RELAY MEDICAL CORP.

CONDENSED UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED DECEMBER 30, 2020 AND 2019

INDEX

Relay Medical Corp
Management's Responsibility of Financial Reporting
December 31, 2020

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

RELAY MEDICAL CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

As at		**December 31, 2020**		**September 30, 2020**
Assets				
Current assets				
Cash (note 17)	**$**	**451,302**	$	896,057
Other receivable (note 5)		**246,407**		582,669
Prepaid expenses		**12,987**		12,987
		710,696		1,491,713
Non-current assets				
Reclamation bonds (note 11)		**73,431**		73,431
Property, plant and equipment (note 7)		**51,702**		64,015
Right-of-use asset (note 8)		**372,502**		396,785
Investment in associate (note 6)		**748,998**		764,529
Intangible assets (notes 9)		**56,000**		60,000
	$	**2,013,329**	$	2,850,473
Current Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**571,260**	$	525,876
Current portion of lease liability (note 10)		**84,126**		89,725
Convertible debenture		**-**		861,416
Canada Emergency Business Account Loan		**40,000**		40,000
		695,387		1,517,017
Non-Current Liabilities				
Lease liability (note 10)		**360,330**		382,929
Regional Relief and Recovery Fund Loan		**182,860**		79,296
Total liabilities		**1,238,576**		1,979,242
Shareholders' equity				
Capital stock (note 12 (a))		**23,439,915**		21,963,267
Shares to be issued (note 17)		**317,000**		-
Warrant reserve		**4,706,194**		4,592,552
Contributed surplus		**8,046,427**		7,576,121
Equity component of convertible debenture		**-**		20,386
Deficit		**(35,734,782)**		(33,281,095)
Total equity attributable to shareholders of Relay		**774,754**		871,231
	$	**2,013,329**	$	2,850,473

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

NATURE OF OPERATIONS (Note 1)

SUBSEQUENT EVENTS (Note 17)

RELAY MEDICAL CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 AND 2019
(Unaudited - Expressed in Canadian dollars)

	Three months ended	
	2020	2019
Expenses		
Share-based compensation (note 12(b))	**$ 768,936**	$ 29,550
Consulting and management fees (note 13)	**453,708**	87,584
Salaries and benefits	**133,253**	213,904
Product research and development costs	**290,192**	199,144
Amortization expense (note 9)	**4,000**	167,356
Shareholder communications and marketing	**363,425**	18,215
Office, general and administrative	**227,447**	62,478
Depreciation	**16,486**	39,224
Professional fees	**28,499**	38,781
Transfer agent and filing fees	**24,277**	9,517
Share of Loss of investment in associate (Note 6)	**13,649**	-
Loss on recognition of sublease	**-**	-
Dilution gain on investment in associate (Note 6)	**(644)**	180,697
Interest and accretion	**16,818**	19,073
Other income	**-**	(300,000)
Net loss and comprehensive loss	**$ 2,340,045**	$ 765,522
Loss per share		
Basic and diluted (note 17)	**$ (0.02)**	$ (0.01)
Weighted average number of common shares outstanding, basic and diluted	**147,184,106**	124,880,164

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

RELAY MEDICAL CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE TREE MONTHS ENDED DECEMBER 31, 2020 AND 2019
(Unaudited - Expressed in Canadian dollars)

	Capital Stock												
	Number of shares		Amount		Warrant reserve		Contributed surplus		Equity component of Convertible Debentures		Deficit		Total Equity
Balance - October 1, 2019	**124,880,164**	**$**	**18,651,874**	**$**	**3,206,443**	**$**	**5,403,362**	**$**	**-**	**$**	**(25,852,569)**	**$**	**1,409,110**
Share-based compensation							29,550						29,550
Net loss for the period											(765,522)		(765,522)
Balance - December 31, 2019	**124,880,164**	**$**	**18,651,874**	**$**	**3,206,443**	**$**	**5,432,912**	**$**	**-**	**$**	**(26,618,091)**	**$**	**673,138**
Balance - October 1, 2019	**124,880,164**	**$**	**18,651,874**	**$**	**3,206,443**	**$**	**5,403,362**	**$**	**-**	**$**	**(25,852,569)**	**$**	**1,409,110**
Units issued for cash, net of issuance costs	13,737,866		1,630,574		811,490		-		-		-		2,442,064
Equity component of convertible debentures	-		-		-		-		20,386		-		20,386
Fair value of debenture warrants issued	-		-		265,170		-		-		-		265,170
Shares issued on exercise of options	650,000		211,347		-		(91,347)		-		-		120,000
Shares issued on the setlement of debt	7,148,797		1,469,472		-		-		-		-		1,469,472
Share-based compensation	-		-		-		2,264,106		-		-		2,264,106
Warrant Modification	-		-		309,449		-		-		(309,449)		-
Net loss for the period	-		-		-		-		-		(7,119,077)		(7,119,077)
Balance October 1, 2020	**146,416,827**	**$**	**21,963,267**	**$**	**4,592,552**	**$**	**7,576,121**	**$**	**20,386**	**$**	**(33,281,095)**	**$**	**871,231**
Shares issued on exercise of options (note 13 (b))	2,250,000		512,605		-		(292,605)		-		-		**220,000**
Shares issued on exercise of warrants	65,086		19,042		-		(6,025)		-		-		**13,017**
Share-based compensation (note 13 (b))	-		-		-		768,936		-		-		**768,936**
Conversion of debentures	5,250,000		945,000		-		-		(20,386)		-		**924,614**
Warrant Modification	-		-		113,642		-		-		(113,642)		**-**
Net loss for the period	-		-		-		-		-		(2,340,045)		**(2,340,045)**
Balance - December 31, 2020	**153,981,913**	**$**	**23,439,914**	**$**	**4,706,194**	**$**	**8,046,427**	**$**	**-**	**$**	**(35,734,782)**	**$**	**457,753**
Per balance sheet	**153,981,913**	**$**	**23,439,915**	**$**	**4,706,194**	**$**	**8,046,427**	**$**	**-**	**$**	**(35,734,782)**	**$**	**457,754**

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

RELAY MEDICAL CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 AND 2019
(Unaudited - Expressed in Canadian dollars)

		2020		2019
Cash flows from (used in) operating activities				
Net loss for the year	$	(2,340,045)	$	(765,522)
Items not affecting cash from operations:				
Depreciation		33,304		39,223
Amortization		4,000		167,356
Loss on investment in associate		13,649		180,697
Share-based compensation		768,936		29,550
Dilution Gain		(644)		-
Interest and accretion net		-		19,445
Changes in non-cash working capital items:				
Prepaid expenses		-		(27,834)
Amounts receivable		336,262		35,823
Accounts payable and accrued liabilities		45,384		30,323
Net cash used in operating activities		(1,139,798)		(290,938)
Cash flows used in investing activities				
Interest earned on reclamation bond		-		(372)
Net cash used in investing activities		-		(372)
Cash flows from (used in) financing activities				
Government Loans/Grants		103,564		-
Proceeds from private placement, net of issue costs		317,000		-
Net proceeds from issuance of convertible debenture		-		-
Proceeds from warrant exercise		13,017		-
Proceeds from options exercise		220,000		-
Proceeds from transactions with associate		-		150,000
Net payments on leases		41,462		(32,652)
Net cash from financing activities		695,043		117,348
Decrease in cash for the year		(444,755)		(173,962)
Cash - beginning of year		896,057		212,195
Cash - end of year	$	451,302	$	38,233

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

1. NATURE OF OPERATIONS

Relay Medical Corp. ("the Company") was incorporated in British Columbia and is engaged in the business of providing expertise in the development, commercial leadership, funding, and strategic partnerships offering inventors and early-stage start-ups an "Integrated MedTech Accelerator" platform to develop and transact technologies. All amounts herein reflect the financial effects of the amalgamation. The principal business address of the Company is 65 International Boulevard, Suite 202, Toronto, Ontario, M9W 6L9.

During the period, there was a global outbreak of COVID-19 ("Coronavirus"), which has had a significant impact on businesses through the restrictions put in place by Canadian government regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the Coronavirus outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the impact to date has been manageable and the company will continue to be in operations.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed interim consolidated 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") which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Handbook of Chartered Professional Accountants of Canada applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting. These unaudited condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated financial statements as at and for the year ended September 30, 2020.

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, UX Data Sciences Corp., Osprey Device Networks Corp. and HemoPalm Corp. All significant intercompany balances and transactions have been eliminated on consolidation.

These consolidated financial statements included the accounts of Glow LifeTech Ltd. (Glow). The company acquired control of Glow LifeTech on April 3, 2019 and subsequently lost control on May 27, 2019. As at December 31 2020, the company accounts for its investment in Glow as an investment in associate (Note 6).

All significant intercompany balances and transactions have been eliminated on consolidation.

Subsidiaries

Subsidiaries are entities over which the Company has control. Control is defined as when the Company is exposed or has rights to the variable returns from the subsidiary and has the ability to affect those returns through its power over the subsidiary. Power is defined as existing rights that give the Company the ability to direct the relevant activities of the subsidiary. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases.

Non-controlling interests

A non-controlling interest is initially recognized as the proportionate share of the identifiable net assets of the subsidiary on the date of its acquisition and is subsequently adjusted for the non-controlling interest's share in changes of the acquired subsidiary's earnings and capital. Effects of transactions with non-controlling interests are recorded in equity if there is no change in control.

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and Presentation Currency

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting polices set out below have been applied consistently to all periods presented in these consolidated financial statements.

Impairment

At each financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired at a cash generating unit level. If any such indication exists, the recoverable amount of the cash generating unit is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived. If the recoverable amount is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Intangible assets

The Company records intangible assets at fair value at the date of acquisition. An intangible asset is capitalized when the economic benefit associated with an asset is probable and when the cost can be measured reliably. Intangible assets are carried at cost less accumulated depreciation and impairment losses. Cost consists of expenditures directly attributable to the acquisition of the assets. Intangible assets with finite lives are tested amortized over the related benefit period. Those with indefinite lives are not amortized and are tested for impairment on an annual basis. The Company's intangible assets consist of patents, patent applications, software license and research and development costs that are amortized over their five-year estimated useful life.

Research and Development costs

Costs associated with the development of the Company's products are capitalized where the following criteria are met:

- the technical feasibility of completing the intangible asset so it will be available for use or sale;
- its intention to complete and its ability to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete the asset; and
- the ability to measure reliably of the expenditure during development.

All research and development costs incurred by the Company were expensed in the year.

Share-based Payments

The Company accounts for share-based payment using the fair value method. Under this method, compensation expense is measured at fair value on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in equity, over the period that the employees earn the options. The amount recognized as an expense is adjusted to reflect the number of share options expected to vest. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility.

For transactions with employees and others providing similar services, the Company measures the fair value of the services received by reference to the fair value of the equity instruments granted. For transactions with parties other than employees, the Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. When the Company cannot estimate reliably the fair value of the goods or services received, it measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

Foreign Currency Translation

The Company's functional and presentation currency is the Canadian dollar. Foreign currency transactions are initially recorded in the functional currency at the transaction date exchange rate. At closing date, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency at the closing date exchange rate, and non-monetary assets and liabilities at the historical rates. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss.

Financial Instruments

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

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains the primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

Below is a summary showing the classification and measurement bases of financial instruments;

Asset or Liability	Measurement
Cash	Fair value
Other Receivables	Fair value
Convertible Debentures	Amortized cost
Reclamation bonds	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial assets

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss.

ii. Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent "solely payments of principal and interest".

iii. Fair Value through other comprehensive income

Investments recorded at fair value through other comprehensive income (FVOCI) On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is made on an investment-by-investment basis.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

ii. Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Expected credit loss impairment model

IFRS 9 introduced a single expected credit loss impairment model, which is based on changes in credit quality since initial application. The adoption of the expected credit loss impairment model had no impact on the Company's consolidated financial statements.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full or when the financial asset is more than 90 days past due.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Financial instruments at fair value through profit and loss

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices): and

Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market date (unobservable inputs).

Cash is measured at fair value using Level 1 inputs.

The fair value of the Company's financial instruments approximates the carrying value, due to the short-term nature of the instruments.

Cash

Cash consists of deposits in banks and funds held in trust.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss in the period.

Amortization is calculated on a straight-line basis at the following annual rates:

Laboratory and technical equipment	3 years
Office, furniture and equipment	3 years
Computer equipment	2 years

Income Taxes

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

Deferred tax is recorded 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. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred income tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set off within fiscal jurisdictions.

Basic and Diluted Income (Loss) per Share

Basic income (loss) per share has been calculated using the weighted average number of common shares outstanding during the year. Diluted income (loss) per share has been calculated using the weighted average number of common shares that would have been outstanding during the respective period had all of the stock options and warrants outstanding at year end having a dilutive effect been converted into shares at the beginning of the year and the proceeds used to repurchase the Company's common shares at the average market price for the year. If these computations prove to be anti-dilutive, diluted income (loss) per share is the same as basic income (loss) per share.

Investment in Associates

Investments in associates are accounted for using the equity method based on the Company's ability to exercise significant influence over the operating and financial policies of the investee. Investments of this nature are recorded at original cost and adjusted periodically to recognize the Company's proportionate share of the associate's net income or losses after the date of investment, additional contributions made and dividends received. Investments are written down when there has been a significant or prolonged decline in fair value.

Government Grants

Government grants are recognized only when there is reasonable assurance that the Company will comply with any conditions attached to the grant and that the grant will be received. A grant relating to expenses is recognized as income in the period in which the expenses are incurred. A grant relating to capital expenditures is deferred and amortized to income on the same basis as the related capital assets are amortized.

Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for leases of low value assets and leases with a duration of twelve months or less. Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term. The determination of the incremental borrowing rate utilized on commencement of the lease to present value the contractual payments requires significant judgement in its determination.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of these consolidated financial statements in conformity with IFRS requires that management make estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Actual results may differ from those 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.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Share based payments and warrants

The fair value of stock options and warrants issued are subject to the limitation of the Black Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Useful life of intangible assets

Management has exercised their judgment in determining the useful life of its patents, patent applications, software license and research and development costs. The estimate is based on the expected period of benefit of the patent and the expected life of the product in the marketplace.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Evaluation of going concern

The preparation of the financial statements requires management to make judgments regarding the going concern of the Company.

Impairment of intangible assets

Management has exercised their judgment in determining if the intangible assets are impaired. The judgment is based on management's ability to assess for indicators of impairment.

Income taxes

Management has exercised their judgment in determining the provision for future income taxes. The judgment is based on the Company's current understanding of the tax law as it relates to the transactions and activities entered into by the Company.

Control

The Company uses judgement when assessing if the Company controls an investee, which includes the assessment of whether it holds power over the relevant activities, is exposed to variable returns and has the ability to use that power to affect those variable returns.

Research vs. Development Stage

The Company uses judgement when assessing if the Company has achieved development stage activities with its internally generated intangible assets.

Accounting standards and amendments issued but not yet adopted

<u>Amendment to IFRS 3 – Business Combinations</u>

On October 22, 2018, the IASB issued Definition of a Business (Amendments to IFRS 3: Business Combinations). The amendments to IFRS 3 are applicable for acquisitions occurring on or after January 1, 2020 and are adopted prospectively. These amendments to the implementation guidance of IFRS 3 clarify the definition of a business to assist entities to determine whether a transaction should be accounted for as a business combination or an asset acquisition. The amendments to IFRS 3 – Business Combinations may affect whether future acquisitions are accounted for as business combinations or asset acquisitions, along with the resulting allocation of the purchase price between the net identifiable assets acquired and goodwill. The Company does not expect any impact to the financial statements as a result of its adoption of the amendments to IFRS 3.

(Unaudited - Expressed in Canadian dollars)

5. Other Receivables

	December 31 2020	September 30 2020
HST receivable	168,084	185,477
Fio Loan	47,021	6,779
Subscription Receivable	-	381,212
Accounts Receivable	33,828	18,451
Due to Glowlife	(2,526)	(9,350)
Other	-	100
	246,407	**582,669**

6. INVESTMENT IN ASSOCIATE

On April 3, 2019, Relay and AgraFlora Organics International Inc. (AgraFlora) acquired a private company, Glow LifeTech Ltd. (Glow). Prior to acquisition, the President of the Company was the sole shareholder of Glow. As consideration for the common shares in Glow, Relay transferred a suite of technology assets to Glow for 6,250,000 common shares. The transferred assets were acquired from the UXD transition. Relay's investment and transferred assets were each valued at $333,333. As at the date of the investment, Relay controlled Glow represented by their 62.5% ownership in Glow and the accounts of Glow were included in the consolidated financial statements of the Company.

On May 27, 2019 and June 10, 2019, Glow LifeTech Ltd completed a private placement for gross proceeds of $1,200,091 through the issuance of 6,000,950 common shares priced at $0.20 per share and as a result, Relay lost control over Glow represented by an ownership that was diluted down to 39.1%. On loss of control, the company derecognized the consolidated net assets of Glow and recognized an investment in associate, represented by the Company's ability to significantly influence Glow. The investment in associate recognized was valued at its new fair value of $1,250,000 and the company recorded a gain of $1,034,843 included in net loss for the year.

During the September 30, 2020 fiscal year, Glow completed a series of private placements for gross proceeds of $2,411,115 through the issuance of 12,120,000 common shares at a price of $0.20 per share. In connection with these private placements, as of September 30, 2020, Relay's ownership in glow was further diluted down to 22.2% (September 30, 2019 – 39.1%). As a result, a dilution gain on investment in associate was recognized in the statement of loss and comprehensive loss totaling $197,410 (September 30, 2019 - $nil).

During the three months ended December 31, 2020, Glow completed a private placement for gross proceeds of $285,000 through the issuance of 1,425,000 common shares. In connection with the private placement, as of December 31, 2020, Relay's ownership in Glow was further diluted down to 21.2%. As a result, a dilution gain on investment in associate was recognized in the statement of loss and comprehensive loss totaling $644.

On February 9, 2021, the Company announced that it has committed to participating in the RTO financing of Glow by investing $600,000 to acquire 2,000,000 additional shares which brings its total equity position to 8,250,000 shares.

(Unaudited - Expressed in Canadian dollars)

	Quarter ended December 31, 2020	Year Ended September 30, 2020
Glow Lifetech Ltd.		
Opening balance	$ 764,529	$ 1,139,607
Contribution	-	-
Share of equity loss	(13,649)	(495,810)
Dilution gain	644	197,410
Elimination of intercompany transactions	(2,526)	(76,678)
Ending balance	**$ 748,998**	$ 764,529

Summarized financial information of the investement are presented below, on a 100% basis:

Selected information as at December 31,	2020	2019
Total assets	**2,291,032**	1,991,708
Total Liabilities	**220,875**	228,570
Net Assets	**2,070,157**	1,763,138

Selected information for the years ended	2020	2019
Net loss and comprehensive loss	**64,383**	1,888,804

7. PROPERTY PLANT AND EQUIPMENT

	Laboratory equipment $	Office furniture & equipment $	Computer equipment $	Total $
Cost				
As at October 1, 2019	76,647	67,996	2,879	147,521
As at September 30, 2020	76,647	67,996	2,879	147,521
As at December 31, 2020	**76,647**	**67,996**	**2,879**	**147,521**

	Laboratory equipment $	Office furniture & equipment $	Computer equipment $	Total $
Accumulated amortization				
As at October 1, 2019	15,015	17,659	1,179	33,853
Amortization for the period	25,549	22,665	1,440	49,654
Dispositions	-	-	-	-
As at September 30, 2020	40,564	40,324	2,619	83,507
Amortization for the period	6,387	5,666	260	12,314
As at December 31, 2020	46,951	45,990	2,879	95,821

	Laboratory equipment $	Office furniture & equipment $	Computer equipment $	Total $
Net book value				
As at October 1, 2019	61,632	50,337	1,700	113,669
As at September 30, 2020	36,083	27,672	260	64,015
As at December 31, 2020	29,696	22,006	-	51,702

(Unaudited - Expressed in Canadian dollars)

8. RIGHT OF USE ASSETS

IFRS 16 - ROU October 1, 2018		
Additions		665,129
Depreciation	$	(123,044)
Disposal on sublease	$	(48,324)
IFRS 16 - ROU October 1, 2019	**$**	**493,761**
Depreciation		(96,976)
Balance, September 30, 2020	**$**	**396,785**
Depreciation		(24,283)
Balance, December 31, 2020	**$**	**372,502**

Right-of-use assets consist of the lease for the Company's office and laboratory and are amortized over a period of 74 months.

9. INTANGIBLE ASSETS

The following is a summary of patents as at December 31, 2020:

	Patents	Software license	Total
Balance September 30, 2019	243,645	76,000	319,645
Amortization	(243,645)	(16,000)	(259,645)
Balance September 30, 2020	**-**	**60,000**	**60,000**
Amortization	-	(4,000)	(4,000)
Balance December 31, 2020	**-**	**56,000**	**56,000**

Patents held by the Company from the prior periods include various patents and licenses relating to the HemoPalm project that continues to be under development.

On April 3, 2019, the Company disposed of certain intangible assets and licenses to use its proprietary technologies as consideration for common shares in Glow.

The Company assessed the carrying value of its intangible assets for indicators of impairment and recorded a non-cash impairment loss of $2,645,558 in the prior year. The Company continues to have full access to the remaining assets acquired as part of the UXD acquisition.

(Unaudited - Expressed in Canadian dollars)

10. LEASE LIABILITY

On September 1, 2017, the Company entered into a 36-month lease agreement to lease office and laboratory facilities. On July 15, 2019, the Company entered into a sub lease agreement to lease this space to a third party for the remainder of the original lease term, ending August 30, 2020.

On November 1, 2018, the Company entered into a 60-month lease agreement to lease an office and laboratory facilities. The lease payments are $5,540 per month from the commencement date of the lease.

	Office & laboratory lease	Office lease	Total
Balance, September 30, 2019	$ 490,181	$ 42,767	$ 532,948
Interest expense	70,767	2,706	73,473
Lease payments	(88,294)	(45,473)	(133,767)
Balance, September 30, 2020	$ 472,654	$ -	$ 472,654
Interest expense	$ 45,017	-	45,017
Lease payments	$ (73,215)	-	(73,215)
Balance, December 31, 2020	**$ 444,456**	**$ -**	**$ 444,456**

The Company has recorded these leases as right-of-use assets (note 8) and lease liability in the statement of financial position as at December 31, 2020. At the commencement date of the lease, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 15%, which was the Company's incremental borrowing rate.

The continuity of the undiscounted lease liability is presented in the table below:

	Under 1 year	Between 1-2 years	Between 3-4 years	Over 4 years	Total
Office Lease	$ 143,228	$ 150,356	$ 161,160	$ 127,622	$ 582,366

11. RECLAMATION BONDS

The Company holds reclamation bonds with the Alberta Energy Regulator as required by section 1.100(2) of the Oil and Gas Conservation Regulations and Directive 006: License Liability Rating Program and License Transfer Process. The reclamation bonds are held for the purposes of the future well abandonment, related to the business of the Company prior to the reverse takeover transaction. The Company has performed all requested remediation work at the site and is currently engaged with the regulator for the return of these funds to the Company.

(Unaudited - Expressed in Canadian dollars)

12. CAPITAL STOCK

(a) **Common shares**

Authorized

The authorized capital stock of the Company consists of an unlimited number of common shares.

Issued and Outstanding

	Number
Balance - September 30, 2019	**146,416,827**
Shares issued on the settlement of debt (i)	7,148,797
Shares issued on the exercise of stock options (ii)	650,000
Shares issued on private placement (iii)	3,552,777
Shares issued on the settlement of debt (iv)	2,276,944
Shares issued on the exercise of stock options (v)	450,000
Shares issued on the private placement (vi)	10,185,089
Shares issued on debt settlement (vii)	441,300
Balance - September 30, 2020	**146,416,827**
Shares issued on convertible debentures (viii)	5,249,999
Shares issued on the exercise of stock options (ix)	2,250,000
Shares issued on the exercise of warrants (x)	65,086
Balance - December 31, 2020	**153,981,912**

i. During the September 30, 2020 fiscal year, a total of 7,148,797 common shares fair valued at $1,469,472 were issued to various debt holders in settlement of amounts payable totaling $1,308,850. In connection with the debt settlements, a loss on settlement of debt was recognized in the statement of loss and comprehensive loss for the September 30, 2020 fiscal year totaling $160,622.

ii. On January 22, 2020 and June 12, 2020, 200,000 and 450,000 options respectively were exercised into common shares of the Company at prices of $0.15 and $0.20 per common share for gross proceeds of $120,000. In connection with the exercising, amounts totaling $91,347 were transferred from contributed surplus to share capital.

iii. On May 29, 2020, the Company completed a non-brokered private placement financing, raising gross proceeds of $639,500 through the issuance of 3,552,777 units at a price of $0.18 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of $0.20 on or before May 29, 2022. The Company incurred a cash finders fees of $7,416 and issued an aggregate 41,200 finders warrants. Each finder warrant entitling the holder to acquire one Common Share at a price of $0.20 for a period of twenty-four months from the date of issuance. Proceeds were allocated to common shares and warrants using the relative fair value method. The fair value of warrants was valued at $206,767 and the fair value of finder warrants was valued at $4,626.

iv. On September 17, 2020, the Company completed a non-brokered private placement financing, raising gross proceeds of $1,833,316 through the issuance of 10,185,089 units at a price of $0.18 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each Warrant entitles the holder to purchase one additional common share at an exercise price of $0.20 on or before September 17, 2022. The Company incurred a cash finders fees of $23,336 and issued an aggregate 129,644 finders warrants. Each finder warrant entitling the holder to acquire one Common Share at a price of $0.20 for a period of twenty-four months from the date of issuance. Proceeds were allocated to common shares and warrants using the relative fair value method. The fair value of warrants was valued at $584,629 and the fair value of finder warrants was valued at $15,468.

v. On September 18, 2019, 70,473 common shares were issued in connection with the exercise of 70,473 broker warrants at an exercise price of $0.20.

vi. On August 9, 2019 the Company closed a non-brokered private placement financing (the "Offering") for gross proceeds of $542,000 through the issuance of 2,710,000 Units (each a "Unit") at a price of $0.20 per unit. Each Unit is comprised of: (i) one common share in the capital of the Company (each a "Common Share"); (ii) one Common Share purchase warrant (each, a "Warrant"). Each whole Warrant entitles the holder to purchase one additional Common Share at an exercise price of $0.30 on or before February 9, 2021. Certain eligible persons were paid a cash commission totaling $13,760 equal to 8 per cent of the proceeds raised from subscribers introduced to the company by such finders and the company also issued an aggregate of 68,800 finder warrants to finders, each finder warrant entitling the holder to acquire one Unit at a price of $0.20 cents for a period of 18 months from the date of issuance.

vii. On July 9, 2019, 1,250,000 common shares were issued in connection the exercise of 1,250,000 options at the exercise price of $0.10.

viii. On December 22, 2020 5,250,000 common shares were issued in connection with the converting of the convertible debenture of $945,000 for the price of $0.18 per share.

ix. On December 3, 2020 and December 29, 2020 2,250,000 common shares were issued in connection with the exercise of 2,250,000 options at exercise prices of $0.15 and $0.20.

x. On December 3, 2020 65,806 common shares were issued in connection with the exercise of 65,806 warrants at the exercise price of $0.20.

(Unaudited - Expressed in Canadian dollars)

(b) Stock option plan and share-based compensation

The Company has a stock option plan under which it is authorized to grant options to directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant.

The following table summarizes activity within the Company's stock option plan during the period:

	Number of Options Outstanding		Black-Scholes Value		Weighted Average Exercise Price
Balance - October 1, 2019	15,859,500	$	3,169,858	$	0.25
Granted	14,800,000		2,298,732		0.20
Exercised	(650,000)		(91,347)		0.18
Expired and cancelled	(550,000)		(144,258)		0.35
Forfeited	(3,818,000)		(862,419)		0.28
Balance - September 30, 2020	**25,641,500**	**$**	**4,370,566.00**	**$**	**0.22**
Granted	4,600,000	$	768,936.44		0.23
Exercised	(2,250,000)		292,605		0.19
Balance - December 31, 2020	**27,991,500**		**5,432,107**	**$**	**0.22**

On August 26, 2020, the Company announced that it has granted an aggregate of 1,000,000 options to purchase common shares of the Company with an estimated fair value of $174,239 exercisable at a price of $0.23 per common share, vesting immediately and expiring on August 26, 2025, to certain directors, employees, officers and consultants of the Company.

On August 18, 2020, the Company announced that it has granted an aggregate of 3,800,000 options to purchase common shares of the Company with an estimated fair value of $589,759 exercisable at a price of $0.205 per common share, vesting immediately and expiring on August 18, 2025, to certain directors, employees, officers and consultants of the Company.

On February 19, 2020, the Company announced that it has granted an aggregate of 10,000,000 options to purchase common shares of the Company with an estimated fair value of $1,409,662 exercisable at a price of $0.20 per common share, vesting immediately and expiring on February 19, 2025, to certain directors, employees, officers and consultants of the Company.

On January 22, 2020 and June 12, 2020, 200,000 and 450,000 options respectively were exercised into common shares of the Company at prices of $0.15 and $0.20. The fair value of the options exercised was $91,347.

On December 16, 2020 and December 29, 2020, 1,250,000 and 1,000,000 options respectively were exercised into common shares of the Company at prices of $0.15 and $0.20. The fair value of the options exercised was $292,605.

On December 18, 2020, the Company announced that it has granted an aggregate of 4,600,000 options to purchase common shares of the Company with an estimated fair value of $768,936 exercisable at a price of $0.225 per common share, vesting immediately and expiring on December 18, 2025, to certain directors, employees, officers and consultants of the Company.

(Unaudited - Expressed in Canadian dollars)

The following common share purchase options are outstanding as at December 31, 2020:

Date of Grant	Number Of Options Outstanding		Exercise Price	Weighted Average Remaining life (years)		Expiry Date	Number Of Options Exercisable
October 24, 2016	100,000		0.15	1.1		October 24, 2021	100,000
June 19,2017	1,390,000		0.30	1.7		June 19, 2022	1,390,000
November 20, 2017	2,412,000		0.27	1.7		June 19, 2022	2,412,000
June 20, 2018	3,137,500		0.27	2.7		June 20, 2023	3,137,500
September 12, 2019	3,252,000		0.20	3.0		September 12, 2023	3,252,000
February 19, 2020	8,300,000		0.20	4.4		February 19, 2025	8,300,000
August 18, 2020	3,800,000		0.210	4.9		August 18, 2025	3,800,000
August 26, 2020	1,000,000		0.230	4.9		August 26, 2025	1,000,000
December 18, 2020	4,600,000		0.225	5.0		December 18, 2025	4,600,000
	27,991,500	**$**	**0.22**	**3.8**	**$**	**-**	**27,991,500**

The fair value of options granted during the period ended September 30, 2020 and 2019 was estimated at the date of grant using a Black Scholes Option Pricing Model with the following assumptions:

	December 18 2020	**September 12 2019**
Share price	$0.23	$0.19
Risk-free interest rate	0%	1.49%
Expected life of options	5 years	4 years
Annualized volatility	101%	110
Dividend rate	Nil	Nil
Forfeiture rate	0%	0%

(Unaudited - Expressed in Canadian dollars)

(c) **Warrants**

The following table summarizes warrants that have been issued, exercised or have expired during the year ended September 30, 2020:

	Number of Warrants Outstanding		Black-Scholes Value		Weighted Average Exercise Price
Balance - September 30, 2019	**27,958,795**	**$**	**1,667,548**	**$**	**0.35**
Granted	19,578,711		1,386,109		0.25
Expired	(10,053,795)		(897,096)		(0.44)
Balance - September 30, 2020	**37,483,711**		**2,836,813**	**$**	**0.25**
Expired	(28,114)		2,602		0.20
Exercised	(65,086)		(6,025)		0.20
Balance - December 31, 2020	**37,390,511**		**2,830,788**		**0.25**

The fair value of warrants granted was estimated at the date of grant using a Black Scholes Option Pricing Model with the following assumptions:

	Sep-20	**May-20**	**Jan-20**
Share price	0.255	0.235	0.2
Risk-free interest rate	0.26%	0.28%	0.26%
Time to maturity	2	2.0	1.5
Annualized volatility	73%	80%	108%
Dividend yield	NIL	NIL	NIL

As at December 31, 2020, the following warrants were outstanding. The warrants entitle the holders to purchase the stated number of common shares at the exercise price on or before the expiry date:

Number of Warrants Outstanding	Exercise Price	Fair Value	Expiry Date
7,370,500	0.30	845,816	February 18, 2020
7,662,500	0.30	439,761	February 15, 2021
2,710,000	0.30	127,367	February 3, 2020
68,800	0.30	5,542	February 3, 2020
10,185,089	0.20	584,629	September 17, 2022
3,552,777	0.30	206,767	May 29, 2022
129,644	0.30	15,468	September 17, 2022
41,200	0.20	4,626	May 29, 2022
2,625,001	0.23	15,390	January 29, 2022
2,625,000	0.20	213,397	January 29, 2022
420,000	0.18	36,383	January 29, 2022
37,390,511	**0.25**	**2,495,146**	

On November 5, 2020, the Company extended the expiry date of an aggregate of 7,662,500 previously issued warrants at an exercise price of $0.30 for an additional 90 days, with the expiry date now being February 15, 2021. The exercise price of the warrants remain unchanged. In connection with this modification, an incremental change in the fair value was determined to be $57,164 which has been recorded directly to retained earnings.

On November 5, 2020, the Company extended the expiry date of an aggregate of 7,570,500 previously issued warrants at an exercise price of $0.30 for an additional 90 days, with the expiry date now being February 18, 2021. The exercise price of the warrants remain unchanged. In connection with this modification, an incremental change in the fair value was determined to be $56,478 which has been recorded directly to retained earnings.

13. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors, Corporate Officers and Vice Presidents.

During the three months ended December 31, 2020, $84,883 (September 30, 2020 - $78,217) was due to key management and companies controlled by or related to key management.

14. FINANCIAL RISK FACTORS

The Company manages its exposure to a number of different financial risks arising from its operations as well as its use of financial instruments including market risks, credit risk and liquidity risk through its risk management strategy. The objective of the strategy is to support the delivery of the Company's financial targets while protecting its future financial security and flexibility.

Financial risks are primarily managed and monitored through operating and financing activities and, if required. The financial risks are evaluated regularly with due consideration to changes in the key economic indicators and up-to-date market information.

The Company's financial instruments primarily consist of cash, accounts payable and accrued liabilities, government loans and convertible debentures. The fair value of the Company's accounts payable and accrued liabilities approximates their carrying value, due to their short-term maturities or ability of prompt liquidation. The Company's cash is recorded at fair value, under the fair value hierarchy, based on level one quoted prices in active markets for identical assets or liabilities. The Company's reclamation bond, government loans and convertible debentures are measured at amortized cost.

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Market Risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on the future performance of the business. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis.

a) Interest Rate Risk

The Company has cash balances and is not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. The Company monitors the credit worthiness of the debtor and is satisfied with the debtor's ability to repay the amount owing.

b) Foreign currency risk

As at December 31, 2020, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars and therefore is not at a significant risk to fluctuating exchange risks.

Liquidity Risk

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main source of liquidity is derived from its common stock issuances. These funds are primarily used to finance working capital, operating expenses, capital expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash and cash equivalents.

As at December 31, 2020 the Company held cash of $451,302 (September 30, 2020 - $896,057) to settle current liabilities of $1,012,387 (September 30, 2020 - $1,517,016).

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash. The Company has reduced its credit risk by investing its cash with Canadian chartered banks.

15. CAPITAL MANAGEMENT

Due to the development stage of the Company and its reliance on equity funding at this time, Relay defines capital as its common stock. As at December 31, 2020, the Company's capital stock was $23,439,915 (September 30, 2020 - $21,963,267).

There were no changes in the Company's approach to capital management during the period ended September 30, 2020 and the Company is not subject to any externally imposed capital requirements. Management has no expectations that it will raise debt in the coming year.

The Company's objectives when managing capital are:

a) To safeguard the Company's financial capacity and liquidity for future earnings in order to continue to provide an appropriate return to shareholders and other stakeholders;
b) To maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk; and

c) To enable the Company to maximize growth by meeting its capital expenditure budget, to expand its budget to accelerate projects, and to take advantage of acquisition opportunities.

The Company regularly monitors and reviews the amount of capital in proportion to risk and future opportunities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

16. BASIC AND DILUTED LOSS PER SHARE

Basic loss per share has been calculated by dividing the net loss per the financial statements by the weighted average number of shares outstanding during the year. The fully diluted loss per share would be calculated using a common share balance increased by the number of common shares that could be issued on the exercise of outstanding warrants and options of the Company. As the Company is in a loss position for the three months ended December 31, 2020 and 2019, this would be anti-dilutive.

17. SUBSEQUENT EVENTS

On January 8, 2020 the Company announced that further to its press release of December 18, 2020, the Company completed the first tranche of its non-brokered private placement financing through the issuance of 25,375,000 units at a price of $0.20 per unit for gross proceeds of $5,075,000. Each unit is comprised of: (i) one common share in the capital of the Company; and (ii) one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of $0.30 on or before July 8, 2022. Certain eligible persons were paid a cash commission in the amount of $77,480 and issued an aggregate of 387,480 non-transferrable broker warrants Each broker warrant entitles the holder thereof to acquire one Common Share at a price of $0.30 until July 8, 2022.

On January 15, 2021, the Company announced that further to its press releases of December 18, 2020, and January 8, 2021, the Company has completed the second tranche of its non-brokered private placement financing through the issuance of 13,625,000 units at a price of $0.20 per Unit for gross proceeds of $2,725,000. The aggregate gross proceeds raised pursuant to the first and second tranches of the Offering is $7,800,000 through the issuance of 39,000,000 units. Each unit is comprised of: (i) one common share in the capital of the Company; and (ii) one Common Share purchase warrant. Each Warrant entitles the holder to purchase one additional Common Share at an exercise price of $0.30 on or before July 15, 2022.

On January 22, 2021, the Company announced that further to its press releases of December 18, 2020, January 8, 2021 and January 15, 2021, the Company has completed the third and final tranche of its non-brokered private placement financing through the issuance of 3,862,500 units at a price of $0.20 per Unit for gross proceeds of $772,500. The aggregate gross proceeds raised pursuant to the offering is $8,572,500 through the issuance of 42,862,500 units. Each unit is comprised of: (i) one common share in the capital of the Company; and (ii) one common share purchase warrant. Each warrant entitles the holder to purchase one additional Common Share at an exercise price of $0.30 on or before July 22, 2022.

On February 9, 2021, the Company announced that it has committed to participating in the RTO financing of Glow LifeTech (“Glow”) by investing $600,000 to acquire 2,000,000 additional shares which brings its total equity position to 8,250,000 shares.

On February 11, 2021, the Company announced that it has received proceeds of $3,018,331 from the exercise of 9,440,508 common share purchase warrants and 1,850,000 options. The exercise of these warrants and options has resulted in 11,290,508 common shares being issued.