement	The share exchange agreement dated August 16, 2020 between the Issuer, the Target and the Target Shareholders.
Target Shareholders	The holders of the Target Shares.
Target Shares	The common shares in the capital of the Target.
Transactions	Collectively, the Fundamental Change Transaction and the Target Acquisition.
Transfer Agent	Computershare Trust Company of Canada.
TSXV	TSX Venture Exchange.
Unit	A unit offered pursuant to the Financing at a price of $0.25 per unit, each comprised of one Common Shares and one Series B Warrant (also referred to as Placement Warrant)
United States or USA	The United States of America, its territories and possessions, any state of the United States and the District of Columbia.

USPTO	United States Patent and Trademark Office
Working Capital Amount	$420,000 in cash to be advanced by the Issuer to Salu Design Group Inc. pursuant to the Acquisition Transaction less the amount of advances made.
1933 Act	The United States Securities Act of 1933, as amended.
1934 Act	The United States Securities Exchange Act of 1934, as amended.

2. Corporate Structure

2.1 The Issuer's full corporate name is AI/ML Innovations Inc., having its registered office at Suite 1000, 925 West Georgia Street, Vancouver, BC V6C 3L2 and principal place of business at Suite 860, 10004 – 104 Ave, Edmonton, Alberta, T5J 0K1.

2.2 The Issuer was continued pursuant to the *Business Corporations Act (British Columbia)* on November 4, 2009. The Issuer is a reporting issuer in the provinces of British Columbia, and Alberta. Its principal regulator is British Columbia.

2.3 The Issuer currently has one subsidiary, being Alberta incorporated Salu Design, Inc. operating as Health Gauge.

2.4 The Issuer has entered into a share exchange agreement with the Target to acquire 70% of the issued and outstanding common shares of the Target in exchange for 3,000,000 common shares of the Issuer and 7,000,000 Series A Performance Warrants. Concurrently with the completion of the share exchange, the Issuer expects to complete the issue 4,000,000 units at $0.25 per unit to settle outstanding indebtedness, and to complete the Financing of a private placement of 4,000,000 units. The share exchange transaction will not result in the creation of a control group as the two largest shareholders post the Transaction will each own less than 10% of the Issuer's issued and outstanding common shares. As a condition of closing, the Issuer will appoint two new directors, Randy Duguay and Bruce Matichuk.

2.5 This section is not applicable as the Issuer was incorporated in British Columbia.

3. General Development of the Business

3.1 The Issuer, AI/ML Innovations Inc. changed its name on November 6, 2020 pursuant to a directors' resolution from its former name AIML Resources Inc. The Issuer was continued under the *Business Corporations Act (British Columbia)* on May 10, 2009 as

Firebird Resources Inc. and changed its name to AIML Resources Inc on February 14, 2020 and operates from its registered office located at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, BC, V6C 3L2, and its head office located at Suite 860, 10004 – 104 Ave, Edmonton, Alberta, T5J 0K1.

The Issuer entered into an option agreement dated June 24, 2010, with Pageland Minerals Ltd., a private Nevada corporation, to acquire up to a 100-per-cent interest in certain mineral leases held by Pageland within the counties of Lancaster and Chesterfield in the state of South Carolina. The mineral leases consist of 20 separate mineral leases constituting a total area of approximately 2,000 acres over three prospective gold properties, being the Buzzard, Jefferson and Belk properties.

Pursuant to the option agreement, the Issuer had the option to acquire up to a 70-per-cent interest in the mineral leases by issuing, on or before the first anniversary of the effective date, common shares of the Issuer with a market value of $4.8-million (subject to a maximum share issuance equal to 40 per cent of the issued and outstanding common shares of the Issuer), such market value to be calculated over the preceding five trading days, and by making a cash payment to Pageland in the amount of $1.5-million on or before 14 months from the effective date. Additionally, the Issuer was to incur $1-million of exploration and development expenditures on the properties underlying the mineral leases before the first anniversary of the effective date, and incur a further $1-million of expenditures in respect of the properties before the second anniversary of the effective date. The option agreement provided that the Issuer may acquire the remaining 30-per-cent interest in the mineral leases by making an additional cash payment to Pageland of $1-million before the second anniversary of the effective date and incurring $2-million of additional expenditures in respect of the properties underlying the mineral leases before the third anniversary of the effective date.

Subsequently, on February 10, 2011, the Issuer announced amendments to the Pageland option agreement. Pursuant to the terms of the amendments, among other things, the cash portion payable by the Issuer to Pageland in order to exercise the first 70-per-cent option was amended to $700,000, $200,000 payable before March 31, 2011, and $500,000 payable before May 31, 2011. The first work commitment was also amended to reflect the recommended work program set forth in the report. The Issuer may acquire the remaining 30-per-cent interest by making a cash payment to Pageland in the amount of $1.8-million on or before July 31, 2012, and incurring exploration expenditures before July 31, 2012, totalling the lesser of $1-million and the amount as may be recommended in an NI 43-101-compliant report. The Issuer also agreed to reimburse Pageland for certain costs incurred by Pageland related to the preparation of the report, and for past exploration and development expenditures.

Subsequently, on January 6, 2012, the Issuer reported that it had exercised its initial option to acquire a 70-per-cent interest in the Buzzard-Jefferson property pursuant to the terms and conditions set forth in its previously announced mining option agreement, as amended, with Pageland Minerals Ltd. In order to exercise the first option, the Issuer made cash payments to Pageland totaling $700,000, issued 9,056,603 common shares of the Issuer and incurred exploration expenditures in the aggregate amount of $495,000 in respect of the property, in addition to reimbursing Pageland for certain additional costs and payments. In connection with its exercise of the first option, the Issuer issued an additional 400,000 common shares of the Issuer to Pageland at a deemed price of 53 cents per share in consideration for Pageland's agreement to extend the time by which the Issuer was required to exercise the first option.

From 2012 to recently, the Issuer has been primarily engaged in mineral exploration of its South Carolina Gold properties.

In January 2020, the Issuer consolidated its issued and outstanding Common Shares on the basis of 1 new common share for 10 old common shares.

On February 18, 2020 the Issuer completed a private placement of 3,000,000 units at $0.11 for gross proceeds of $330,000.

On August 31, 2020, the Issuer issued 376,000 Common Shares at $0.15 for proceeds of $56,000 on the exercise of warrants.

Immediately following completion of the Acquisition Transaction, the Issuer disposed of its mineral property interests comprised of its Buzzard Gold Property to an arms-length private company.

The Issuer commenced negotiating a transaction to acquire 70% ownership of an Alberta based digital health tech business in early 2020. Pursuant to an agreement dated August 16, 2020, the Issuer entered into a share exchange agreement with the Target to acquire 70% of the issued and outstanding common shares of the Target for a deemed purchase price of $750,000, payable by the issuance of 3,000,000 Common Shares of the Issuer at a deemed issue price of $0.25 per share and 7,000,000 Series A Performance Warrants. Upon the completion of the share exchange transaction, the Issuer intends to operate the business of the Target.

Salient Terms of the Agreement

i) AIML shall issue 3,000,000 Common Shares at a deemed price of $0.25 per share to the Target Shareholders in return for 70% of the issued share capital of the Target.

ii) The Target shareholders shall also be issued 7,000,000 Series A Performance Warrants which are exercisable into 7,000,000 Common Shares, free of cost, subject to the following performance conditions being met by the Target:

   a) 2,000,000 Common Shares upon the Target generating aggregate sales revenue within any six consecutive month period of $600,000, within 2 years of the date of the Agreement's approval, and

   b) 5,000,000 Common Shares upon the Target generating aggregate sales revenue within any six consecutive month period of $1,200,000, within 3 years of the date of the Agreement's approval.

iii) Prior to closing of this transaction, AIML shall complete a financing of at least $420,000 to be used as working capital by the Target.

iv) Additionally, AIML will use its best efforts to fund an additional $1,500,000 of working capital for the Target's operations, at the rate of $400,000 per 180 days.

v) The Target shall be granted 2 of 5 positions on the board of directors of AIML

vi) AIML will have an exclusive option to acquire the remaining 30% of the common shares from the Target Shareholders for a period of 36 months from the closing date of this transaction (the "Option") as follows:

   a) 10,000,000 Common Shares upon exercise of the Option, and

   b) An additional 5,000,000 performance warrants which are exercisable into up to 5,000,000 Common Shares, free of cost, upon the Target achieving aggregate sales revenue of not less than $7.5 million within any consecutive 6-month period over the 2 years following closing of the exercise of the Option

   c) If the Target achieves aggregate sales revenue of $9 million during any consecutive 6-month period within the option period, the Option will automatically trigger such that AIML will acquire all remaining shares of the Target Shares for the full 15,000,000 Common Shares.

vii) Randy Duguay and Bruce Matichuk (the key insiders of the Target) will each be engaged on a full time basis with 24-month employment agreements providing each with cash compensation of $7,500 per month and 500,000 stock options of AIML.

All shares issued under this Agreement are subject to applicable statutory hold periods along with any escrow restrictions imposed by the CSE or under applicable laws.

3.2 Concurrent with a new listing on the CSE, the Issuer intends to complete the Acquisition Transaction.

The two companies' audited year ends, their most recent quarterly statements and pro-forma consolidated financial statements of the Issuer after giving effect to the share exchange as of the most recent quarter are attached as schedules to this Listing Statement and are incorporated by reference herein.

3.3 The Issuer has addressed a number of trends, uncertainties, demands, commitments and/or events which are reasonably likely to have a material effect on the Issuer's business, financial condition or results of operations. The following are cross references to trends and/or uncertainties disclosed elsewhere in the Listing Statement:

Regulatory Environment page 25

Global market for medical devices page 28

Market size references & growth projections page 30

Telehealth and Digital Health Monitoring Market page 32

Medical Devices Market page 35

Competitive Conditions page 41

Current key competitors page 42

Proprietary Protection page 46

Trends page 78

Risks and Uncertainties page 81

4 Narrative Description of the Business

4.1 Narrative Description of the Issuer's Business

Upon completion of the Transaction, the business of the Resulting Issuer will be the business of the Target.

General Description of Target's Business

Salu Design Group Inc. (o/a Health Gauge) was incorporated on April 10, 2014 under the Alberta Business Corporations Act ("ABCA") and operates under the trade name of

Health Gauge and holds the rights to intellectual property in the area of wearable technologies, and the application and methods associated with the applied AI/ML (artificial intelligence/machine learning) software using accelerometers, ECG (electrocardiogram), PPG (photoplethysmogram – used to measure blood volume changes in tissue), and other forms of physiological sensors to measure heart rate, heart rate variability, pulse oximetry, pulse wave velocity, pulse transit time, blood pressure, and activity. Health Gauge's intellectual property also includes proprietary methods and IP relating to behavioural tagging for the purposes of psychometric analysis. The head and principal and registered office of the Target is located at Suite 860, 10004 – 104 Ave, Edmonton, Alberta, T5J 0K1.

The Target. was incorporated for the purposes of commercializing new technology that could revolutionize ways to measure and track personal health biometrics, and help people better manage ongoing health challenges.

In order to better position itself in the marketplace and profile its key product offering, in September, 2016, the Target created the product brand 'Health Gauge' to address the key interests in the fast growing areas of digital health, Internet-of-Things (IoT) and applied AI/ML based innovations.

Health Gauge goes beyond generally available fitness and tracking solutions in that it is a personal health monitoring solution that measures blood pressure, ECG, heart rate and variability, pulse wave velocity, and provides health analytics, platform supports, and services. Health Gauge fills a gap in the personal health monitoring market that has been saturated with fitness, but has not provided a deeper means of addressing people's direct interests in personal health management. With the global health problems of hypertension, heart attacks, strokes and more, there is a significant need and growing interest to monitor health biometrics, with current solutions on the market lacking in accuracy and health monitoring capabilities. Health Gauge is available with both Apple and Android-based smartphones, and the underlying AI/ML platform will be extended to be applied to other high-quality physiological monitoring sensors and devices such that individualized solutions and services can be provided for. Health Gauge is currently "beta testing" its products, and anticipates initial sales by the fourth quarter of 2020. The Target is setting up an online eComm system to provide a means of more directly marketing and selling to clients – which can include B2B partners, as well as end-users directly. The eComm system will be running by or before mid-October. The online eComm and fulfillment capabilities will have an initial focus on Canada and the United States B2B market channels.

Health Gauge expects to penetrate the $245 billion global digital health monitoring market by partnering with leading channel partners, health benefits providers, and end users via Health Gauge's proprietary combination of digital health monitoring devices, AI-based software, and its cloud computing Software as a Service (SaaS) platform (clinician interface), which combine to help care givers, patients and healthcare professionals easily access and utilize relevant data.

Health Gauge's patent-pending solution is a bespoke personal health monitoring and management system, combining the latest wearable health monitors with sophisticated software tools. By leveraging the power of leading artificial intelligence and machine-learning tools, Health Gauge provides for a secure and trusted means for clients to engage clinical resources and health coaching as a regular part of their care process and ongoing health management. Health Gauge's robust, real-time data capture capability provides fast feedback, resulting in better recovery outcomes and healthy living objectives through the ability to make immediate and better health choices.

Health Gauge's well-rounded professional team collectively has decades of experience in critical areas such as digital health services management, machine learning, artificial intelligence, and software engineering; US-based health services consulting and start-ups, as well as general business experience. Health Gauge's development partners include Edmonton Health City; CBF Systems Engineering (Edmonton); National Research Council (NRC), and digital health innovation programs at MATTER.health (Chicago), and EvoNexus (San Diego). Additionally, Health Gauge has received research and development grants from Alberta Innovates, the Bill and Melinda Gates Foundation, the International Centre for Disease Research (Bangladesh), and MITACs.

Narrative Description of the Resulting Issuer's Business

After completion of the Transactions, the Resulting Issuer will have substantially the same business that the Target had before the Completion of the Transaction. Following such date, the Resulting Issuer intends to pursue the milestones and stated business objectives set out below. See "Narrative Description of Target's Business", including its markets and marketing initiatives, and competitive conditions. The Resulting Issuer anticipates it will generate sufficient cash flow from operations to pay ongoing operating costs and intends to spend the total available funds as set out herein under the heading "Principal Use of Funds".

Stated Business Objectives

The Resulting Issuer intends to use its available working capital to carry out the following business objectives during the next twelve month period:

The Target has completed the necessary preliminary research and product development (proof of concept) and has moved into the market entry stage of the work with leading edge device and software assets (Android & Apple mobile applications, online application, AI/ML software platform). Management of S the Target has developed a series of milestones that will lead it to next stage commercialization. The details regarding this program and expected funding requirements are set forth below

Milestone	Timeline	Funds Required
Post - Listing		
Update user interface design and market testing with existing pilot clients	0-6 months	$150,000
Refine features and increase application identification modelling and refine biometrics digital processing and analysis with preliminary beta-testing	0-6 months	$140,000
Develop next stage AI/ML platform assets using the University of Alberta AI-Hub Supercomputer system	6-12 months	$50,000
Expand market & business development resources and processes to address USA market; and to create operation scaling capability	6-12 months	$80,000

Note: the $420,000 in funding requirements set out above are further detailed in Use of Proceeds below.

Funds Available

The pro forma working capital position of the Issuer as at October 31, 2020 is estimated to be $595,000. Working capital of $633,566 as set out in the attached Pro Forma statements has been updated since the effective date thereof by subtracting the regular operating expenses of both the Corporation and the Target.

Source of Funds	($)
Net proceeds available from Financing	950,000
Existing working capital prior to Financing	(355,000)

The Issuer's Board anticipates using available funds in the following manner over the next 12 months. The following table also sets forth the estimated working capital and amounts and sources of other funds as at the dates of this Listing.

Expenditures	**($)**
Equipment and hardware	19,000
Data Infrastructure	16,000
Product development (R&D)	195,000
Admin expenses[2]	265,000
Unallocated working capital	100,000
TOTAL	**595,000**

The Issuer intends to spend the funds available to it to further its stated business objectives. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary for the Issuer to achieve its stated business objectives. In the event that it wishes to complete any capital expenditures in addition to the amounts set forth above, the Issuer will utilize its unallocated working capital and, if required, raise additional capital through equity or debt financing. There is no assurance that the Issue will be successful in raising additional capital or that if additional capital is required, that it will be available on terms acceptable to the Issuer.

Notes

1. Please see #3. General Development of the Business – “Salient Terms of the Agreement"

and “Unaudited Pro Forma Consolidated Financial Information of AIML Resources Inc.” for more information.

2. Admin expenses include Executive Compensation of $90,000 for each of Randy Duguay and Bruce Matichuk.

Subject to additional available capital, over and above the amounts set out above.		
Regulatory Approval – FDA / CE and Health Canada	12 – 15 months	$100,000
Patent & IP strategy update and exercise of new assets	12 – 24 months	$100,000
Productization of new AI/ML (Digital Health Intelligence Platform) asset	12 – 15 months	$500,000
Multi-center Pilot Trials (Canada, US, EU)	12 – 18 months	$300,000
Marketing and Business Development Expansion	12 – 24 months	$500,000

Principal Products or Services

Health Gauge solutions includes a unique wearable device, artificial intelligence / machine learning (AI/ML) tools, and cloud services, with historical and predictive analytics. The technology has progressed from design and development into validation and refinement phases. Initial wrist-wearable solutions have been developed to monitor and manage cardiovascular conditions, and has a patent-pending filing relating to the capture of such.

Health Gauge solutions are in a value chain that requires data generation and acquisition, management, and analysis of amalgamated data and finally, delivery of refined data to an end-user who will either use the data for information purposes, or possibly as part of an automated/AI decision making process. With its wearable and portable sensing devices and core AI/ML platform assets, Health Gauge will participate in data generation at the earliest steps of the value chain, as well as perform data analyses for higher order decision-making in downstream stages.

Service areas will be influenced by the interplay between at least three major markets: wearables/devices (medical and non-medical), telehealth and virtual clinics services (clinical and personal), and data analytics (AI/ML) applications. The market for wearables and remote sensing in telehealth is in a rapid growth phase driven by advances in technology, increased demand, and acceptance by home and clinical users. Rapidly advancing technology feeds practical application and growing acceptance of wearable sensors, integrated cloud-based platforms, and machine learning. Dynamic markets mean that there is intense competition from direct and indirect sources.

Given lengthy timelines and thresholds for regulatory approvals, personal use solutions and professional recommendations will be pursued as a priority route to market while concurrently seeking approval by regulatory authorities – with early market focus areas being Canada, USA, and other select markets. For initial market entry, HG will avoid claims that its products and services provide diagnostic or therapeutic value until we have completed FDA 510k regulatory approvals.

Target assets include the following:

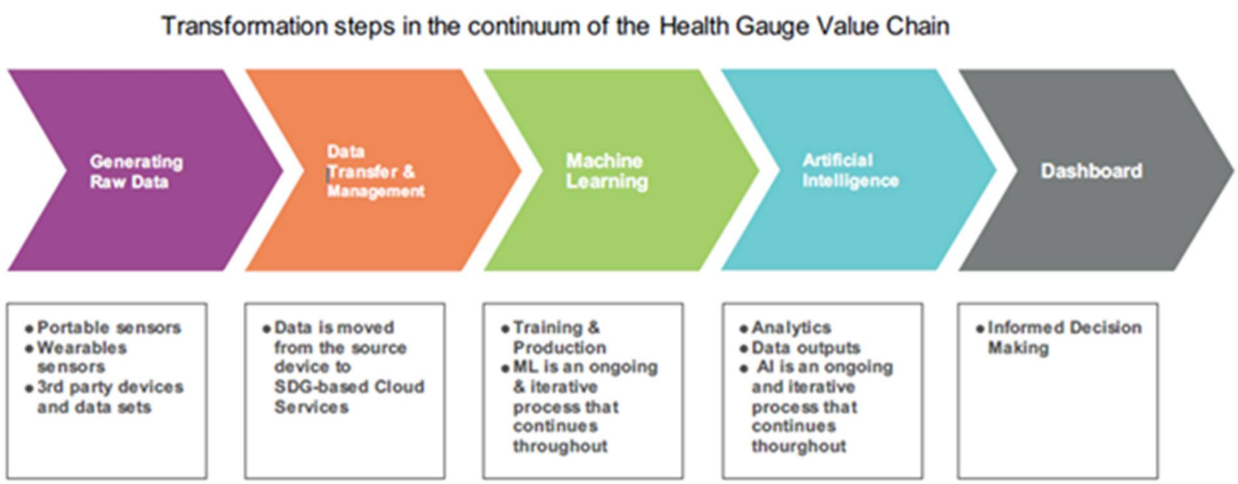
- Proprietary software assets relating to the Target's mobile applications, online (web service) application, and AI/ML software assets
- The Target's corporate website, and all related HTML code and materials, used for the communication, marketing, and promotion of the Target products and services
- All of the Target's online documents, materials, and assets relating to the ongoing management of the Target; as stored and maintained on BOX corporate storage system
- The Target patent (provisional) and currently under review by USPTO - the Target is planning to update current IP strategy in 2020, and assets will include new Health Gauge related IP building out from our current IP
- All of the Target client and project initiatives (in process) and underway.
- Grants and benefits of the grant agency programs. Currently receiving some grant support from National Research Council, and MITACs; other grants in

process and could be provided from Alberta Innovates (Product Demonstration Project), and EUREKA (Europe), if supported

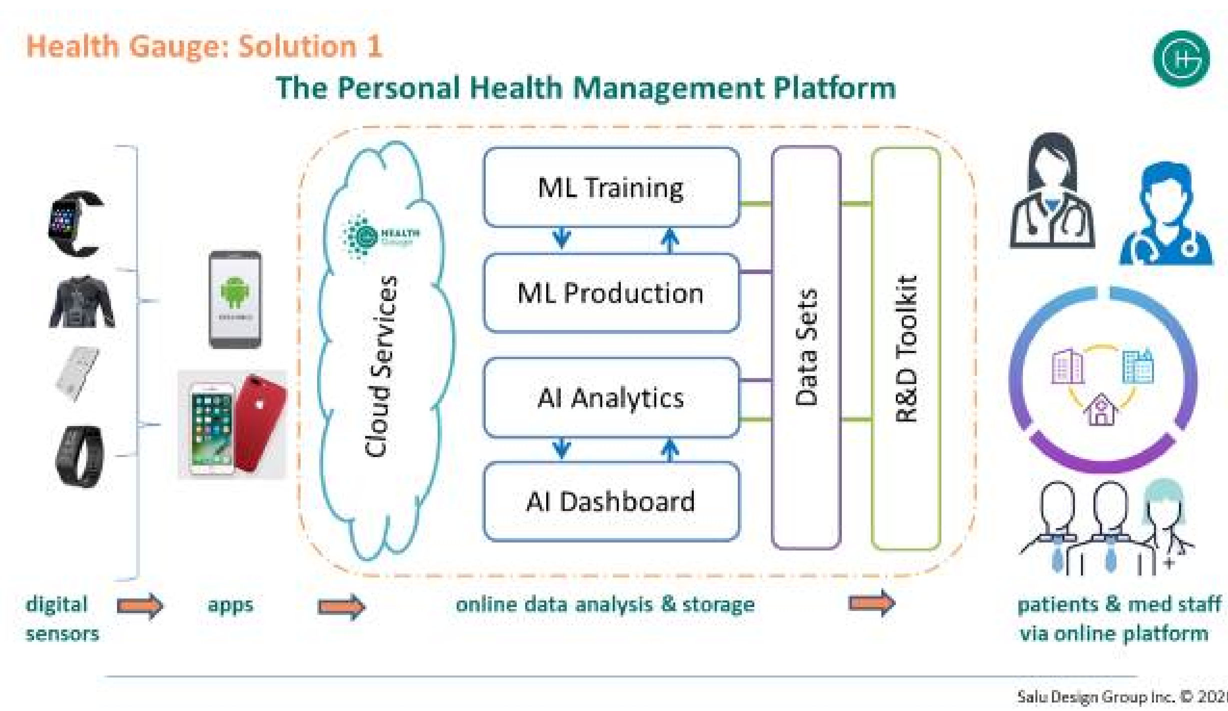
- The Target trademarks (Health Gauge, and Logo). Trademark protection in process for protecting the Target's brand-name and logo in Canada and the United States.
- All of Target URL (domain) assets and related SSL certificates. The Target has reserved the key URL (domain name) assets:
    - www.healthgauge.com
    - www.healthgauge.ca
    - www.health-gauge.com
    - www.healthgauge.ai
    - www.healthgauge.me
    - www.salu.ca (former Target website)
- All of the Target's related brand-name social network assets using the Health Gauge name and logo (Facebook, YouTube, Twitter, Pinterest, Instagram, LinkedIn, Tumblr)

Technology

Health Gauge solutions are in a value chain that requires data generation and acquisition, management, and analysis of amalgamated data and finally, delivery of refined data to an end-user who will either use the data for information purposes, or possibly as part of an automated/AI decision making process. With its wearable and portable sensing devices and core AI/ML platform, Health Gauge will participate in data generation at the earliest steps of the value chain, as well as perform data analyses for higher order decision-making in downstream stages.



Value chain for data generation, acquisition, analysis and outputs for decision-making



Health Gauge is a comprehensive solution for personal health monitoring and management that incorporates data from a wearable device. Users are able to record vital statistics directly from their device including blood pressure, heart rate, and heart rate variability. Other data directly tracked includes daily activity levels (number of steps) and daily sleep patterns. Users can also add data from other devices including weight, blood glucose, fatigue, diet, stress, location, and more.

While the initial product offering is a wrist-wearable solution currently marketed as a unique wrist-wearable device, the Health Gauge platform is agnostic on data access, and capable of accessing quality data from other devices subject to qualification with the Health Gauge system. The Health Gauge mobile application is a cross platform solution written in Flutter with native Android and iOS extensions for interfacing with a wearable device. Health Gauge currently supports several standard protocols and other protocols that are being added include Google Fit and Apple Healthkit. The platform will ultimately support and wide range of measurement devices. Health Gauge is also implemented with its own proprietary hardware which has been in development for two years and is being released in the summer of 2021.

Monitoring vital statistics is an essential component for tracking patient wellness. Along with vitals, additional user supplied information is essential in order to make a full assessment of a patient's wellness and progress. Normally this data must be obtained from individual recording devices and manually entered by health practitioners into forms.

Health Gauge captures a fully digitized electrocardiogram (ECG) and PPG using electronics worn on a wrist. Additional data from the wearable device includes step counting and sleep assessment based on accelerometer activation. This information is transferred to a mobile application which stores the data locally on the device and is also transmitted to a server. The server runs an artificial neural net (ANN) using features extracted from the ECG and PPG and can accurately estimate systolic and diastolic blood pressure.

Inputs to the ANN include pulse transit time, systolic rise time, systolic peak time, dicrotic notch time, diastolic decline time, and diastolic minimum time, heart rate and heart rate variability.

The Health Gauge innovation provides new technology that allows for the following:

(1) Vital statistics are tracked using a wearable electrocardiogram (ECG) and photoplethysmogram (PPG) (digitized signal processing and analysis)

(2) Machine learning techniques are used to accurately track blood pressure without a blood pressure cuff

(3) Additional data that can provide indications of overall health can be tracked directly including activity levels and sleep. This data along with other vital statistics and patient entered data can be combined with the Health Gauge machine learning based software to assess and predict patient wellness and progression of chronic health conditions.

(4) Self-assessment data can be entered and tracked directly by a patient using a web application or a mobile application.

(5) The web and mobile application is synchronized and data is stored in a secured SaaS (Software-as-a-Service) cloud environment.

(6) Health Gauge provides additional AI tools to assist users tracking data and evaluating trends.

(7) Healthcare professionals can monitor patient data and provide guidance directly to patients online, through secured online chat, messaging, or virtual consult interface that is embedded within the application.

(8) Healthcare professionals can be alerted by the system if patient data provides an indication that there are problems.

(9) User location can be tracked using GPS on a mobile device and by allowing users to report activities. This information could be used to assess potential interactions with other users and determine potential exposure to infectious diseases like COVID-19.

The architecture of the back end is implemented using C#, .NET, MSSQL and IIS. The device communicates via BLE to a mobile application which then connects via the internet to the back-end server using a web services (REST) interface. Data is stored in MSSQL. Health Gauge also uses an AI server that can read the stored data and provide analysis. Blood pressure assessment can be done on the server and transmitted back to the wearer.

Users also store additional information including self-assessed levels of fatigue and stress. Eating habits, exercise routines and GPS locations can also be stored. This data combines to provide an overall assessment of health.

The utility of the overall solution is that it provides for a greater amount and richer set of personal biometric data, that can be captured in a regular non-invasive way – and that can be applied to higher-level analysis using machine-learning and artificial intelligence software tools. The benefits of having this solution is that the data capture is done with non-invasive methods using high quality biosensors. This data can be further tagged to personal lifestyle and behaviour choices such that clinical resources, and personal health coach resources can be engaged to support individuals more

The platform solution also provides for a means of interfacing and sharing information via application protocol interface (API) tools such that data may be shared with other value-add service providers and data systems. This creates additional means of monetizing and expanding value through added sector partners who can leverage the capability of the Health Gauge platform.

The Target has completed early stage validation trials, and is currently underway in 5 new validation trials supported in part by the Natural Sciences and Engineering Research Council of Canada (NSERC); two trials with the University of Calgary (Faculty of Kinesiology), and two trials with the University of Alberta (Faculty of Rehabilitation Medicine); and a new trial working with the Glenrose Rehabilitation Research, Innovation & Technology (GRRIT) Hub, focusing on supporting stroke rehabilitation and recovery.

The current status of the Health Gauge solution is such that there is a potential to make certain improvements and modifications to further improve its efficiency and functionality, and to expand on the underlying platform assets. It is the belief of the target that the Technology may reach its potential if marketed effectively and these Improvements and market development execution can only be completed once additional capital has been made available.

Devices 	A wrist-wearable device, Apple and Android-based, capable of ECG+PPG digital data capture. HG-Genesis device specs: Screen size: 0.96 inches • Product weight: 32g • Interface: USB 2.0, charging • Material: TFT • Packing list: bracelet, manual, packing box • Wireless distance: 5m - 10m (inclusive)

	Memory: 256K+8M • Battery capacity: 110mAh • Mode of operation: touch • Wristband material: TPU • IP67 Water Resistant

Applications 	Mobile applications, Android or Apple iOS. Online application that allows clients to interact with care providers as a value-add service; HIPPA & PIPEDA compliance.

Professional Health Services 	Artificial intelligence/machine learning assets and cloud SaaS:[1] A multi-layer neural-net analysis that includes the following feature sets in the core analysis of the derived blood pressure results: • 17 feature sets from the ECG & PPG signals used in total in our analysis • Characteristic features of the PPG include the systolic peak, the dicrotic notch, and the diastolic peak, and several additional signal elements proprietary to Health Gauge

Health Gauge core components:

1. An internet of things (IoT) device that captures high quality ECG and PPG data by using the latest micro-electronics, and medical-grade sensors. It measures blood pressure, vascular stiffness, oxygen saturation, activity levels, and more.

2. Artificial Intelligence and machine learning for data analysis, predictive analytics, and health coaching; our solution is specialized in digital processing and refinement of pulse-wave, PPG and ECG signals.

3. Telehealth platform to connect and share health data with your doctor.

The Health Gauge wearable is being used in several research studies around the world, including: a project on the rehabilitation of stroke patients with Alberta Health Services; and a study on e-clampsia in developing nations with the International Centre for Diarrhoeal Disease Research, Bangladesh and the Bill and Melinda Gates Foundation.

Deploying Health Gauge within an organization is a simple process whereby devices and login IDs are distributed to program participants. Users sign in and after entering profile information are immediately able to take measurements with the device and store those measurements. All help and tutorial videos are available online and within the Health Gauge application. Both the mobile application and the web application are easy to use and require minimal training.

All resources are hosted by Health Gauge, requiring zero infrastructure impacts to the deploying company (or government). The employer does not need to do anything special. However, if they need it, they can add an integration component to link Health Gauge to their back-end system to monitor data of interest. Deployment costs are minimal.

Optional health monitoring and management programs offered by health practitioners and other third-party health management companies like Revive can integrate their systems via micro-services to Health Gauge. This data can then automatically flow to other systems like electronic health records.

Operations

The founders (Randy Duguay, and Bruce Matichuk) collectively have over 50 years of direct experience in developing, leading and commercializing new software, telecommunications, and applications developments – with large scale corporate and startup level businesses.

The team possesses experience in a broad cross-section of skills including engineering, systems design, AI/ML software development, mobile applications development, marketing & communications, and commercialization. The intellectual property that we are developing is of interest internationally, and we have a collection of existing test clients in Canada and other parts of the world, including a project with the International Centre for Disease Research (ICDDR,B) in Bangladesh, supported by the Bill & Melinda Gates Foundation – focusing on providing better supports and recognition of women at risk of pre-eclampsia. Health Gauge has also partnered with the University of Alberta and the

University of Calgary on new validation and test client markets that can serve clients with the following conditions:

- Anxiety
- Cardiovascular rehabilitation monitoring
- Monitoring recovery of people with CV-19 positive or symptomatic
- Ongoing health monitoring for people with chronic health conditions (obesity, heart disease, diabetes)
  - Mental health, providing assistive health coaching services

All of the aforementioned partnerships and projects are informal in nature.

The Target has an existing resource base of 5 which includes the 2 founders, and 3 additional employees specializing in business development, applications software and artificial intelligence development, as well as contracting 2 other resources in India for software development. The Target is planning to hire new resources to help address sales and business activities related to fulfilling new growth. Some of the work will be focused on business development efforts relating to B2B channel partner work, while other efforts will be placed on sales and client account management. The Target is focusing currently on Canada & USA.

Over and above internal resources, the Target has contracted external specialized skills, non-core to the business, in the areas of:

- Legal, corporate, and patent/IP activities
- Website & online services, including social networking, communications, and other related content & support work
- Order fulfillment and support services
- Prototype electronics, casing, and firmware for early device research and development
- Accounting, payroll and book-keeping services
- Office manager services
- Regulatory consulting services

The Target has a secured original design manufacturer in Shenzhen, China that can produce and provide up to 25,000 units per month and is able to package the device to our specification. This allows the Target to produce products without having to operate or run a factory.

Competitive Advantage

Health Gauge differentiates from competing solutions through focus on applying machine-learning based software to increase accuracy and reduce false-positives relating to blood pressure monitoring. Health Gauge also provides for additional online tools that can address virtual consult and communications with care providers, which can help increase the opportunity for end-users to address personal health objectives. Key areas of differentiation include focus on BP accuracy, behavioural tagging, trending & predictive analytics, and the ability to create virtual consult services (that can be paid for per consult, or as a program offering), and optional HL7 integration:

Competitive Advantage: Digital Health Platform

	HEALTH Gauge Platform	Wearable Tech & IoT Companies	Health Data Aggregator Companies	Health & Virtual Service Companies	AI/ML Companies	Digital Health Data Apps (online & mobile)
Devices | Wearables | IoT	✓	✓				Apple or Android
Data Sources | Quality of Data	✓	diverse	diverse	diverse	diverse	Non-specific
Health Coach Services | Virtual & Live | AI & Real	✓			✓		diverse
Health Objectives Apps Management | Support	✓	limited		✓		✓
Optimization AI	✓				✓	
Privacy & Security	✓	diverse	✓		✓	
Payment Interface | Transaction System	✓			diverse		
Consistency of end-to-end Service Experience	✓					
EXAMPLE COMPANIES:	Health Gauge	FitBit Withings Garmin AliveCor	Vivametrica Decadoo Azumio	Revive Wellness NovuHealth Rally Health	Google Health IBM Watson Babylon	Kardia Mobile Strava AliveCor AirStrip One
Business Models:	Device + subscription + Value-add	Device centric	Service based or subscription	Service based or subscription	Service based or subscription	Single charge & subscriptions

Health Gauge will differentiate from these companies in a variety of areas. Each of the companies indicated do not provide an encompassing solution that provides for additional:

- Health Gauge's patented (pending) solution that encompasses the use of mulit-modal sensors, and behavioural tagging (using prompted or machine-based tools)
- means of communicating with clinicians & health coach resources,
  - secured messaging system
  - secured virtual consult communications
- Health Coach tools; including personal health assessments
  - additional content support tools
  - personalized care plans
- Health Gauge AI/ML research tools for advanced analysis and report creation
- Platform-based SDK (software development kit) that other value-add data companies can interconnect with to provide additional tools that end-users or service providers can use

Health Gauge filed a provisional patent in 2016 (US20180301224A1) in Canada, USA, and India with plans to extend following the current review actions with the USPTO. The patent application encompasses the use of mulit-modal sensors, and behavioural tagging (using prompted or machine-based tools).

Health Gauge's focus is in creating higher level services and ongoing revenue streams from value-add services and in leveraging the AI/ML platform system to better address individual needs.

Regulatory Environment

Initially, Health Gauge's strategy is to market its products in both Canada and the US as a non-medical device (which requires no approval), and which forms the basis of its work with its current clients regarding validation & research initiatives.

The Target can later progress into patient-generated data and secondary-use applications. Certification as a medical device and approvals for regular clinical type use-cases, such as comparable to off-the-shelf oscillometer based products, can follow later on through a 510K process with the FDA, and subject to formalized procedures and methods being applied.

In order to be marketed as a “medical device” in Canada:

Medical devices sold in Canada must comply with the Canadian Medical Device Regulations ("CMDR") pursuant to the Canadian Food and Drugs Act. Health Canada reviews medical devices to assess their safety, effectiveness and quality of manufacture before being authorized for sale in Canada. Medical devices are classified in Canada utilizing a risk-based approach as either Class I, II, III or IV; Class I represents the lowest risk and Class IV the highest. Health Gauge is a low-risk device and may be classified as Class I or II, and regulatory strategy is planned to be addressed in 2020 with Health Canada and the FDA.

In order to be marketed as a “medical device” in the USA:

The products/services must complete the FDA 510K approval.

Regulatory considerations include:

- Allowable claims
- Cost and benefit of approvals
- Health Canada / FDA requirements; pathway to approvals (510K)
- Data handling and storage issues
- Manufacturing issues (if any) & SOPs (Standard Operating Procedures)
- Technical data sheets & User Manuals

Health Gauge anticipates that by October 2020 it will be undertaking the regulatory approval activities with both FDA (USA) and Health Canada.

Market

The digital revolution and the rapid development of smart phones, mobile connectivity, growing access and diversity and social networking have changed the way we live. The average person is constantly connected via high bandwidth to a vast network of data and sophisticated digital platforms with over 90% of adults owning a cell phone and 55% having a smart phone. The digital revolution has transformed virtually every industry as well as every facet of our personal lives but has been conspicuously absent from the world of medicine. Physicians and health care networks have been slow to adopt electronic medical records and integrate medical data with the ubiquitous mobile device. Recently however, novel devices and advanced and inexpensive sensors for wireless monitoring have emerged and begun to be integrated with the care of the cardiac patient and for people at large. The evolution of these wireless monitoring devices will mark a new era in medicine and a transition from population level health care to individualized medicine where suitable people are equipped with advanced biosensors that, in turn, have their data processed through sophisticated algorithms to predict events before they occur.

Wearable technology and the apps that support it are an increasingly important part of the healthcare ecosystem, extending beyond the wellness and lifestyle sphere in which they largely began, to support the monitoring, diagnosis and management of a variety of health issues, particularly chronic conditions such as diabetes, asthma and arthritis. Pre-coronavirus, the global healthcare wearables market is projected to be worth around US$27 billion by 2023, with the Canadian market forecast to be US$244 million in 2020 Currently, there are around 3.1 million wearable users in Canada, 30% of whom fall within the 25-34 age bracket. Wearables include devices for condition management, self-care and symptom checking. Health Canada is seeking to encourage the use of such technologies and has begun to put in place the regulatory framework both to support their adoption and to manage the risks they present, notably through the establishment of the Digital Health Review Division within the Medical Devices Bureau. This forms part of a wider project to afford better access to digital health technologies, which Health Canada hopes to have in place by the fall 2020.

Characteristics and dynamics within the health sector show that there is a race to get new services that provide for personal health information that can be shared more easily and that can address peoples needs using online tools directly. Major players, including Apple, Withings, and iHealth, have introduced some new products, but these have yet to gain credibility amongst the clinician community. Therefore, they are providing general monitoring capabilities as an added functionality to their existing products (e.g. the Apple watch) but cannot yet meet the requirements to be used for patient monitoring, and the race continues in this respect. A common success factor for new market players such as Health Gauge is to concentrate on a specific clinical condition and provide a robust and reliable solution. As validation to monitoring is achieved, integration across multiple platforms is another success factor.

Over and above the digital health market solution space, Health Gauge is focusing on serving a market that may also be considered a part of the medical device category – however noting that it is focusing in the areas of non-acute (or non-medical) devices that are aiming at the areas of preventative and post-event monitoring & management.

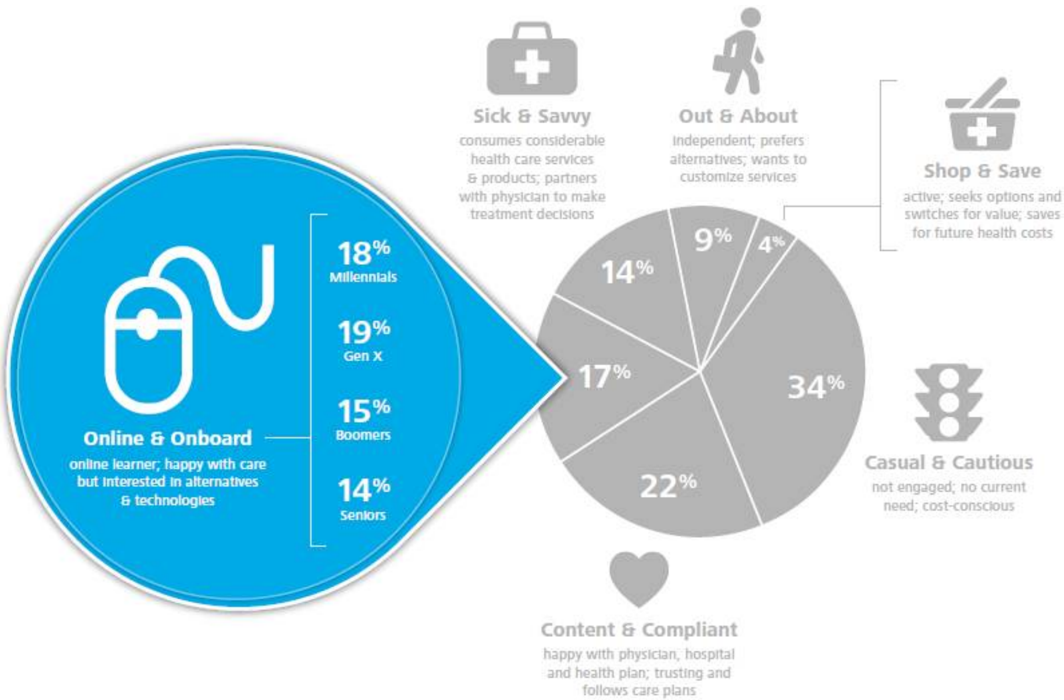
The following graph shows the global market sub-category of digital health wearables which is important to understand for additional background, as the digital health platform solutions require high-quality data sources, and these are connected market forces that Health Gauge is directly involved in serving:

While the following information is broad-based in medical imaging and devices, monitoring solutions are encapsulated in this data for review as well and growing in use within traditional health care delivery settings:

- The global market for medical devices was $381 billion dollars in 2015.
- With 2.8% average growth, this devices market will grow to $437 billion in 2020.
- The United States device market is the largest market. In 2015, it regained market share from emerging nations and Europe due to a strong dollar, slower emerging nation markets and reimbursement cuts in Europe. On a revenue basis, companies made more of their total revenues (47% sales from US vs. 46%) from American customers, as in 2014. This is estimated to be a temporary trend, and emerging nation growth should continue longer term.
- Acquisitions drove growth. There were 153 significant device market mergers and acquisitions in 2015 and early 2016. Notable was Canon's purchase of Toshiba Medical

Systems, Becton Dickinson's purchase of Care Fusion, and Abbott's proposed buy of St. Jude Medical.

- According to a Deloitte whitepaper ("The four dimensions of effective mHealth", 2014) on the use of mHealth devices and applications, end-users of latest monitoring & management solutions can be broken down into 6 different segments:



<u>Major sectors:</u>

- Wearable Technology (Health & Wellness)
- Digital Health Data Aggregators
- Artificial Intelligence & Machine-learning (digital health algorithms & analytics)
- Mobile-medical Applications

Market size references & growth projections:

Note that the focus markets for Health Gauge are towards B2B organizations (payers, health benefits providers, health service providers, employers) as a primary market. For the purposes of this document, we are focusing on North America pre-dominantly as our near-term objective:

- Health & wellness wearables: $27B by 2031, annual CAGR 20% (Canada ~ $244 million)
- Global Digital Health Monitoring: $504B by 2025, annual CAGR 29% (MarketWatch 2020)
- Artificial Intelligence in Healthcare: $31.3B by 2025, annual CAGR 41.2% (Grand View Research Inc, 2019)

Major Market players (MarketWatch):

- AllScripts Healthcare Solutions, Inc.
- Biotelemetry, Inc.
- eClinicalWorks
- McKesson Corporation
- Cerner Corporation
- Cisco Systems

Marketing Plans and Strategies

Health Gauge is proposing to enter market focusing on B2B business partners, and those in particular that have a strong existing base of motivated end-users – those people who have a stronger need to work with healthcare practitioners or care providers in regular programs, and who also provide added value-add services (either directly in clinic, on-site services, or via virtual eConsult services).

Primary and Secondary Target Markets

The primary target market is large and medium sized businesses that are instituting health measurement and monitoring programs as part of their overall health benefits. This practice has become popular recently due to the high cost of employee illness, stress, and associated lower productivity levels. Businesses pay health insurance premiums to insurance companies that, in turn, pay for health benefits. If health costs are lowered, premiums are reduced.

In addition, studies have shown that employee attention to stress reduction, diet, wellness, fitness and health metrics results in increased productivity for the business, reduced stress leave, reduced days off due to stress or illness, and an overall reduction in health costs. Health Gauge has done some primary research with large organizations, health insurance companies, and health insurance professionals. The results clearly indicate that this market is large and growing rapidly world-wide.

A secondary market includes government-based health systems that need to track the health status of large populations. This is particularly of interest currently due to COVID-19. The requirement is to provide an overall population health monitoring solution that can track vitals of users, and their locations and thus track the overall progression of COVID-19 and recovery from it. The Target is actively pursuing opportunities in this area.

Another secondary market includes the general public. There is a growing interest in telehealth worldwide. This was a growing trend prior to COVID-19; however, the pandemic has significantly increased interest by the patient community and the health community in monitoring patients remotely. Health Gauge provides one of the only fully featured platforms for capturing and maintaining device derived health data in the home and for using AI techniques to alert health practitioners to potential issues.

The market for integrated sensor systems to provide health and wellness monitoring and tracking is growing rapidly and being fueled by advances in technology along with a cultural shift with increasing acceptance by clinicians and individuals. The aging baby-boomer generation is well attuned to the use of mobile devices and applications and interest in using mobile and wearable devices with well-defined online solutions is increasing. This rapid growth is an opportunity for new entrants to the market.

Health Gauge products and services sit at the intersection of three main industries: telehealth and digital health monitoring; wearables; and medical devices.

Telehealth and Digital Health Monitoring Market

The aging population and increasing home health market have boosted telehealth's growth in popularity and driven sales. The global digital health monitoring market is forecast to reach $245B by 2024, with a compound annual growth rate of 39%. Between 4 and 5 million consumers use telehealth services worldwide, with annual spending at approximately $600M. North America leads the global patient monitoring and telehealth market at 51.2% of revenues. The largest individual market is the United States, with

47% of sales. As of 2017, the Canadian telehealth and patient monitoring market was worth $1.5B. Hospital and acute care equipment and services account for $841M of that, with home health and consumer products and services accounting for $680M. By 2022, the Canadian market is expected to increase by 7.7% to reach $2.2B.

In 2018, the Canadian Medical Association published a report with survey results showing a shift in the prevalence and adoption of mobile medical applications (MMA) by the Canadian population. The survey found that 56% of Canadians say they are likely to use a continuous health monitoring device, with 2 in 10 very likely (Canadian Medical Association, 2018).

The largest segment for monitoring technologies is cardiac event and function monitoring. Before remote monitoring, these technologies were exclusive to hospital and ambulatory care clinics. They have since appeared in mobile, remote, and home care markets, suggesting opportunities in the market for innovations in monitoring technologies. Due to the aging population, monitoring systems to detect cardiovascular conditions have gained popularity, especially handheld ECG monitors that can record cardiac events at any time of the day.

Patients and healthcare professionals each have specific needs from monitoring systems, but the top priorities for end-users are to save time and money. These applications must therefore be easy to put together and use, and compatible with other mobile devices.

The latest trend in remote monitoring has been with caregivers and patient family members. The family-caregiver role has become increasingly more crucial for patient care, and so this particular trend is noteworthy. The combined use of hospital and home healthcare remote monitoring is often used in nursing homes.

In the age of smartphones, applications can be developed for virtually any process. There are tens of thousands of smartphone and tablet apps for health management, known as mobile medical applications. Popular apps focus on diet or fitness data and have branched out to benefit medical staff and hospital workers. Such apps offer heart rate monitors, diabetes management, exercise schedule records, and links to larger computer systems to manage health records. The expanding availability of healthcare apps has increased the efficiency of physicians, patients, medical facilities, and other health providers.

The COVID-19 pandemic has significantly increased worldwide interest in telehealth, specifically in the monitoring of patients remotely. Health Gauge provides one of the only fully featured platforms for capturing and maintaining device-derived health data in the home and for using AI techniques to alert health practitioners to potential issues.

Wearables Market

In recent years, health technology has been shifting its focus toward lifestyle and fitness, thus paving the way for wearable technologies such as Fit Bit. Since 2012, wearables have seen an explosive growth driven by the nascent and burgeoning lifestyles and fitness product segment. Although growth is expected to temper somewhat over the next few years, it is still expected to be driven by the lifestyle segment. In a 2016 private survey of Albertans over 55 years of age, approximately 22% of respondents indicated a desire to purchase wearable trackers and adopt medical mobile apps.

The increasing popularity of wearable medical devices benefits both patients and caregivers, and allows for greater independence, mobility, and efficiency. This particular market offers wearable devices in segments monitoring for diagnosis, cardiovascular, pregnancy, fetus and infants, neurology, sleep, glucose levels, therapeutics, respiratory therapy, insulin and pain management. In relation to injury prevention and rehabilitation, wearable medical devices available are sensing garments, fall detection, and body motion devices. From a lifestyle and fitness perspective, there are wearable trackers for fitness, activity, and sports.

As of 2015, the global wearable medical device market had a value of over $10.3 billion. It is expected to reach $23.5 billion by 2020, increasing by 17.9% compound annual growth rate. Medical wearable devices are expected to have the fastest growth of all other existing medical devices.

There is a race to get new wearable technologies onto the market. Major players, including Apple, have introduced some high-profile products, but these have yet to gain credibility amongst the medical community. Therefore, they are providing rudimentary monitoring capabilities as an added functionality to their existing products (e.g. the Apple watch) but cannot meet the requirements to be used for patient monitoring. A common success factor for small players such as Health Gauge is to concentrate on a specific clinical condition and provide a robust and reliable solution.

The shift in wearable and health technologies toward online access allows them to become more user friendly. With data accessible via Bluetooth, cloud, Wi-Fi, and even through Apple and Google Play, users can access their records from any smart technology. This also allows them to take initiative to build their own health records to then share with their health specialists.

Medical Devices Market

The global medical device market is forecast to reach $560B by 2023, with demographics, economic development, and new technologies contributing to 4.9%

growth (Life Science Market Research, 2020). This is a $120B increase from 2018 to 2023. Global aging, the rising prevalence of obesity, diabetes and cardiovascular disease, and the need to meet the growing health care demands of economically productive urban classes in middle-income and developing nations will drive demand for services and products.

The United States device market is the largest market. In 2015, the US regained market share from emerging nations and Europe due to a strong dollar, slower emerging nation markets, and reimbursement cuts in Europe. On a revenue basis, companies made more of their total revenues (47% sales from US vs. 46%) from American customers. This is estimated to be a temporary trend, and emerging nation growth should continue longer term.

Areas outside of the US, Europe, and Asia represents 11% of the world device market. Rising healthcare spending in countries like Brazil, Turkey, South Africa, South Korea, Taiwan, Chile, Mexico, and others is providing growth in the market as developed economies cost-cut.

The rate of technology change is high, but the adoption of new technologies is constrained by regulatory burdens. Globalization has led to dominance by several large, established players, such as Medtronic, the only manufacturer with >5% market share in device manufacturing. A trend in new technology and device development employed by the large players has been to let small, independent inventors and innovators develop new solutions to a point where they are sufficiently mature to warrant being bought by larger players.

In the device development and manufacture industries, Alberta is known for wound care, personal protective equipment, diagnostics, and imaging technologies that had some origins around the major centres, provincial universities, and national research centres and institutes.

Canada is a net importer of medical devices, with $4.0 billion in exports and $8.6 billion in imports (2017). The US is the largest importer and exporter of medical devices to Canada.

Geographic Regions

Though our initial focus is the Canadian market, the Target is expecting to increase its ability to address US-oriented market interests as its business channel partners are connected with key Canadian payers, who also have market interest and capabilities in the US.

In addition, Health Gauge is planning to leverage existing business relationships with connections in Chicago (MATTER.health) and in Silicon Valley (C100 group). There are additional US-based connections in Austin, TX, and San Diego, CA, where there is also a growing ecosystem of companies like Health Gauge.

Health Gauge will focus on global market development to be able to compete in the longer term, primarily through working with Canada and US-based partnerships and innovation resources.

	Goals	Objectives
Short term **(next two years)**	• To establish an in-market partner that includes distribution • Establish customer targets & product offerings (certified & approved) that have application • Clarify & address any required regulatory & corporate requirements • Attend trade show(s) • Begin shipping commercial orders	• Research potential in-market partners • Develop short list & interview • Select in-market partner • Conduct in-market review of potential customers and products • Product development from concept to final (3 products) • Produce samples and have potential customers review; product & materials • Investigate any other industry accreditations that may have impact on business agreements
Medium term **(two to four years)**	• Grow customer base and product offerings to sustain reliable long-term business • Leverage USA business to springboard into other markets	• Nurture relationships • Continue product innovation to extend offerings in support of US client base • Support for our key channel partners
Long term **(four+ years)**	• Grow market share of business • Explore acquisition strategies	• Extend business operations and grow overall business capabilities in US

	• Increase company valuation, marketing, and channel opportunities

Developing and validating Health Gauge technology is an essential step to prepare for commercial export. Product development and positioning for the US market will require consideration of packaging, sales, and distribution, and should involve the lead channel partner(s) once selected. Health Gauge is prepared to consider a white-label approach if it serves business and market interests.

<u>Pricing and Distribution</u>

The Target's business model is designed to promote recurring, preferably long-term contractual revenues, following commercialization, from a growing base of customers. The ultimate end-users are expected to be charged on a subscription basis based on the nature and market profiles of their size and practice.

Optimizing price requires a balance between maximum revenue potential and customers' willingness to pay. Health Gauge can be provided through different business channels:

- Health Gauge itself can provide a package direct to consumers.
- Channel partners (e.g., MyViva Inc.; Revive Wellness In.) can provide the Health Gauge solution to benefits providers (e.g., Sun Life; Great West; Alberta Blue Cross; Blue Cross Blue Shield of Illinois).

Health Gauge end users can access the service directly, through their benefits program, or through their health care provider. To compete in the longer term, Health Gauge has to focus on global market development. The view is that Health Gauge can best achieve these business channels through working with Canadian and US-based partnerships and innovation resources.

Devices are received from Shenzhen, China directly, placed into inventory, and prepared for distribution to clients as needed. For a project in Bangladesh, Health Gauge had its ODM partner in Shenzhen package and distribute the devices directly from China rather than shipping from Canada.

For US-based distribution, Health Gauge is planning near term to distribute via its office in Canada. As the business scales it will create distribution networks to expand shipping and customs management.

Advertising and Promotion

Health Gauge will start by building awareness for its brand and products to build brand identity. To address its target markets, we have clearly defined our products and the respective value that each can give its customers.

According to a 2018 survey commissioned by the Canadian Medical Association, people expressed a higher likelihood to use a health monitoring device if it is recommended by a physician and are more likely to use one if it is paid for by the health system or are paid to use personal data (Canadian Medical Association, 2018). Therefore, to cut through the competition and reach end users, Health Gauge's approach is to engage clinical experts and validate the products and services through clinical trials. Demonstrating value to expert user groups allows these experts to become amplifiers for the technology and its applications.

Health Gauge will apply a focused strategy to develop brand awareness directed at local markets where the products will be launched first and to address specific clinical conditions. This will be used as a foundation to build a broader awareness in additional regions.

Reaching early adopters and crossing the chasm to reach the early majority will require broader sales communications, because there may not be a defined first point of contact or lead generating process. Converting leads into sales will require plain language product descriptions that appeal to the perceived value for products in each segment. As its early adopters, Health Gauge will target tech-savvy users who are willing to adopt new ways to address individual needs.

Health Gauge has secured the rights to the www.healthgauge.com domain to address international recognition and promotion.

Customers

Health Gauge's products and services may solve different problems for different audiences and so might be viewed as multiple products. For example, some users may want to track trends and monitor behaviours, while others will want the wearable to upload data over a longer period and provide health and wellness guidance or alerts. Further to that, the online web services tools will be able to be used by specialized professional health services providers to provide value-add services through the Health Gauge software (mobile and online applications). Health Gauge will also be providing a Researcher user-interface and specialized AI/ML tools that are uniquely oriented to serving research interests in helping client with latest generation software tools and software.

There are multiple customer segments. The target market can be defined by three main subdivisions: (1) health conscious individuals; (2) caregivers and family members of at-risk individuals; and (3) professional clinical personnel. In this first main subdivision, the primary customers are people who use wearables, use remote sensors and wireless data uploads and transfers, and are highly conscious of their health and well-being.

Health Gauge is involved in several early stage initiatives that focus on specialized use-cases that highlight the value of the physiological data and how this information can be useful within a person's daily activities. These initiatives are with a different set of clients and their end-users, and are highly scalable:

1. City of Edmonton, partnering with Revive Wellness (MyViva Application) and oriented to serving employees (wellness programs) and the public (recreational health facilities) in aid of addressing personal health objectives.

2. International Center for Disease Research / Bill & Melinda Gates Foundation; monitoring the health of women with pre-eclampsia; pre-eclampsia has high mortality rates of 22% in developing nations.

3. UofA, Faculty of Medicine: Concussions in Youth; returning to athletic or active lifestyles too early can have significant long-term negative impacts; Health Gauge is helping to monitor these youth.

4. UofA, Faculty of Rehabilitation Medicine: Stress & Anxiety monitoring; Annual costs to employers due to stress related conditions (USA) is estimated $300B

5. Covenant Health (Long-term care), which has several buildings in multiple locations (Canada).

Health Gauge has not formalized any of these relationships into agreements at this time, however this is a key focus over the fourth quarter 2020. Additionally, Health Gauge has proposals in front of target clients (Alberta Blue Cross, Sun Life, City of Edmonton) in collaboration with MyViva.

Competitive Conditions

The current competitive environment is dynamic and there is no dominant player. There are a number of products and services on the market but few, if any, serve the personal wellness audience and none that are building a robust end-to-end solution, with strong health data assets. Most current solutions are passive in nature, and do not bring care professionals into the service offering easily. Market dynamics for wearable medical devices, which includes patient monitoring products, are in a volatile phase being upset by rapid technological changes and changes to the regulatory environment.

Large multinational companies like Apple, Samsung, Google, and Huawei are investing in wrist-wearable devices and related applications, but their core focus tends to be larger consumer trends and not health services generally. The Health Gauge solution is platform agnostic, more affordable for health-centric use, and will connect care providers to their clients. Health Gauge will also offer a simplified means of paying for services and care programs that are designed for individuals.

The current key competitors are:

	Health Gauge Platform	**Wearable Tech and IoT Companies**	**Health Data Aggregators**	**Health and Virtual Service Companies**
Example companies	Health Gauge	FitBit Withings Garmin AliveCor	Vivametrica Decadoo Azumio	Vida Lark NovuHealth Rally Health
Business models	Device + subscription + value added features	Device centric	Service or subscription based	Service or subscription based
Provides devices, wearables, IoT?	Yes	Yes		
Quality of data?	High	Diverse	Diverse	Diverse
Provides heath coach services (virtual and live; AI and real)?	Yes			Yes
Provides management and support of health objectives?	Yes	Limited		Yes
Has optimization AI?	Yes			
Privacy and security?	High	Diverse	Yes	
Includes a payment interface and transaction system?	Yes			Diverse
Consistency of service experience?	High			

4.6 Comparables

Lark Health: www.lark.com

Background: Company founded in January 2010; it remains privately held

$1 million round closed in November 2011; By 2015, Lark had raised $12 million. Today, they have raised nearly $68 million.

They are classified as having 51 – 100 employees

Key Notes:

- Lark launched its sleep monitoring app in September 2011 to consumers for $129; $189 if personalized coaching was included
- 2013, Lark broadened their offering into wellness, calling it "Larklife". The app tracked food eaten, sleep logged, calories burned using 2 wristbands (1 for fitness, 1 for sleep) designed by Amunition. Cost for the package was $150.
- By 2015, the following upgrades and changes were made:
    - Sleep sensors were incorporated into the smart phone
    - Food logging via dictation, using SIRI-like technology
    - "Lark Chat", text chats for weight loss and weight management using an AI platform. Several times a day, chats comments on personalized goal progress, healthy/unhealthy meals, portion size, processed sugars, fats, etc.
    - Stopped selling dedicated hardware and focused solely on software
    - The app downloaded for free; enterprise pricing was offered to coach teams and individuals
- In 2017, the Target first starts promotion of its diabetes prevention platform, which essentially is the "Lark Weight Loss Health Coach" AI, focused on activities recommended by the CDC and professional societies for prediabetics to take in order to avoid Type 2 diabetes.
    - First clinical trial showed positive result using the "AI Coaching" app

- This app provides unlimited text-based counseling sessions on an array of health topics
- Claim the AI mimics a nurse's empathic counseling through this text-based consulting
- 4 products now on the market: Wellness, Diabetes prevention, Diabetes management, & Hypertension management (first mention)
- Claim ~1 million users
- The Diabetes prevention program (DPP) becomes the first fully reimbursable AI-led DPP with a CPT code

- In 2018, the first mention of working with large health insurance providers, regional health insurance providers and corporations to provide "medically reimbursed 24/7 personal counseling services to tackle chronic disease"
  - Working with 3 of the top 5 national payers and dozens of self-insured employers
  - Offer a value-based payment option. Lark gets paid when patients sign up and Lark can demonstrate health results
  - AI is now customized specifically for sleep, stress, nutrition, and chronic diseases
  - Claim ~1.5 million users
- In 2019 Lark partnered with 23&me to link their AI chatbot with the 23&me genetics data (for the 500K 23&me customers only). So, for example, if the genetics show a person is severely affected by saturated fats, Lark's AI provides warnings when a person enters a high saturated fat food item in their log.

Vida Health: www.vida.com

Background: Company founded in January 2014 - $5 million Series A round closed in October 2014

Vida launched its App in the same month to consumers for $15 per week, providing 8 different health focuses: lose weight, get fit (now called exercise), detox (no longer advertised) feel better (now part of mental health package), reduce stress, lower cholesterol (renamed healthy cholesterol), prevent diabetes, lower blood pressure (renamed healthy blood pressure).

- The product portfolio is different, and inferior to the Health Gauge solution with respect to overall application and services outline. Vida competes for the same client base, corporate and health insurance companies.

- Vida's value proposition is "using smart technology together with a human touch" to help people obtain their health goals. By technology they are referring to: the app which can be downloaded to a smart phone, connectivity to a few diagnostic devices (digital scales and glucose monitoring devices) and health education and monitoring programs available through a mobile app.

- Vida believes their secret sauce is the quality of their health coaches, who are in regular direct contact with clients. The Target believes that positive patient results are attained by ensuring many touch points between the coach and the person.

- Vida strongly claims that "every chronic condition is a mental health condition." This is a concept not often discussed, but it fits well into their coaching offering and strengthens their value proposition to clients.

Vyvo Health: www.vyvo.com

Background: Company was founded in 2019 as a re-brand of World Global Network Corporation (WGNC). Vyvo is a Dublin corporation with its headquarters in Singapore and offices in the USA and Europe. WGNC had floods of complaints which led to receiving the lowest Better Business Bureau rating of "F". Complaints were based on unreliable technology and poor customer service responses to complaints.

- Vyvo sells 4 smartwatch products, nutritional supplements and a personalized health and wellness report based upon an Oracle AI platform. Smartwatches are manufactured by Foxconn Technology Group and contain "clinical grade sensors".

- All smartwatches have sensors built in, but each model measures different biometric data. The following biometric data are tracked by the various models: heart rate, blood pressure, sleep response, breath rate, atrial fibrillation, mood and energy, ECG, bioelectrical impedance (which generates BMI & BMR, muscle mass & visceral fat). A few measure air quality. One has a GPS and another has a fall monitor and alert capability for the elderly.

- Vyvo does not target health plans or corporations, they focus on selling to individuals. Each person who buys a Vyvo product automatically becomes a member, which means they are also able to sell Vyvo products and recruit others to sell Vyvo products. Sales revenue from a person's recruits generate income for the recruiter.

- The Oracle AI performs a health and wellness analysis that suggests nutritional supplements to purchase and lifestyle changes.
- Another income generating mechanism is through a health and wellness biometrics data co-op. Health and wellness data is collected from every Vyvo smartwatch user, anonymized and placed into HEALTH GAUGE database. This data is sold to pharmaceutical companies, university researchers and other interested parties. A portion of the data revenue is distributed back to the Vyvo watch wearer.

Proprietary Protection

The ability to protect new technology influences competitive position. Protection can be gained by patents, copyrights, trademarks, and other trade secrets that prevent competitors from copying or using the technology. Health Gauge is pursuing a combination of these strategies.

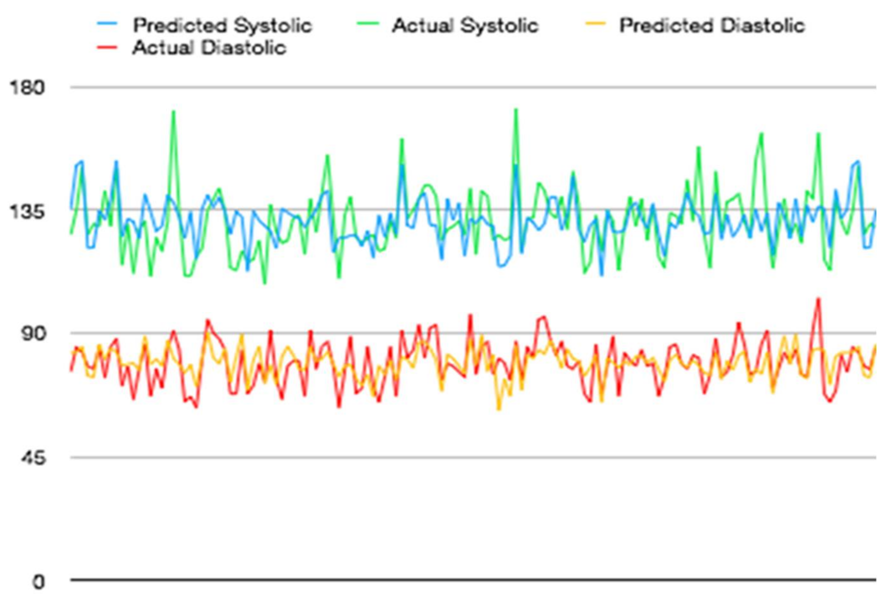
Health Gauge has several intellectual and intangible assets that provide value and leverage to help grow the business opportunity. It filed for provisional patents in 2016, and in early 2020 filed for patent application in Canada, USA, and India. Currently under review, these patent filings address the combination of sensors, processes, and methods that includes applied artificial intelligence/machine learning software to create more accurate and self-learning health-monitoring capabilities using ECG + PPG based wearable tech. The patent IP also speaks to enhancing tagging methodologies through artificial intelligence tools, so that people can better correlate day-to-day behaviors (diet, exercise, sleep, stress, smoking, alcohol, and medications) to health outcomes.

On January 16, 2020, the Target secured non-exclusive worldwide license rights to use, copy, modify, practise, and install AiDANT Intelligent Technology 'Recognition Engine' software for the purpose of the provision of goods and services to organizations in the 'health & wellness' sector, relating to artificial intelligence applications in monitoring patients, improving the level and quality of care, and protecting patients and healthcare providers. This software relates to unique technology in the area of business intelligence, analytics, and facial & behavioural recognition capabilities using PTZ digital cameras and AI/ML software that HEALTH GAUGE created under contract for AiDANT.

In addition to its IP/patent filing, the Target has recently secured the 'healthgauge.com' domain, and has invested to make the Health Gauge brand, logo and materials, valuable and ready to address international market interest; it owns the keywords and channels with most of today's most used social networks (Facebook, Twitter, YouTube, Pinterest, Instagram, Tumblr, and others). The Target is in process of securing trademark protections of ‘Health Gauge’ and related logo; Trademark process is underway in Canada and will be undertaken in the United States in 2020.

The Target has unique research and development assets based on previous and current work, including:

- o Artificial intelligence and machine learning resources and software, derived blood pressure (SBP/DPBP), HRV, HR.
- Mobile applications software (includes activity and sleep-based monitoring).
- Analytics software; can be integrated with other solutions and data-sets.
- Electronics development and prototyping.



Based on its AI/ML services work, Health Gauge has also secured special rights and ownership in the associated field of visual intelligence (facial, image, object and behaviour recognition) that provides for other revenue opportunities in long-term care facilities & aging-in-place developments.

Office and Facility

The head and principal and registered office of the Target is located at Suite 860, 10004 – 104 Ave, Edmonton, Alberta, T5J 0K1.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

The Issuer	Year ending April 30, 2020 $	Year ending April 30, 2019 $	Year ending April 30, 2018 $
Total revenue	Nil	Nil	Nil
Net income (loss)	(215,208)	(166,696)	(124,101)
Total assets	319,867	156,634	161,332
Working capital (deficit)	(1,962,295)	(2,050,658)	(1,829,017)
Long term liabilities	Nil	Nil	Nil

The Target	Year ending December 31, 2019 $	Year ending December 31, 2018 $	Year ending December 31, 2017 $
		(unaudited)	(unaudited)
Total revenue	147,698	181,207	76,861
Net income (loss)	(183,626)	(398,612)	(269,570)
Total assets	55,626	102,936	174,770
Working capital (deficit)	(55,038)	(22,260)	139,245
Long term liabilities	Nil	Nil	Nil

5.2 Selected Quarterly Information

The Issuer

Three Months Ended	Total Revenue (S)	Loss (Income) Total (S)	Loss (Income) Per Share (S)	Total Assets (S)
2020 July 31		28,856	0.00	257,105
2020 April 30		123,825	0.01	319,867
2020 January 31		35,123	0.00	198,566
2019 October 31		16,743	0.00	190,646
2019 July 31		39,817	0.00	168,127
2019 April 30		50,634	0.00	156,634
2019 January 31		46,952	0.00	135,024
2018 October 31		41,513	0.00	153,817

The Target

Nine Months Ended	Total Revenue (S)	Loss/Income Total (S)	Loss/Income Per Share (S)	Total Assets (S)
2020 Sept 30	3,793	(524,382)	(0.03)	52,887
2019 Sept 30	147,648	99,774	0.03	55,626

5.3 Dividends

There are no restrictions on the Issuer's ability to pay dividends. The Issuer has not paid dividends in the past, and has no present intention of paying dividends in the future.

5.4 Foreign GAAP

The financial statements are prepared using accounting policies consistent with the International Financial Reporting Standards, as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

6. Management's Discussion and Analysis

See Schedules attached.

7. Market for Securities

7.1 The Issuer's securities are listed and posted for trading on the Canadian Securities Exchange under the symbol "AIML", and prior to the listing on the CSE, were previously listed on the TSXV Exchange. The Issuer's shares also trade on the OTC (FIRZF) and on the Frankfurt exchange (42FA). Trading in the Company's shares have been halted on the TSXV Exchange since August 17, 2020.

8. Consolidated Capitalization

As of the date of this Listing Statement, there are 22,477,026 issued and outstanding common shares of the Issuer. The outstanding share capital of the Issuer is summarized in the table below:

Designation of security	**Authorized**	**Outstanding as of April 30, 2020 (audited)**	**Outstanding as at December 30, 2020 (unaudited)**
Common shares	Unlimited	11,101,026	22,477,026
Share Purchase warrants(1)		3,135,000	2,624,000
Series A Performance warrants		nil	7,000,000
Debt Settlement Warrants(2)		nil	4,000,000
Financing Warrants(3)		nil	2,000,000
Broker warrants(4)		nil	280,000
Options (5)		nil	1,300,000
Total outstanding shares fully diluted			**39,681,026**

(1) Each of which is exercisable at $0.15 until 02/18/21 and thereafter at $0.20 until 02/18/22, to acquire one share.
(2) Each of which is exercisable at $0.50 to acquire one common share for a period of 24 months following Listing Date.
(3) Each of which is exercisable at $0.50 to acquire one common share for a period of 12 months following Listing Date

(4) Each of which is exercisable at $0.25 per share for a period of 6 months from Listing Date.
(5) Each of which is exercisable at $0.25 per share for a period of 24 months from Listing Date.

9. Options to Purchase Securities

9.1 The Issuer has adopted an incentive stock option plan in compliance with the polices of the CSE. The purpose of the plan established by the Issuer, pursuant to which it may grant incentive stock options, is to promote the profitability and growth of the Issuer by facilitating the efforts of the Issuer to obtain and retain key individuals. The option plan provides an incentive for and encourages ownership of the common shares by its key individuals so that they may increase their stake in the Issuer and benefit from increases in the value of the common shares. The maximum number of options available under the option plan is equal to 10% of the outstanding shares of the Issuer from time to time. Pursuant to the option plan, the maximum number of common shares reserved for issuance in any 12 month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding common shares at the date of the grant. The maximum number of common shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding common shares at the date of the grant and the maximum number of common shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of common shares at the date of the grant. Incentive stock options may be exercised until the greater of 12 months after the completion of a qualifying transaction and 90 days following the date the optionee ceases to be a director, officer or employee of the Issuer or its affiliates or a consultant or a management company employee, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. In the event that the Issuer becomes a Tier 1 Issuer (as such term is defined in the CSE policies), the option plan provides that the board of directors of the Issuer may grant options which allow an optionee to elect to exercise its option on a “cashless basis”, whereby the optionee, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such number of common shares equal to the number which results when: (i) the difference between the aggregate fair market value of the common shares underlying the option and the aggregate exercise price of such option is divided by (ii) the fair market value of each common share. “Fair market value” as defined in the option plan means the closing price as reported by the CSE on the last trading day immediately preceding the exercise date.

	Number of common share options	Exercise price	Expiry Date
Executives (2)	1,000,000	$0.25	2 years from Closing
Non-executives and directors (2)	300,000	$0.25	2 years from Closing
Employees	Nil	Nil	Nil
Consultants	Nil	Nil	Nil

10. Description of the Securities

10.1 As of the date of this Listing Statement, there are 22,477,026 common shares issued and outstanding. The authorized capital of the Issuer consists of an unlimited number of common shares without par value, having the following material characteristics:

Common Shares

The special rights and restrictions attached to the Common Shares without par value are as follows:

(a) The holders of the Common Shares shall be entitled to receive notice of, to attend and to vote at any general meeting of the shareholders of the Issuer.

The following table sets forth the capitalization of the Issuer as at December 30 2020:

Designation of Security	**Authorized**	**Outstanding After Giving Effect to the Share Exchange with the Target (Unaudited)**
Class A common voting shares	Unlimited	22,477,026(1) common shares of the Issuer
Options	N/A	1,300,000(4)

Designation of Security	Authorized	Outstanding After Giving Effect to the Share Exchange with the Target (Unaudited)
Series A Warrants		2,624,000
Series B warrants(2)		4,000,000
Series C warrants (3)		4,000,000
Series A Performance Warrants		7,000,000
Broker Warrants		280,000
Indebtedness		Nil

(1) Assumes the issuance of 4,000,000 units at $0.25 to settle $1,000,000 of indebtedness and the issuance of 4,000,000 units for gross proceeds of $1,000,000.

(2) Each debt settlement unit is comprised of one common share and one Series B warrant. Each Series B warrant allows the acquisition of a common share at $0.50 for a period of 24 months from the Listing Date.

(3) Each Financing unit is comprised of one common share and one Series C warrant. Two Series C warrants allow the acquisition of one common share at $0.50 for a period of 12 months from the Listing Date.

(4) Pursuant to the Purchase Agreement, each of Mr. Matichuk and Mr. Duguay have been granted 500,000 options, John Cook was granted 200,000 options, and Thomas R. Tough was granted 100,000 options at $0.25 per share expiring 24 months from the Listing Date. These options vest immediately.

(5) Broker warrants are exercisable at $0.25 per share for a period of 6 months from Listing Date.

10.2 Debt Securities - Not applicable.

10.4 Other Securities - Not applicable

10.5 Modification of terms - Not applicable

10.6 Other attributes: None

10.7 Prior Sales

In the 12-month period prior to the date of this Listing Statement, the Issuer has issued the following securities:

(a) On February 18, 2020 the Issuer issued 3,000,000 Units at $0.11 per Unit for gross proceeds of $330,000. Each Unit was comprised of one Common Share and One Series A warrant exercisable at $0.15 in the first year and $0.20 in the second year to acquire one additional common share.
(b) On August 31, 2020, the Issuer issued 376,000 common shares at $0.15 upon the exercise of 376,000 Series A warrants for proceeds of $56,400.
(c) On December 30, 2020 4,000,000 units were issued in respect to the settlement of debt in the amount of $1,000,000, with each unit consisting of one common share and one Series B Warrant.
(d) On December 30, 2020, 4,000,000 units were issued in respect to the closing of the Financing in the amount of $1,000,000, with each unit consisting of one common share and one Series C warrant.

10.8 Stock Exchange Price

The following table sets out the market price range and trading volume of the Issuer's common shares on the TSX Venture Exchange on a quarterly and monthly basis for the period between September 2019 and August 2020. The Issuer's shares last traded on August 17, 2020 at a closing price of $0.29 per share. The following gives information with respect to the trading of the Issuer's shares on the TSX Venture Exchange for the following designated periods:

Period	High	Low	Volume
September 2019	0.20	0.20	1,564
October 2019	0.20	0.15	5,328

November 2019	0.15	0.10	5,180
December 2019	0.15	0.15	137,100
January 2020	0.30	0.10	615,561
February 2020	0.22	0.10	129,928
March 2020	0.20	0.12	51,583
April 2020	0.20	0.12	133,954
May 2020	0.27	0.13	145,230
June 2020	0.31	0.18	104,012
July 2020	0.31	0.18	109,293
Aug 1-17 2020	0.29	0.175	62,260

11. Escrowed Securities

11.1 It is intended that 1,025,959 Common Shares and 2,394,000 Performance Warrants issued to Bruce Matichuk and 1,068,834 Common Shares and 2,494,100 Performance Warrants issued to Randy Duguay will be escrowed. 300,000 units subscribed for by John Cook will also be escrowed.

As part of its listing application to the CSE, the Issuer entered into an escrow agreement dated November 2, 2020 with Endeavor Trust Company and certain shareholders of the Issuer, including all of the proposed directors, officers and consultants of the Issuer, whereby all securities of the Issuer, beneficially owned or controlled, directly or indirectly, or over which control or direction is exercised by the proposed directors, officers and consultants of the Issuer, and the respective affiliates or associates of any of them, will be placed in and made subject to an escrow agreement for a hold period of 36 months from the effective date of the share exchange.

Pursuant to the escrow agreement, 10% of the total escrowed shares will be released from escrow on the date the common shares are listed on the CSE, and 15% every six months thereafter, subject to acceleration provisions provided for in National Policy 46-201 – Escrow for Initial Public Offerings.

The following table sets out the number of securities in escrow pursuant to the escrow agreement among the Issuer, Endeavor Trust Company, and certain shareholders of the Issuer:

Prior to Giving Effect to the Transaction	**After Giving Effect to the Transaction**	**Name and Municipality of Residence of Security holder**	**Designation of Class**	**Number of Securities to Be Held in Escrow**	**Percentage of Class**	**Fully diluted (performance warrants)**	**Fully diluted Percentage of Class**
NIL	1,068,834	Randy Duguay, Alberta	Common	1,068,834	4.8%	2,493,947	9.8%
NIL	1,025,959	Bruce Matichuk, Alberta	Common	1,025,959	4.6%	2,393,905	9.4%
NIL	300,000	John Cook, Ontario	common	300,000	0.1%	150,000 finance warrants	1.3%

In addition to the Common Shares being escrowed, the following Common Shares will also be subject to trading restrictions for 4 months from Closing – 4,000,000 from the Financing, 4,000,000 from the debt settlement and an additional 905,207 issued as partial consideration under the Transaction.

11.2 Pursuant to Section 2.3 of the Share Purchase Agreement dated August 16, 2020, the Performance Warrants are exchangeable for no consideration for Common Shares as follows:

i. Up to 2,000,000 AIML Shares (based upon the formula: 2,000,000 X Percentage tendered), subject to the Target generating aggregate sales revenue within any six consecutive month period of $600,000, within 2 years of the Closing Date; and

ii. Up to 5,000,000 AIML Shares (based upon the formula: 5,000,000 X Percentage tendered) subject to the Target generating aggregate sales revenue within any six consecutive month period of $1,200,000, within 3 years of the Closing Date.

12. Principal Shareholders

12.1 As of the date of this Listing Statement, to the best of the knowledge of the Issuer, there are no one who beneficially own (or will beneficially own after giving effect to the share exchange with the Target), directly or indirectly, or exercise control or direction over, more than 10% of the voting rights attached to all of the outstanding shares of the Issuer.

13 Directors and Officers

13.1 Name, Address, Occupation and Security Holding

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities that each director and officer of the Issuer beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Municipality of Residence	**Positions Held with the Issuer**	**Principal Occupation During the Last Five Years**	**Date Elected / Appointed as Director**	**Shareholdings of the Issuer**
Randy Duguay(1), Edmonton, AB	President, CEO and Director	CEO of the Target.	On Closing	1,068,834 4.8%
Bruce Matichuk(1), Edmonton, AB	CTO and Director	CTO of the Target	On Closing	1,025,959 4.6%
John Cook(1), Roslin, ON	Director since Nov. 2012	Former CEO of the Issuer	Director	300,000(2) 1.3%
Thomas R. Tough(1), P. Eng. Delta, BC	Director since Jan. 2010	Director of various companies	Director	Nil(3) 0%
Victor Hugo, Toronto, ON	CFO since August 2020 and	CFO of various companies	N/A	NIL 0%

	Corporate Secretary			

Notes:

(1) Member of the Audit Committee. Mr. Cook is the proposed chair of the Audit Committee. The Audit Committee is to be comprised of Randy Duguay, Thomas R. Tough and John Cook

(2) John Cook also holds 300,000 Series C warrants and 200,000 stock options exercisable at $0.25 for 12 months from the Listing Date.

(3) Thomas R. Tough holds 100,000 stock options exercisable at $0.25 for 12 months from the Listing Date.

The above information has been furnished by the respective directors individually.

Conflicts of Interest

Some of the directors and officers of the Issuer are also directors, officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Issuer, notwithstanding that they are bound by the provisions of the *Business Corporations Act* (British Columbia) to act at all times in good faith in the best interests of the Issuer and to disclose such conflicts to the Issuer if and when they arise.

The Issuer has adopted a Code of Business Conduct and Ethics (the “Code”), which is intended to document the principles of conduct and ethics to be followed by the Issuer’s directors, officers and employees. The purpose of the Code is to:

1. Promote integrity and deter wrongdoing.

1. Promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest.
2. Promote avoidance of absence of conflicts of interest.
3. Promote full, fair, accurate, timely and understandable disclosure in public communications made by the Issuer.
4. Promote compliance with applicable governmental laws, rules and regulations.
5. Promote and provide a mechanism for the prompt, internal reporting of departures from the Code.
6. Promote accountability for adherence to the Code.
7. Provide guidance to the Issuer's directors, officers and employees to help them recognize and deal with ethical issues.
8. To help foster a culture of integrity, honesty and accountability throughout the Issuer.

Management

None of the Resulting Issuer's proposed management personnel have entered into non-disclosure or non-competition agreements with the Issuer, but the Resulting Issuer will consider whether to enter into such agreements following the Listing Date.

Further information on the business experience and professional qualifications of the Issuer's directors, officers and promoters is set forth below:

Randy Duguay **Age (57)**
<u>President, CEO and Director</u>

Randy has a B.Sc. (Electrical / Computer Engineering), an M.Eng. (Management), and completed Exec development programs at UofT (Rotman Business School). Randy served in executive management with TELUS Health Solutions, Canada's most significant digital health services company. There, Randy was lead on several multi-million dollar commercialized products ventures reviews and product development.

Mr. Duguay is the beneficial owner of 1,068,834 Resulting Issuer Shares, 2,494,100 Performance Warrants and 500,000 Stock Options. Mr. Duguay expects to devote 100% of his working time to the Resulting Issuer. Mr. Duguay is an employee of the Target.

Victor Hugo Age (53)
CFO

Mr. Hugo currently works with Marrelli Support Services, which provides CFO, accounting, regulatory, compliance and management advisory services to numerous issuers on the Toronto Stock Exchange, the TSX Venture Exchange, and other Canadian and U.S. exchanges. Mr. Hugo is a CPA and CMA, and holds a bachelor of commerce with honours, specializing in accounting and cost and management accounting, from Potchefstroom University in South Africa. Mr. Hugo has served as CFO for several TSX Venture Exchange and CSE companies. He has over 20 years experience in the mining and manufacturing sectors, with responsibility for accounting, budgeting and financial reporting.

Mr. Hugo is the beneficial owner of Nil Resulting Issuer Shares. Mr. Hugo expects to devote 5% of his working time to the Resulting Issuer.

Bruce Matichuk Age (58)
Director and CTO

Bruce has a M.Sc. (Comp.Science) and over 25 years of experience in managing innovative teams and deploying cutting edge software technology. Bruce has extensive background in machine learning, Artificial Intelligence, and software engineering. Bruce served as CTO of AI Tech companies that raised millions of dollars in private money.

Mr. Matichuk is the beneficial owner of 1,025,959 Resulting Issuer Shares, 2,394,000 Performance Warrants and 500,000 Stock Options. Mr. Matichuk expects to devote 100% of his working time to the Resulting Issuer. Mr. Matichuk is an employee of the Target.

Thomas R. Tough Age (83)
Director

Mr. Tough has been a director since January 14, 2010. Mr. Tough has extensive experience with public companies as a director and through a wide variety of officer positions held with various reporting issuers. Mr. Tough has acted in each respective capacity with a focus of participation on each Company's audit committee. Mr. Tough has a BSc. (1965) from the University of British Columbia and has been a member of the British Columbia Association of Professional Engineers and Geoscientists since 1970 as a Professional Engineer.

Mr. Tough is the beneficial owner of Nil Resulting Issuer Shares. Mr. Tough expects to devote 10% of his working time to the Resulting Issuer.

John Cook Age (80)
<u>Director</u>

Mr. John Cook is President and CEO of Tormin Resources, a private mining consulting company. John Cook has more than 45 years of professional experience in all facets of mining development, operations and management. John Cook was Chairman of Wolfden Resources Inc. until its purchase by Zinifex Limited in June, 2007 and then Chairman of Premier Gold until May of 2010. He has been the President of Tormin Resources Limited, a private mining company since May 1995, and is a graduate of Sheffield University in mining engineering.

Mr. Cook is the beneficial owner of 300,000 Common Shares, 300,000 series C warrants and 200,000 Stock Options. Mr. Cook expects to devote 10% of his working time to the Resulting Issuer.

Corporate Cease Trade Orders or Bankruptcies

No director or officer of the Issuer has, within the last ten years prior to the date of this document, been a director or executive officer of any company (including the Issuer) that, while such person was acting in that capacity, (i) was the subject of a cease trade or similar order or an order that denied that company access to any exemption under securities legislation for a period of more than 30 consecutive days; or (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in that company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets, other than:

John Cook was a director and Chief Executive Officer of King Global Ventures Inc.(King"), and Victor Hugo was the CFO of King when it was subject to an order of the Ontario Securities Commission dated June 22, 2020 ceasing all trading in King's securities in connection with a failure to file audited financial statements and MDA for the year ended December 31, 2019, which order was revoked on August 13, 2020.

Victor Hugo was the CFO of Voyager Digital (Canada) Inc. when it was subject to a management cease trade order on November 5, 2019 for failure to file annual financial statements and MD&A. The management cease trade order was revoked on January 7, 2020 when the required documents were filed.

Victor Hugo was the CFO of Cotinga Pharmaceuticals Inc. when it was subject to a cease trade order on October 4, 2019 for failure to file quarterly financial statements and MD&A. This cease trade order was revoked on November 5, 2019 when the required documents were filed. A subsequent cease trade order was issued for failure to file annual and quarterly statements on October 14, 2020. This order is ongoing.

Penalties or Sanctions

To the best of management's knowledge, no director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer or theft or fraud, or has been subject to any other penalties or sanctions imposed by a court or a regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

No proposed director, officer or promoter of the Issuer has, within the 10 years before the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver-manager or trustee appointed to hold its assets.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer who are, or have been within the last five years, directors, officers or promoters of other reporting issuers, other than the Issuer:

Name of Director, Officer or Promoter	Name and Jurisdiction of Reporting Issuer	Name of Trading Market	Position	Period
John Cook	King Global Ventures Inc.	TSXV	CEO and Director	July 27, 2015 to present
Victor Hugo	New Era Minerals Inc.	TSXV	Officer	April 28 to Present
	UC Resources Inc.	NEX	Officer	March 2018 to Present
	Canuc Resources Corp.	TSXV	Officer	January 2018 to May 2018
	Stakeholder Gold Corp.	TSXV	Officer	December 2017 to May 2018
	9 Capital Inc.	TSXV	Officer	May 2018 to Present

14. Capitalization

14.1 The following chart sets out the shareholdings for each class of securities to be listed:

Issued Capital

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	22,477,026	39,681,026	100.0%	100.0%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially	4,831,293	12,269,893	21.49%	30.92%

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)				
Total Public Float (A-B)	17,645,733	27,411,133	78.51%	69.08%
<u>Freely-Tradable Float</u>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	11,000,000	25,300,000	70.43%	69.54%
Total Tradable Float (A-C)	11,477,026	14,381,026	50.61%	36.24%

Public Security holders (Registered)

Instruction: For the purposes of this report, "public security holders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	154	2,008
100 – 499 securities	26	5,502
500 – 999 securities	8	5,580
1,000 – 1,999 securities	6	6,803
2,000 – 2,999 securities	5	11,000
3,000 – 3,999 securities	2	7,440
4,000 – 4,999 securities	2	8,000
5,000 or more securities	99	17,599,400
	302	17,645,733

Public Security holders (Beneficial)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	408	6,178
100 – 499 securities	54	11,034
500 – 999 securities	23	16,554
1,000 – 1,999 securities	21	28,215
2,000 – 2,999 securities	12	29,070
3,000 – 3,999 securities	5	17,840
4,000 – 4,999 securities	7	28,340
5,000 or more securities	158	17,507,814
	688	17,645,733

Non-Public Security holders (Registered)

Instruction: For the purposes of this report, "non-public security holders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	5	4,831,293
	5	4,831,293

14.2 Securities Convertible Into Common Shares

Options	1,300,000
AIML Warrants	2,624,000
Series B warrants	4,000,000
Series C warrants	4,000,000
Series A Performance Warrants	7,000,000
Broker Warrants	280,000

Note: See sections 8.1 and 10.1 for details of each set of convertible securities.

15. Executive Compensation

15.1 *Management Agreement*

Compensation will be paid to certain officers of the Issuer through employment agreements in connection with the day-to-day management of the business and operations of the Issuer.

STATEMENT OF EXECUTIVE COMPENSATION OF THE ISSUER

Compensation Discussion and Analysis

In this section "Named Executive Officer" means (a) the Chief Executive Officer (or an individual who acted in a similar capacity), (b) the Chief Financial Officer (or an individual who acted in a similar capacity), (c) each of the Corporation's three other most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity (except those whose total compensation does not exceed $150,000), and (d) each individual who would be a Named Executive Officer ("NEO") under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year. The Issuer had two NEO's, namely John F. Cook, the President and Chief Executive Officer ("CEO") and Victor Hugo, the Chief Financial Officer ("CFO") during the periods in question.

As of August 1, 2020, the Issuer compensates Tormin Resources Ltd., a company owned by the President of the Issuer, John Cook $6,000 per month for providing management services to the Issuer. The compensation has been agreed upon by the directors of the Issuer based on industry standards and is accrued in the normal course of operations.

Incentive Plan Awards

The Issuer may grant incentive stock options to purchase Common Shares from time to time and as authorized by the directors of the Issuer. As of December 30, 2020, 1,300,000 options have been issued.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards granted for the NEO's during the indicated year ends:

Name and Principal Position	Year Ended April 30,	Salary ($)	Share Based Awards ($)	Option Based Awards ($)	Long-term Incentive Plans	Other Compensation ($)	Total Compensation ($)
John F. Cook Pres. & CEO (since May 2011)	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	$72,000 $72,000 $72,000	$72,000 $72,000 $72,000
Glen Macdonald , CFO Since November 2018 to March 31, 2020	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil

The following table sets forth all awards outstanding for the NEO's as of the financial year end April 30, 2020:

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised In-The-Money Options ($)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested ($)
John F. Cook, CEO	Nil	Nil	Nil	Nil	Nil	Nil
Glen Macdonald CFO	Nil	Nil	Nil	Nil	Nil	Nil

Termination and Change of Control Benefits

There is no employment contract, compensatory plan or other arrangement in place with the NEO's, nor are there any agreements between the Issuer and the NEO's that provide for payment to the NEO's in connection with any termination, resignation, retirement, change in control of the Corporation or change in responsibilities of the NEO's.

Director Compensation

No cash compensation was paid to the directors of the Issuer in their capacity as directors during the fiscal years ended April 30, 2020, 2019 and 2018. The directors of the Corporation are eligible to receive options to purchase common shares pursuant to the terms of the Issuer's incentive stock option plan.

The following table sets forth all awards outstanding for the directors other than those directors who are also NEO's as of April 30, 2020:

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	**Option Exercise Price ($)**	**Option Expiration Date**	**Value(1) of Unexercised In-The-Money Options(1) ($)**	**Number of Shares or Units of Shares That Have Not Vested (#)**	**Market or Payout Value(1) of Share-Based Awards That Have Not Vested ($)**
Ken Ralfs	Nil	Nil	Nil	Nil	Nil	Nil
Thomas R. Tough	Nil	Nil	Nil	Nil	Nil	Nil

16. Indebtedness of Directors and Executive Officers

16.1 Aggregate Indebtedness

None of the executive officers or directors of the Issuer, or associates or affiliates of such persons:

(a) are or have been indebted to the Issuer at any time; or

(b) are or have been indebted to another entity at any time where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar.

17. Risk Factors

An investment in the securities of the Issuer is subject to a number of risks, including those described below, that could have a material adverse effect upon, among other things, the operating results, earnings, business prospects and condition (financial or otherwise) of the Issuer. A prospective purchaser of such securities should carefully consider the risk factors set out below before making a decision to purchase securities of the Issuer. The risks described herein are not the only risk factors facing the Issuer and should not be considered exhaustive. Additional risks and uncertainties not currently known to the Issuer, or that the Issuer currently considers immaterial, may also materially and adversely affect the business, operations and condition (financial or otherwise) of the Issuer.

If the Issuer raises additional financing, the terms of such transactions may cause dilution to existing shareholders or contain terms that are not favourable to the company.

In the future, the Issuer may seek to raise additional financing through private placements or public offerings of its equity or debt securities. The Issuer cannot be certain that additional funding will be available on acceptable terms, or at all. To the extent that the Issuer raises additional funds by issuing equity securities, shareholders may experience significant dilution. Given that the Issuer does not expect to have any significant revenues in the foreseeable future, it is unlikely that it will be able to raise a significant amount of debt financing or such financing may have an equity component. Also, any debt financing, if available, may require the Issuer to pledge its assets as collateral or involve restrictive covenants, such as limitations on its ability to incur additional indebtedness, limitations on its ability to acquire or license intellectual property rights and other operating restrictions that could negatively impact its ability to conduct its business. General conditions in the capital markets as well as conditions that particularly effect biotechnology companies could also impact the company's ability to raise additional funds. In addition, the Issuer cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to it, if at all. If the Issuer is unable to raise additional capital in sufficient amounts or on terms acceptable to it, it will be prevented from pursuing its research and development efforts. This could harm the business, prospects and financial condition and cause the price of the securities to fall, or to cause the Issuer to cease operations.

If the Issuer fails to attract and retain key management and sales personnel, it may be unable to successfully develop or commercialize its product candidates.

The Issuer will need to expand and effectively manage its managerial, operational, financial, development and other resources in order to grow organically. The Issuer's success depends on its continued ability to attract, retain and motivate highly qualified management, sales personnel, including its key management personnel. The loss of the services of any of its senior management could impact its sales. At this time, the Issuer does not have "key man" insurance policies on the lives of any of its employees or consultants. In addition, the Issuer's advisors may have arrangements with other companies to assist those companies in developing products or technologies that may potentially may compete with the Issuer's products or technologies. All of its advisors and consultants sign agreements with the Issuer, which includes provisions for: confidentiality; non-disclosure; intellectual property rights; and non-competes covering its intellectual property and other proprietary information.

The Issuer will need to hire additional personnel as it continues to expand its development activities. The Issuer may not be able to attract or retain qualified management and sales personnel in the future due to the intense competition for qualified personnel among software and hardware businesses. If it is not able to attract and retain the necessary personnel to accomplish its business objectives, it may experience constraints that will impede significantly the achievement of its development objectives, its ability to raise additional capital and its ability to implement its business strategy. In particular, if the Issuer loses any members of its senior management team, it may not be able to find suitable replacements in a timely fashion or at all and its business may be harmed as a result.

If the Issuer is unable to develop its sales and marketing and distribution capability on its own or through collaborations with marketing partners, it will not be successful in commercializing its product candidates.

The Issuer currently does not have a marketing staff or a sales or distribution organization. The Issuer currently does not have marketing, sales or distribution capabilities. If the Issuer's product candidates are approved, it may establish a sales and marketing organization with technical expertise and supporting distribution capabilities to commercialize its product candidates, which will be expensive and time consuming. Any failure or delay in the development of internal sales, marketing and distribution capabilities would adversely impact the commercialization of these product candidates. The Issuer may choose to collaborate with third parties that have direct sales forces and established distribution systems, either to augment its own sales force and distribution systems or in lieu of its own sales force and distribution systems. To the extent that the Issuer enters into co-promotion or other licensing arrangements, its product revenue is likely to be lower than if it directly marketed or sold its products, when and if it has any. In addition, any revenue it receives will depend in whole or in part upon the efforts of such third parties, which may not be successful and will generally not be within its control. If the Issuer is unable to enter into such arrangements on acceptable terms or at all, it may not be able to successfully commercialize its existing and future product candidates. If it is not successful in commercializing its existing and future product candidates, either on its own or through collaborations with one or more third parties, its future product revenue will suffer and it may incur significant additional losses.

Technical Risks

Risk:	**Mitigation:**
Data Security — Acquiring, handling, and storing personal data carries the risk of a security breach,	Health Gauge adheres to all applicable data management regulations, including the Health

Risk:	Mitigation:
leading to the inadvertent release of confidential information.	Information Act, and monitors legislation for changes to these regulations to ensure compliance.
Obsolescence — Technology is moving extremely fast, and a short technology lifespan brings the risk of obsolescence for any new technology.	Health Gauge is developing solutions that are not dependent on specific hardware and can be adapted for use on new technology.
Type 1 errors (false positives) — The sensors mistakenly read a situation as being high risk (e.g., possible infarct or stroke) and an emergency response is triggered.	Health Gauge will build in redundancies and complete rigorous testing of the solution. Health Gauge will also consistently gather consumer feedback and engage in continuous design and improvement.
Type 2 errors (false negatives) — The application fails to trigger an emergency response when one is in fact required.	Rigorous testing of the technology is the best way to reduce type II errors. These errors will be further mitigated by avoiding excessive claims and user education, including clearly worded user manuals and user instructions.
Product failure — As Health Gauge attracts customers and builds databases, it may experience growth issues related to integrating data, signals and outputs. Until large data sets are available, the company may not be able to predict potential for machine learning failures or disruptions.	Health Gauge will complete rigorous testing and validation. The training dataset and the production dataset will be segregated to prevent cross contamination.
User errors leading to legal action — Although we may be able	Health Gauge will develop clearly-worded user manuals and user instructions.

Risk:	Mitigation:
to reach the market with a non-medical device designation, any appearance of a claim to medical functionality can lead to legal action from a user.	Disclaimers form an important component of the user instructions and can protect against damage to the user due to improper use or misunderstandings of the product's functional limitations. To mitigate against risks associated with unforeseen adverse events or off-label use, Health Gauge will: maintain an up-to-date and well-managed communication plan; recognize the limitations of Health Canada and FDA approvals; and assess from the user's perspective.

Strategic Risks

Risk:	Mitigation:
Intellectual property risks — The IP plan overspends to unnecessarily protect IP, or protects too little.	Health Gauge will carefully develop its IP strategy in consultation with IP specialists and in conjunction with its growth plan and financial capacity.
Growth into unstable regions or markets	Health Gauge will apply due diligence and will coordinate closely with regional and strategic partners.
Direct and indirect competition — It is difficult for consumers to distinguish a credible device, app, and data management system from the others. Many competing devices make inflated claims about functionality and ability to detect and prevent medical conditions.	The first step is to get noticed, even before convincing customers of potential value. Health Gauge's approach of engaging clinical experts, payers, and researchers is an effective way to reach end-users without having to fight through the general social noise. The targeted engagement of experts and validation in clinical trials will provide a solid foundation of Health Gauge's credibility and usefulness. Demonstrating value

Risk:	Mitigation:
	to expert user groups allows these experts to become amplifiers for the technology and its applications.
Reliance on Suppliers	The Company will work with more then one source for supply of devices, and is also going to provide for addressing multiple platform strategy (Apple and Android applications)
Reliance on Management	The Company will create a leadership and succession development plan over the course of the next 12 months. Engage external HR skilled consultant to assist in creating a business and management succession plan. Manage annually.
International Expansion (access to export markets)	Engage and get support working with leading public resources from EDC, and Alberta Economic Dev & Trade. Engage resources with its MATTER.health (Chicago) contacts, as well as resource supports in Silicon Valley (Canadian Tech support infrastructure); engage with export market consultants
Managing Growth	Reinforce relationships with OEM suppliers, and create supportive fulfillment channels to Canada & USA. Work with EDC and related export consulting services consultants to ensure we establish key processes to address channel interests Build a partnership with specialized fulfillment delivery and support organizations so that Health Gauge manages predominantly on serving software, applications, and value-add services

Risk:	Mitigation:
	Create and manage a resources growth plan to scale in-line with the growth in client and business potential; assess and address US-based resources when timing appropriate
Market Forces	Annual review and update of Business Plan, development plan, and client feedback to ensure ongoing response to market forces. Provide for a process and means of regular contact with key clients to ensure that Health Gauge is capturing and addressing ongoing development features and interests to retain clients. Provide for processes and means of regular client engagement / CRM functions.
Regulatory Risks	Engage and address FDA and Health Canada processes to ensure that the Company is addressing any key requirements in its products and services delivery Engage with experienced consulting resources in the US and Canada to address regulatory strategy and market approach
Economic Conditions	Focus on securing key first client opportunities in Canada and the United States in 2020. Initial pilot clients exist in both countries when we are able to engage and address market Leverage grant pilot initiatives focusing on potential opportunities with Alberta Innovates and National Research Council (NRC); public market support initiatives

Risk:	Mitigation:
COVID-19 Impacts	Maintain lighter staffing requirements as much as possible, and access public sector support programs focusing on serving R&D and new innovation companies Secure bridge financing to support some capacity through the current downturn
Brand Awareness	Invest in establishing a new website and related marketing materials; ensure that there is some focus on addressing services & benefits interests of the B2B market channels of interest (payers, benefits providers, employers) Engage with specialized lead-generation compan(ies) in the US and Canada when ready to expand on product and services delivery. Create a marketing promotions plan; and create and execute on a social-networking and communications plan in 2020. Create and manage a program of news releases to increase market awareness and brand positioning.

Financial Risks

Risk:	Mitigation:
Development delays — Development of the technology does not hit the necessary milestones for timely release, causing cost overruns.	Health Gauge can secure funding to expedite technology development. Extending the funding horizon will minimize staff turnover.

Risk:	Mitigation:
Growth that is too fast and too soon — This could expose the company to financial, operational, and capacity risks.	Health Gauge will engage in ongoing oversight of its financial state, and coordinate sales with manufacture, quality control and distributor capacity.
Managing customer acquisition costs	Health Gauge will coordinate sales efforts with sales cycle and lead time, assess the trade off relationship of investment return, and focus sales efforts with its limited sales force. Attention to customer retention is essential to maximizing customer value and building brand loyalty while reducing costs from customer turnover.
Limited Operating History	Hire and engage additional management and operational resources to further reinforce the Company capabilities Grow areas in marketing, sales, and operations to create greater overall capability and capacity to address growth. Complete in-year validation and market test initiatives to increase market support and interest in product & services
Funding Needs	Complete securing near term financing arrangement with new investor(s) group. Continue to apply for and undertake grant program opportunities (MITACs, NRC, Alberta Innovates) and related export-oriented trade program supports

Risk:	Mitigation:
	Manage ongoing operational budgets quarterly to maintain positive cash flow Address in-year first client initiatives to address revenue input to grow business
Forex Fluctuations	Explore the potential to establish and maintain a USD$ bank account for the purposes of addressing ongoing US$ cash requirements / suppliers and client interests.

18. Promoters

Randy Duguay, as the principal of the Target, is considered a promoter of the Issuer. Please refer to the chart under the heading "Section 13 Directors and Officers" for information with respect to Mr. Duguay's share holdings. Mr. Duguay will receive shares of the Issuer in connection with the share exchange transaction between the Target and the Issuer as he is a shareholder of the Target. As part of the share exchange transaction, Mr. Duguay will also be appointed President, Chief Executive Officer and a director of the Issuer.

19. Legal Proceedings

The Issuer is not a party to or subject to any outstanding judgements, lawsuits or proceedings and there are no pending lawsuits or proceedings.

20. Interest of Management and Others in Material Transactions

Management and others have no interest in material transactions of the Issuer.

21. Auditors, Transfer Agents and Registrars

21.1 Saturna Group Chartered Professional Accountants LLP
Suite 1250, 1066 West Hastings Street
Vancouver, BC
V6E 3X1, Canada

are auditors of both the Target and the Issuer

21.2 Endeavor Trust Corporation
Suite 702, 777 Hornby Street
Vancouver, BC, V6Z 1S4

22. Material Contracts

The following are the contracts, which are material to the Issuer:

1. The Target Acquisition Agreement with the Target and its shareholders

2. Stock option plan

3. Escrow agreement between the Issuer, Endeavor Trust and various shareholders and insiders.

Copies of any material contracts of the Issuer may be inspected at the registered office of the Issuer at Suite 1000, 925 West Georgia Street, Vancouver, British Columbia, during normal business hours and on SEDAR..

23. Interest of Experts

There are no direct or indirect interests in the property of the Issuer or of a related person of the Issuer received or to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of the Listing Statement or prepared or certified a report or valuation described or included in the Listing Statement.

24. Other Material Facts

There is no other material fact about the Issuer and its securities that are not disclosed under the preceding items and are necessary in order for the Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

25. Financial Statements

Attached is a copy of the audited financial statements of the Issuer, AIML Resources Inc., for the years ended April 30, 2020 and 2019 and the unaudited interim financial statements for the three months ended July 31, 2020 (which has been reviewed by our independent auditors), the audited financial statements of Salu Design Group Inc. for year ended December 31, 2019 and the unaudited comparative interim financial statements for the three and nine months ended September 30, 2020 and 2019 (which has been reviewed by our independent auditors), and the pro forma combined financial statements for the two companies as at July 31 and September 30, 2020.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, AIML Resources Inc., hereby applies for the listing of the above mentioned securities on CSE. The foregoing contains full, true and plain disclosure of all material information relating to AIML Resources Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, BC

this 30th day of December, 2020.

"John Cook"	"Victor Hugo"
John Cook President and Chief Executive Officer	Victor Hugo Chief Financial Officer
"John Cook"	"Victor Hugo"
John Cook Promoter	Victor Hugo Chief Financial Officer
"John Cook"	"Thomas R. Tough"
John Cook Director	Thomas R. Tough Director

CERTIFICATE OF THE TARGET

Pursuant to a resolution duly passed by its Board of Directors, Salu Design Inc., hereby applies for the listing of the above mentioned securities on CSE. The foregoing contains full, true and plain disclosure of all material information relating to Salu Design Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Edmonton, AB

this 30th day of December, 2020.

"Randy Duguay" Randy Duguay President and Chief Executive Officer	"Bruce Matichuk" Bruce Matichuk Chief Financial Officer
"Randy Duguay" Randy Duguay Promoter	"Randy Duguay" Randy Duguay Director
"Bruce Matichuk" Bruce Matichuk Director	

SCHEDULES

Schedule "A"	Audited Financial Statements of the Issuer for years ended April 30, 2020 and April 30, 2019

AIML RESOURCES INC.

(formerly Firebird Resources Inc.)

Financial Statements

Years Ended April 30, 2020 and 2019

(Expressed in Canadian dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of AIML Resources Inc. (formerly Firebird Resources Inc.)

Opinion

We have audited the accompanying financial statements of AIML Resources Inc. (formerly Firebird Resources Inc.) (the "Company"), which comprise the statements of financial position as at April 30, 2020 and 2019 and the statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits 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 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 financial statements in Canada, and 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has not generated any revenues and has negative cash flow from operations during the year ended April 30, 2020 and, as of that date, the Company had a working capital deficit of $1,962,295 and an accumulated deficit of $24,800,701. As stated in Note 1 of the financial statements, these events or conditions, along with other matters, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 to 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.

Auditors' Responsibility for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 risk 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 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 financial statements, including the disclosures, and whether the 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 on the audit resulting in this independent auditors' report is Henry Chow.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

September 29, 2020

AIML RESOURCES INC.
(formerly Firebird Resources Inc.)
Statements of financial position
(Expressed in Canadian dollars)

	April 30, 2020 $	April 30, 2019 $
Assets		
Current assets		
Cash	137,750	3,815
Marketable securities (Note 3)	39,417	17,917
Amounts receivable	1,941	1,858
Loan receivable	–	17,064
Total current assets	179,108	40,654
Non-current assets		
Exploration and evaluation assets (Notes 4 and 7)	140,759	115,980
Total assets	319,867	156,634
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	938,583	934,492
Notes payable (Note 6)	422,000	422,000
Due to related parties (Note 7)	780,820	734,820
Total liabilities	2,141,403	2,091,312
Shareholders‘ deficit		
Share capital	19,710,010	19,524,482
Share-based payment reserve	3,038,063	2,894,941
Equity portion of convertible debenture	231,092	231,092
Deficit	(24,800,701)	(24,585,193)
Total shareholders’ deficit	(1,821,536)	(1,934,678)
Total liabilities and shareholders’ deficit	319,867	156,634

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 14)

Approved and authorized for issuance by the Board of Directors on September 29, 2020:

/s/ ‘Thomas R. Tough’
Thomas R. Tough, Director

/s/ ‘John Cook’
John Cook, Director

(The accompanying notes are an integral part of these financial statements)

AIML RESOURCES INC.
(formerly Firebird Resources Inc.)
Statements of operations and comprehensive loss
(Expressed in Canadian dollars)

	Year ended April 30, 2020 $	Year ended April 30, 2019 $
Expenses		
Consulting fees	54,500	–
General and administrative (Note 7)	32,354	14,753
Impairment of exploration and evaluation assets (Note 4)	3,024	–
Management fees (Note 7)	72,000	72,000
Professional fees	17,629	11,727
Total operating expenses	179,507	98,480
Loss before other income (expense)	(179,507)	(98,480)
Other income (expense)		
Impairment of loan receivable	(18,550)	–
Interest expense	(38,951)	(37,203)
Unrealized gain (loss) on marketable securities (Note 3)	21,500	(32,250)
Unrealized gain on loan receivable	–	1,237
Total other income (expense)	(36,001)	(68,216)
Net loss and comprehensive loss	(215,508)	(166,696)
Basic and diluted net loss per share	(0.02)	(0.02)
Weighted average number of shares outstanding	8,691,190	8,101,026

(The accompanying notes are an integral part of these financial statements)

AIML RESOURCES INC.
(formerly Firebird Resources Inc.)
Statements of changes in equity
(Expressed in Canadian dollars)

	Share capital					
	Number of shares	Amount $	Share-based payment reserve $	Equity component of convertible debenture $	Deficit $	Total shareholders' deficit $
Balance, April 30, 2018	8,101,026	19,524,482	2,894,941	231,092	(24,418,497)	(1,767,982)
Net loss for the year	–	–	–	–	(166,696)	(166,696)
Balance, April 30, 2019	8,101,026	19,524,482	2,894,941	231,092	(24,585,193)	(1,934,678)
Shares issued for private placement	3,000,000	191,764	138,236	–	–	330,000
Share issuance costs	–	(6,236)	4,886	–	–	(1,350)
Net loss for the year	–	–	–	–	(215,508)	(215,508)
Balance, April 30, 2020	11,101,026	19,710,010	3,038,063	231,092	(24,800,701)	(1,821,536)

(The accompanying notes are an integral part of these financial statements)

AIML RESOURCES INC.
(formerly Firebird Resources Inc.)
Statements of cash flows
(Expressed in Canadian dollars)

	Year ended April 30, 2020 $	Year ended April 30, 2019 $
Operating Activities		
Net loss	(215,508)	(166,696)
Items not involving cash:		
Impairment of exploration and evaluation assets	3,024	–
Impairment of loan receivable	18,550	–
Unrealized gain on loan receivable	–	(1,237)
Unrealized loss (gain) on marketable securities	(21,500)	32,250
Changes in non-cash working capital items:		
Amounts receivable	(1,568)	1,537
Accounts payable and accrued liabilities	4,090	51,658
Due to related parties	86,000	75,340
Net cash used in operating activities	(126,912)	(7,148)
Investing Activities		
Exploration and evaluation expenditures	(27,803)	(19,945)
Net cash used in investing activities	(27,803)	(19,945)
Financing Activities		
Proceeds from issuance of common shares	330,000	–
Share issuance costs	(1,350)	–
Repayments to related parties	(40,000)	–
Net cash provided by financing activities	288,650	–
Change in cash	133,935	(27,093)
Cash, beginning of year	3,815	30,908
Cash, end of year	137,750	3,815
Non-cash investing and financing activities:		
Exploration and evaluation expenditures owed to related parties	8,000	35,000
Fair value of share purchase warrants issued as part of private placement	138,236	–

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations and Continuance of Business

AIML Resources Inc. (formerly Firebird Resources Inc.) (the "Company") was incorporated under the British Columbia Business Corporations Act and is listed on the TSX Venture Exchange. The Company is an exploration stage company that is in the process of exploring its mineral properties located in Canada and the United States of America and has not yet determined whether these properties contain reserves that are economically recoverable. The Company's registered office is located at Suite 200, 82 Richmond Street East, Toronto, Ontario M5C 1P1.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended April 30, 2020, the Company has not generated any revenues and has negative cash flow from operations. As at April 30, 2020, the Company has a working capital deficit of $1,962,295 and an accumulated deficit of $24,800,701. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that it has sufficient working capital to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing may be required but will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant Accounting Policies

(a) Basis of Presentation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board on a going concern basis.

The financial statements have been prepared on a historical cost basis. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

(b) Use of Estimates and Judgments

The preparation of these financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the collectability of loan receivable, impairment of marketable securities, recoverability of exploration and evaluation assets, fair value of share-based payments, and the measurement of unrecognized deferred income tax assets.

Judgments made by management include the factors used to assess whether the going concern assumption is appropriate. The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

2. Significant Accounting Policies (continued)

(b) Use of Estimates and Judgments (continued)

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

(c) Application of New IFRS

IFRS 16, Leases

On May 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after May 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less), leases with certain variable lease payments, and leases of low-value assets.

The Company adopted the amendments to IFRS 16 effective May 1, 2019, using the modified retrospective method, with no significant impact on the Company's financial statements.

(d) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(e) Exploration and Evaluation Expenditures

Asset acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of asset acquisition costs, they are valued at the closing share price on the date of issuance unless the fair value of goods or services received is determinable. Payments relating to assets acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded in the financial statements upon payment.

Option payments received are treated as a reduction of the carrying value of the related asset until the Company's option and/or royalty payments received are in excess of costs incurred and then are credited to income.

All expenditures related to the cost of exploration and evaluation of assets including acquisition costs for interests in mineral claims are classified and capitalized until the property to which they relate is placed into production, sold, allowed to lapse, or abandoned. These costs will be depleted over the estimated useful life of the property following commencement of commercial production.

The Company has taken steps, in accordance with industry standards, to verify mineral properties in which it has an interest. Although the Company has made efforts to ensure that legal title to its properties is properly recorded in the name of the Company when all terms of agreements have been met, there can be no assurance that such title will ultimately be secured.

2. Significant Accounting Policies (continued)

(e) Exploration and Evaluation Expenditures (continued)

Impairment

At each reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs. The recoverable amount is determined as the higher of fair value less direct costs to sell and the asset's value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. Estimated future cash flows are calculated using estimated recoverable reserves, estimated future commodity prices, and the expected future operating and capital costs. The pre-tax discount rate applied to the estimated future cash flows reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount through an impairment charge to the statement of operations.

Assets that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstance indicate that the impairment may have reversed. When an impairment subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but only so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation, depletion and amortization) had no impairment loss been recognized for the asset or CGU in prior periods. A reversal of impairment is recognized as a gain in the statement of operations.

(f) Reclamation and Remediation Provisions

The Company recognizes a provision for statutory, contractual, constructive, or legal obligations associated with decommissioning of mining operations and reclamation and rehabilitation costs arising when environmental disturbance is caused by the exploration or development of mineral properties, plant, and equipment. Provisions for site closure and reclamation are recognized in the period in which the obligation is incurred or acquired, and are measured based on expected future cash flows to settle the obligation, discounted to their present value. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability including risks specific to the countries in which the related operation is located.

When an obligation is initially recognized, the corresponding cost is capitalized to the carrying amount of the related asset in mineral properties, plant, and equipment. These costs are depreciated using either the unit of production or straight-line method depending on the asset to which the obligation relates.

The obligation is increased for the accretion and the corresponding amount is recognized as a finance expense. The obligation is also adjusted for changes in the estimated timing, amount of expected future cash flows, and changes in the discount rate. Such changes in estimates are added to or deducted from the related asset except where deductions are greater than the carrying value of the related asset in which case, the amount of the excess is recognized in the statement of operations.

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases, interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

2. Significant Accounting Policies (continued)

(g) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

The Company has made the following classifications:

Cash	Amortized cost
Marketable securities	FVTPL
Amounts receivable	Amortized cost
Loan receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Notes payable	Amortized cost
Amounts due to related parties	Amortized cost

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets at FVTPL

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

• it has been acquired principally for the purpose of selling it in the near term; or
• on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
• it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at amortized cost

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

Subsequent to initial recognition, financial liabilities are measured at amortized cost, unless designated as fair value through profit or loss.

2. Significant Accounting Policies (continued)

(g) Financial Instruments (continued)

Impairment of Financial Assets

Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been decreased. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(h) Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

Other financial liabilities

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(i) Foreign Currency Translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

2. Significant Accounting Policies (continued)

(j) Income Taxes

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(k) Flow-through Shares

The resource expenditure deductions for income tax purposes related to exploration and development activities funded by flow-through share arrangements are renounced to investors in accordance with Canadian tax legislation. On issuance, the premium recorded on the flow-through share, being the difference in price over a common share with no tax attributes, is recognized as a liability. When expenditures are renounced, the deferred income tax liability associated with the renounced tax deductions is recognized through the statement of operations with a pro-rata portion of the deferred premium.

(l) Loss Per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive. As at April 30, 2020, the Company has 3,135,000 (2019 – nil) potentially dilutive shares outstanding.

2. Significant Accounting Policies (continued)

(m) Comprehensive Income (Loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations.

(n) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(o) Accounting Standards Issued But Not Yet Effective

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

3. Marketable Securities

On May 20, 2016, the Company received 716,667 common shares of Pancontinental Gold Corporation with a fair value of $53,750 as part of the consideration for the sale of the Jefferson Property. The common shares are classified as fair value through profit and loss and as of April 30, 2020, the fair value of the common shares was $39,417 (2019 - $17,917). During the year ended April 30, 2020, the Company recorded an unrealized gain of $21,500 (2019 – unrealized loss of $32,250) which has been recorded in the statement of operations.

(Expressed in Canadian dollars)

4. Exploration and Evaluation Assets

	Mountain of Gold $	Buzzard $	Total $
2020			
Acquisition costs:			
Balance, April 30, 2019	800	72,366	73,166
Additions	–	19,803	19,803
Impairment	(800)	–	(800)
Total acquisition costs	–	92,169	92,169
Exploration costs:			
Balance, April 30, 2019	2,224	40,590	42,814
Geological fees (Note 7)	–	8,000	8,000
Impairment	(2,224)	–	(2,224)
Total exploration costs	–	48,590	48,590
Balance, April 30, 2020	–	140,759	140,759

	Mountain of Gold $	Buzzard $	Total $
2019			
Acquisition costs:			
Balance, April 30, 2018	800	52,421	53,221
Additions	–	19,945	19,945
Total acquisition costs	800	72,366	73,166
Exploration costs:			
Balance, April 30, 2018	2,224	5,590	7,814
Geological fees (Note 7)	–	35,000	35,000
Total exploration costs	2,224	40,590	42,814
Balance, April 30, 2019	3,024	112,956	115,980

(a) Mountain of Gold Property, Ontario

Pursuant to a mineral property option agreement dated May 4, 2005, the Company was granted an option to acquire a 100% undivided interest in two claims in the Turnbull area of Ontario. In order to keep the option granted to the Company in good standing, the Company was obligated to:

i) issue 50,000 common shares on regulatory approval of the agreement;
ii) issue 50,000 common shares by May 4, 2006; and
iii) issue 100,000 common shares by May 4, 2007.

The Company has earned a 100% interest in the property, subject to retention by the vendor of a 1% net smelter royalty if the Company commences commercial production on the claims. The Company has the option and right to purchase and cancel 100% of the net smelter royalty at any time for $1,000,000.

(Expressed in Canadian dollars)

4. Exploration and Evaluation Expenditures (continued)

(a) Mountain of Gold Property, Ontario (continued)

On December 22, 2011, the Company signed a property option agreement with each of Wedona Resources Inc., a private corporation, and Clydesdale Resources Inc. (collectively the "Optionees"), a public company (together, the "Agreements"), whereby the Optionees each can earn a 50% interest in the Mountain of Gold property by incurring $250,000 in exploration expenditures and paying cash of $125,000 (or in Clydesdale Resources Inc.'s case, capital stock of equivalent value) over a three year period until December 31, 2013. The Company received $25,000 relating to the agreement. During the year ended April 30, 2020, the Company recorded an impairment loss of $3,024 as it no longer continues to pursue the property.

(b) Buzzard Property, South Carolina

Pursuant to a mineral lease agreement dated September 1, 2008, the Company was granted an exclusive lease of all mineral exploration rights relating to approximately sixty-eight acres located in South Carolina. In order to keep the lease agreement granted to the Company in good standing, the Company is obligated to:

i) pay US$3,000 per year for each of the third and fourth years of the lease (paid);
ii) pay US$4,000 per year for each of the fifth, sixth, and seventh years of the lease (paid);
iii) pay US$5,000 per year for each of the eighth and ninth years of the lease (paid);
iv) upon the earlier of commercial production or the tenth year of the lease, a minimum annual advanced royalty of US$15,000 per year (paid); and
v) production royalty of 3.5% of the gross returns on any mining production.

5. Accounts Payable and Accrued Liabilities

	2020 $	2019 $
Trade payable	636,833	671,792
Accrued liabilities	10,450	8,700
Interest payable (Note 6)	291,300	254,000
	938,583	934,492

6. Notes Payable

(a) On December 10, 2009, the Company completed a convertible debenture financing for proceeds of $255,000. The convertible debenture was unsecured, bears interest at 10% per annum, and matured on December 11, 2014. The debenture was convertible into common shares of the Company at $0.10 per common share at the option of the holder, and the convertible feature expired on December 11, 2014 and the convertible debenture was reallocated to notes payable. In addition, the debenture holder was issued 2,550,000 common share purchase warrants exercisable at $0.10 per share for a period of five years. In connection with this financing, the Company issued 255,000 units with a fair value of $16,575 as finder's fees. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.10 per share for a period of five years. The warrants expired on December 31, 2014.

The Company split the proceeds of the convertible debenture between debt and equity, based on the relative fair values of the debt, conversion option, and warrants. The amount attributable to the debt was $23,908 and the amount attributable to the conversion option and warrants was $231,092. This amount represented a deemed discount on the debt issuance, which is being accreted in the statement of operations using the effective interest rate method over the five-year term of the debt. As at April 30, 2020 and 2019, the carrying value of the note payable is $255,000 (2019 - $255,000) and has recorded interest payable of $225,374 (2019 - $199,805).

6. Notes Payable (continued)

(b) As at April 30, 2020, the Company owed $167,000 (2019 - $167,000) to an unrelated company, which is unsecured, bears interest at 10% per annum, and due on demand.

7. Related Party Transactions

(a) As at April 30, 2020, the Company owed $770,650 (2019 - $724,650) to a company controlled by the Chief Executive Officer of the Company for management fees and expenses. The amount owing is unsecured, non-interest bearing, and due on demand.

(b) As at April 30, 2020, the Company owed $10,170 (2019 - $10,170) to a company with common directors, which is unsecured, non-interest bearing, and due on demand.

(c) During the year ended April 30, 2020, the Company incurred exploration and evaluation expenditures of $8,000 (2019 - $35,000), management fees of $72,000 (2019 - $72,000), and rent (included in general and administrative expenses) of $6,000 (2019 - $6,000) to a company controlled by the Chief Executive Officer of the Company.

8. Share Capital

Authorized: Unlimited common shares without par value

(a) On February 18, 2020, the Company issued 3,000,000 units at $0.11 per unit for proceeds of $330,000. Each unit consisted of one common share and one transferable warrant exercisable at $0.15 per share until February 18, 2021; and at $0.20 per share until February 18, 2022. The proportionate fair value of the share purchase warrants issued was $138,236, and was calculated using the Black-Scholes option pricing model assuming an expected life of 2 years, volatility of 152%, risk free rate of 1.47%, and no expected dividends or forfeitures. As part of the private placement, the paid issuance costs of $1,350 and issued 135,000 finder's warrants with a fair value of $4,886. Each finder's warrant is exercisable at $0.35 per share expiring on August 18, 2020 and was calculated using the Black-Scholes option pricing model.

(b) In January 2020, the Company consolidated its issued and outstanding shares on a 1-for-10 basis. All share amounts have been retroactively restated for all period presented.

Reserves

The Company has adopted the relative fair value method with respect to the measurement of common shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair value of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from reserve for warrants to share capital.

9. Stock Options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees, and consultants of the Company to a maximum of 10% of the issued and outstanding common shares, and not exceeding 5% granted to any individual. The stock options have a maximum term of five years and cannot be assigned or transferred.

As at April 30, 2020 and 2019, the Company does not have any issued and outstanding stock options.

(Expressed in Canadian dollars)

10. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price $
Balance, April 30, 2018 and 2019	–	–
Issued	3,135,000	0.16
Balance, April 30, 2020	3,135,000	0.16

As at April 30, 2020, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price $	Expiry date
3,000,000	0.15	February 18, 2022
135,000	0.35	August 18, 2020
3,135,000		

11. Financial Instruments and Risk Management

(a) Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at April 30, 2020 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1) $	Significant other observable inputs (Level 2) $	Significant unobservable inputs (Level 3) $	Balance, April 30, 2020 $
Marketable securities	39,417	–	–	39,417

The fair values of other financial instruments, which include cash, amounts receivable, loan receivable, accounts payable and accrued liabilities, notes payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consist of accrued interest from the loan receivable and GST refunds due from the Government of Canada. Loan receivable is comprised of a loan to a third-party company. The carrying amount of financial assets represents the maximum credit exposure.

11. Financial Instruments and Risk Management (continued)

(c) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk. The Company has minimal transactions in US dollars, and a 10% change in foreign exchange rates would not have a material effect on the Company's financial statements.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(e) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

12. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, share-based payment reserve, and equity portion of convertible debenture.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended April 30, 2019.

13. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2020 $	2019 $
Canadian statutory income tax rate	27%	27%
Income tax recovery at statutory rate	(58,187)	(45,008)
Tax effect of:		
Permanent differences and other	(905)	(334)
True up of prior year difference	–	5,102
Change in unrecognized deferred income tax assets	59,092	40,240
Income tax provision	–	–

(Expressed in Canadian dollars)

13. Income Taxes

The significant components of deferred income tax assets and liabilities are as follows:

	2020 $	2019 $
Deferred income tax assets		
Non-capital losses carried forward	1,913,282	1,850,034
Marketable securities	4,410	9,675
Share issuance costs	292	–
Resource pools	1,308,234	1,307,417
Total deferred income tax assets	3,226,218	3,167,126
Unrecognized deferred income tax assets	(3,226,218)	(3,167,126)
Net deferred income tax assets	–	–

As at April 30, 2020, the Company has non-capital losses carried forward of $7,086,230, which are available to offset future years' taxable income. These losses expire as follows:

	$
2026	95,272
2027	159,476
2028	241,374
2029	133,126
2030	211,190
2031	945,293
2032	1,166,878
2033	995,129
2034	804,412
2035	950,799
2036	879,602
2038	133,742
2039	135,683
2040	234,254
	7,086,230

The Company also has available mineral resource related expenditure pools totalling $4,986,070, which may be deducted against future taxable income on a discretionary basis.

14. Subsequent Events

(a) On August 16, 2020, the Company entered into a share purchase agreement with Salu Design Group Inc. ("Salu"), which is a private technology company based in Edmonton, Alberta. Pursuant to the agreement, the Company, subject to the terms and conditions, has agreed to purchase 19,254,619 common shares of Salu (approximately 70% of the issued and outstanding common shares of Salu) in exchange for the issuance of 3,000,000 common shares of the Company and 7,000,000 share purchase warrants of the Company, which is subject to Salu achieving specific revenue targets over a specified period of time. In addition, the Company has the option to acquire the remaining 30% equity interest of Salu in exchange for common shares of the Company and additional performance warrants, which will be determined at the time the Company exercises the option to purchase. The agreement is subject to specific conditions prior to closing, including but not limited to approval from TSX-V, audited financial statements of Salu to be presented to the Company for review, and the commitment from the Company to have a minimum of $420,000 of capital to finance the operations of Salu. As of the audit report date, the agreement is still subject to close. If the Company terminates the agreement prior to completion, the Company shall pay Salu a cancellation fee of $100,000.

(b) On August 31, 2020, the Company issued 376,000 common shares for proceeds of $56,400 pursuant to the exercise of share purchase warrants.

Schedule “B” Management’s Discussion and Analysis for the year ended April 30, 2020

AIML RESOURCES INC. (FORMERLY FIREBIRD RESOURCES INC.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED APRIL 30, 2020

Introduction

The following Management's Discussion and Analysis ("MD&A") of AIML Resources Inc. (formerly Firebird Resources Inc.) (the "Company" or "AIML") constitutes management's review of the factors that affected the Company's financial and operating performance for the year ended April 30, 2020. This MD&A has been prepared in compliance with the requirements of National Instrument 51- 102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual financial statements of the Company for the years ended April 30, 2020 and 2019, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the year ended April 30, 2020 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at October 1, 2020 unless otherwise indicated.

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of AIML's common shares (the "Common Shares"); or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgets", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Description of Business

Firebird Resources Inc. was incorporated under the Canada Business Corporations Act and was continued under the Business Corporations Act (British Columbia) on November 4, 2009 and is listed on the TSX Venture Exchange. In February 2020, the Company's name was changed to AIML Resources Inc. and the Company completed the consolidation of the issued and outstanding shares of the Company on a 1 (one) new share for each 10 (ten). The number of shares has been adjusted accordingly to reflect the exchange.

The Company is an exploration stage company that is in the process of exploring its mineral properties located in Canada and the United States of America and has not yet determined whether these properties contain reserves that are economically recoverable.

The Company's registered office is located at Suite 1000 Cathedral Place, 925 West Georgia Street, Vancouver, BC, V6C 3L2. The Company's head office and mailing address is 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

The Company's Board of Directors is comprised of John Cook (President and CEO), Thomas R. Tough, and Ken Ralfs.

On May 20, 2016, the Company entered into an Asset Purchase Agreement (the "Agreement") with Pancontinental Resources Corporation ("Pancon") pursuant to which the Company sold its 70% interest in the Jefferson Gold Project for proceeds of $71,667 and the issuance of 716,667 common shares of Pancon with a fair value of $53,750.

Overall Performance and Outlook

The Company has no revenues, so its ability to ensure continuing operations is dependent on it completing the acquisition of its mineral property interests, its ability to obtain necessary financing to complete exploration activities thereon, and ultimately, development of and future profitable production from its mineral property interests.

At April 30, 2020, the Company had total current assets of $179,108 (2019 - $40,654), including cash of $137,750 (2019 - $3,815), marketable securities of $39,417 (2019 - $17,917), amounts receivable of $1,941 (2019 - $1,858) and loan receivables of $nil (2019 - $17,064). In addition to the Company's current assets, it also had $140,759 of mineral property assets (2019 - $115,980) including an impairment loss of $3,024 (2019 - $nil) as the Company is not continuing with the Mountain of Gold property.

At April 30, 2020, the Company had total liabilities of $2,141,403 (2019 - $2,091,312), which is comprised of accounts payable and accrued liabilities of $938,583 (2019 - $934,492), notes payable of $422,000 (April 30, 2019 - $422,000), and amounts due to related parties of $780,820 (April 30, 2019 - $734,820).

Exploration and Projects

Mountain of Gold Property, Ontario

Pursuant to a mineral property option agreement dated May 4, 2005, the Company was granted an option to acquire a 100% undivided interest in two claims in the Turnbull area of Ontario. As of December 30, 2019, the Company retains one claim. In order to keep the option granted to the Company in good standing, the Company was obligated to:

- issue 50,000 common shares on regulatory approval of the agreement;
- issue 50,000 common shares by May 4, 2006; and
- issue 100,000 common shares by May 4, 2007.

The Company has earned a 100% interest in the property, subject to retention by the vendor of a 1% net smelter royalty if the Company commences commercial production on the claims. The Company has the option and right to purchase and cancel 100% of the net smelter royalty at any time for $1,000,000.

On December 22, 2011, the Company signed a property option agreement with each of Wedona Resources Inc., a private corporation, and Clydesdale Resources Inc. (collectively the "Optionees"), a public company (together, the "Agreements"), whereby the Optionees each can earn a 50% interest in the Mountain of Gold property by incurring $250,000 in exploration expenditures and paying cash of $125,000 (or in Clydesdale Resources Inc.'s case, capital stock of equivalent value) over a three year period until December 31, 2013. The Company received $25,000 relating to the agreement. During the year ended April 30, 2015, the Company received notification that the optionees had decided not to complete the option agreement.

During the year ended April 30, 2020, the Company decided not to continue to pursue the property any longer and impaired all capitalized exploration and evaluation assets.

Buzzard Property, South Carolina

Pursuant to a mineral lease agreement dated September 1, 2008, the Company was granted an exclusive lease of all mineral exploration rights relating to approximately sixty-eight acres located in South Carolina. In order to keep the lease agreement granted to the Company in good standing, the Company is obligated to:

- pay US$3,000 per year for each of the third and fourth years of the lease (paid);
- pay US$4,000 per year for each of the fifth, sixth, and seventh years of the lease (paid);
- pay US$5,000 per year for each of the eighth and ninth years of the lease (paid);
- upon the earlier of commercial production or the tenth year of the lease, a minimum annual advanced royalty of US$15,000 per year (paid); and
- production royalty of 3.5% of the gross returns on any mining production.

Trends

Although there can be no assurance that additional funding will be available to the Company, management is of the opinion that the gold price will be favourable and hence, it may be possible to obtain additional funding for its projects. However, the Company remains cautious in case the economic factors that impact the mining industry deteriorate.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", 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 and its operations in future periods.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", the Company is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

On August 16, 2020, the Company entered into a share purchase agreement with Salu Design Group Inc. ("Salu"), which is a private technology company based in Edmonton, Alberta. Pursuant to the agreement, the Company, subject to the terms and conditions, has agreed to purchase 19,254,619 common shares of Salu (approximately 70% of the issued and outstanding common shares of Salu) in exchange for the issuance of 3,000,000 common shares of the Company and 7,000,000 share purchase warrants of the Company, which is subject to Salu achieving specific revenue targets over a specified period of time. In addition, the Company has the option to acquire the remaining 30% equity interest of Salu in exchange for common shares of the Company and additional performance warrants, which will be determined at the time the Company exercises the option to purchase. The agreement is subject to specific conditions prior to closing, including but not limited to approval from TSX-V, audited financial statements of Salu to be presented to the Company for review, and the commitment from the Company to have a minimum of $420,000 of capital to finance the operations of Salu. As of the audit report date, the agreement is still subject to close. If the Company terminates the agreement prior to completion, the Company shall pay Salu a cancellation fee of $100,000.

Environmental Contingency

The Company's exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of April 30, 2020, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Selected Annual Financial Information

	Years Ended April 30,		
	2020 ($)	2019 ($)	2018 ($)
Net loss for the year	215,508	166,696	124,101
Basic and diluted loss per share	0.02	0.02	0.01
Total assets	319,867	156,634	161,332

Selected Quarterly Financial Information

A summary of selected information for each of the eight most recent quarters is as follows:

Three Months Ended	Total Revenue ($)	Loss (Income) Total ($)	Loss (Income) Per Share ($)	Total Assets ($)
2020 April 30	-	102,325	0.01	319,867
2020 January 31	-	35,123	0.00	198,566
2019 October 31	-	38,243	0.00	190,646
2019 July 31	-	39,817	0.00	168,127
2019 April 30	-	50,634	0.01	156,634
2018 January 31	-	46,952	0.01	135,024
2018 October 31	-	41,513	0.01	153,817
2018 July 31	-	27,597	0.00	163,747

Financial Highlights

Financial Performance

<u>For the three months ended April 30, 2020, compared to the three months ended April 30, 2019.</u>

AIML's net loss totaled $102,325 for the three months ended April 30, 2020, with basic and diluted loss per share of $0.01. This compares with a net loss of $50,634 for the three months ended April 30, 2019, with basic and diluted loss per share of $0.01. The increase in the net loss of $51,691 was principally because:

- For the three months ended April 30, 2020, the Company recorded a consulting fee of $54,500, compare to $nil for the three months ended April 30, 2019. The increase is primarily due to an increased business development consulting work.

- For the three months ended April 30, 2020, the Company recorded an impairment of loan receivable of $18,550, compare to $nil for the three months ended April 30, 2019.

This was offset by:

- For the three months ended April 30, 2020, unrealized gain on marketable securities increased to $7,167, compare to a loss of $10,750 for the three months ended April 30, 2019.

<u>For the year ended April 30, 2020, compared to the year ended April 30, 2019.</u>

AIML's net loss totaled $215,508 for the year ended April 30, 2020, with basic and diluted loss per share of $0.02. This compares with a net loss of $166,696 for the year ended April 30, 2019, with basic and diluted loss per share of $0.02. The increase in the net loss of $48,812 was principally because:

- For the year ended April 30, 2020, the Company recorded a consulting fee of $54,500, compare to $nil for the year ended April 30, 2019. The increase is primarily due to an increased business development consulting work relating to potential new business opportunities.

- For the year ended April 30, 2020, the Company recorded an impairment of loan receivable of $18,550, compared to $nil for the year ended April 30, 2019 as the likelihood of collection of the loan was uncertain.

- For the year ended April 30, 2020, general and administrative expenses increased to $32,354 from $14,753 during the year ended April 30, 2019. The increase is primarily due to an increase in public reporting cost of $11,793 due to the share consolidation and $3,546 increase in transfer agent and filing fees.

The increase was offset by:

- For the year ended April 30, 2020, the Company recorded an unrealized gain on marketable security of $21,500, compared to an unrealized loss of $32,250, as the Company still holds the Pancon common shares which increased in value during fiscal 2020.

Cash Flow

At April 30, 2020, the Company had cash of $137,750 (2019 - $3,815). The increase in cash as at April 30, 2020 was primarily due to cash provided by private placement proceeds of $330,000 received during the year.

Cash used in operating activities was $126,912 for the year ended April 30, 2020 compared to cash used in operating activities of $7,148 for the year ended April 30, 2019. The increase in the cash used for operating activities was due to additional cash received from the private placement closed during the year which allowed the Company to increase its operating activities including consulting expenses for strategic business development and for day-to-day operations.

Cash used in investing activities was $27,803 for the year ended April 30, 2020 compared to cash used in investing activities of $19,945 during the year ended April 30, 2019 which is primarily due to expenditures on the Company's exploration and evaluation properties.

Cash provided in financing activities was $288,650 for the year ended April 30, 2020, primarily due to net proceeds of $328,650 for the issue of 3,000,000 units less repayment of related parties of $40,000. The Company had no financing activity for the year ended April 30, 2019.

Liquidity and Capital Resources

The Company has no operating revenues and therefore must utilize its funds obtained from equity financing and other financing transactions to maintain its capacity to meet ongoing exploration and operating activities. The cash resources of AIML are held with major Canadian financial institution.

The Company's uses of cash at present occur, and in the future are expected to occur, principally in two areas, namely, funding of its general and administrative expenditures and its exploration activities.

At April 30, 2020, the Company had a working capital deficiency of $1,962,295 (2019 – $2,050,658) and the decrease in the working capital deficiency was due to the $330,000 private placement that was closed during fiscal 2020 of which a portion of the cash remained unspent as at April 30, 2020. Based on the rate of expenditure, the Company does not have sufficient cash on hand and will have to raise equity capital in the near term in amounts sufficient to fund both exploration work and working capital requirements.

Currently, the Company's operating expenses are approximately $10,000 to $12,500 per month for management fees, month-to-month professional fees and other working capital related expenses. The Company's cash as at April 30, 2020 is not sufficient to satisfy outstanding current liabilities owed by the Company and expected operating costs for fiscal 2021.

Notes Payable

On December 10, 2009, the Company completed a convertible debenture financing for proceeds of $255,000. The convertible debenture is unsecured, bears interest at 10% per annum, and matured on December 11, 2014. The debenture is convertible into common shares of the Company at $0.10 per common share at the option of the holder for the duration of the term. The convertible feature expired on December 11, 2014 and convertible debenture was reallocated to notes payable. In addition, the debenture holder was issued 2,550,000 detachable common share purchase warrants exercisable at $0.10 per share for a period of five years. In connection with this financing, the Company issued 255,000 units with a fair value of $16,575 as finder's fees. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.10 per share for a period of five years. The warrants expired on December 31, 2014.

The Company split the proceeds of the convertible debenture between debt and equity, based on the relative fair values of the debt, conversion option, and warrants. The amount attributable to the debt was $23,908 and the amount attributable to the conversion option and warrants was $231,092. This amount represented a deemed discount on the debt issuance, which is being accreted in the statement of operations using the effective interest rate method over the five year term of the debt. As at April 30, 2020 and 2019, the carrying value of the note payable is $255,000 and has recorded interest payable of $225,374 (2019 - $199,805).

As at April 30, 2020, the Company owed $167,000 (2019 - $167,000) to an unrelated company which is unsecured, bears interest at 10% per annum, and is due on demand.

Changes in Accounting Policies

The Company has adopted the following amendment to accounting standards, effective May 1, 2019. This change was made in accordance with the applicable transitional provision.

IFRS 16 Leases

On May 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after May 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less), leases with certain variable lease payments, and leases of low-value assets.

The Company adopted the amendments to IFRS 16 effective May 1, 2019, using the modified retrospective method, with no significant impact on the Company's financial statements.

Recent Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Critical Accounting Estimates

The preparation of these financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the collectability of loan receivable, impairment of marketable securities, recoverability of exploration and evaluation assets, fair value of share-based compensation, and the measurement of unrecognized deferred income tax assets.

Judgments made by management include the factors used to assess whether the going concern assumption is appropriate. The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available

Capital Risk Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital, share-based payment reserve, and equity portion of convertible debenture.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended April 30, 2019.

Financial Risk Management

Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at April 30, 2020 as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance, April 30, 2019
	$	$	$	$
Marketable securities	39,417	–	–	39,417

The fair values of other financial instruments, which include cash, amounts receivable, loan receivable, accounts payable and accrued liabilities, notes payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consist of accrued interest from the loan receivable and GST refunds due from the Government of Canada. Loan receivable is comprised of a loan to a third-party company. The carrying amount of financial assets represents the maximum credit exposure.

Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk. The Company has minimal transactions in US dollars, and a 10% change in foreign exchange rates would not have a material effect on the Company's financial statements.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development

Related Party Transactions

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the amount agreed to by the related parties. During the current reporting period, the Company entered into the following transactions with related parties:

During the year ended April 30, 2020, the Company incurred exploration and evaluation expenditures of $8,000 (2019 - $35,000), management fees of $72,000 (2019 - $72,000), and rent of $6,000 (2019 - $6,000) to a company controlled by the Chief Executive Officer of the Company.

During the year ended April 30, 2020, the Company incurred accounting fees of $6,695 (2019 - $nil) to a company controlled by the Chief Finance Offer of the Company.

Related party balances

As at April 30, 2020, the Company owed $770,650 (2019 - $724,650) to a company controlled by the Chief Executive Officer of the Company for management fees and expenses. The amount owing is unsecured, non-interest bearing, and due on demand.

As at April 30, 2020, the Company owed $10,170 (April 30, 2019 - $10,170) to a company controlled by common directors, which is unsecured, non-interest bearing, and due on demand.

Insider shareholdings

None of the Company's major shareholders have different voting rights than other holders of the Common Shares.

As at April 30, 2020, the directors and/or officers of the Company collectively control 180,000 common shares, or approximately 2.22% of the total outstanding. These holdings can change at any time at the discretion of the owner.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the Company's audited financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the audited financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers of the Company are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this MD&A. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Share Capital

As at April 30, 2020, the Company had 11,101,026 common shares outstanding. On August 31, 2020, the Company issued 376,000 common shares upon the exercise of share purchase warrants at $0.15 per share for proceeds of $56,400. As of September 29, 2020, the Company had 11,477,026 issued and outstanding common shares.

As at April 30, 2020, the Company had 3,135,000 share purchase warrants outstanding. On August 18, 2020, 135,000 broker warrants expired. On August 31, 2020, warrant holders exercised 376,000 share purchase warrants. Share purchase warrants outstanding for the Company at the date of this MD&A were as follows:

Options	Expiry Date	Exercise Price
2,624,000	February, 18, 2020	$0.15

As at April 30, 2020 and September 29, 2020, the Company had no issued and outstanding stock options.

Risks and Uncertainties

The Company is in the business of exploring mineral properties, which is a highly speculative endeavor that involves a high degree of risk. The Company's financial condition, results of operations and business are subject to numerous risks. For a complete discussion of such risks, please refer to the section entitled "Risks and Uncertainties" in the Annual MD&A.

Subsequent Events

On August 16, 2020, the Company entered into a share purchase agreement with Salu Design Group Inc. ("Salu"), which is a private technology company based in Edmonton, Alberta. Pursuant to the agreement, the Company, subject to the terms and conditions, has agreed to purchase 19,254,619 common shares of Salu (approximately 70% of the issued and outstanding common shares of Salu) in exchange for the issuance of 3,000,000 common shares of the Company and 7,000,000 share purchase warrants of the Company, which is subject to Salu achieving specific revenue targets over a specified period of time. In addition, the Company has the option to acquire the remaining 30% equity interest of Salu in exchange for common shares of the Company and additional performance warrants, which will be determined at the time the Company exercises the option to purchase. The agreement is subject to specific conditions prior to closing, including but not limited to approval from TSX-V, audited financial statements of Salu to be presented to the Company for review, and the commitment from the Company to have a minimum of $420,000 of capital to finance the operations of Salu. As of the audit report date, the agreement is still subject to close. If the Company terminates the agreement prior to completion, the Company shall pay Salu a cancellation fee of $100,000.

On August 31, 2020, the Company issued 376,000 common shares at $0.15 per share upon the exercise of share purchase warrants for proceeds of $56,400.

Additional Disclosure for Venture Issuers without Significant Revenue

General and Administrative

Names	Year Ended April 30 2020 ($)	2019 ($)
Consulting	54,500	Nil
General and Administrative	32,354	14,753
Impairment of exploration and evaluation assets	3,024	Nil
Management fees	72,000	72,000
Professional fees	17,629	11,727
Total	**179,507**	**98,480**

Exploration and evaluation expenditures

Names	Year Ended April 30, 2020 ($)	2019 ($)
Mountain of Gold		
Impairment	(3,024)	Nil
Total	**(3,024)**	**Nil**
Buzzard		
Leases and taxes	19,803	19,945
Geological	8,000	35,000
Total	**27,803**	**54,945**
Total	**24,779**	**54,945**

Schedule “C” Reviewed Interim Financial Statements of the Issuer for the Three Months Ended July 31, 2020 and MD&A

AIML RESOURCES INC. (FORMERLY FIREBIRD RESOURCES INC.)

CONDENSED INTERIM FINANCIAL STATEMENTS

THREE MONTHS ENDED JULY 31, 2020

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

AIML Resources Inc. (formerly Firebird Resources Inc.)

Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
Unaudited

	As at July 31, 2020	As at April 30, 2020
ASSETS		
Current assets		
Cash	$ **48,226**	$ 137,750
Marketable securities (note 3)	**64,500**	39,417
Amounts receivable	**3,620**	1,941
Total current assets	**116,346**	179,108
Non-current assets		
Exploration and evaluation asset (note 4)	**140,759**	140,759
Total assets	$ **257,105**	$ 319,867
EQUITY AND LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	$ **960,177**	$ 938,583
Notes payable (note 6)	**422,000**	422,000
Due to a related party (note 7)	**725,320**	780,820
Total liabilities	**2,107,497**	2,141,403
Shareholders' deficit		
Share capital (note 8)	**19,710,010**	19,710,010
Share-based payment reserve (note 9)	**3,038,063**	3,038,063
Equity portion of convertible debt	**231,092**	231,092
Deficit	**(24,829,557)**	(24,800,701)
Total Shareholders' deficit	**(1,850,392)**	(1,821,536)
Total Shareholders' deficit and liabilities	$ **257,105**	$ 319,867

Nature of operations and going concern (note 1)
Subsequent events (note 11)

Approved on behalf of the Board:

(Signed) "Ken Ralfs" Director

(Signed) "John Cook" Director

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

AIML Resources Inc. (formerly Firebird Resources Inc.)
Condensed Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended July 31, 2020	Three Months Ended July 31, 2019
Operating expenses		
General and administrative (note 7)	**$ 12,230**	$ 3,135
Consulting	**4,573**	-
Management fees (note 7)	**18,000**	18,000
Professional fees	**8,268**	3,643
Total operating expenses	**43,071**	24,778
Loss before other income (expense)	**$ (43,071)**	$ (24,778)
Other income (expense)		
Interest expense	**(9,375)**	(9,376)
Interest income	**-**	413
Unrealized gain on marketable securities (note 3)	**25,083**	10,750
Foreign exchange	**(1,493)**	(16,826)
Total other income (expense)	**14,215**	(15,039)
Net loss and comprehensive loss for the period	**$ (28,856)**	$ (39,817)
Basic and diluted net loss per share	**$ (0.00)**	$ (0.00)
Weighted average number of common shares outstanding	**11,101,026**	8,101,026

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

AIML Resources Inc. (formerly Firebird Resources Inc.)

Condensed Interim Statements of Changes in Deficit
(Expressed in Canadian Dollars)
Unaudited

	Share capital		Share-based	Equity component of		
	Number of shares	Amount	payments reserve	convertible debt	Deficit	Total
Balance, April 30, 2019	**8,101,026**	**$ 19,524,482**	**$ 2,894,941**	**$ 231,092**	**$(24,585,193)**	**$ (1,934,678)**
Net loss for the period	-	-	-	-	(39,817)	(39,817)
Balance, July 31, 2019	**8,101,026**	**$ 19,524,482**	**$ 2,894,941**	**$ 231,092**	**$(24,625,010)**	**$ (1,974,495)**
Balance, April 30, 2020	**11,101,026**	**$ 19,710,010**	**$ 3,038,063**	**$ 231,092**	**$(24,800,701)**	**$ (1,821,536)**
Net loss for the period	-	-	-	-	(28,856)	(28,856)
Balance, July 31, 2020	**11,101,026**	**$ 19,710,010**	**$ 3,038,063**	**$ 231,092**	**$(24,829,557)**	**$ (1,850,392)**

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

AIML Resources Inc. (formerly Firebird Resources Inc.)
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
Unaudited

	Three Months Ended July 31, 2020	Three Months Ended July 31, 2019
Operating activities		
Net loss for the period	**$ (28,856)**	$ (39,817)
Items not involving cash:		
Unrealized gain on marketable securities	**(25,083)**	(10,750)
Changes in non-cash working capital items:		
Amounts receivable	**(1,679)**	(446)
Amounts payable and other liabilities	**21,594**	31,810
Due to related parties	**(55,500)**	19,500
Net cash provided by (used in) operating activities	**(89,524)**	297
Net change in cash	**(89,524)**	297
Cash, beginning of period	**137,750**	3,815
Cash, end of period	**$ 48,226**	$ 4,112

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

1. Nature of operations and going concern

AIML Resources Inc. (formerly Firebird Resources Inc.) (the "Company") was incorporated under the British Columbia Business Corporations Act and is listed on the TSX Venture Exchange. The Company is an exploration stage company that is in the process of exploring its mineral properties located in Canada and the United States of America and has not yet determined whether these properties contain reserves that are economically recoverable. The Company's registered office is located at Suite 200, 82 Richmond Street East, Toronto, Ontario M5C 1P1.

On March 11, 2020, the World Health Organization declared coronavirus COVID19 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.

These condensed interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at July 31, 2020, the Company has not generated any revenues from operations, has an accumulated deficit of $24,829,557 and has a working capital deficit of $1,991,151. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that it has sufficient working capital to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing may be required but will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. These condensed interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Significant accounting policies

Statement of compliance and basis of presentation

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for annual financial statements required by IFRS as issued by IASB and interpretations issued by IFRIC.

These condensed interim financial statements were prepared using the same accounting policies and methods as those used in the annual financial statements for the year ended April 30, 2020. These condensed interim financial statements were approved by the Board of Directors on October 5, 2020.

The condensed interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, which is the Company's functional currency.

2. Significant accounting policies (continued)

Use of estimates and judgments

The preparation of these condensed interim financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant areas requiring the use of estimates include the collectability of loan receivable, impairment of marketable securities, recoverability of exploration and evaluation assets, fair value of share-based payments, and the measurement of unrecognized deferred income tax assets.

Judgments made by management include the factors used to determine the collectability of the loan receivable and the assessment of whether the going concern assumption is appropriate. The assessment of the going concern assumption requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available.

New accounting standards and interpretations not adopted yet

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after July 31, 2020. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations. following have not yet been adopted and are being evaluated to determine their impact on the Company.

3. Marketable securities

On May 20, 2016, the Company received 716,667 common shares of Pancontinental Gold Corporation ("Pancontinental") with a fair value of $53,750 as part of the consideration for the sale of the Jefferson Property. As at July 31, 2020, the fair value of the Pancontiental common shares was $64,500 (April 30, 2020 - $39,417). During the three months ended July 31, 2020, the Company recorded an unrealized gain of $25,083 (three months ended July 31, 2019 – $10,750) which has been recorded in the condensed interim statements of operations.

(Expressed in Canadian Dollars)

4. Exploration and evaluation assets

The Company's exploration and evaluation assets consist of the following:

	Mountain of Gold Property	Buzzard Property	Total
Acquisition Costs			
Balance, April 30, 2019 and July 31, 2019	$ 800	$ 72,366	$ 73,166
Exploration Costs			
Balance, April 30, 2019 and July 31, 2019	$ 2,224	$ 40,590	$ 42,814
Balance, July 31, 2019	**$ 3,024**	**$ 112,956**	**$ 115,980**

	Buzzard Property	Total
Acquisition Costs		
Balance, April 30, 2020 and July 31, 2020	$ 92,169	$ 92,169
Exploration Costs		
Balance, April 30, 2020 and July 31, 2020	$ 48,590	$ 48,590
Balance, July 31, 2020	**$ 140,759**	**$ 140,759**

(a) Mountain of Gold Property, Ontario

Pursuant to a mineral property option agreement dated May 4, 2005, the Company was granted an option to acquire a 100% undivided interest in two claims in the Turnbull area of Ontario. In order to keep the option granted to the Company in good standing, the Company was obligated to:
(i) issue 50,000 common shares on regulatory approval of the agreement;
(ii) issue 50,000 common shares by May 4, 2006; and
(iii) issue 100,000 common shares by May 4, 2007.

The Company has earned a 100% interest in the property, subject to retention by the vendor of a 1% net smelter royalty if the Company commences commercial production on the claims. The Company has the option and right to purchase and cancel 100% of the net smelter royalty at any time for $1,000,000.

During the year ended April 30, 2020, the Company recorded an impairment as it no longer continues to pursue the property.

(Expressed in Canadian Dollars)

4. Exploration and evaluation assets (continued)

(b) Buzzard Property, South Carolina

Pursuant to a mineral lease agreement dated September 1, 2008, the Company was granted an exclusive lease of all mineral exploration rights relating to approximately sixty-eight acres located in South Carolina. In order to keep the lease agreement granted to the Company in good standing, the Company is obligated to:
(i) pay US$3,000 per year for each of the third and fourth years of the lease (paid);
(ii) pay US$4,000 per year for each of the fifth, sixth, and seventh years of the lease (paid);
(iii) pay US$5,000 per year for each of the eighth and ninth years of the lease (paid);
(iv) upon the earlier of commercial production or the tenth year of the lease, a minimum annual advanced royalty of US$15,000 per year (paid); and
(v) production royalty of 3.5% of the gross returns on any mining production.

5. Accounts payable and accrued liabilities

		July 31, 2020		**April 30, 2020**
Trade payables	**$**	**640,889**	$	636,833
Accrued liabilities		**18,613**		10,450
Interest payable (note 6)		**300,675**		291,300
Total accounts payable and accrued liabilities	**$**	**960,177**	$	938,583

6. Notes payable

(a) On December 10, 2009, the Company completed a convertible debenture financing for proceeds of $255,000. The convertible debenture is unsecured, bears interest at 10% per annum, and matured on December 11, 2014. The debenture is convertible into common shares of the Company at $0.10 per common share at the option of the holder for the duration of the term. The convertible feature expired on December 11, 2014 and convertible debenture was reallocated to notes payable. In addition, the debenture holder was issued 2,550,000 detachable common share purchase warrants exercisable at $0.10 per share for a period of five years. In connection with this financing, the Company issued 255,000 units with a fair value of $16,575 as finder’s fees. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.10 per share for a period of five years. The warrants expired on December 31, 2014.

The Company split the proceeds of the convertible debenture between debt and equity, based on the relative fair values of the debt, conversion option, and warrants. The amount attributable to the debt was $23,908 and the amount attributable to the conversion option and warrants was $231,092. This amount represented a deemed discount on the debt issuance, which is being accreted in the statement of operations using the effective interest rate method over the five year term of the debt. As at July 31, 2020, the carrying value of the note payable is $255,000 (April 30, 2020 - $255,000) and has recorded accrued interest of $231,801 (April 30, 2020 - $225,374).

(b) As at July 31, 2020, the Company owed $167,000 (April 30, 2020 - $167,000) to an unrelated company, which is unsecured, bears interest at 10% per annum, and due on demand.

(Expressed in Canadian Dollars)

7. Related party transactions

(a) The Company entered into the following transactions with related parties:

During the three months ended July 31, 2020, the Company incurred management fees of $18,000, (three months ended July 31, 2019 - $18,000), and rent of $1,500, (three months ended July 31, 2019 - $1,500), to a company controlled by the Chief Executive Officer of the Company.

(b) Related party balances

As at July 31, 2020, the Company owed $715,150 (April 30, 2020 - $770,650) to a company controlled by the Chief Executive Officer of the Company for management fees and expenses. The amount owing is unsecured, non-interest bearing, and due on demand.

As at July 31, 2020, the Company owed $10,170 (April 30, 2020 - $10,170) to a company controlled by common directors, which is unsecured, non-interest bearing, and due on demand.

8. Share capital

a) Authorized share capital

The authorized share capital consisted of unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

9. Stock options

The Company has adopted a stock option plan pursuant to which options may be granted to directors, officers, employees, and consultants of the Company to a maximum of 10% of the issued and outstanding common shares, and not exceeding 5% granted to any individual. The stock options have a maximum term of five years and cannot be assigned or transferred.

As at July 31, 2020 and April 30, 2020, the Company does not have any issued and outstanding stock options.

10. Warrants

	Number of warrants	Weighted average exercise price $
Balance, April 30, 2019 and July 31, 2019	**-**	**$ -**
Balance, April 30, 2020 and July 31, 2020	**3,135,000**	**$ 0.16**

(Expressed in Canadian Dollars)

10. Warrants (continued)

The following table reflects the actual warrants issued as of July 31, 2020:

Number of warrants outstanding	Exercise price ($)	Expiry date(years)
135,000	0.35	August 18, 2020
3,000,000	0.15	February 18, 2022
3,135,000		

11. Subsequent events

a) On August 16, 2020, the Company entered into a share purchase agreement with Salu Design Group Inc. ("Salu"), which is a private technology company based in Edmonton, Alberta. Pursuant to the agreement, the Company, subject to the terms and conditions, has agreed to purchase 19,254,619 common shares of Salu (approximately 70% of the issued and outstanding common shares of Salu) in exchange for the issuance of 3,000,000 common shares of the Company and 7,000,000 share purchase warrants of the Company, which is subject to Salu achieving specific revenue targets over a specified period of time. In addition, the Company has the option to acquire the remaining 30% equity interest of Salu in exchange for common shares of the Company and additional performance warrants, which will be determined at the time the Company exercises the option to purchase. The agreement is subject to specific conditions prior to closing, including but not limited to approval from TSX-V, audited financial statements of Salu to be presented to the Company for review, and the commitment from the Company to have a minimum of $420,000 of capital to finance the operations of Salu. As of the audit report date, the agreement is still subject to close. If the Company terminates the agreement prior to completion, the Company shall pay Salu a cancellation fee of $100,000.

b) On August 31, 2020, the Company issued 376,000 common shares for proceeds of $56,400 pursuant to the exercise of share purchase warrants.

AIML RESOURCES INC. (FORMERLY FIREBIRD RESOURCES INC.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

QUARTERLY HIGHLIGHTS

FOR THE THREE MONTHS ENDED JULY 31, 2020

Introduction

The following Management's Discussion and Analysis ("MD&A") of AIML Resources Inc. (formerly Firebird Resources Inc.) (the "Company" or "AIML") has been prepared to provide updates to the business, operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis for the fiscal year ended April 30, 2020 ("Annual MD&A"). Additional information relating to AIML is available under the Company's SEDAR profile at www.sedar.com.

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, the audited annual financial statements of the Company for the years ended April 30, 2020 and April 30, 2019 and the unaudited condensed interim financial statements for the three ended July 31, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the three months ended July 31, 2020 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at October 5, 2020 unless otherwise indicated.

The unaudited condensed interim financial statements for the three months ended July 31, 2020, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of AIML's common shares (the "Common Shares"); or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgets", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Description of Business

Firebird Resources Inc. was incorporated under the Canada Business Corporations Act and was continued under the Business Corporations Act (British Columbia) on November 4, 2009 and is listed on the TSX Venture Exchange. In February 2020, the Company's name was changed to AIML Resources Inc.

The Company is an exploration stage company that is in the process of exploring its mineral properties located in Canada and the United States of America and has not yet determined whether these properties contain reserves that are economically recoverable.

The Company's registered office is located at Suite 1000 Cathedral Place, 925 West Georgia Street, Vancouver, BC, V6C 3L2. The Company's head office and mailing address is 82 Richmond Street East, Toronto, Ontario, M5C 1P1.

The Company's Board of Directors is comprised of John Cook (President and CEO), Thomas R. Tough, and Ken Ralfs.

Overall Performance and Outlook

The Company has no revenues, so its ability to ensure continuing operations is dependent on it completing the acquisition of its mineral property interests, its ability to obtain necessary financing to complete exploration activities thereon, and ultimately, development of and future profitable production from its mineral property interests.

At July 31, 2020, the Company had total current assets of $257,105 (April 30, 2020 - $319,867), including cash of $48,226 (April 30, 2020 - $137,750), marketable securities of $64,500 (April 30, 2020 - $39,417), amounts receivable of $3,620 (April 30, 2020 - $1,941). In addition to the Company's current assets, it also had $140,759 of mineral property assets (April 30, 2020 - $140,759).

At July 31, 2020, the Company had total liabilities of $2,107,497 (April 30, 2020 - $2,141,403), which is comprised of accounts payable and accrued liabilities of $960,177 (April 30, 2020 - $938,583), notes payable of $422,000 (April 30, 2020 - $422,000), and amounts due to related parties of $725,320 (April 30, 2020 - $780,820).

Exploration and Projects

Buzzard Property, South Carolina

Pursuant to a mineral lease agreement dated September 1, 2008, the Company was granted an exclusive lease of all mineral exploration rights relating to approximately sixty-eight acres located in South Carolina. In order to keep the lease agreement granted to the Company in good standing, the Company is obligated to:

- pay US$3,000 per year for each of the third and fourth years of the lease (paid);
- pay US$4,000 per year for each of the fifth, sixth, and seventh years of the lease (paid);
- pay US$5,000 per year for each of the eighth and ninth years of the lease (paid);

- upon the earlier of commercial production or the tenth year of the lease, a minimum annual advanced royalty of US$15,000 per year (paid); and
- production royalty of 3.5% of the gross returns on any mining production.

Trends

Although there can be no assurance that additional funding will be available to the Company, management is of the opinion that the gold price will be favourable and hence, it may be possible to obtain additional funding for its projects. However, the Company remains cautious in case the economic factors that impact the mining industry deteriorate.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", 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 and its operations in future periods.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", the Company is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Proposed Transactions

On August 16, 2020, the Company entered into a share purchase agreement with Salu Design Group Inc. ("Salu"), which is a private technology company based in Edmonton, Alberta. Pursuant to the agreement, the Company, subject to the terms and conditions, has agreed to purchase 19,254,619 common shares of Salu (approximately 70% of the issued and outstanding common shares of Salu) in exchange for the issuance of 3,000,000 common shares of the Company and 7,000,000 share purchase warrants of the Company, which is subject to Salu achieving specific revenue targets over a specified period of time. In addition, the Company has the option to acquire the remaining 30% equity interest of Salu in exchange for common shares of the Company and additional performance warrants, which will be determined at the time the Company exercises the option to purchase. The agreement is subject to specific conditions prior to closing, including but not limited to approval from TSX-V, audited financial statements of Salu to be presented to the Company for review, and the commitment from the Company to have a minimum of $420,000 of capital to finance the operations of Salu. As of the audit report date, the agreement is still subject to close. If the Company terminates the agreement prior to completion, the Company shall pay Salu a cancellation fee of $100,000.

Environmental Contingency

The Company's exploration activities are subject to various government laws and regulations relating to the protection of the environment. These environmental regulations are continually changing and generally becoming more restrictive. As of April 30, 2020, the Company does not believe that there are any significant environmental obligations requiring material capital outlays in the immediate future.

Financial Highlights

Financial Performance

For the three months ended July 31, 2020, compared to the three months ended July 31, 2019.

AIML's net loss totaled $28,856 for the three months ended July 31, 2020, with basic and diluted loss per share of $0.00. This compares with a net loss of $39,817 for the three months ended July 31, 2019, with basic and diluted loss per share of $0.00. The decrease in the net loss of $10,961 was principally because:

- For the three months ended July 31, 2020, unrealized gain on marketable securities increased to $25,083, compare to a gain of $10,750 for the three months ended July 31, 2019.

- For the three months ended July 31, 2020, the Company recorded a foreign exchange loss of $1,493, compare to a loss of $16,826 for the three months ended July 31, 2019.

This was offset by:

- For the three months ended July 31, 2020, the Company recorded general and administrative expenses of $12,230, compare to $3,135 for the three months ended July 31, 2019. The increase is primarily due to an increase in public company expenses.

- For the three months ended July 31, 2020, the Company recorded a consulting fee of $4,573, compare to $nil for the three months ended July 31, 2019. The increase is primarily due to an increased business development consulting work.

Cash Flow

The Company had cash of $48,226 (April 30, 2020 - $137,750). The decrease in cash during the three months ended July 31, 2020 was primarily due to cash used in operating activities of $89,524.

Cash used in operating activities was $89,524 for the three months ended July 31, 2020. Operating activities were affected by a net loss of $28,856 and adjustment of $25,083 for unrealized gain on marketable security. Changes in non-cash working capital balances are due to increases in amounts receivable of $1,679; and accounts payable and accrued liabilities of $21,594; and a decrease in in amounts due to related party of $55,500. For the three months ended July 31, 2019, cash provided by operating activities was $297 and the operating activities were affected by the net increase in non-cash working capital balances because of increase in accounts payable and accrued liabilities of $31,810; an increase of $19,500 in due to related party; and partial offset by a decrease in amounts receivable and other assets of $446.

Liquidity and Capital Resources

The Company has no operating revenues and therefore must utilize its funds obtained from equity financing and other financing transactions to maintain its capacity to meet ongoing exploration and operating activities. The cash resources of AIML are held with major Canadian financial institution.

The Company's uses of cash at present occur, and in the future are expected to occur, principally in two areas, namely, funding of its general and administrative expenditures and its exploration activities.

At July 31, 2020, the Company had a working capital deficiency of $1,991,151 (April 30, 2020 – working capital deficiency $1,962,295). Based on the rate of expenditure, the Company does not have sufficient cash on hand and will have to raise equity capital in the near term in amounts sufficient to fund both exploration work and working capital requirements.

Currently, the Company's operating expenses are approximately $10,000 to $12,500 per month for management fees, month-to-month professional fees and other working capital related expenses. The Company's cash as at July 31, 2020 is not sufficient to satisfy current liabilities and general and administrative costs up to July 31, 2021.

Notes Payable

(a) On December 10, 2009, the Company completed a convertible debenture financing for proceeds of $255,000. The convertible debenture is unsecured, bears interest at 10% per annum, and matured on December 11, 2014. The debenture is convertible into common shares of the Company at $0.10 per common share at the option of the holder for the duration of the term. The convertible feature expired on December 11, 2014 and convertible debenture was reallocated to notes payable. In addition, the debenture holder was issued 2,550,000 detachable common share purchase warrants exercisable at $0.10 per share for a period of five years. In connection with this financing, the Company issued 255,000 units with a fair value of $16,575 as finder's fees. Each unit consisted of one common share and one common share purchase warrant exercisable at $0.10 per share for a period of five years. The warrants expired on December 31, 2014.

    The Company split the proceeds of the convertible debenture between debt and equity, based on the relative fair values of the debt, conversion option, and warrants. The amount attributable to the debt was $23,908 and the amount attributable to the conversion option and warrants was $231,092. This amount represented a deemed discount on the debt issuance, which is being accreted in the statement of operations using the effective interest rate method over the five year term of the debt. As at July 31, 2020 and 2019, the carrying value of the note payable is $255,000 and has recorded interest payable of $231,092 (April 30, 2020 - $225,374).

(b) As at July 31, 2020, the Company owed $167,000 (April 30, 2020 - $167,000) to an unrelated company, which is unsecured, bears interest at 10% per annum, and due on demand.

Changes in Accounting Policies

The Company has adopted the following amendment to accounting standards, effective May 1, 2019. This change was made in accordance with the applicable transitional provision.

IFRS 16 Leases

On May 1, 2019, the Company adopted IFRS 16 – Leases ("IFRS 16") which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after May 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less), leases with certain variable lease payments, and leases of low-value assets.

The Company adopted the amendments to IFRS 16 effective May 1, 2019, using the modified retrospective method, with no significant impact on the Company's financial statements.

Recent Accounting Pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

Related Party Transactions

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the amount agreed to by the related parties.

(a) During the current reporting period the Company entered into the following transactions with related parties:

During the three months ended July 31, 2020, the Company incurred management fees of $18,000 (three months ended July 31, 2019- $18,000), and rent of $1,500 (three months ended July 31, 2019 - $1,500) to a company controlled by the Chief Executive Officer of the Company.

(b) Related party balances

As at July 31, 2020, the Company owed $715,150 (2019 - $770,650) to a company controlled by the Chief Executive Officer of the Company for management fees and expenses. The amount owing is unsecured, non-interest bearing, and due on demand.

(c) Insider shareholdings

None of the Company's major shareholders have different voting rights than other holders of the Common Shares.

As at July 31, 2020, the directors and/or officers of the Company collectively control 180,000 Common Shares, or approximately 2.22% of the total outstanding. These holdings can change at any time at the discretion of the owner.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the Company's unaudited interim financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the unaudited interim financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers of the Company are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this MD&A. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

The Company is in the business of exploring mineral properties, which is a highly speculative endeavor that involves a high degree of risk. The Company's financial condition, results of operations and business are subject to numerous risks. For a complete discussion of such risks, please refer to the section entitled "Risks and Uncertainties" in the Annual MD&A.

Subsequent Events

On August 18, 2020, 135,000 warrants expired unexercised.

On August 31, 2020, the Company issued 376,000 common shares at $0.15 per share upon the exercise of share purchase warrants for proceeds of $56,400.

Schedule "D" Audited Financial Statements of the Target for the year ended December 31, 2019 and Reviewed Financial Statements for the year ended December 31, 2018

SALU DESIGN GROUP INC.

Financial Statements

Years Ended December 31, 2019 (audited) and 2018 (unaudited)

(expressed in Canadian dollars)

SALU DESIGN GROUP INC.

Index to Financial Statements

Year Ended December 31, 2019

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Salu Design Group Inc.

Opinion

We have audited the financial statements of Salu Design Group Inc. (the "Company"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 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 financial statements in Canada, and 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $183,626 during the year ended December 31, 2019 and, as of that date, the Company had a working capital deficiency of $55,038 and an accumulated deficit of $1,021,059. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Listing Statement, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 to 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 Financial Statements
Our objectives are to obtain reasonable assurance about whether the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 risk 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 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 financial statements, including the disclosures, and whether the 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.

Other Matter
The financial statements of the Company for the year ended December 31, 2018 were reviewed by another firm who expressed an unmodified conclusion on those financial statements on July 26, 2019.

/s/ SATURNA GROUP CHARTERED PROFESSIONAL ACCOUNTANTS LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

October 23, 2020

SALU DESIGN GROUP INC.

Statements of Financial Position
(expressed in Canadian dollars)

	December 31, 2019 $	December 31, 2018 $
		(unaudited)
ASSETS		
CURRENT		
Cash	**4,123**	6,299
Accounts receivable	**16,942**	74,618
Amounts receivable	**1,825**	3,139
Deposit	**1,500**	1,500
Total current assets	**24,390**	85,556
Non-current assets		
Equipment (Note 6)	**9,445**	17,380
Right-of-use asset (Note 7)	**21,791**	-
Total non-current assets	**31,236**	17,380
Total assets	**55,626**	102,936
LIABILITIES AND SHAREHOLDERS' DEFICIT		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	**9,274**	54,570
Due to related parties (Note 9)	**47,199**	53,246
Lease obligations (Note 8)	**22,955**	-
Total liabilities	**79,428**	107,816
SHAREHOLDERS' DEFICIT		
Share capital	**814,591**	814,591
Share-based payment reserve	**182,666**	17,240
Deficit	**(1,021,059)**	(836,711)
Total shareholders' deficit	**(23,802)**	(4,880)
Total liabilities and shareholders' deficit	**55,626**	102,936

Going concern (Note 2)
Subsequent events (Note 16)

APPROVED FOR ISSUANCE BY THE BOARD:

/s/ Randy Duguay	*/s/ Bruce Matichuk*
Randy Duguay, Director	Bruce Matichuk, Director

The accompanying notes are an integral part of these financial statements

SALU DESIGN GROUP INC.

Statements of Operations and Comprehensive Loss
(expressed in Canadian dollars)

	Year ended December 31, 2019 $	Year ended December 31, 2018 $
		(unaudited)
REVENUES		
Consulting fees (Note 12)	**147,698**	181,207
Total revenue	**147,698**	181,207
EXPENSES		
Advertising and promotion	**402**	14,494
Amortization (Notes 6 and 7)	**34,314**	6,007
Office and miscellaneous	**13,888**	20,988
Rent	-	24,733
Research and development	**14,366**	94,922
Professional fees	**58,860**	46,369
Salaries and wages (Note 9)	**151,879**	251,928
Share-based compensation (Notes 9 and 11)	**165,426**	99,950
Travel	**18,850**	20,428
Total expenses	**457,985**	579,819
Loss before other income	**(310,287)**	(398,612)
OTHER INCOME (EXPENSE)		
Gain from modification of lease liability (Note 8)	**158**	-
Interest expense (Note 8)	**(2,221)**	-
Scientific research and development tax credits	**128,724**	-
Total other income (expense)	**126,661**	-
Net loss and comprehensive loss for the year	**(183,626)**	(398,612)

The accompanying notes are an integral part of these financial statements

SALU DESIGN GROUP INC.
Statements of Changes in Equity
(expressed in Canadian dollars)

	Share capital				
	Number of Class A common shares	$	Share-based payment reserve $	Deficit $	**Total shareholders' equity (deficit) $**
Balance, December 31, 2017 (unaudited)	3,075,414	564,556	15,325	(438,099)	**141,782**
Share-based compensation	-	-	99,950	-	**99,950**
Issuance of common shares for cash	300,000	150,000	-	-	**150,000**
Issuance of common shares for exercise of options	200,000	100,035	(98,035)	-	**2,000**
Net loss for the year	-	-	-	(398,612)	**(398,612)**
Balance, December 31, 2018 (unaudited)	3,575,414	814,591	17,240	(836,711)	**(4,880)**
Effect of adoption of IFRS 16	-	-	-	(722)	**(722)**
Share-based compensation	-	-	165,426	-	**165,426**
Net loss for the year	-	-	-	(183,626)	**(183,626)**
Balance, December 31, 2019	3,575,414	814,591	182,666	(1,021,059)	**(23,802)**

The accompanying notes are an integral part of these financial statements

SALU DESIGN GROUP INC.
Statements of Cash Flows
(expressed in Canadian dollars)

	Year ended December 31, 2019 $	Year ended December 31, 2018 $
		(unaudited)
OPERATING ACTIVITIES		
Net loss for the year	**(183,626)**	(398,612)
Items not affecting cash:		
Amortization	**34,314**	6,007
Gain from modification of lease liability	**(158)**	-
Interest expense	**2,221**	-
Share-based compensation	**165,426**	99,950
Changes in non-cash working capital:		
Accounts receivable	**57,676**	(57,175)
Amounts receivable	**1,314**	961
Accounts payable and accrued liabilities	**(45,296)**	21,582
Due to related parties	**(14,797)**	-
Net cash provided by (used in) operating activities	**17,074**	(327,287)
INVESTING ACTIVITIES		
Purchase of equipment	**-**	(20,850)
Net cash used in investing activities	**-**	(20,850)
FINANCING ACTIVITIES		
Proceeds from issuance of share capital	**-**	152,000
Lease obligation payments	**(28,000)**	-
Proceeds from related parties	**11,740**	53,246
Repayments to related parties	**(2,990)**	-
Net cash provided by (used in) financing activities	**(19,250)**	205,246
DECREASE IN CASH	**(2,176)**	(142,891)
Cash - beginning of year	**6,299**	149,190
CASH - END OF YEAR	**4,123**	6,299

The accompanying notes are an integral part of these financial statements

1. DESCRIPTION OF BUSINESS

Salu Design Group Inc. (the "Company") was incorporated under the Business Corporations Act of Alberta on April 10, 2014. The Company is in the process of researching and developing health related wearable technology solutions. These solutions look to interpret biometric data from the wearer and provide interpretation and feedback via integration with software platforms. The address of the registered office is Suite 860, 10004 - 104 Ave, Edmonton, Alberta, T5J 0K1.

2. GOING CONCERN

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. The Company has sustained losses from the date of incorporation and its ability to continue as a going concern is dependent on the Company's ability to generate future profitable operations and cash flows and/or obtain financing.

On March 11, 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.

For the year ended December 31, 2019, the Company incurred a net loss of $183,626, and as at December 31, 2019, the Company had a working capital deficit of $55,038 and an accumulated deficit of $1,021,059.

Managements' plan to reduce the operating loss and ultimately become profitable is heavily dependent on the Company completing research and development of their wearable technology solution and successfully bringing the product to market. However, there can be no assurances the Company will be successful on any of these initiatives. Should the Company not be able to generate sufficient cash flows from these initiatives to become profitable in the future and generate sufficient working capital to fund operations, then it will become necessary to secure additional sources of financing; however, there can be no assurances that any such financing will be available to the Company or that such funds will be available on acceptable terms.

The outcome of these matters, which cannot be predicted at this time, represents a material uncertainty which may cast significant doubt with regard to the Company's ability to continue as a going concern. The financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

3. BASIS OF PRESENTATION

(a) Statement of Compliance

The financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and interpretation of the International Financial Reporting Interpretations Committee (IFRIC).

The policies applied in these financial statements are based on IFRS issued and outstanding as of October 23, 2020, the date of the Board of Directors' approval of the financial statements.

3. BASIS OF PRESENTATION (continued)

(b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for financial instruments classified as fair value through profit or loss. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Judgments and Estimates

The preparation of the financial statements in conformity of IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In preparing these financial statements, the significant estimates and judgments made by management in applying the company's accounting policies and the key sources of estimation are as follows:

Equipment

The valuation of equipment is based on management's best estimate of the future recoverability of these assets. The amounts recorded for depreciation is based on management's best estimate of the useful lives of the assets.

Deferred Income Tax Asset

The Company considers whether the realization of deductible temporary differences and the utilization of losses is probable in determining whether or not to recognize these deferred tax assets.

Right-of-use assets and lease obligations

The Company considers factors, both internally and externally, in its operations to determine the incremental borrowing rate that is used to determine the net present value of the right-of-use asset and lease obligations.

Capitalization of research and development cost

The Company considers whether the research and development activities have reached the phase that allows capitalization under IFRS.

Share-based compensation

Share-based compensation are measured at grant date fair value. The fair value of options are estimated by applying an option pricing model with assumptions made for volatility, forfeiture rate, expected dividends, and risk-free interest rate for the life of the options.

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period.

(d) Functional Currency

The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Recently adopted accounting pronouncements

IFRS 16, Leases

The Company has adopted IFRS 16, Leases. IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal and Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the statement of financial position.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of January 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at January 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The financial statement effect of the adoption of IFRS 16 on January 1, 2019 resulted in an adjustment on the opening statement of financial position of $14,581 to assets, $15,303 to liabilities, and $722 to deficit.

Leases previously accounted for as operating leases

The Company recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Recently adopted accounting pronouncements *(continued)*

IFRS 16, Leases (continued)

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date, the lease liability is measured as the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease or if that rate cannot readily be determined, the Company's incremental borrowing rate. If the lease terms are subsequently changed, the present value of the lease liability is remeasured using the revised lease terms and applying the appropriate discount rate to the remaining lease payments. The Company recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, of the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the remeasurement in the statement of operations.

(b) Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(c) Equipment

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

Office equipment	20%	Declining balance method
Computer equipment	55%	Declining balance method

The Company regularly reviews its equipment to eliminate obsolete items.

(d) Revenue recognition

The Company's accounting policy for revenue recognition under IFRS 15 is to follow a five-step model to determine the amount and timing of revenue to be recognized: (i) identifying the contract with a customer; (ii) identifying the performance obligations within the contract; (iii) determining the transaction price; (iv) allocating the transaction price to the performance obligations; and (v) recognizing revenue when/as the performance obligation(s) are satisfied.

Revenue is earned via contracts with customers to provide consulting services. Deferred revenue consists of amounts collected from customers where the services have not yet been delivered.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Accounts receivable

Accounts receivable, net of allowance for doubtful accounts, includes amounts due from customers. The Company reviews for potential credit losses using factors such as current economic conditions, historical information, and reasons for any accounts being past due are all considered when determining whether to write off accounts receivable.

(f) Government grants

The Company recognizes grant revenue when there is reasonable assurance that the Company has complied with and will continue to comply with, all the necessary conditions attached to the grant funding and that the grant revenue will be received.

(g) Research and development and investment tax credits

The Company annually incurs costs on activities that relate to research and development of new products. Research and development costs are expensed except in cases where development costs meet certain identifiable criteria for deferral. The Company has not capitalized any such development costs to date.

Related refundable investment tax credits are recorded as a reduction of the related research and development expense when the Company has reasonable assurance that the credit will be realized. Credits received are recorded as a reduction of the related current period expense.

(h) Income taxes

Income tax expense comprises current and deferred income taxes. Income tax expense is recognized in the statement of operations except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are generally recognized for all deductible temporary differences, carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable income will be available against which those deductible temporary differences and carryforward of unused tax losses and unused tax credits can be utilized.

Deferred income taxes are not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred income tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred income taxes is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current income tax liabilities and assets on a net basis or their income tax assets and liabilities will be realized simultaneously.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Share-based payments

The grant-date fair value of share-based payments awarded to employees and directors settled in equity instruments is generally recognized as an expense, with a corresponding increase in equity over the vesting period. The amount recognized as an expense is adjusted to reflect the number of awards for which it is estimated that the service and non-market performance conditions have been satisfied, in that the amount ultimately recognized is based on the actual number of awards that meet the service and non-market performance conditions at the vesting date. For share-based payment awards on shares with other vesting conditions, the measurement of fair value at the vesting date reflects these conditions, and differences between estimate and achievement are not subsequently adjusted.

The Company grants stock options to employees as determined by the Company's Board of Directors. Stock options granted to the directors of the Company are granted subject to approval of the Company's shareholders. The Company does not repurchase stock options from optionees.

The fair value of options and rights is determined using the Black-Scholes valuation model taking into account the features of the plan and market data as at the grant date and on the basis of management's assumptions.

Upon the exercise of the option, consideration received together with the amount previously recognized in share-based payment reserve is recorded as an increase to share capital.

(j) Comprehensive income

Comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources, and comprises net income or loss and other comprehensive income or loss.

(k) Financial instruments

Classification and Measurement

Financial assets and financial liabilities are recognized when the Company becomes party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire or when the risks and rewards of ownership of the financial asset are transferred. Financial liabilities are derecognized when they are extinguished.

Financial assets and liabilities are initially recognized at fair value adjusted by, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The exception is for trade receivables that do not contain a significant financing component, as defined by IFRS 15. These are measured at the transaction price. Measurement in subsequent periods depends on whether the financial instrument has been classified as "amortized cost", "fair value through other comprehensive income" or "fair value through profit and loss".

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(k) Financial instruments (continued)

Financial assets are subsequently measured at amortized cost using the effective interest method of amortization when they are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets are measured at fair value through other comprehensive income for assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets are measured at fair value through profit or loss for financial assets that do not meet the criteria for amortized cost or fair value through other comprehensive income.

Financial liabilities are subsequently measured at amortized cost, except for financial liabilities measured at fair value through profit or loss and financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies. Financial liabilities at fair value through profit or loss include derivatives that are liabilities.

The Company has designated cash and accounts receivable as amortized cost and accounts payable and accrued liabilities, lease obligations, and amounts due to related parties as amortized cost.

Impairment of Financial Assets at Amortized Cost

The Company uses the “expected credit loss” model for calculating impairment and recognizes expected credit losses as a loss allowance in the consolidated statement of financial position if they relate to a financial asset measured at amortized cost. The Company recognizes impairment and measures expected credit losses as lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The Company recognizes impairment loss for that financial instrument at an amount equal to 12-month expected credit losses if the credit risk on a financial instrument has not increased significantly since initial recognition. The carrying amount of these assets in the consolidated statement of financial position is stated net of any loss allowance.

Derecognition of Financial Instruments

Financial assets are derecognized when the Company transfers substantially all risks and rewards of ownership or the contractual rights to the cash flow expire. Financial liabilities are derecognized when the obligation is discharged, cancelled or expired.

(l) Reclassifications

Certain of the prior year figures have been reclassified to conform to the current year’s presentation.

(m) Recent Accounting Pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2019, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

(Expressed in Canadian dollars)

5. CREDIT FACILITY

Accounts payable and accrued liabilities includes $nil (2018 - $15,923) due on a Company credit card. The credit card has a credit limit of $40,000 and bears interest at a rate of 30% on all outstanding balances. This credit card facility was closed during the year ended December 31, 2019.

6. EQUIPMENT

Cost	2017 $	Additions $	2018 $	Additions $	**2019** $
Computer equipment	1,943	16,697	18,640	-	**18,640**
Office equipment	1,253	4,153	5,406	-	**5,406**
	3,196	20,850	24,046	-	**24,046**

Accumulated Amortization	2017 $	Amortization $	2018 $	Amortization $	**2019** **$**
Computer equipment	534	5,366	5,900	7,007	**12,907**
Office equipment	125	641	766	928	**1,694**
	659	6,007	6,666	7,935	**14,601**

Carrying Amounts	2017 $	2018 $	**2019** **$**
Computer equipment	1,409	12,740	**5,733**
Office equipment	1,128	4,640	**3,712**
	2,537	17,380	**9,445**

7. RIGHT-OF-USE ASSETS

Cost	**$**
Balance, December 31, 2018	**-**
Adjustment on January 1, 2019 upon adoption of IFRS 16	**36,452**
Addition due to modification of lease	**33,589**
Balance, December 31, 2019	**70,041**
Accumulated Amortization	
Balance, December 31, 2018	**-**
Adjustment on January 1, 2019 upon adoption of IFRS 16	**21,871**
Addition during the year	**26,379**
Balance, December 31, 2019	**48,250**
Carrying amount, December 31, 2019	**21,791**

(Expressed in Canadian dollars)

8. LEASE OBLIGATIONS

Commencing January 1, 2018, the Company entered into a lease agreement for office space located at Suite 2704, 1004 – 104th Avenue, Edmonton, Alberta. The lease expires on August 31, 2019. The base rent due under the lease agreement is $2,000 per month.

The Company recognized lease liability as a result of adoption of IFRS 16 on the lease of the office premises. The present value of the lease and the accretion expenses are calculated using an incremental borrowing rate of 20%. A total recognition of lease liability of $15,303 was made on January 1, 2019 with an adjustment for payments and accretion expense or reduction to retained earnings that would be recognized on the same date for $722.

Effective September 1, 2019, the Company extended the lease agreement for a one year, expiring on August 31, 2020. The base rent due under the lease extension is $3,000 per month.

The Company recognized the extension of the lease agreement as a modification of the lease agreement. The present value of the lease and the accretion expenses are calculated using an incremental borrowing rate of 20%. A total recognition to the increase of lease liability of $33,431 and gain from the modification of lease liability of $158 was made on August 1, 2019.

	$
Balance, December 31, 2018	**-**
Adjustment on January 1, 2019 on adoption of IFRS 16	**15,303**
Addition due to modification of lease	**33,431**
Payment on the lease	**(28,000)**
Accretion expense on the lease	**2,221**
Balance, December 31, 2019	**22,955**

The Company's future minimum lease payments for the office space lease is as follows:

	$
Fiscal year ending December 31, 2020	24,000
Total lease payments	24,000
Amounts representing interest over the term of the lease	(1,045)
Present value of net lease payments	22,955

9. RELATED PARTY TRANSACTIONS

(a) As at December 31, 2019, the Company owed $40,595 (2018 - $41,327) to the Chief Executive Officer of the Company. During the year ended December 31, 2019, the Company incurred $19,127 (2018 - $37,800) of salaries and wages to the Chief Executive Officer of the Company.

(b) As at December 31, 2019, the Company owed $6,604 (2018 - $11,919) to the Chief Technology Officer of the Company. During the year ended December 31, 2019, the Company incurred $33,607 (2018 - $53,072) of salaries and wages to the Chief Technology Officer of the Company.

(c) During the year ended December 31, 2019, the Company granted stock options with a fair value of $165,426 (2018 - $98,035) to the Chief Executive Officer and Chief Technology Officer of the Company.

(Expressed in Canadian dollars)

10. SHARE CAPITAL

Authorized:
Unlimited Class A, B, C, and D common shares
Unlimited Class E, F, and G non-cumulative redeemable preferred shares

(a) During the year ended December 31, 2018, the Company issued 300,000 Class A common shares at $0.50 per share for proceeds of $150,000.

(b) During the year ended December 31, 2018, the Company issued 200,000 Class A common shares at $0.01 per share for proceeds of $2,000 pursuant to the exercise of stock options. The fair value of the stock options exercised of $98,035 was reallocated from share-based payment reserve to share capital. The shares were issued to the Chief Executive Officer and Chief Technology Officer of the Company.

11. STOCK OPTIONS

The Company adopted a stock option plan whereby the Board of Directors may, at its discretion, grant non-transferable options to acquire common shares of the Company at a predetermined exercise price if certain conditions are met. The option exercise price and the predetermined price in the case of share appreciation rights are set by the Board of Directors.

	2019		2018	
	Number	**Weighted Average Exercise Price $**	Number	Weighted Average Exercise Price $
Outstanding, beginning of year	**111,000**	**0.06**	135,000	0.33
Granted	**500,000**	**0.16**	200,000	0.01
Expired	**-**	**-**	(24,000)	(0.33)
Exercised	**-**	**-**	(200,000)	(0.01)
Outstanding, end of year	**611,000**	**0.22**	111,000	0.33

Additional information regarding stock options outstanding as at December 31, 2019 is as follows:

Exercise price $	Stock options outstanding and exercisable	Expiry date
0.20	500,000	December 28, 2020
0.33	111,000	March 31, 2022
	611,000	

The weighted average remaining life of options outstanding is 1.2 years.

During the year ended December 31, 2019, the Company recorded share-based compensation expense of $165,426 (2018 - $99,950). The weighted average grant date fair value of stock options granted during the year ended December 31, 2019 was $0.33 (2018 - $0.49) per option. The fair value of each option granted was established using the Black-Scholes valuation model. The weighted-average assumptions used in calculating the fair value of the options are detailed below assuming no expected dividends or forfeitures:

	2019	2018
Expected life in years	**1.00**	1.00
Expected volatility	**125 %**	100 %
Risk-free interest rate	**1.76 %**	1.74 %

12. REVENUE CONCENTRATION

During the year ended December 31, 2019, the Company had revenues from consulting fees of $147,698 (2018 - $181,207) of which 96% (2018 – 99%) of consulting fees were derived from one (2018 – two) customers. Consulting revenues are derived from consulting services provided to a third party and are billed and recognized on a monthly basis when the services have been performed.

13. CAPITAL RISK MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and share-based payment reserve.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended December 31, 2018.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, accounts receivable, amounts receivable, accounts payable and accrued liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and amounts receivable. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Accounts receivable is comprised of trade receivables from customers. The Company performs ongoing evaluations and does not require collateral and establishes an allowance for doubtful accounts based on the age of the receivable and the specific identification of receivables the Company considers at risk. The carrying amount of these financial assets represents the maximum credit exposure.

(Expressed in Canadian dollars)

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(d) Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

15. INCOME TAXES

The income tax provision reported differs from the amount computed by applying the combined federal and provincial rate to income before taxes. The reasons for the differences and the related tax effects are as follows:

	2019 **$**	2018 $
Net loss	**(183,626)**	(398,612)
Statutory income tax rate	**11%**	12%
Income tax provision at statutory rate	**(20,199)**	(47,833)
Tax effect of:		
Permanent differences and other	**21,914**	19,630
Change in enacted tax rates	**245**	10,455
Change due to true up	**–**	31,326
Change in unrecognized deferred income tax assets	**(1,960)**	(13,578)
Income tax provision	**–**	–

Significant components of the Company's deferred tax assets and liabilities are as follows:

	2019 **$**	2018 $
Non-capital losses carried forward	**47,806**	28,853
Share issuance costs	**688**	953
Patents	**1,133**	1,420
Scientific research and development costs	**–**	20,361
Unrecognized deferred income tax assets	**(49,627)**	(51,587)
Net deferred income tax asset	**–**	–

As at December 31, 2019, the Company has non-capital losses carried forward of $597,576, which are available to offset future years' taxable income. The losses will expire as follows:

	$
2034	2,839
2035	47,989
2036	106,459
2037	94,431
2038	108,940
2039	236,918
	597,576

16. SUBSEQUENT EVENTS

(a) On May 7, 2020, the exercise price of the 500,000 stock options granted on December 28, 2019 was amended from $0.20 per share to $0.01 per share. On June 29, 2020, the Company issued 500,000 Class A common shares to the Chief Executive Officer and the Chief Technology Officer of the Company upon the exercise of stock options for proceeds of $5,000.

(b) On May 15, 2020, the Company issued 6,749,640 Class A common shares of the Company for net proceeds of $61,906.

(c) On May 15, 2020, the Company issued 17,181,544 Class A common shares to the Chief Executive Officer and Chief Technology Officer of the Company for proceeds of $17,182.

(d) On June 29, 2020, the Company issued 59,000 Class A common shares of the Company at a price of $0.01 per share for proceeds of $590.

(e) On August 18, 2020, the Company entered into a share exchange agreement (the "Agreement") with AIML Resources Inc. ("AIML"), a Canadian publicly-listed company. Under the terms of the Agreement, AIML would acquire 70% of the issued and outstanding common shares of the Company in exchange for 3,000,000 common shares of AIML and 7,000,000 Series A performance warrants of AIML, which are exercisable into 7,000,000 common shares of AIML based on achievement of certain performance targets by the Company over a period of three years from the closing date of the Agreement. AIML also has the option to purchase the remaining 30% of issued and outstanding common shares of the Company over a three-year period in exchange for 10,000,000 common shares of AIML and an additional 5,000,000 Series A performance warrants of AIML.

Schedule “E” Management’s Discussion and Analysis for the year ended December 31, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS OF SDG'S FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2019

The following Management's Discussion and Analysis ("MD&A"), prepared as of August 20, 2020, should be read together with the audited financial statements for the year ended December 31, 2019 and the related notes attached thereto. Accordingly, these financial statements and MD&A include the results of operations and cash flows for year ended December 31, 2019 and the reader must be aware that historical results are not necessarily indicative of the future performance. All amounts are reported in Canadian dollars. The aforementioned documents can be accessed on the SEDAR web site www.sedar.com.

Unless otherwise stated, financial results are now being reported in accordance with International Financial Reporting Standards ("IFRS"). As a result, accounting policies, presentation, financial statement captions and terminology used in this discussion and analysis differ from those used in previous financial reporting.

The MD&A contains the term cash flow from operations, which should not be considered an alternative to, or more meaningful than, cash flows from operating activities as determined in accordance with IFRS as an indicator of the Company's performance. The Company's determination of cash flow from operations may not be comparable to that reported by other companies. The reconciliation between profit or loss and cash flows from operating activities can be found in the statement of cash flows.

Certain statements contained in this management discussion and analysis may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are not historical facts but are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for the continued exploration and development of the Company's prospects, political and economic conditions, commodity prices and other factors.

DESCRIPTION OF THE BUSINESS

Salu Design Group Inc. ("**SDG**" or the "**Company**") was incorporated in Alberta for the purposes of commercializing new technology that could revolutionize new ways to measure and track personal health biometrics, and help people better manage ongoing health challenges.

In order to better position the Company in the marketplace and profile its key product offering, in September, 2016, the Company created the product brand of 'Health Gauge' to better position and address the key interests in the fast growing areas of digital health, Internet-of-Things (IoT) and applied Artificial Intelligence & Machine Learning ("AI/ML") based innovations. The Founders (Randy Duguay, and Bruce Matichuk) collectively have over 50 years of direct experience in developing, leading and commercializing new software, telecommunications, and applications developments – with large scale corporate and startup level businesses.

In February, 2016, the Company issued 1,850,000 Class 'A' Common Shares in total to the initial founders of the company.

Between February – April, 2016, the SDG received early stage investment of $85,000 in exchange of 85,000 Common Class ‘A’ Shares. In 2017, the SDG received additional investment of $350,000 in exchange of 553,030 Common Class ‘A’ Shares. In 2018, the SDG received an additional investment of $150,000 in exchange of 300,000 Common Class ‘A’ Shares.

In October, 2016 – SDG also took steps to patent its unique technology innovation in Canada (CIPO), the United States (USPTO), and India. This patent relates to our unique design and methods of using multiple physiological sensors, artificial intelligence & machine learning software, and behavioral tagging to better address ongoing personal health monitoring and management for individuals.

On January 16, 2020 – SDG secured non-exclusive worldwide license rights to use, copy, modify, practice, and install AiDANT Intelligent Technology ‘Recognition Engine’ software for the purpose of the provision of goods and services to organizations in the ‘health & wellness’ sector, relating to artificial intelligence applications in monitoring patients, improving the level and quality of care, and protecting patients and healthcare providers. This software relates to unique technology in the area of business intelligence, analytics, and facial & behavioral recognition capabilities using PTZ digital cameras and AI/ML software that SDG created under contract for AiDANT.

SDG completed a new private placement of SDG Shares to company shareholders in May of 2020. The proceeds of the distribution enabled SDG to address near term operational and product development requirements in the first half of 2020, and to increase the company valuation by addressing upcoming grants opportunities (non-dilutive funding). These funds were used to fund ongoing operations, software development, patent and trademark filing, and marketing.

On August 18, 2020, SDG entered into an agreement with AIML Resources Inc., regarding a share acquisition for 70% of the issued and outstanding shares of SDG. See "The Share Purchase Agreement" for a description of the Share Purchase Agreement.

Overall Performance and Results of Operations

The following discussion of the Company’s financial performance is based on the audited financial statements for the year ended December 31, 2019: These financial statements have been prepared on the going concern basis, which assumes that SDG will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended December 31, 2019, the Company had revenue from consulting fees of $145,725 compared with $181,207 for the year ended December 31, 2018 of which 96% (2018 – 99%) of revenues comprised of one customer.

Overall Performance

At December 31, 2019, the Company had total assets of $55,626 (2018 - $102,936), including cash of $4,123 (2018 - $6,299), amounts receivable of $16,942 (2018 - $74,618), and right-of-use assets of $21,791 (2018 - $nil). The decrease in total assets was due to the collection of accounts receivable in fiscal 2019 offset by the recognition of right-of-use assets due to the implementation of IFRS 16 for the Company’s office lease.

As at December 31, 2019, the Company had liabilities of $79,428 (2018 - $107,816), which is comprised of accounts payable of $9,274 (2018 - $54,570), related party payables of $47,199 (2018 - $53,246), and lease obligations of $22,955 (2018 - $nil). The decrease in liabilities was due to the repayment of outstanding trade accounts payable due to proceeds received from operations during the year offset by the recognition of the lease obligation for the Company's office lease due to implementation of IFRS 16.

As at December 31, 2019, the Company had a working capital deficit of $55,038 compared to a working capital deficit of $22,260 at December 31, 2018. The increase in the working capital deficit is due to the use continued use of cash proceeds to support ongoing operations.

Results of Operations

During the year ended December 31, 2019, the Company incurred operating expenses of $457,985 compared to operating expenses for the year ended December 31, 2018 of $579,819. The decrease in operating expenses was due to a recovery of research and development costs as well as a decrease in advertising and promotion cost and salaries and wages due to the Company's attempts to preserve cash and working capital. This was offset by an increase in share-based compensation costs of $65,476 as the Company granted 500,000 stock options to executive officers of the Company compared to only 200,000 stock options granted in the prior year.

The Company recorded net and comprehensive income loss of $183,626 for the year ended December 31, 2019. This compared to a net and comprehensive loss of $398,612 for the year ended December 31, 2018.

Trends

Summarizing the key trends, consideration needs to be applied in the areas of (1) People, (2) Places, (3) Payment & Reimbursement, and (4) Focus & Purpose:

- Personalize the consumer's experience: mHealth needs to offer tools – consumer engagement strategies, retail capabilities based upon mobile platforms and data analytics, digitization of an individual's wellness and health care needs, and more – that can enable competitive differentiation by creating personalized solutions that help drive consumer loyalty.

- Keep it simple: functionality should be easy to use and akin to users' mobile experiences in hospitality, retail, travel, and banking.

- The importance of privacy and security: digital health technologies and permeable boundaries among existing and new entrants in the health care ecosystem increase the complexity of managing protected health information (PHI). Organizations need to be secure, vigilant, and resilient in the face of threats to information security.

- Baby-boomers expected to drive rapid growth: Smartphone ownership by U.S. adults aged 50-65 years increased from 34 percent to 45 percent between 2012 and 2013. Over the same period, smartphone ownership by seniors (aged 65+ years) grew by seven percent. Baby Boomers (born 1946-1964), in particular, are expected to combine an interest in technology with substantial purchasing power to generate the fastest year-on-year growth

- Younger consumers have a growing interest in mHealth: Millennials (born 1982-1994), in particular, are already dabbling in the technology. They demonstrate a generational difference in interest – twice as many Millennials as overall respondents in a recent survey said they downloaded a health tracking app (19 percent of Millennials vs. 10 percent of all respondents).

Liquidity and Capital Resources

As December 31, 2019, the Company had a cash balance of $4,123 and working capital deficit of $55,038 compared to a cash balance of $6,299 and working capital deficit of $22,260 at December 31, 2018. The Company requires an injection of new working capital in order to meet its financial requirements for the next fiscal year. This may require the management of the Company to find additional debt or equity financing.

Although SDG has no set policy, management of SDG may use financial instruments to reduce corporate risk in certain situations. SDG presently has no hedges or other financial instruments in place.

Operating Activities

During the year ended December 31, 2019, the Company received $17,074 of cash from operating activities compared to the use of $327,287 of cash for operating activities during the year ended December 31, 2018. During the current year, the Company recovered $128,000 from SRED credits from the Government of Canada and also incurred less cash for day-to-day operations as the Company was maintaining its working capital.

SDG relied on consulting services and capital subscriptions in 2019 for regular operating activities during the period ended December 31, 2019. SDG maintained a base of 4 full-time employees including management, and one part-time employee in 2019. Nominal salary plus compensation options were provided to key management in 2019.

Investing Activities

No cash was used in investing activities during the year ended December 31, 2019 compared to the purchase of equipment of $20,850 during the year ended December 31, 2018.

Financing Activities

During the year ended December 31, 2019, the Company used $19,250 of cash for financing activities compared to receiving $205,246 of cash from financing activities during the year ended December 31, 2018. In 2019, the Company received $11,740 from related parties which was offset by the repayment of $2,990 to related parties and $28,000 of lease obligation payments made for the Company's office lease. In 2018, the Company received $152,000 from the issuance of common shares and $53,246 from related parties.

Off-Balance Sheet Arrangements

SDG has no off-balance sheet arrangements.

Commitments

SDG has not entered into any commitments.

Selected Annual Financial Information

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the audited financial statements. This information has been prepared in accordance with IFRS and is presented in Canadian Dollars which is the functional currency of the Company.

Year ended December 31, 2019	$
Revenue	147.698
Operating loss before other expenses	(310,287)
Net loss for the year	(183,626)
Basic and diluted earnings (loss) per share	(0.03)
Total assets	55,626
Total long-term liabilities	–

Share Capital

Issued	**2019**				2018			
	Shares	**Amount**			Shares	Amount		
Class A								
Shares outstanding at the beginning of the year	**3,575,414**	**$**	**814,591**		**3,075,414**	$	**564,556**	
Shares issued	**-**		**-**		500,000		250,035	
	3,575,414	**$**	**814,591**		3,575,414	$	814,591	

The following table summarizes the consolidated capitalization as the date of this Circular.

Type of Debt or Designation of Security	Amount Authorized	Amount Outstanding as of December 31, 2019	Amount Outstanding as at August 23, 2020
Common Shares	Unlimited	3,575,414	27,506,598

Prior Sales

The following table summarizes the issuances by SDG of SDG Shares in the period from incorporation to the date of this Circular.

Date Issued	Number of Shares	Issue Price or Deemed Issue	Aggregate Issue Price or Deemed Price	Consideration Received

		Price per Share		
Feb 8, 2016	1,850,000	$0.00	$1	N/A
Feb – March,	60,000	$1.00	$60,000	Cash
2016	150,000	$0.50	$75,000	Cash
Sept 2016	515,414	$0.33	$170,787	Cash
Jan-March 2017	250,000	$1.00	$250,000	Cash
Aug-Dec 2017	225,000	$0.01	$2,250	Cash
Sept 2017	300,000	$0.50	$150,000	Cash
April-June 2018	200,000	$0.01	$2,000	Cash
Dec 2018	25,000	$1.00	$25,000	Cash
May 2020	17,181,544	$0.00	$171,815	Services
TOTAL	6,749,640	$0.01	$67,496	Cash
	27,506,598		**$974,349**	

Dividends

To date SDG has not paid and does not expect to pay prior to the Closing Date, any dividends to the holders of SDG Shares.

Risks and Uncertainties

SDG may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. SDG manages risks to minimize potential losses. The main objective of SDG's risk management process is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks.

SDG's operations and results are subject to a number of different risks at any given time. These factors, include but are not limited to disclosure regarding software development, additional financing, project delay, share price volatility, operating hazards, insurable risks and limitations of insurance, management, regulatory requirements, currency fluctuations and competition risks. The key determinants as to SDG's operational outcomes are as follows:

(a) the state of capital markets, which will affect the ability of SDG to finance the development of its Technology;

(b) the ability of SDG to identify and obtain any regulatory approvals;

(c) the ability of SDG to deal with competition from other companies that may be bigger and better funded.

Financial Markets: SDG is dependent on the equity markets as its sole source of operating working capital and SDG's capital resources are largely determined by the strength of the markets and by the status of SDG's projects in relation to these markets, and its ability to compete for the investor support of its projects.

Capital Needs: The research and development costs associated with SDG will likely require additional financing. The only current source of future funds available to SDG is the sale of additional equity capital. There is no assurance that such funding will be available to SDG or that it will be obtained on terms favorable to SDG or will provide SDG with sufficient funds to meet its objectives, which may adversely affect SDG's business and financial position. Failure to obtain sufficient financing may result in delaying or indefinite postponement of research and development activities or even the loss of licenses to use certain technology.

Accounting Policies and Estimates

The significant accounting policies of the Company are disclosed in Note 4 to the financial statements. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, and revenues and expenses. The Company's management reviews its estimates regularly.

Financial Instruments

(a) Fair Values

The following provides an analysis of financial instruments that are measured at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are not observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices) ; and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liabilities that are not based on observable market data.

As at December 31, 2019, the Company had no financial instruments classified as "fair value through profit or loss", measured at fair value - Level 1. All other financial instruments are measured at amortized cost using the effective interest rate method.

(b) Credit Risk

The Company deposits its cash with Canadian chartered banks that are of high credit quality. Given these high credit ratings, the Company does not expect any counterparties to these cash equivalents to fail to meet their obligations. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. It is management's opinion that the level of credit risk is low due to the creditworthiness of the counterparties involved.

(c) Foreign Exchange Rate Risk

The Company does not have any significant foreign exchange rate risk.

(d) Interest Rate Risk

The Company does not have any significant interest rate risk.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(f) Price Risk

The Company does not have any significant price risk.

Related Party Transactions

(a) As at December 31, 2019, the Company owed $40,595 (2018 - $41,327) to the Chief Executive Officer of the Company. During the year ended December 31, 2019, the Company incurred $19,127 (2018 - $37,800) of salaries and wages to the Chief Executive Officer of the Company.

(b) As at December 31, 2019, the Company owed $6,604 (2018 - $11,919) to the Chief Technology Officer of the Company. During the year ended December 31, 2019, the Company incurred $33,607 (2018 - $53,072) of salaries and wages to the Chief Technology Officer of the Company.

(c) During the year ended December 31, 2019, the Company granted stock options with a fair value of $165,426 (2018 - $98,035) to the Chief Executive Officer and Chief Technology Officer of the Company.

Legal Proceedings

The Company is not involved in any legal proceedings.

Management's Report on Internal Controls over Financial Reporting

In connection with National Instrument ("NI") 52-109 (Certification of Disclosure in Issuer's Annual and Interim Filings) adopted in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the financial statements and respective accompanying Management's Discussion and Analysis.

The Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR at www.sedar.com.

Subsequent Events

(a) On May 7, 2020, the exercise price of the 500,000 stock options granted on December 28, 2019 was amended from $0.20 per share to $0.01 per share. On June 29, 2020, the Company issued 500,000 Class A common shares to the Chief Executive Officer and the Chief Technology Officer of the Company upon the exercise of stock options for proceeds of $5,000.

(b) On May 15, 2020, the Company issued 6,749,640 Class A common shares of the Company for net proceeds of $61,906.

(c) On May 15, 2020, the Company issued 17,181,544 Class A common shares to the Chief Executive Officer and Chief Technology Officer of the Company for proceeds of $17,182.

(d) On June 29, 2020, the Company issued 59,000 Class A common shares of the Company at a price of $0.01 per share for proceeds of $590.

(e) On August 18, 2020, the Company entered into a share exchange agreement (the "Agreement") with AIML Resources Inc. ("AIML"), a Canadian publicly-listed company. Under the terms of the Agreement, AIML would acquire 70% of the issued and outstanding common shares of the Company in exchange for 3,000,000 common shares of AIML and 7,000,000 Series A performance warrants of AIML, which are exercisable into 7,000,000 common shares of AIML based on achievement of certain performance targets by the Company over a period of three years from the closing date of the Agreement. AIML also has the option to purchase the remaining 30% of issued and outstanding common shares of the Company over a three-year period in exchange for 10,000,000 common shares of AIML and an additional 5,000,000 Series A performance warrants of AIML.

Schedule “F” Reviewed Interim Financial Statements for the Nine Months ended September 30, 2020 and MD&A

SALU DESIGN GROUP INC.

Condensed Interim Financial Statements

Nine Months Ended September 30, 2020 and 2019

(unaudited)

(Expressed in Canadian dollars)

SALU DESIGN GROUP INC.

Index to Condensed Interim Financial Statements
Nine Months Ended September 30, 2020 and 2019
(unaudited)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

SALU DESIGN GROUP INC.

Statements of Financial Position
(expressed in Canadian dollars)

	September 30, 2020 $	December 31, 2019 $
	(unaudited)	
ASSETS		
Current assets		
Cash	**38,575**	4,123
Accounts receivable	**-**	16,942
Amounts receivable	**3,910**	1,825
Deposit	**1,500**	1,500
Total current assets	**43,985**	24,390
Non-current assets		
Equipment (Note 5)	**8,902**	9,445
Right-of-use asset (Note 6)	**-**	21,791
Total non-current assets	**8,902**	31,236
Total assets	**52,887**	55,626
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	**71,813**	9,274
Amounts due to related parties (Note 10)	**60,095**	47,199
Lease obligations (Note 7)	**-**	22,955
Demand loans (Note 8)	**209,310**	-
Total current liabilities	**341,218**	79,428
Government loan (Note 9)	**40,000**	-
Total liabilities	**381,218**	79,428
SHAREHOLDERS' EQUITY (DEFICIT)		
Share capital (Note 11)	**1,219,329**	814,591
Share-based payment reserve	**17,240**	182,666
Share subscriptions receivable (Note 11)	**(19,459)**	-
Deficit	**(1,545,441)**	(1,021,059)
Total shareholders' equity (deficit)	**(328,331)**	(23,802)
Total liabilities and shareholders' equity (deficit)	**52,887**	55,626

Going concern (Note 2)
Revenue concentration (Note 13)
Subsequent event (Note 16)

APPROVED FOR ISSUANCE BY THE BOARD:

/s/ Randy Duguay — Randy Duguay, Director

/s/ Bruce Matichuk — Bruce Matichuk, Director

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

SALU DESIGN GROUP INC.

Condensed Interim Statements of Operations and Comprehensive Loss
Three and Nine Months ended September 30, 2020 and 2019
(expressed in Canadian dollars)
(unaudited)

	Three months ended September 30, 2020 **$**	Three months ended September 30, 2019 $	Nine months ended September 30, 2020 **$**	Nine months ended September 30, 2019 $
REVENUES				
Consulting fees (Note 13)	-	36,623	**3,793**	147,648
Total revenue	-	36,623	**3,793**	147,648
EXPENSES				
Accretion expense (Note 7)	**89**	732	**1,045**	1,369
Advertising and promotion	-	152	**1,070**	402
Amortization (Notes 5 and 6)	**7,049**	9,270	**25,335**	24,142
Office and miscellaneous	**18,013**	(2,693)	**27,058**	3,015
Research and development	**69,794**	(9)	**116,694**	3,988
Professional fees	**10,498**	12,326	**82,264**	13,761
Salaries and wages	**34,712**	43,330	**270,687**	114,975
Travel	**891**	1,929	**4,022**	15,104
Total expenses	**141,046**	65,037	**528,175**	176,756
Loss before other income	**(141,046)**	(28,414)	**(524,382)**	(29,108)
OTHER INCOME				
Gain from modification of lease liability	-	158	**-**	158
Scientific research and development tax credits	-	128,724	**-**	128,724
Total other income	-	128,882	**-**	128,882
Net income (loss) and comprehensive income (loss) for the period	**(141,046)**	100,468	**(524,382)**	99,774

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

SALU DESIGN GROUP INC.
Condensed Interim Statements of Changes in Equity
Nine Months ended September 30, 2020 and 2019
(expressed in Canadian dollars)
(unaudited)

	Share capital					
	Number of Class A common shares	$	Share-based payment reserve $	Share subscriptions receivable $	Deficit $	**Total equity (deficit) $**
Balance, December 31, 2018 (unaudited)	3,575,414	814,591	17,240	-	(836,711)	**(4,880)**
Effect of adoption of IFRS 16	-	-	-	-	(722)	**(722)**
Net income for the period	-	-	-	-	99,774	**99,774**
Balance, September 30, 2019	3,575,414	814,591	17,240	-	(737,659)	**94,172**

	Share capital					
	Number of Class A common shares	$	Share-based payment reserve $	Share subscriptions receivable $	Deficit $	**Total equity (deficit) $**
Balance, December 31, 2019	3,575,414	814,591	182,666	-	(1,021,059)	**(23,802)**
Shares issued for cash	6,249,640	62,497	-	(19,459)	-	**43,038**
Shares issued for services	17,181,544	171,815	-	-	-	**171,815**
Shares issued pursuant to stock options	500,000	170,426	(165,426)	-	-	**5,000**
Net loss for the period	-	-	-	-	(524,382)	**(524,382)**
Balance, September 30, 2020	27,506,598	1,219,329	17,240	(19,459)	(1,545,441)	**(328,331)**

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

SALU DESIGN GROUP INC.

Condensed Interim Statements of Cash Flows
Nine Months Ended September 30, 2020 and 2019
(expressed in Canadian dollars)
(unaudited)

	For the nine months ended September 30, 2020 $	For the nine months ended September 30, 2019 $
OPERATING ACTIVITIES		
Net income (loss) for the year	**(524,382)**	99,774
Items not affecting cash:		
Accretion expense	**1,045**	1,369
Amortization	**25,335**	24,142
Gain from modification of lease liability	**-**	(158)
Shares issued from exercise of stock options in lieu of services	**5,000**	-
Shares issued for services	**171,815**	-
Changes in non-cash working capital:		
Accounts receivable	**16,942**	53,936
Amounts receivable	**(2,085)**	3,484
Accounts payable and accrued liabilities	**62,539**	(47,810)
Due to related parties	**(3,804)**	(15,790)
Net cash provided by (used in) operating activities	**(247,595)**	118,947
INVESTING ACTIVITIES		
Purchase of equipment	**(3,001)**	-
Net cash used in investing activities	**(3,001)**	-
FINANCING ACTIVITIES		
Lease obligation payments	**(24,000)**	(19,000)
Proceeds from issuance of share capital	**43,038**	-
Proceeds from government loan	**40,000**	-
Proceeds from other demand loans	**234,310**	-
Proceeds from related parties	**37,200**	8,940
Repayment of demand loans	**(25,000)**	-
Repayment to related parties	**(20,500)**	(2,990)
Net cash provided by (used in) financing activities	**285,048**	(13,050)
INCREASE IN CASH	**34,452**	105,897
Cash - beginning of period	**4,123**	6,299
CASH - END OF PERIOD	**38,575**	112,196

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

1. DESCRIPTION OF BUSINESS

Salu Design Group Inc. (the "Company") was incorporated under the Business Corporations Act of Alberta on April 10, 2014. The Company is in the process of researching and developing health related wearable technology solutions. These solutions look to interpret biometric data from the wearer and provide interpretation and feedback via integration with software platforms. The address of the registered office is Suite 860, CN Tower, 10004 - 104 Ave, Edmonton, Alberta, T5J 0K1.

2. GOING CONCERN

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) that are applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities in the normal course of business. The Company has sustained losses from the date of incorporation and its ability to continue as a going concern is dependent on the Company's ability to generate future profitable operations and cash flows and/or obtain financing.

On March 11, 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.

For the period ended September 30, 2020, the Company incurred a net loss of $524,382, and as at September 30, 2020, the Company had a working capital deficit of $297,233 and an accumulated deficit of $1,545,441.

Managements' plan to reduce the operating loss and ultimately become profitable is heavily dependent on the Company completing research and development of their wearable technology solution and successfully bringing the product to market. However, there can be no assurances the Company will be successful on any of these initiatives. Should the Company not be able to generate sufficient cash flows from these initiatives to become profitable in the future and generate sufficient working capital to fund operations, then it will become necessary to secure additional sources of financing; however, there can be no assurances that any such financing will be available to the Company or that such funds will be available on acceptable terms.

The outcome of these matters, which cannot be predicted at this time, represents a material uncertainty which may cast significant doubt with regard to the Company's ability to continue as a going concern. These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed interim financial statements.

3. BASIS OF PRESENTATION

(a) Statement of Compliance

The unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretation of the International Financial Reporting Interpretations Committee (IFRIC), in accordance with IAS 34 Interim Financial Reporting.

The policies applied in these condensed interim financial statements are based on IFRS issued and outstanding as of November 10, 2020, the date of the Board of Directors' approval of the condensed interim financial statements.

3. BASIS OF PRESENTATION (continued)

(b) Basis of Measurement

The condensed interim financial statements have been prepared on the historical cost basis except for financial instruments classified as fair value through profit or loss. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Judgements and Estimates

The preparation of these condensed interim financial statements in conformity of IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In preparing these condensed interim financial statements, the significant estimates and judgments made by management in applying the company's accounting policies and the key sources of estimation are as follows:

Equipment

The valuation of equipment is based on management's best estimate of the future recoverability of these assets. The amounts recorded for depreciation is based on management's best estimate of the useful lives of the assets.

Deferred Income Tax Asset

The Company considers whether the realization of deductible temporary differences and the utilization of losses is probable in determining whether or not to recognize these deferred tax assets.

Right-of-use assets and lease obligations

The Company considers factors, both internally and externally, in its operations to determine the incremental borrowing rate that is used to determine the net present value of the right-of-use asset and lease obligations.

Share-based compensation

Share-based compensation are measured at grant date fair value. The fair value of options are estimated by applying an option pricing model with assumptions made for volatility, forfeiture rate, expected dividends, and risk-free interest rate for the life of the options.

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period.

(d) Functional Currency

The condensed interim financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(Expressed in Canadian dollars)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Recent Accounting Pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2020, and have not been early adopted in preparing these condensed interim financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's condensed interim financial statements.

5. EQUIPMENT

Cost	December 31, 2019 $	Additions $	**September 30, 2020** $
Computer Equipment	18,640	3,001	**21,641**
Office Equipment	5,406	-	**5,406**
	24,046	3,001	**27,047**

Accumulated Amortization	December 31, 2019 $	Amortization $	**September 30, 2020** **$**
Computer Equipment	12,907	2,987	**15,894**
Office Equipment	1,694	557	**2,251**
	14,601	3,544	**18,145**

Net book value	December 31, 2019 $	**September 30, 2020** **$**
Computer Equipment	5,733	**5,747**
Office Equipment	3,712	**3,155**
	9,445	**8,902**

6. RIGHT-OF-USE ASSETS

Cost	**$**
Balance, December 31, 2019	70,041
Addition during the period	-
Balance, September 30, 2020	**70,041**
Depreciation	
Balance as at December 31, 2019	48,250
Addition during the period	21,791
Balance as at September 30, 2020	**70,041**
Carrying amount as at December 31, 2019	21,791
Carrying amount as at September 30, 2020	**-**

(Expressed in Canadian dollars)

7. LEASE OBLIGATIONS

Commencing January 1, 2018, the Company entered into a lease agreement for office space located at 1004 – 104th Avenue, Edmonton, Alberta for $2,000 per month expiring on August 31, 2019.

The Company recognized lease liability as a result of adoption of IFRS 16 on the lease of the office premises. The present value of the lease and the accretion expenses are calculated using an incremental borrowing rate of 20%. A total recognition of lease liability of $15,303 was made on January 1, 2019 with an adjustment for payments and accretion expense or reduction to retained earnings that would be recognized on the same date for $722. Effective September 1, 2019, the Company extended the lease agreement for a one year at $3,000 per month expiring on August 31, 2020. The Company recognized the extension of the lease agreement as a modification of the lease agreement. A total recognition to the increase of lease liability of $33,431 and gain from the modification of lease liability of $158 was made on August 1, 2019.

	$
Balance, December 31, 2019	22,955
Accretion expense on the lease	1,045
Payment on the lease	(24,000)
Balance, September 30, 2020	**-**

8. DEMAND LOANS

(a) As at September 30, 2020, the Company owes the amount of $53,000 (December 31, 2019 - $nil) to an unrelated party, which is non-interest bearing, unsecured, and due on demand.

(b) As at September 30, 2020, the Company owes the amount of $156,310 (EUR$100,000) (December 31, 2019 - $nil) to an unrelated party, which is non-interest bearing, unsecured, and due on demand.

9. GOVERNMENT LOAN

The Company received $40,000 from the Government of Canada sponsored Canada Emergency Business Account (CEBA) in the form of a line of credit. This loan is a two year, interest free loan, to be repaid by December 31, 2022. If the Company repays the CEBA loan on or before December 31, 2022, the Company is liable to only repay $30,000 of the principal balance. Any unpaid principal portion of the CEBA loan after December 31, 2022 will be converted into a three-year loan at annual interest rate of 5%.

10. RELATED PARTY TRANSACTIONS

(a) As at September 30, 2020, the Company owed $57,871 (December 31, 2019 - $40,595) to the Chief Executive Officer of the Company. During the period ended September 30, 2020, the Company incurred $116,124 (2019 - $19,700) of salaries and wages to the Chief Executive Officer of the Company.

(b) As at September 30, 2020, the Company owed $2,224 (December 31, 2019 - $6,604) to the Chief Technology Officer of the Company. During the period ended September 30, 2020, the Company incurred $109,791 (2019 - $36,500) of salaries and wages to the Chief Technology Officer of the Company.

(Expressed in Canadian dollars)

11. SHARE CAPITAL

Authorized:
Unlimited Class A, B, C, and D common shares
Unlimited Class E, F, and G non-cumulative redeemable preferred shares

(a) On May 7, 2020, the exercise price of the 500,000 stock options issued on December 28, 2019 was amended from $0.20 per share to $0.01 per share. On June 29, 2020, the Company issued 500,000 Class A common shares to the Chief Executive Officer of the Company and Chief Technology Officer of the Company upon the exercise of stock options in lieu of services with a fair value of $5,000. The fair value of the stock options of $165,426 was transferred from share-based payment reserve to share capital upon exercise.

(b) On May 15, 2020, the Company issued 6,190,640 Class A common shares of the Company at $0.01 per share for proceeds of $61,906, of which $19,459 was receivable as at September 30, 2020. Refer to Note 16(b).

(c) On May 15, 2020, the Company issued 17,181,544 Class A common shares to the Chief Executive Officer and Chief Technology Officer of the Company at $0.01 per share for services with a fair value of $171,815.

(d) On June 29, 2020, the Company issued 59,000 Class A common shares of the Company at a $0.01 per share for proceeds of $590.

12. STOCK OPTIONS

The Company adopted a stock option plan whereby the Board of Directors may, at its discretion, grant non-transferable options to acquire common shares of the Company at a predetermined exercise price if certain conditions are met. The option exercise price and the predetermined price in the case of share appreciation rights are set by the Board of Directors.

	September 30, 2020		December 31, 2019	
	Number	**Weighted Average Exercise Price $**	Number	Weighted Average Exercise Price $
Outstanding, beginning of year	**611,000**	**0.22**	111,000	0.33
Granted	**-**	-	500,000	0.20
Expired	**-**	**-**	-	-
Exercised	**(500,000)**	**0.01**	-	-
Outstanding, end of year	**111,000**	**0.33**	611,000	0.22

Additional information regarding stock options outstanding as at September 30, 2020 is as follows:

Exercise price $	Stock options outstanding	Expiry date
0.33	111,000	March 31, 2022

The weighted average remaining life of options outstanding is 1.5 years.

13. REVENUE CONCENTRATION

During the period ended September 30, 2020, the Company had revenues from consulting fees of $nil (2019 - $147,648) of which nil% (2019 – 96%) of consulting fees were derived from no (2019 – one) customers.

14. CAPITAL RISK MANAGEMENT

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and equity comprised of issued share capital and contributed surplus.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the period ended September 30, 2020.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash, amounts receivable, goods and services tax recoverable, accounts payable and accrued liabilities, wages payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk of potential loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and amounts receivable. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Accounts receivable is comprised of trade receivables from customers and amounts receivable consists of GST receivable from the Government of Canada. The Company performs ongoing evaluations and does not require collateral and establishes an allowance for doubtful accounts based on the age of the receivable and the specific identification of receivables the Company considers at risk. The carrying amount of these financial assets represents the maximum credit exposure.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

(c) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

(d) Foreign Exchange and Interest Rate Risk

The Company has a demand loan payable in the amount of Euro 100,000 and is exposed to significant foreign exchange rate risk but no interest rate risk.

16. SUBSEQUENT EVENTS

(a) On August 18, 2020, the Company entered into a share exchange agreement (the “Agreement”) with AIML Resources Inc. (“AIML”), a Canadian publicly-listed company. Under the terms of the Agreement, AIML would acquire 70% of the issued and outstanding common shares of the Company in exchange for 3,000,000 common shares of AIML and 7,000,000 Series A performance warrants of AIML, which are exercisable into 7,000,000 common shares of AIML based on achievement of certain performance targets by the Company over a period of three years from the closing date of the Agreement. AIML also has the option to purchase the remaining 30% of issued and outstanding common shares of the Company over a three-year period in exchange for 10,000,000 common shares of AIML and an additional 5,000,000 Series A performance warrants of AIML.

(b) On November 10, 2020, the Company received $19,459 of share subscriptions that were receivable as at September 30, 2020.

SALU DESIGN GROUP INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS QUARTERLY HIGHLIGHTS

FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2020

Salu Design Group Inc.
Management's Discussion & Analysis – Quarterly Highlights
Three Months and Nine Months Ended September 30, 2020
Dated – November 15, 2020

Introduction

The following Management's Discussion and Analysis ("MD&A") of Salu Design Group Inc. (the "Company" or "SDG") has been prepared to provide updates to the business, operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis for the fiscal year ended December 31, 2019 ("Annual MD&A").

This MD&A has been prepared in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A, the audited annual consolidated financial statements of the Company for the years ended December 31, 2019 and December 31, 2018 and the unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the nine months ended September 30, 2020 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at November 15, 2020 unless otherwise indicated.

The unaudited condensed interim financial statements for the three and nine months ended September 30, 2020, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of SDG's common shares (the "Common Shares"); or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgets", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Salu Design Group Inc.
Management's Discussion & Analysis – Quarterly Highlights
Three Months and Nine Months Ended September 30, 2020
Dated – November 15, 2020

Description of Business

Salu Design Group Inc. (the "Company") was incorporated under the Business Corporations Act of Alberta on April 10, 2014. The Company is in the process of researching and developing health related wearable technology solutions. These solutions look to interpret biometric data from the wearer and provide interpretation and feedback via integration with software platforms. The address of the registered office is Suite 860, CN Tower, 10004 - 104 Ave, Edmonton, Alberta, T5J 0K1.

The Company's Board of Directors is comprised of Randy Duguay (President and CEO), and Bruce Matichuk.

The Company entered into a share exchange agreement with AIML Resources Inc. ("AIML") on August 16, 2020, whereby AIML acquires 70% of the issued and outstanding common shares of the Company payable by the issuance of 3,000,000 Common Shares of AIML at a deemed issue price of $0.25 per share and 7,000,000 Series A Performance Warrants. Upon the completion of the share exchange transaction, AIML intends to operate the business of the Company.

Overall Performance and Outlook

The Company has limited revenues, so its ability to ensure continuing operations is dependent on its ability to obtain necessary financing to complete product development and marketing activities, and ultimately, the future profitable operation by way of sustained revenue generation from its goods and services.

At September 30, 2020, the Company had total current assets of $43,985 (December 31, 2019 - $24,390), including cash of $38,575 (December 31, 2019 - $4,123), accounts receivable of $Nil (December 31, 2019 - $16,942), and amounts receivable of $3,910 (December 31, 2019 - $1,825). In addition to the Company's current assets, it also had $8,902 of equipment and other assets (December 31, 2019 - $31,236). At September 30, 2020, total assets of $52,887 were comparable to total assets at December 31, 2019 of $55,626. The decrease in total assets during the nine months ended September 30, 2020, was mainly the result of a decrease in right-of-use asset and accounts receivable offset by an increase in cash.

At September 30, 2020, the Company had total liabilities of $381,218 (December 31, 2019 - $79,428), which is comprised of accounts payable and accrued liabilities of $71,813 (December 31, 2019 - $9,274), demand loans of $209,310 (December 31 - $Nil), amounts due to related parties of $60,095 (December 31, 2019 - $47,199), and long term loans of $40,000 in the form of a Government of Canada sponsored Canada Emergency Business Account (CEBA) line of credit. This loan is a two year, interest free loan, to be repaid by December 31, 2022. The overall increase in liabilities during the 2020 period primarily resulted from an increase in expenditures related to the push for commercialization of the company's product, web site, and protection of its intellectual properties.

Product Development and Objectives

The Company has completed the necessary preliminary research and product development (proof of concept) and has moved into the market entry stage of the work with competitive device and software assets (Android & Apple mobile applications, online application, AI/ML software platform). Management has developed a series of milestones that will lead it to next stage commercialization. The details regarding this program and expected funding requirements are set forth below:

Milestone	Timeline	Funds Required
Post - Listing		
Update user interface design and market testing with existing pilot clients	0-6 months	$150,000
Refine features and increase application identification modelling and refine biometrics digital processing and analysis with preliminary beta-testing	0-6 months	$140,000
Develop next stage AI/ML platform assets using the University of Alberta AI-Hub Supercomputer system	6-12 months	$50,000
Expand market & business development resources and processes to address USA market; and to create operation scaling capability	6-12 months	$80,000

Trends

Although there can be no assurance that additional funding will be available to the Company, nor that the Company's sales in the short term will ramp up, management is of the opinion that the digital healthcare industry trends will continue to be favourable and hence, it may be possible to obtain additional funding for its project development. However, the Company remains cautious in case the economic factors that impact the digital healthcare industry deteriorate.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", 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 and its operations in future periods.

Apart from these and the risk factors noted under the heading "Risks and Uncertainties", the Company is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Financial Highlights

Financial Performance

For the three months ended September 30, 2020, compared to the three months ended September 30, 2019.

The Company's net loss totaled $141,046 for the three months ended September 30, 2020. This compares with net income of $100,468 for the three months ended September 30, 2019. The increase in the net loss of $241,514 was principally because:

- During the three months ended September 30, 2019, the Company realized revenue of $36,623 compared to $Nil for the same three month period in 2020. The 2020 revenue decrease resulted from the Company focusing on product launch activities rather than a focus on sales of its services for the same three month period in 2019.
- Research and development costs were $69,794 for the three months ended September 30, 2020 compared no expenditures on R&D during the same three month period in 2019. In 2020, the product entered Beta development phase requiring additional human and other resources to complete.
- Office and miscellaneous expenditures were $18,013 for the three months ended September 30, 2020 compared to no expenditure during the same three month period in 2019. While the 2020 period saw an increase in office expenditures due to an accelerated push to ready the product for market, a significant portion of the difference is the result of a recovery of office expenses incurred for period ended September 30, 2019 of $7,371 compared to $Nil for the same period in 2020.
- During the three months ended September 30, 2019, the Company received scientific research and development tax credits of $128,724. During the three months ended September 30, 2020, the Company did not receive any scientific research and development tax credits.

For the nine months ended September 30, 2020, compared to the nine months ended September 30, 2019.

For the nine month period ended September 30, 2020, the Company incurred a net loss of $524,382, compared to net income of $99,774 for the same period in 2019. The increase in the net loss of $624,156 was principally because:

- The Company realized $143,855 more in revenue for the nine months ended September 30, 2019 compared to the same nine month period in 2020. The 2020 revenue decrease resulted from the Company focusing on product launch activities rather than a focus on sales of its services for the same nine month period in 2019.
- Office and miscellaneous expense increased by $24,043 during the nine months ended September 30, 2020. While the 2020 period saw an increase in office expenditures due to an accelerated push to ready the product for market, a significant portion of the difference is the

result of a recovery of office expenses incurred for nine month period ended September 30, 2019 of $9,152 compared to $Nil for the same period in 2020.

- Research and development expense increased by $112,706 during the nine months ended September 30, 2020 vs. the same nine month period in 2019 (from $3,988 to $116,694). In 2020, the product entered Beta development phase requiring additional human and other resources to complete.
- Professional fees expense increased by $68,503 during the nine months ended September 30, 2020 vs. the same nine month period in 2019 (from $13,761 to $82,264). This increase in 2020 was due to activities involving patent, trademark work, and one time strategic partnership development costs.
- Salaries and wages expense increased by $155,712 during the nine months ended September 30, 2020 vs. the same nine month period in 2019 (from $114,975 to $270,687) This difference resulted primarily from a one-time share compensation package for management in the 2020 period.
- During the nine months ended September 30, 2019, the Company received scientific research and development tax credits of $128,724. During the nine months ended September 30, 2020, the Company did not receive any scientific research and development tax credits.

Cash Flow

The Company had cash of $38,575 (December 31, 2019 - $4,123). The increase in cash as at September 30, 2020 was primarily due to proceeds from issuance of share capital of $43,038, proceeds from government loan of $40,000, and proceeds from other demand loans of $234,310.

Net cash outflow from operating activities was $247,595 for the nine months ended September 30, 2020. For the nine months ended September 30, 2019, cash and cash equivalents provided by operating activities was $118,947. The increase in net cash outflow from operating activities was primarily the result of an increase in net loss during the nine months ended September 30, 2020 to $524,382 compared to net income of $99,774 during the nine months ended September 30, 2019, and a decrease in accounts receivable of $16,942 during the nine months ended September 30, 2020 compared to a decrease of $53,936 during the nine months ended September 30, 2019. This was offset by non-cash stock-based compensation of $171,815 during the nine months ended September 30, 2020 compared to $Nil during the nine months ended September 30, 2019 and an increase in accounts payable of $62,539 during the nine months ended September 30, 2020 compared to a decrease of $47,810 during the nine months ended September 30, 2019.

Cash used in investing activities was $3,001 for the nine months ended September 30, 2020. For the nine months ended September 30, 2019, cash used in investing activities was $Nil. The Company purchased equipment of $3,001 during the nine months ended September 30, 2020 compared to $Nil during the nine months ended September 30, 2019.

Cash provided in financing activities was $285,048 for the nine months ended September 30, 2020, compared to cash used in financing activities $13,050 for the same nine month period ending September 2019. Cash provided from financing activities during the nine months ended September 30, 2020, was from proceeds from the issuance of share capital of $43,038, proceeds from government loan of $40,000, proceeds of other demand loans of $234,310 and proceeds from related parties of $37,200. This was offset by payments for lease obligations of $24,000, repayment of demand loans of $25,000 and repayments to related parties of $20,500.

Cash used from financing activities during the nine months ended September 30, 2019, was for payments for lease obligations of $19,000 and repayments to related parties of $2,990. This was offset by proceeds from related parties of $8,940.

Liquidity and Capital Resources

The Company has non-material operating revenues and therefore must utilize its funds obtained from equity financing and other financing transactions to maintain its capacity to meet ongoing R&D and operating activities. The cash resources of the Company are held with a major Canadian financial institution.

The Company's uses of cash at present occur, and in the future are expected to occur, principally in three areas, namely, funding of its general and administrative expenditures, sales and marketing efforts, and its R&D activities.

At September 30, 2020, the Company had a working capital deficiency of $297,233 (December 31, 2019 – working capital deficiency $55,038). This increase in working capital deficiency was the result of an increase in accounts payable and demand loans offset by an increase in cash. Based on the rate of expenditure, the Company does not have sufficient cash on hand and will have to raise equity capital in the near term in amounts sufficient to fund working capital requirements.

Currently, the Company's operating expenses are approximately $45,000 per month for salaries and wages, month-to-month professional fees, research and development, and other working capital related expenses. The Company's cash as at September 30, 2020 is not sufficient to satisfy current liabilities and general and administrative costs up to September 30, 2021.

During the 9 months ended September 30, 2020 the Company's financing activities included:

- Proceeds from issuance of share capital $43,038
- Proceeds from government loan $40,000
- Proceeds from other demand loans $234,310
- Proceeds from related parties $37,200

Demand Loans Terms

a) As at September 30, 2020, the Company owes the amount of $53,000 (December 31, 2019 - $nil) to an unrelated party, which is non-interest bearing, unsecured, and due on demand.
b) As at September 30, 2020, the Company owes the amount of $156,310 (EUR$100,000) (December 31, 2019 - $nil) to an unrelated party, which is non-interest bearing, unsecured, and due on demand.

Government Loan Terms

The Company received $40,000 from the Government of Canada sponsored Canada Emergency Business Account (CEBA) in the form of a line of credit. This loan is a two year, interest free loan, to be repaid by December 31, 2022. If the Company repays the CEBA loan on or before December 31, 2022, the Company is liable to only repay $30,000 of the principal balance. Any unpaid principal portion of the CEBA loan after December 31, 2022 will be converted into a three-year loan at annual interest rate of 5%.

Changes in Accounting Policies

The Company has not adopted any amendments to its accounting standards.

Related Party Transactions

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the amount agreed to by the related parties.

- As at September 30, 2020, the Company owed $57,871 (December 31, 2019 - $40,595) to the Chief Executive Officer of the Company. During the period ended September 30, 2020, the Company incurred $116,124 (2019 - $19,700) of salaries and wages to the Chief Executive Officer of the Company. This difference resulted primarily from a one-time share compensation package for management in the 2020 period.
- As at September 30, 2020, the Company owed $2,224 (December 31, 2019 - $6,604) to the Chief Technology Officer of the Company. During the period ended September 30, 2020, the Company incurred $109,791 (2019 - $36,500) of salaries and wages to the Chief Technology Officer of the Company. This difference resulted primarily from a one-time share compensation package for management in the 2020 period.

Insider shareholdings:
None of the Company's major shareholders have different voting rights than other holders of the Common Shares.

As at September 30, 2020, the directors and/or officers of the Company collectively control 19,206,882 Common Shares, or approximately 69.8% of the total outstanding. These holdings can change at any time at the discretion of the owner.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the Company's unaudited financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the unaudited financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date and for the periods presented.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this MD&A. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

The Company is in the business of high tech R&D, which is a highly speculative endeavor that involves a high degree of risk. The Company's financial condition, results of operations and business are subject to numerous risks. For a complete discussion of such risks, please refer to the section entitled "Risks and Uncertainties" in the Annual MD&A.

Schedule "G" Pro-forma Financial Statements of the Resulting Issuer as at July 31, 2020

Unaudited Pro Forma Consolidated Financial Information of

AIML Resources Inc.
July 31, 2020

Expressed in Canadian Dollars

(Prepared by Management)

AIML Resources Inc.
Pro Forma Consolidated Statement of Financial Position
Expressed in Canadian Dollars
(Unaudited)

	AIML As at July 31, 2020	Salu As at September 30, 2020	Pro forma adjustments	Note 3	Pro forma consolidated
	$	$	$		$
ASSETS					
Current assets					
Cash and cash equivalents	48,226	38,575	950,000	(b)	1,011,801
			(25,000)	(f)	
Marketable securities	64,500	–			64,500
Accounts receivable	3,620	–			3,620
Amounts recoverable	–	3,910			3,910
Deposit	–	1,500			1,500
Total current assets	116,346	43,985	925,000		1,085,331
Property and equipment	–	8,902	–		8,902
Exploration and evaluation assets	140,759	–	–		140,759
Investment in Salu	–	–	1,659,000	(a)	–
			(1,659,000)	(e)	
Goodwill	–	–	2,698,331	(e)	2,698,331
Total assets	257,105	52,887	3,623,331		3,933,323
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	960,177	71,813	(281,800)	(c)	172,190
			(578,000)	(d)	
Notes payable	422,000	209,310	(422,000)	(d)	209,310
Amounts due to related parties	725,320	60,095	(715,150)	(c)	70,265
Total current liabilities	2,107,497	341,218	(1,996,950)		451,765
Loan payable	–	–	281,800	(c)	281,800
Amounts due to related parties	–	–	715,150	(c)	715,150
Government loan	–	40,000	–		40,000
Total liabilities	2,107,497	381,218	(1,000,000)		1,488,715
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Share capital	19,710,010	1,219,329	630,000	(a)	22,290,010
			950,000	(b)	
			1,000,000	(d)	
			(1,219,329)	(e)	
Share-based payment reserve	3,038,063	17,240	1,029,000	(a)	4,067,063
			(17,240)	(e)	
Equity portion of convertible debt	231,092	–			231,092
Share subscriptions receivable		(19,459)	19,459	(e)	–
Deficit	(24,829,557)	(1,545,441)	1,545,441	(e)	(24,854,557)
			(25,000)	(f)	
Total AIML shareholders' equity (deficiency)	(1,850,392)	(328,331)	3,912,331		1,733,608
Non-controlling interest	–	–	711,000	(e)	711,000
Total shareholders' equity (deficiency)	(1,850,392)	(328,331)	4,623,331		2,444,608
Total liabilities and shareholders' equity (deficiency)	257,105	52,887	3,623,331		3,933,323

See accompanying notes to the Unaudited Pro Forma Consolidated Financial Information

1. Proposed Transaction

On August 16, 2020, AIML Resources Inc. ("AIML") entered into an Agreement to Purchase Shares (the "Agreement") with Salu Design Group Inc. ("Salu"), a company incorporated under the laws of Alberta (the "Transaction"). Pursuant to the terms the Agreement, AIML will issue up to 3,000,000 common shares in exchange for up to 19,254,619 shares of Salu which represents 70% of the issued and outstanding shares of Salu. In addition, AMIL agreed to issue warrants to purchase 7,000,000 common shares of AIML at no additional cost exercisable as follows:

1. Upon the generation of $600,000 of sales revenue in any consecutive six month period within two years of the closing date 2,000,000 warrants become exercisable.
2. Upon the generation of $1,200,000 of sales revenue in any consecutive six month period within three years of the closing date 5,000,000 warrants become exercisable.

If AIML acquires less than the 19,254,619 common shares of Salu, the purchase price is prorated based on the percentage of the 19,254,619 common shares acquired. The agreement also provides AIML with an option to acquire the remaining 30% of Salu for up to an additional 10,000,000 common shares of AIML and additional warrants to purchase up to 5,000,000 common shares at no additional cost, exercisable if Salu achieves revenue of $7,500,000 during any consecutive 6 month period over the 2 years following closing of the exercise of the option. If Salu achieves aggregate sales revenue of $9,000,000 during any consecutive 6 month period within three years following the closing, the option is automatically triggered.

Closing of the Transaction was subject to a number of conditions, including regulatory acceptance and shareholder and board approval.

2. Basis of Presentation

The unaudited pro forma consolidated financial information ("pro forma financial information") of AIML gives effect to the Transaction as described above and has been prepared in accordance with International Financial Reporting Standards.

The pro forma financial information is not intended to reflect the financial position that will exist following the Transaction. Actual amounts recorded when the Transaction closes will likely differ from those recorded in the pro forma financial information. Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the Transaction have been excluded from the pro forma financial information.

In accordance with IFRS 3, *Business Combinations*, the purchase agreement was deemed a business combination for accounting purposes. Assets acquired and liabilities assumed will be reported at their fair values as at the closing date.

The pro forma financial information is presented in Canadian dollars and has been compiled from and includes an unaudited pro forma consolidated statement of financial position as at July 31, 2020, combining the statement of financial position of AIML as at July 31, 2020, with the statement of financial position of Salu as at September 30, 2020, giving effect to the transaction as if it occurred on July 31, 2020.

2. Basis of Presentation (continued)

This pro forma financial information does not contain all of the information required for annual financial statements. Accordingly, it should be read in conjunction with the most recent annual and interim financial statements of both AIML and Salu. Based on the review of the accounting policies of Salu, it is the Company's management's opinion that there are no material accounting differences between the accounting policies of the Company and Salu. The pro forma adjustments and allocations of the purchase price of Salu by AIML as a business combination are based in part on estimates of the fair value of the assets acquired and liabilities assumed. The final allocation will be completed after asset and liability valuations are finalized. The final valuation will be based on the actual assets and liabilities of Salu that exist as of the date of completion of the acquisition. The unaudited pro forma financial information is not intended to reflect the financial position of the Company which would have actually resulted had the proposed transaction been effected on the date indicated. The actual pro forma adjustments will depend on a number of factors and could result in a change to the unaudited pro forma financial information.

3. Pro Forma Adjustments and Assumptions

This pro forma financial information incorporates the following pro forma assumptions:

(a) The intention of AIML and Salu is for 19,254,619 common shares of Salu to be acquired by AIML, representing 70% of the total issued and outstanding common shares of Salu. As a result, the pro forma financial statements have been prepared assuming 19,254,619 common shares will be acquired and the full purchase price will be paid.

(b) To meet the funding requirements specified in the Agreement, AIML intends to complete a financing of 4,000,000 units at $0.25 per unit for net proceeds of $950,000. Each unit is expected to consist of one common share and one share purchase warrant. Each two warrants are exercisable into one common share for a period of one year from the date of listing, at $0.50 per share.

(c) AIML has also entered into agreements to extend the repayment date of $715,150 of amounts due to related parties and $281,800 of accounts payable to December 31, 2022.

(d) AIML has also entered into debt settlement agreements pursuant to which $578,000 of accounts payable and $422,000 of notes payable will be settled in exchange for the issuance of 4,000,000 units. Each unit is expected to consist of one common share and one share purchase warrant. Each warrant is exercisable into one common share for a period of two years from the date of listing, at $0.50 per share.

(e) The purchase price of the Salu shares is the issuance of 3,000,000 common shares of AIML to existing SALU shareholders valued at $630,000 and contingent consideration of warrants to purchase up to 7,000,000 common shares of AIML at no additional cost, exercisable upon the achievement of various revenue milestones.

In accordance with IFRS 3, *Business Combinations*, the purchase agreement was deemed a business combination for accounting purposes. Assets acquired and liabilities assumed are reported at their fair values as at the closing date.

Expressed in Canadian dollars

3. Pro Forma Adjustments and Assumptions (continued)

The preliminary purchase price allocation of estimated consideration transferred is subject to change and is summarized as follows:

Consideration – 3,000,000 common shares at $0.21 per share	$ 630,000
Contingent consideration	1,029,000
	$ 1,659,000
Fair value of SALU's net assets acquired	
Cash	$ 38,575
Amounts recoverable	3,910
Deposit	1,500
Property and equipment	8,902
Accounts payable and accrued liabilities	(71,813)
Loans payable	(249,310)
Amounts due to related parties	(60,095)
Non-controlling interest	(711,000)
Goodwill	2,698,331
	$ 1,659,000

For these pro forma financial statements, the fair value of the contingent consideration was calculated based on the fair value of the warrants issued and the estimated probability of achieving the revenue milestones. As the warrants are exercisable at no cost into the Company's common shares, the Company has used the fair value of the Company's common shares to value the warrants.

The pro forma adjustments and allocations of the estimated consideration transferred are based in part on estimates of the fair value of assets to be acquired and liabilities to be assumed. The final determination of the consideration transferred and the related allocation of the fair value of the SALU net assets to be acquired pursuant to the Transaction will ultimately be determined after the closing of the transaction. It is likely that the final determination of the consideration transferred and the related allocation of the fair value of the assets acquired and liabilities assumed will vary from the amounts present in the unaudited pro forma consolidated financial information and that those differences may be material.

(f) The total cash transaction costs which are expected to be incurred for the acquisition amounts to $25,000 which includes accounting and legal fees.

4. Pro Forma Share Capital

As a result of the Transaction, the share capital as at July 31, 2020, in the pro forma financial information is comprised of the following:

Authorized

Unlimited common shares, without par value

Expressed in Canadian dollars

4. Pro Forma Share Capital (continued)

Issued

	Note	Number of Shares	Share Capital	Share-based Payment Reserve	Equity Portion of Convertible Debt	Share Subscriptions Receivable
AIML balance at July 31, 2020		11,101,026	$ 19,710,010	$ 3,038,063	$ 231,092	$ –
Shares issued for cash at $0.25 per share	3(b)	4,000,000	950,000	–	–	–
Shares issued to settle debt at $0.25 per share	3(d)	4,000,000	1,000,000	–	–	–
Common stock of SALU	3(c)	3,000,000	630,000	1,029,000	–	–
Equity issued per acquisition of Salu	3(c)	12,043,214	1,219,329	17,240	–	(19,459)
Elimination of pre-acquisition share capital amounts of SALU	3(c)	(12,043,214)	(1,219,329)	(17,240)	–	19,459
Pro forma balance		22,101,026	$ 22,290,010	$ 4,067,063	$ 231,092	$ –