

**AREV LIFE SCIENCES GLOBAL CORP. (FORMERLY  
AREV NANOTEC BRANDS INC.)  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**Six months ended June 30, 2021**

**(Unaudited - Expressed in Canadian dollars)**

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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

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

**AREV LIFE SCIENCES GLOBAL CORP. (FORMERLY AREV NANOTEC BRANDS INC.)**  
**Condensed Consolidated Interim Statements of Financial Position**  
(Unaudited - Expressed in Canadian dollars)

	Note	As at June 30, 2021	As at December 31, 2020
<b>ASSETS</b>		\$	\$
<b>Current</b>			
Cash		87,669	297,626
Amounts receivable	5, 13	124,171	26,441
Inventory		-	4,629
Prepaid expenses		11,396	14,172
Assets held for sale	7	-	515,379
<b>Total Current Assets</b>		<b>223,236</b>	<b>858,247</b>
<b>Non-Current</b>			
Property and equipment	7	285,826	323,873
Right of use asset	8, 16	71,228	94,971
Investment	6	1	1
<b>Total Assets</b>		<b>\$580,291</b>	<b>\$1,277,092</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued interest	10, 11, 12, 13	540,552	549,095
Due to related parties	6, 13	154,436	633,195
Lease liability	8	49,799	47,358
Loan payable	12, 13	-	162,970
Convertible debenture	11, 13	473,408	473,408
<b>Total Current Liabilities</b>		<b>1,218,195</b>	<b>1,866,026</b>
<b>Non-Current</b>			
Lease liability	8	26,691	52,300
<b>Total Liabilities</b>		<b>1,244,886</b>	<b>1,918,326</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	14	13,032,366	12,045,076
Shares issuable		7,500	105,100
Share subscriptions receivable		(8,000)	(12,500)
Equity portion of convertible debt	11	49,841	49,841
Share-based payment reserve	14	2,565,604	2,284,567

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

**AREV LIFE SCIENCES GLOBAL CORP. (FORMERLY AREV NANOTEC BRANDS INC.)**  
**Condensed Consolidated Interim Statements of Financial Position**  
(Unaudited - Expressed in Canadian dollars)

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Warrant reserve	14	<b>13,400</b>	-
Accumulated other comprehensive income		<b>159</b>	133
Deficit		<b>(16,385,467)</b>	(15,113,451)
Total Shareholders' Deficit		<b>(724,597)</b>	(641,234)
Non-controlling interest		<b>60,002</b>	-
		<b>(664,595)</b>	(641,234)
<b>Total Liabilities and Shareholders' Deficit</b>		<b>\$580,291</b>	\$1,277,092

Nature of operations and going concern (Note 1)

Commitments (Note 16)

Subsequent events (Note 19)

Approved on behalf of the Board of Directors on August 27, 2021:

***"Mike Withrow"***

Director

***"Michael Frank Phillet"***

Director

**AREV LIFE SCIENCES GLOBAL CORP. (FORMERLY AREV NANOTEC BRANDS INC.)****Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	Three Months Ended		Six Months Ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
		\$	\$	\$	\$
<b>Revenue</b>		<b>43,188</b>	53,818	<b>86,528</b>	87,823
<b>Operating Expenses</b>					
Advertising and marketing		<b>40,385</b>	563	<b>180,837</b>	1,424
Amortization and depreciation	7, 8	<b>37,666</b>	39,942	<b>73,828</b>	70,987
Licensing fees	14	<b>49,590</b>	-	<b>49,590</b>	-
Consulting and management fees	13	<b>201,168</b>	31,000	<b>379,059</b>	59,710
Office and administration		<b>46,706</b>	19,740	<b>52,423</b>	36,276
Professional fees	13	<b>63,683</b>	19,896	<b>95,890</b>	35,443
Property expenses		-	24,130	<b>4,922</b>	25,351
Rent and utilities		<b>4,984</b>	9,912	<b>12,761</b>	14,033
Research and development		<b>18,434</b>	155,930	<b>122,207</b>	179,916
Share-based payments	13, 14	<b>242,337</b>	-	<b>332,337</b>	-
Transfer agent and regulatory fees		<b>17,034</b>	13,982	<b>20,587</b>	23,539
Travel and accommodation		-	166	<b>3,278</b>	1,867
<b>Total Operating Expenses</b>		<b>721,987</b>	315,261	<b>1,327,719</b>	448,546
<b>Loss Before Other Expenses (Income)</b>		<b>(678,799)</b>	(261,443)	<b>(1,241,191)</b>	(360,723)
<b>Other Income (Expenses)</b>					
Accretion of discount on debenture		-	-	-	(226)
Gain on settlement of debt	14	<b>30</b>	-	<b>30</b>	-
Impairment of inventory		<b>(4,629)</b>	-	<b>(4,629)</b>	-
Foreign Exchange		<b>(368)</b>	-	<b>(368)</b>	-
Interest expense	11, 12	<b>(11,494)</b>	(13,611)	<b>(25,858)</b>	(27,368)
<b>Total Other Income (Expenses)</b>		<b>(16,461)</b>	(13,611)	<b>(30,825)</b>	(27,594)
<b>Net Loss</b>		<b>(695,260)</b>	(275,054)	<b>(1,272,016)</b>	(388,317)
<b>Other Comprehensive Income (Loss)</b>					
Unrealized gain (loss) on foreign currency translation		<b>1,508</b>	12	<b>1,508</b>	(109)
<b>Total Comprehensive Loss</b>		<b>\$(693,752)</b>	\$(275,042)	<b>\$(1,270,508)</b>	\$(388,426)
<b>Net Loss Attributable To:</b>					
Shareholders		<b>(695,260)</b>	(275,054)	<b>(1,272,016)</b>	(388,317)

**AREV LIFE SCIENCES GLOBAL CORP. (FORMERLY AREV NANOTEC BRANDS INC.)****Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars, except number of shares)

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Non-controlling interest	-	-	-	-
	<b>\$(695,260)</b>	<b>\$(275,054)</b>	<b>\$(1,272,016)</b>	<b>\$(388,317)</b>
<b>Comprehensive Income (Loss) Attributable To:</b>				
Shareholders	<b>(695,234)</b>	<b>(275,042)</b>	<b>(1,271,990)</b>	<b>(388,426)</b>
Non-controlling interest	<b>1,482</b>	<b>-</b>	<b>1,482</b>	<b>-</b>
	<b>\$(693,752)</b>	<b>\$(275,042)</b>	<b>\$(1,270,508)</b>	<b>\$(388,426)</b>
<b>Loss per share:</b>				
Basic and diluted	<b>\$(0.03)</b>	<b>\$(0.02)</b>	<b>\$(0.05)</b>	<b>\$(0.03)</b>
<b>Weighted average number of shares outstanding:</b>				
Basic and diluted	<b>25,215,488</b>	<b>16,133,632</b>	<b>23,262,901</b>	<b>12,795,719</b>

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**AREV LIFE SCIENCES GLOBAL CORP. (FORMERLY AREV NANOTEC BRANDS INC.)**
**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Share capital		Share Subscription Receivable	Shares Issuable	Equity Portion of Convert ible Debent ures	Share- based Payment Reserve	Warrant Reserve	Accumulat ed Other Comprehe nsive Income	Non- Control ling Interest	Deficit	Total
	Common shares	Amount									
<b>Balance at December 31, 2019</b>	<b>9,457,807</b>	<b>\$11,315,076</b>	<b>\$(12,500)</b>	<b>\$7,500</b>	<b>\$49,841</b>	<b>\$2,178,608</b>	<b>\$-</b>	<b>\$254</b>	<b>\$-</b>	<b>\$(14,064,573)</b>	<b>\$(525,794)</b>
Shares issued for cash (Note 14)	7,500,001	450,000	-	-	-	-	-	-	-	-	450,000
Foreign currency translation loss	-	-	-	-	-	-	-	(109)	-	-	(109)
Net Loss	-	-	-	-	-	-	-	-	-	(388,317)	(388,317)
<b>Balance at June 30, 2020</b>	<b>16,957,808</b>	<b>\$11,765,076</b>	<b>\$(12,500)</b>	<b>\$7,500</b>	<b>\$49,841</b>	<b>\$2,178,608</b>	<b>\$-</b>	<b>\$145</b>	<b>\$-</b>	<b>\$(14,452,890)</b>	<b>\$(464,220)</b>
<b>Balance at December 31, 2020</b>	<b>20,207,807</b>	<b>\$12,045,076</b>	<b>\$(12,500)</b>	<b>\$105,100</b>	<b>\$49,841</b>	<b>\$2,284,567</b>	<b>\$-</b>	<b>\$133</b>	<b>\$-</b>	<b>\$(15,113,451)</b>	<b>\$(641,234)</b>
Shares issued for cash (Note 14)	3,660,000	751,700	-	(97,600)	-	-	13,300	-	-	-	667,400
Share for debt (Note 14)	20,000	4,900	-	-	-	-	100	-	-	-	5,000
Exercise of warrants (Note 14)	985,000	78,800	-	-	-	-	-	-	-	-	78,800
Exercise of options (Note 14)	300,000	102,300	-	-	-	(51,300)	-	-	-	-	51,000
Share-based payment (Note 14)	261,000	49,590	-	-	-	-	-	-	-	-	49,590
Share-based payment – stock options (Note 14)	-	-	-	-	-	332,337	-	-	-	-	332,337
Cash received from prior financing	-	-	4,500	-	-	-	-	-	-	-	4,500
Incorporation of Arev Cambodia	-	-	-	-	-	-	-	-	58,520	-	58,520
Foreign currency translation gain	-	-	-	-	-	-	-	26	1,482	-	1,508
Net Loss	-	-	-	-	-	-	-	-	-	(1,272,016)	(1,272,016)
<b>Balance at June 30, 2021</b>	<b>25,433,807</b>	<b>\$13,032,366</b>	<b>\$(8,000)</b>	<b>\$7,500</b>	<b>\$49,841</b>	<b>\$2,565,604</b>	<b>\$13,400</b>	<b>\$159</b>	<b>\$60,002</b>	<b>\$(16,385,467)</b>	<b>\$(664,595)</b>

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**AREV LIFE SCIENCES GLOBAL CORP. (FORMERLY AREV NANOTEC BRANDS INC.)**  
**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss**  
(Unaudited - Expressed in Canadian dollars, except number of shares)

	2021	2020
	\$	\$
<b>Operating activities</b>		
Net loss for the period	<b>(1,272,016)</b>	(388,317)
Adjustments for:		
Amortization and depreciation	<b>73,828</b>	70,987
Accretion of discount on convertible debentures	-	226
Investment	-	(80,000)
Share-based payments	<b>332,337</b>	-
Finance interest	<b>25,858</b>	-
Impairment of inventory	<b>4,629</b>	-
Gain on settlement of debt	<b>(30)</b>	-
Shares issued for license	<b>49,590</b>	-
Changes in non-cash working capital		
Amounts receivable	<b>(37,728)</b>	(11,868)
Prepaid expenses and deposits	<b>2,776</b>	9,930
Accounts payable and accrued interest	<b>(25,728)</b>	84,033
Due to related parties	<b>(478,759)</b>	52,135
<b>Net cash flows used in operating activities</b>	<b>(1,325,243)</b>	(262,874)
<b>Investing activities</b>		
Purchase of property and equipment	<b>(12,038)</b>	(145,340)
Lease payments on right-of-use asset	<b>(26,811)</b>	(23,328)
Proceeds from sale of property	<b>515,379</b>	-
<b>Net cash flows provided by (used in) investing activities</b>	<b>476,530</b>	(168,668)
<b>Financing activities</b>		
Proceeds from issuance of common shares	<b>667,400</b>	450,000
Proceeds from exercise of warrants	<b>51,000</b>	-
Proceeds from exercise of options	<b>78,800</b>	-
Repayment of loans	<b>(162,970)</b>	-

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Funds received from prior financing	4,500	-
<b>Net cash flows provided by financing activities</b>	<b>638,730</b>	450,000
<b>Effects of foreign exchange on rate changes on cash</b>	<b>26</b>	-
<b>Change in cash</b>	<b>(209,957)</b>	18,349
<b>Cash, beginning of year</b>	<b>297,626</b>	29,681
<b>Cash, end of year</b>	<b>\$87,669</b>	\$48,030

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Supplemental cash flow information (Note 15)

## **1. NATURE OF OPERATIONS AND GOING CONCERN**

AREV Life Sciences Global Corp. (formerly AREV Nanotec Brands Inc.) (the “Company”) was incorporated under the Business Corporations Act (Alberta) on November 22, 2005. The Company is a fully integrated, early-stage life science discovery enterprise dedicated to delivering solutions to public healthcare metrics through innovations and successful collaborations in the life science industry. The Company’s strategy is dedicated to generating revenue by way of novel therapeutic approaches to human nutrition and malnutrition, pandemic diseases, and neglected chronic co-morbidities.

On March 19, 2020, the Company consolidated its share capital on a 6-for-1 basis. These condensed consolidated interim statements reflect this share consolidation on a retroactive basis.

On May 22, 2021, the Company incorporated Arev (Cambodia) Brands Co., Ltd. (“Arev Cambodia”) based in Cambodia. Arev Cambodia is a 51% owned subsidiary of the Company.

On June 1, 2021, the Company incorporated Arev Life Sciences Inc. based in the United States of America. Arev Life Sciences is a 100% owned subsidiary of the Company.

The registered address of the Company is Suite 440, 890 West Pender Street, Vancouver, BC, V6C 1J9. The principal place of business of the Company is 109 - 91 Golden Drive, Coquitlam, BC, V3K 6R2. The Company is listed on the Canadian Securities Exchange (“CSE”) under the symbol “AREV” and on October 9, 2019, the common shares began trading on the OTCQB Market (“OTCQB”) under the symbol “AREVF”.

These condensed consolidated interim financial statements (the “financial statements”) have been prepared on a going concern basis, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a net loss of \$1,272,016 during the period ended June 30, 2021 and has an accumulated deficit as at June 30, 2021 of \$16,385,467. Further, the Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct required development work. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company’s ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. These financial statements do not give effect to any adjustments that might be required should the Company be unable to continue as a going concern. These adjustments could be material.

In 2020, there was a global outbreak of coronavirus that has resulted in changes in global supply and demand of certain mineral and energy products. These changes, including a potential economic downturn and any potential resulting direct and indirect negative impact to the Company cannot be determined, but they could have a prospective material impact to the Company’s project exploration activities, cash flows and liquidity.

## 2. BASIS OF PRESENTATION

### a) Statement of compliance

These interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board. IFRS includes International Accounting Standards (“IAS”) and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). As such, these interim financial statements do not contain all the disclosures required by IFRS for annual financial statements and should be read in conjunction with the Company’s audited annual consolidated financial statements for the year ended December 31, 2020.

These financial statements were approved and authorized for issuance by the Company’s Board of Directors on August 27, 2021.

### b) Basis of measurement

These interim financial statements have been prepared on a historical cost basis, except for those financial instruments which have been classified and measured at fair value. In addition, with the exception of cash flow information, these financial statements have been prepared using the accrual method of accounting.

All amounts in these financial statements are presented in Canadian dollars, the functional currency of the Company. The accounting policies set out below have been applied consistently.

### c) Functional and presentation currency

Each entity within the Company has its results measured using the primary economic environment in which the entity operates. Judgment is necessary in assessing each entity’s functional currency. The Company considers the primary and secondary indicators as part of its decision-making process. The condensed consolidated interim financial statements are presented in Canadian dollars, which is also the functional currency of the Company. The functional currency of Arev Cambodia is the Riel and the functional currency of Arev Life Sciences is the US dollar.

### d) Basis of consolidation

These condensed consolidated interim financial statement have been prepared on a consolidated basis and include the account of the Company and the following subsidiaries:

Entity	Registered	Holding
Deutsche Medizinal Cannabis UG (inactive)	Munich, Germany	100%
Arev (Cambodia) Brands Co., Ltd.	Cambodia	51%
Arev Life Sciences Inc.	Delaware, USA	100%

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Company's audited consolidated financial statements for the year ended December 31, 2020. The audited annual consolidated financial statements are available on SEDAR at [www.sedar.com](http://www.sedar.com). These policies have been applied throughout the periods reported.

**4. MAIN SOURCE OF ESTIMATION UNCERTAINTY AND CRITICAL JUDGEMENTS BY MANAGEMENT**

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities as at the date of the condensed consolidated interim financial statements and the reported amount of revenues and expenses for the reporting period.

The main sources of estimation uncertainty and critical judgments by management applicable to these condensed consolidated interim financial statements are the same as those presented in the Company's consolidated financial statements for the year ended December 31, 2020.

**5. AMOUNTS RECEIVABLE**

	June 30, 2021	December 31, 2020
	\$	\$
GST receivable	40,927	22,914
Miscellaneous	83,244	3,527
	<b>\$124,171</b>	<b>\$26,441</b>

**6. JOINT VENTURE**

On June 18, 2020, the Company entered into a Joint Venture Agreement with Absolem Mushroom Extraction Inc. ("Absolem"). The goal of the joint venture is to develop a series of proprietary extraction procedures on a broad variety of fungi production what might be considered to be mushrooms of a "medicinal nature". As at June 30, 2021, the Joint Venture has not been formed.

Upon formation of the joint venture the Company will have a 50% interest in the joint venture in return for providing Absolem with use of the equipment and providing its expertise, knowledge, knowhow, research methods, scientific facilities and personnel. Absolem contributed \$20,000 cash and issued 1,066,667 common shares of Absolem to the Company, valued at \$80,000, in addition to providing supplies of mushrooms for research purposes of the joint venture. The common shares of Absolem are subject to share resale restrictions (i) no sales prior to a date that is 4 months after the distribution date or the date that Absolem becomes a reporting issuer in Canada, and (ii) without Absolem's consent the shares are released over a 36 month period following the listing of Absolem's securities on a Canadian stock exchange.

The 1,066,667 common shares of issued to the Company have been impaired by \$79,999, to \$1 as at December 31, 2020.

As at June 30, 2021, the Company owes \$100,000 to this joint venture.

**7. PROPERTY AND EQUIPMENT**

	Land	Equipment	Leasehold Improvements	Total

<b>Cost</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance, December 31, 2019</b>	<b>572,300</b>	<b>287,113</b>	<b>3,200</b>	<b>862,613</b>
Additions	-	145,340	-	145,340
Reclassification of assets held for sale	(572,300)	-	-	(572,300)
Impairment	-	(104,667)	-	(104,667)
<b>Balance December 31, 2020</b>	<b>-</b>	<b>490,602</b>	<b>3,200</b>	<b>493,802</b>
Additions	-	12,038	-	12,038
<b>Balance June 30, 2021</b>	<b>\$-</b>	<b>\$502,640</b>	<b>\$3,200</b>	<b>\$505,840</b>
<b>Accumulated Depreciation</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance, December 31, 2019</b>	<b>-</b>	<b>65,560</b>	<b>3,200</b>	<b>68,760</b>
Additions	-	101,169	-	101,169
<b>Balance December 31, 2020</b>	<b>-</b>	<b>166,729</b>	<b>3,200</b>	<b>169,929</b>
Additions	-	50,085	-	50,085
<b>Balance June 30, 2021</b>	<b>\$-</b>	<b>\$216,814</b>	<b>\$3,200</b>	<b>\$220,014</b>
<b>Carrying Value</b>				
<b>As at December 31, 2020</b>	<b>\$-</b>	<b>\$323,873</b>	<b>\$-</b>	<b>\$323,873</b>
<b>As at June 30, 2021</b>	<b>\$-</b>	<b>\$285,826</b>	<b>\$-</b>	<b>\$285,826</b>

Land held for sale is the Company's interest in a property in Sorrento, BC. The property which was listed for sale as at December 31, 2020. The sale of the land closed on March 29, 2021 for net proceeds of \$515,165. As at December 31, 2020 a loss on revaluation of assets held for sales of \$56,921 was recognized.

**8. LEASES**

The following tables summarize the difference between the operating lease commitment disclosed immediately preceding the date of recognition and the lease liability recognized in the condensed consolidated statement of financial position:

<b>Right of Use Asset</b>	<b>\$</b>
<b>Balance, December 31, 2019</b>	-
Additions	142,455
Amortization	(47,484)
<b>Balance, December 31, 2020</b>	94,971
Amortization	(23,743)
<b>Balance, June 30, 2021</b>	<b>\$71,228</b>
<b>Lease Liability</b>	<b>\$</b>
<b>Balance, December 31, 2019</b>	-
Additions	142,455
Lease payment	(52,650)
Lease interest	9,853
<b>Balance, December 31, 2020</b>	99,658
Lease payment	(26,811)
Lease interest	3,643
<b>Balance, June 30, 2021</b>	<b>\$76,490</b>
	<b>\$</b>
Current portion	49,799
Long-term portion	26,691
<b>Balance, June 30, 2021</b>	<b>\$76,490</b>

**9. INTANGIBLES**

On April 4, 2020, the Company entered into an asset purchase agreement with a company controlled by the Chief Executive Officer of the Company. Pursuant to the agreement, the Company agreed to purchase a flash freezing extraction apparatus, the method, engineering know-how, business models and trade secrets consideration for \$200,000. Of the \$200,000 purchase price \$104,667 was allocated to the equipment (Note 6) and \$95,333 was allocated to the intangible assets. As at December 31, 2020 a loss on impairment of the equipment and the intangible assets was recognized to write-down the equipment and Intangible assets to \$nil and as such no balance remains on the consolidated interim statement of financial position as at June 30, 2021.

**10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	June 30, 2021	December 31, 2020
	\$	\$
Trade payables	407,421	432,942
Accrued interest payable	133,131	116,153
	<b>\$540,552</b>	<b>\$549,095</b>

## 11. CONVERTIBLE DEBENTURES

On July 3, 2018, the Company issued a \$450,000 convertible debenture related to the asset purchase and sale agreement with Matthew Harvey carrying on business under the branding “BC Bud Depot”. The debenture accrues interest at 8% per annum, was due on July 3, 2019, and is convertible into common shares of the Company at a price of \$3.00 per common share. As at June 30, 2021, the accrued interest on the debenture totaled \$107,112 (December 31, 2020 - \$89,753). This interest is included in the accounts payable and accrued interest (Note 10). On January 29, 2020, the Company filed a lawsuit against Matthew Harvey for non-delivery of assets and is claiming that \$5,250,000 paid for the assets by the issuance of shares of the Company. The lawsuit was filed in the Supreme Court of BC. With the exception of this debenture and its accrued interest, no additional assets or liabilities have been included in these financial statements as the outcome of the litigation cannot be reasonably determined at this time (Note 16).

On January 17, 2019, the Company closed a purchase and sale agreement to acquire a 100% interest in real estate located in Sorrento, B.C. from a company controlled by the Chief Executive Officer of the Company. The purchase price was \$572,300 of which \$23,408 was paid by way of a convertible debenture issued by the Company accruing interest at 8% per annum. The remaining balance was paid in cash, of which \$526,592 was paid in fiscal 2018 and the remaining \$22,300 paid in fiscal 2019. The outstanding principal amount and outstanding accruing interest of the convertible debenture is convertible into common shares of the Company at a price of \$1.80 per common share. As at June 30, 2021, the accrued interest on the debenture totaled \$9,422 (December 31, 2020 - \$7,554) and is included in accounts payable and accrued liabilities. (Note 10).

## 12. LOANS

On March 5, 2019, the Company borrowed \$100,000 from an arm’s length party which bears interest at 8% compounded annually, is unsecured by a specific fixed asset and due on demand. On March 25, 2021 the Company repaid the principal balance of \$100,000 and as at June 30, 2021, the remaining balance due relates to the accrued interest of \$16,597 (December 31, 2020 - \$14,597) and is included in accounts payable and accrued liabilities (Note 10).

On January 17, 2019, the Company acquired land which had a mortgage retained on title in the amount of \$62,970. The mortgage is non-interest bearing is subject to repayment upon the Company disposing of the land. On March 23, 2021, the Company repaid the balance and as at June 30, 2021 \$Nil (December 31, 2020 - \$62,970) remains outstanding.

## 13. RELATED PARTY TRANSACTIONS

During the period ended June 30, 2021, the Company incurred:

- \$1,867 (2020 - \$1,867) in interest expense to a Company related to the CEO of the Company.
- \$18,146 (2020 - \$nil) in share-based payments in connection to 100,000 options (2020 – nil) granted to a director of the Company.
- \$30,000 (2020 - \$36,000) in consulting fees to the Corporate Secretary of the Company.
- \$27,230 (2020 - \$nil) in professional fees to a Director of the Company.



### 13. RELATED PARTY TRANSACTIONS (continued)

As at June 30, 2021 the Company owed:

- \$10,882 (December 31, 2020 - \$220,331) to companies controlled by the CEO of the Company. The amount consists of a receivable of \$21,947 due from a company controlled by the CEO (December 31, 2020 – payable of \$189,369) which is non-interest bearing, unsecured and due on demand, and \$23,408 (December 31, 2020 - \$23,408) plus accrued interest of \$9,422 (December 31, 2020 - \$7,554) from a convertible debenture (Note 11).
- \$54,436 (December 31, 2020 - \$63,000) to the Corporate Secretary of the Company.
- \$24,586 (December 31, 2020 - \$nil) to a Director of the Company
- \$100,000 (December 31, 2020 - \$100,000) to a joint venture to be formed with Absolem.

### 14. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value, 20,000,000 preferred shares, issuable in one or more series, and 20,000,000 redeemable preferred shares, issuable in one or more series.

#### Share transactions

During the six months ended June 30, 2021, the Company issued the following:

- a) On January 6, 2021, the Company issued 1,000,000 units at \$0.10 per unit for proceeds of \$100,000. Each unit consists of one common share and one share purchase warrant with each warrant being exercisable at \$0.15 for a period of 12 months.
- b) On January 4, 2021 485,000 warrants were exercised at a price of \$0.08 per share for total proceeds of \$38,800
- c) On March 16, 2021, 100,000 options were exercised at a price of \$0.17 per share for total proceeds of \$17,000. Upon exercise \$17,100 was reallocated from share-based payment reserve to share capital.
- d) On March 24, 2021, 200,000 options were exercised at a price of \$0.17 per share for total proceeds of \$34,000. Upon exercise \$34,200 was reallocated from share-based payment reserve to share capital.
- e) On March 31, 2021, the Company issued 2,680,000 units at \$0.25 per unit for proceeds of \$665,000. The Company had issued 20,000 shares to settle \$5,000 of debt owed to a consultant of the Company, no gain or loss was recognized on settlement. Based on the residual valuation method a value of \$13,400 was assigned to the warrants granted which was recognized as warrant reserve.
- f) On June 3, 2021, the Company issued 261,000 with a fair value of \$49,590 in connection to the distribution agreement signed with Germinator Genesis to obtain license rights.
- g) On June 8, 2021, 500,000 warrants were exercised at a price of \$0.08 per share for total proceeds of \$40,000

### 14. SHARE CAPITAL (continued)

#### Share transactions (continued)

During the year ended December 31, 2020, the Company issued the following:

- a) On April 3, 2020, the Company issued 3,750,000 units at \$0.06 per unit for proceeds of \$225,000. Each unit was comprised of one common share and one share purchase with each warrant being exercisable at \$0.08 per share expiring two years from the date of issuance.
- b) On April 17, 2020, the Company issued 3,750,000 units at \$0.06 per unit for proceeds of \$225,000. Each unit was comprised of one common share and one share purchase warrant with each warrant being exercisable at \$0.08 per share expiring two years from the date of issuance.
- c) On July 13, 2020, the Company settled \$100,000 in debt with the CEO of the Company by the issuance of 1,000,000 common shares at \$0.10.
- d) On December 22, 2020, the Company received share subscription proceeds in advance of \$97,600.
- e) On December 31, 2020, 2,250,000 warrants were exercised at a price of \$0.08 per share for 2,250,000 shares.

### Share purchase warrants

Below is a summary of warrant activity during the six months ended June 30, 2021:

	Amount Outstanding	Weighted Average Exercise Price
		\$
<b>Outstanding December 31, 2019</b>	<b>255,557</b>	<b>1.77</b>
Issued	7,500,000	0.08
Exercised	(2,250,000)	0.08
Expired	(255,557)	1.77
<b>Balance at December 31, 2020</b>	<b>5,250,000</b>	<b>0.08</b>
Issued	3,680,000	0.24
Exercised	(985,000)	0.08
<b>Balance at June 30, 2021</b>	<b>7,945,000</b>	<b>\$0.16</b>

Below is a summary of warrants outstanding as at June 30, 2021:

Warrants Outstanding	Exercise Price (\$)	Expiry Date	Weighted Average Remaining Life (years)
1,500,000	0.08	April 3, 2022	0.76
2,765,000	0.08	April 17, 2022	0.80
1,000,000	0.15	January 6, 2022	0.52
2,680,000	0.25	March 31, 2022	1.75
<b>7,945,000</b>	<b>\$0.16</b>		<b>1.08</b>

## 14. SHARE CAPITAL (continued)

### Options

During the six months ended June 30, 2021, the Company granted the following options:

- a) On January 14, 2021, 100,000 stock options exercisable at a price of \$0.31 for a period of 5 years. The Company recognized \$30,356 in share-based payments in connection to this grant.
- b) On January 19, 2021, 50,000 stock options exercisable at a price of \$0.31 for a period of 5 years. The Company recognized \$15,672 in share-based payments in connection to this grant.
- c) On February 2, 2021, 50,000 stock options exercisable at a price of \$0.0.275 for a period of 5 years. The Company recognized \$11,981 in share-based payments in connection to this grant.
- d) On February 9, 2021, 250,000 stock options exercisable at a price of \$0.31 for a period of 5 years. The Company recognized \$83,342 in share-based payments in connection to this grant.
- e) On February 17, 2021, 350,000 stock options exercisable at a price of \$0.39 for a period of 5 years. The Company recognized \$109,514 in share-based payments in connection to this grant.
- f) On February 19, 2021, 100,000 stock options exercisable at a price of \$0.305 for a period of 5 years. The Company recognized \$38,314 in share-based payments in connection to this grant.
- g) On June 1, 2021, 150,000 stock options exercisable at a price of \$0.17 for a period of 5 years. The Company recognized \$25,011 in share-based payments in connection to this grant.
- h) On June 10, 2021, 100,000 stock options exercisable at a price of \$0.31 for a period of 5 years. The Company recognized \$18,147 in share-based payments in connection to this grant.

During the year ended December 31, 2020, the Company recorded share-based compensation of \$105,959. The weighted average grant date fair value of stock options granted during the year ended December 31, 2020 was \$0.15 per share.

The fair value for stock options granted have been estimated using the Black-Scholes option pricing model assuming no expected dividends or forfeitures and the following weighted average assumptions:

	Six months ended June 30, 2021	Year ended December 31, 2020
Risk-free interest rate	0.61%	0.44%
Expected life (years)	5	5
Expected volatility	207.5%	202.7%

#### 14. SHARE CAPITAL (continued)

##### Options (continued)

A summary of the Company's stock option activity is as follows:

Number Outstanding	Weighted Average Exercise Price
	\$

<b>Balance, December 31, 2019</b>	212,500	2.19
Granted	700,000	0.16
Cancelled	(112,500)	2.40
<b>Balance, December 31, 2020</b>	<b>800,000</b>	<b>0.38</b>
Granted	1,150,000	0.30
Exercised	300,000	0.17
<b>Outstanding at June 30, 2021</b>	<b>1,650,000</b>	<b>0.37</b>

A summary of the Company's stock options outstanding and exercisable as at June 30, 2021 is presented below:

<b>Expiry Date</b>	<b>Options Outstanding</b>	<b>Options Exercisable</b>	<b>Exercise Price (\$)</b>	<b>Remaining Years</b>
December 7, 2022	8,333	8,333	2.940	1.44
September 14, 2023	33,333	33,333	2.400	2.21
April 25, 2024	16,667	16,667	1.320	2.82
May 2, 2024	16,667	16,667	1.950	2.84
June 10, 2024	8,333	8,333	1.560	2.95
July 16, 2024	16,667	16,667	1.380	3.05
December 14, 2025	400,000	400,000	0.150	4.46
January 14, 2026	100,000	100,000	0.310	4.55
January 19, 2026	50,000	50,000	0.310	4.56
February 2, 2026	50,000	50,000	0.275	4.60
February 9, 2026	250,000	250,000	0.310	4.62
February 17, 2026	350,000	350,000	0.390	4.64
February 19, 2026	100,000	100,000	0.305	4.64
June 1, 2026	150,000	150,000	0.170	4.92
June 10, 2026	100,000	100,000	0.185	4.95
	1,650,000	1,650,000	0.37	4.50

## 15. SUPPLEMENTAL CASH FLOW INFORMATION

	<b>Six months ended June 30, 2021</b>	<b>Six months ended June 30, 2020</b>
	<b>\$</b>	<b>\$</b>

**Non-cash investing and financing activities:**

Shares issued for debt settlement	5,000	-
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## 16. COMMITMENTS AND CONTINGENCIES

### Lease Commitments

On December 2, 2019, the Company entered into an industrial lease agreement until December 2, 2022. The lease commenced on January 2, 2020. Expected annual payments under this lease arrangement are as follows:

	\$
2021	26,811
2022	54,635
	<b>\$81,446</b>

### Pending Litigation

On January 29, 2020, the Company commenced litigation in the Supreme Court of British Columbia against the Defendant, Matthew Harvey, the vendor of the BC Bud Depot Assets. The Company is seeking damages, punitive damages, interest, injunctive relief, and costs relating to breach of contract between Matthew Harvey and the Company. The outcome of the litigation cannot be reasonably determined at this time.

## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks.

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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

Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash, receivables, and accounts. The carrying values of these financial instruments approximate their respective fair values due to the term of these instruments.

As at June 30, 2021, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

## 17. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

*Credit risk*

The Company's primary exposure to credit risk is its cash of \$87,669 at June 30, 2021. With cash on deposit with reputable financial institutions, it is management's opinion that the Company is not exposed to significant credit risks arising from the financial instruments.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at June 30, 2021, the Company had current liabilities totaling \$1,218,195 and cash of \$87,669 and is exposed to significant liquidity risk at this time. However, since the Company is in the exploration stage, it will periodically have to raise funds to continue operations and intends to raise further financing through private placements.

#### *Market risk*

Market risk is the risk that changes in market prices such as commodity prices, foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its insignificant exposure to market risks.

## **18. CAPITAL MANAGEMENT**

The Company includes shareholders' equity and any debt it may issue, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business.

The Company's property is in the exploration stage and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds required.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. The Company is not subject to any external covenants.

## **19. SUBSEQUENT EVENTS**

On July 20, 2021, the Company announced the appointment of Melvin S. Maxwell III to the Board of Directors of the Company. Mr. Maxwell is one of the two founders of Germinator, the Atlanta-based pathogen remediation company. AREV has a licensing agreement with Germinator to use its technologies to create a safer environment for the distribution of AREV's Ready to Use Therapeutic Food. as AREV's RUTFs target patient populations in refugee and internally-displaced-persons or IDP camps around the world.

On July 29, 2021 the Company announced a collaborative development agreement with Voynich Biosciences, Inc. ("Voynich"). Voynich is an early-stage, privately-held, phytomedicinal discovery

company headquartered in Hawaii and strategically located to facilitate collaboration with the National Tropical Botanical Garden and with laboratory operations adjacent to the Linus Pauling Institute (“LPI”) of Oregon State University (“OSU”), a globally recognized leader in advancing therapeutic initiatives addressing human nutrition.

The Company, in collaboration with Voynich, will be seeking partnerships with government and non-governmental organizations to deliver SUS-TAINN to the seriously affected areas. The collaborative agreement between AREV and Voynich is intended to facilitate additional tangible innovation in combating global food insecurity and nutritional deficits.

The Company also announced that Dr. Richard van Breemen would be joining the SAB.