

**BLENDER BITES LIMITED**  
**(formerly, Balsam Technologies Corp.)**

CSE Form 2A  
Listing Statement

September 20, 2021

## CAUTIONARY STATEMENTS

This Listing Statement and the documents incorporated by reference herein contain or may contain “forward-looking information” within the meaning of applicable Canadian securities legislation. Wherever possible, words such as “plans”, “expects” or “does not expect”, “budget”, “scheduled”, “estimates”, “forecasts”, “projects”, “goal”, “anticipate” or “does not anticipate”, “believe”, “intend” or “does not intend” and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “should”, “could”, “might” or “will” be taken, occur or be achieved, have been used to identify forward-looking information. All capitalized terms have the meanings ascribed to them in the “Glossary of Terms” of this Listing Statement. Forward-looking information in this Listing Statement may include, but is not limited to:

- The effects of the ongoing coronavirus (COVID-19) pandemic, including on the Resulting Company’s supply chain, the demand for the Resulting Company’s products at retail locations, and on overall economic conditions and consumer confidence and spending levels;
- The belief that the Resulting Company is well-positioned to capitalize on the increasing demand for functional foods;
- The expectations regarding trends in the functional foods industry and the belief that as the functional foods sector evolves, demand for more wholesome options such as the Resulting Company’s products will grow; and
- Expectations regarding the production capacity of the existing and future facilities and the ability to increase and/or maximize production and ultimately sales as a result thereof.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. These include, but are not limited to, expectations and assumptions concerning:

- The availability of capital to fund planned expenditures; and
- Prevailing regulatory, tax and environmental laws and regulations.

Undue reliance should not be placed on forward-looking information because a number of risks and factors may cause actual results to differ materially from those set out in such forward-looking information. These include:

- Ability of the Resulting Company to continue as a going concern;
- The availability of capital on acceptable terms;
- Volatile market price of shares;
- Protection of intellectual property rights;
- The effect of competition on the business;
- Government regulation of the food industry creating risks and challenges;
- The effect of product labelling requirements;

- Price of raw materials;
- Consumer trends;
- Supply chain management;
- Availability of suppliers of raw materials;
- Limited or disrupted supply of key ingredients;
- The effect of climate change on the availability of key ingredients for the Resulting Company's products;
- Product liability;
- Product recalls;
- Customer consolidation in the food retail business;
- Food safety and consumer health;
- Brand value;
- Reputation risk;
- Disruption at any of the facilities used to manufacture the Resulting Company's products, including as a result of the current COVID-19 pandemic;
- Effect of public health crises including the current COVID-19 pandemic;
- Failure to expand production capacity;
- Risks associated with leasing commercial and retail space;
- Effect of product innovation;
- Failure to retain current customers and/or recruit new customers;
- Litigation risk;
- Third party reliance for manufacturing, shipping and payment processing;
- Failure to meet social responsibility metrics;
- Speculative nature of investment risk;
- The Company's history of losses;
- Liquidity and future financing risk;
- Additional funding requirements and risks;
- Increased costs of being a publicly traded company;
- General global economic risk;

- Technical, logistical or processing problems;
- Restrictions on sales activities;
- Key personnel risks;
- Security breaches;
- Competition;
- Dependence on suppliers;
- Conflicts of interest;
- Cyber security risks; and
- Other factors specifically identified as risk factors in this Listing Statement and the documents incorporated herein by reference herein.

Although the Company believes that the expectations reflected in such forward-looking information are reasonable, it can give no assurance that such expectations will prove to have been correct. The Company's forward-looking information is expressly qualified in its entirety by this cautionary statement. In particular, but without limiting the foregoing, disclosure in this Listing Statement under Section 4 – *Narrative Description of the Business*, makes reference to or involves forward-looking information. The purpose of forward-looking information is to provide the reader with a description of management's expectations, and such forward-looking information may not be appropriate for any other purpose. Readers should not place undue reliance on forward-looking information contained in this Listing Statement. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking information contained in this Listing Statement include, but are not limited to, the factors included under Section 17 – *Risk Factors*.

#### ***INDUSTRY AND OTHER STATISTICAL INFORMATION***

This Listing Statement includes market share, industry and other statistical information that the Company has obtained from independent industry publications, government publications, market research reports and other published independent sources. Such publications and reports generally state that the information contained therein has been obtained from sources believed to be reliable. Although the Company believes these publications and reports to be reliable, it has not independently verified any of the data or other statistical information contained therein, nor has it ascertained or validated the underlying economic or other assumptions relied upon by these sources. The Company does not intend, and undertakes no obligation, to update or revise any such information or data, whether as a result of new information, future events or otherwise, except as, and to the extent required by, applicable securities laws.

#### ***GENERAL***

All financial information in this Listing Statement is prepared in Canadian dollars and using International Financial Reporting Standards. Unless otherwise specified, in this Listing Statement, all references to “dollars” or to “\$” are to Canadian dollars. The information contained herein is dated as of September 17, 2021, unless otherwise stated.



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## SCHEDULES

<b>Schedule “A”</b>	<b>Company Financial Statements</b> <ul style="list-style-type: none"> <li>• For the years ended September 30, 2020, 2019 and 2018</li> <li>• Interim period for the nine months ended June 30, 2021 and 2020</li> </ul>
<b>Schedule “B”</b>	<b>Company MD&amp;A</b> <ul style="list-style-type: none"> <li>• For the year ended September 30, 2020</li> <li>• For the interim period for the nine months ended June 30, 2021 and 2020</li> </ul>
<b>Schedule “C”</b>	<b>Blender Financial Statements</b> <ul style="list-style-type: none"> <li>• For the year ended October 31, 2020</li> <li>• For the interim period ended January 31, 2021</li> <li>• For the interim period ended April 30, 2021</li> </ul>
<b>Schedule “D”</b>	<b>Blender MD&amp;As</b> <ul style="list-style-type: none"> <li>• For the year ended October 31, 2020</li> <li>• For the interim period ended April 30, 2021</li> </ul>
<b>Schedule “E”</b>	<b>Pro Forma Financial Statements</b> <ul style="list-style-type: none"> <li>• Unaudited <i>pro forma</i> financial statements for Blender Bites for the period ended April 30, 2021</li> </ul>
<b>Schedule “F”</b>	<b>Share Purchase Agreement</b>
<b>Schedule “G”</b>	<b>Company Stock Option Plan</b>
<b>Schedule “H”</b>	<b>Blender Distribution Agreement – Tree of Life</b>
<b>Schedule “I”</b>	<b>Blender Supplier Agreement – Horizon</b>
<b>Schedule “J”</b>	<b>Blender Manufacturing Certificates – Original Foods (SQF Certificate, SFCR License, Organic Certificate, Approval of Labeling)</b>

## 1. Glossary of Terms

The following is a glossary of certain terms and abbreviation used in this Listing Statement. Terms and abbreviations used in this Listing Statement and also appearing in the documents attached as schedules hereto (including the financial statements) are defined separately. Words below importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

“**Affiliate**” means a company that is affiliated with another company as described below. A company is an Affiliate of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same Person. A company is “controlled” by a Person if (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company. A Person beneficially owns securities that are beneficially owned by (a) a company controlled by that Person, or (b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

“**Associate**” when used to indicate a relationship with a person or company, means (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer, (b) any partner of the person or company, (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity, and (d) in the case of a person, a relative of that person, including (i) that person’s spouse or child, or (ii) any relative of the person or of his spouse who has the same residence as that person.

“**Audit Committee**” means the audit committee of the Company or the Resulting Company, as applicable.

“**BCBCA**” means the *Business Corporations Act* (British Columbia), including the regulations thereunder, as amended.

“**Blender**” means Blender Bites Incorporated, a company incorporated pursuant the BCBCA on September 17, 2015, and existing prior to giving effect to the Blender Acquisition.

“**Blender Acquisition**” means the acquisition by the Company of 100% of the outstanding Blender Shares in exchange for the issuance of the Consideration Shares to the (former) Blender Shareholders, and the related transactions contemplated by the Share Purchase Agreement, which will be a “Fundamental Change” transaction for the Company pursuant to Section 1.1 (a) of CSE Policy 8.

“**Blender Share**” means a common share without par value in the capital stock of Blender.

“**Blender Shareholders**” means the holders of Blender Shares.

“**Board**” means the board of directors of the Company or the Resulting Company, from time to time, as applicable.

“**CEO**” means chief executive officer.

“**CFO**” means chief financial officer.

“**Company**” means Balsam Technologies Corp., a company incorporated as RewardStream Solutions Inc., pursuant to the BCBCA on March 23, 1999 and continued under the *Canada Business Corporations Act* on December 22, 1999 and then continued under the BCBCA on October 21, 2015. On July 28, 2016, RewardStream Solutions Inc., and Musgrove Minerals Corp., amalgamated as one company under the name

RewardStream Solutions Inc. On October 8, 2020, the Company changed its name to Balsam Technologies Corp., existing prior to giving effect to the Blender Acquisition.

“**Consideration Shares**” means the 11,773,580 Shares issued to the Blender Shareholders pursuant to the terms of the Share Purchase Agreement at a deemed price of \$1.00 per Share.

“**Conversion Share**” has the meaning set out Section 3.1 – *General Developments of the Business – Financings*.

“**Conversion Unit**” has the meaning set out Section 3.1 – *General Developments of the Business – Financings*.

“**Conversion Warrant**” has the meaning set out Section 3.1 – *General Developments of the Business – Financings*.

“**Conversion Warrant Share**” has the meaning set out Section 3.1 – *General Developments of the Business – Financings*.

“**CSE**” means the Canadian Securities Exchange.

“**CSE Approval**” means the final approval of the CSE in respect of the listing of the Shares on the CSE following completion of the Blender Acquisition, as evidenced by the issuance of the final approval bulletin of the CSE in respect thereof.

“**CSE Policies**” means the rules and policies of the CSE in effect as of the date hereof.

“**Effective Date**” means the date the Blender Bites Acquisition became effective, following receipt of CSE Approval.

“**Escrow Agent**” means Computershare Trust Company of Canada.

“**Escrow Agreement**” has the meaning ascribed to that term under Section 11 – *Escrowed Securities*.

“**Escrow Release Conditions**” means: (a) the Company receiving all applicable regulatory approvals for the Subscription Receipt Financing and completion of the Blender Bites Acquisition; (b) the Company receiving the conditional acceptance of the CSE pursuant to Policy 8 – *Fundamental Changes and Changes of Business* for the listing of its common share capital following completion of the Blender Acquisition; (c) the receipt by the Company from the subscriber of the Subscription Receipts, in form and content satisfactory to the Company in its sole discretion, of any other documents required by the CSE and applicable securities laws which the Company requests; and (d) the truth, at the time of acceptance and as at closing of Subscription Receipt Financing, of the subscriber's representations and warranties under the Subscription Receipt subscription agreement.

“**Escrow Release Date**” means the date that the Escrow Release Conditions have been satisfied.

“**Escrow Release Deadline**” means 36 months following the Escrow Release Date, with 10% released on the Escrow Release Date with an additional 15% released every six months thereafter.

“**Escrowed Funds**” means the gross proceeds from the Subscription Receipt Financing.

“**Finders' Fee**” means the 2,000,000 Shares, at a deemed price of \$1.00 per Share, issued to the persons who introduced the Company to the Blender Bites Acquisition;

“**Fundamental Change**” has the meaning ascribed to that term under the CSE Policies pursuant to Policy 8 – *Fundamental Changes and Changes of Business*.

“**IT**” has the meaning set out in Section 17.1 – *Risk Factors – Description of Risk Factors*.

“**Listing**” means the listing of the common shares of the Resulting Company on the CSE.

“**Listing Date**” means the date on which the common shares of the Resulting Company are listed for trading on the CSE.

“**Listing Statement**” means this CSE Form 2A Listing Statement, together with all Schedules hereto.

“**MD&A**” means Management Discussion and Analysis.

“**Name Change**” means the change of name of the Company to “Blender Bites Limited” following the completion of the Blender Acquisition.

“**NEO**” or “**Named Executive Officer**” means, with respect to the Company or the Resulting Company each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

“**NEX**” means a unique and separate board of TSX Venture Exchange. It provides a unique trading forum for listed companies that have fallen below TSX Venture's ongoing listing standards.

“**NI 52-110**” means National Instrument 52-110 – *Audit Committees*.

“**NP 46-201**” means National Policy 46-201 – *Escrow for Initial Public Offerings*.

“**Participants**” has the meaning ascribed to that term under Section 9 – *Options to Purchase Securities*.

“**Person**” includes

- (a) any corporation, company, limited liability company, partnership, Governmental Authority, joint venture, fund, trust, association, syndicate, organization, or other entity or group of persons, whether incorporated or not, and
- (b) any individual, including in his or her capacity as trustee, executor, administrator, or other legally appointed representative.

“**Related Person**” has the meaning ascribed to that term in the CSE Policies.

“**Resulting Company**” means Blender Bites Limited, a company incorporated as RewardStream Solutions Inc. under the BCBCA on March 23, 1999 and continued under the *Canada Business Corporations Act* on December 22, 1999 and then continued under the BCBCA on October 21, 2015. On July 28, 2016, RewardStream Solutions Inc. and Musgrove Minerals Corp., amalgamated as one company under the name RewardStream Solutions Inc. On October 8, 2020, the Resulting Company changed its name to Balsam

Technologies Corp., and on September 16, 2021, the Resulting Company changed its name to Blender Bites Limited in connection with the Blender Acquisition.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“**Share**” means a common share without par value in the capital stock of the Company.

“**Share Purchase Agreement**” means the Share Purchase Agreement among the Company, Blender and the shareholders of Blender dated August 31, 2021, pursuant to which the Company acquired all of the issued and outstanding securities of Blender in exchange for securities of the Company.

“**Shareholders**” means holders of the Shares.

“**Stock Option Plan**” means the Company’s rolling stock option plan.

“**Subscription Receipt Financing**” has the meaning ascribed to that term under Section 3.1 – *General Development of the Business – Financings*.

“**Subscription Receipts**” has the meaning set out in Section 3.1 – *General Development of the Business – Financings*.

“**TSX-V**” means the TSX Venture Exchange.

“**Warrants**” means the outstanding Share purchase warrants of the Company and Blender.

## **2. Corporate Structure**

### **2.1 Corporate Name and Head and Registered Office**

This Listing Statement has been prepared with respect to the Company in connection with its acquisition of all of the issued and outstanding shares of Blender, and the listing of the common shares of the Resulting Company on the CSE.

#### ***The Company***

The corporate name of the Company is “Balsam Technologies Corp.” The registered office of the Company is Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 and its head office is Suite 1000, 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

#### ***Blender***

The corporate name of Blender is “Blender Bites Incorporated.” The head office of Blender is located at Suite 2808, 1288 West Cordova Street, Vancouver, British Columbia, V6C 3R3, and its registered office is located at Suite 1500, 1055 West Georgia Street, Vancouver, BC, V6E 4N7.

#### ***The Resulting Company***

The corporate name of the Resulting Company is “Blender Bites Limited.” The registered office of the Resulting Company is Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 and its head office is 8th Floor, 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5.

## 2.2 Jurisdiction of Incorporation

### *The Company*

The Company was incorporated under the laws of the Province of British Columbia pursuant to BCBCA on March 23, 1999 as RewardStream Solutions Inc., and continued under the *Canada Business Corporations Act* on December 22, 1999 and then continued under the BCBCA on October 21, 2015. On July 28, 2016, RewardStream Solutions Inc. and Musgrove Minerals Corp., were amalgamated as one company under the name RewardStream Solutions Inc. On October 8, 2020, the Company changed its name to Balsam Technologies Corp., and on October 9, 2020 began trading on the NEX under the trading symbol “BTEC.H”.

On September 16, 2021, the Company changed its name to Blender Bites Limited in connection with the Blender Acquisition.

Refer to Section 2.3 – *Intercorporate Relationships* for further details on incorporation of direct and indirect wholly-owned subsidiaries.

### *Blender*

Blender was incorporated under the laws of the Province of British Columbia pursuant to the BCBCA on September 17, 2015. Blender changed its name to Blender Bites (Holdings) Limited on September 16, 2021.

## 2.3 Intercorporate Relationships

### *The Company*

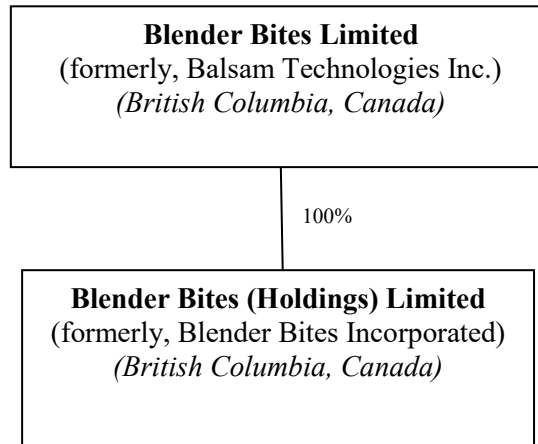
The Company has no subsidiaries.

### *Blender*

Blender has no subsidiaries.

### *The Resulting Company*

Upon the completion of the Blender Acquisition, the Company changed its name to “Blender Bites Limited” and has one subsidiary, Blender Bites Incorporated. The organizational chart of the Resulting Company is set out below:



The entities shown in the above corporate organizational structure only have common shares outstanding. The Resulting Company will directly or indirectly own 100% of the common shares of all entities in its corporate organizational structure.

## **2.4 Fundamental Change**

On August 31, 2021, the Company entered into the Share Purchase Agreement with arm's length parties, Blender and the Blender Shareholders, pursuant to which it proposed to acquire all of the issued and outstanding Blender Shares.

Subject to the terms and conditions of the Share Purchase Agreement, at the closing of the Blender Acquisition, 100% of the Blender Shares were sold to the Company for the Consideration Shares, pursuant to which, among other things, on the Effective Date:

- (a) as consideration for the acquisition of Blender Shares by the Company, the Company issued the Consideration Shares to the former Blender Shareholders;
- (b) Blender became a wholly-owned subsidiary of the Resulting Company; and
- (c) the Resulting Company was renamed "Blender Bites Limited."

The Blender Acquisition was a reverse takeover and a Fundamental Change under the CSE Policies, as it was comprised of a major acquisition that constituted 100% of the Company's business on completion and included a change of control. The CSE Policies required that, prior to closing the Blender Acquisition, the majority of the entitled Shareholders approve the acquisition. The requisite threshold for such majority approval is 50% of the outstanding Shares plus one Share. The Company proposed to secure such Shareholder approval by written consent resolutions circulated to Shareholders in lieu of calling a meeting. As such, in consultation with the CSE, the Company did not prepare an information circular, but instead delivered to Shareholders of the Company a copy of the written resolutions to approve the Blender Acquisition, together with a copy of a draft Listing Statement. The Listing Statement provided the Shareholders with further details concerning the Blender Acquisition and the business of Blender for their consideration and evaluation in deciding whether to approve such transaction. A majority of the Shareholders approved the Blender Acquisition by signing written resolutions in lieu of a Shareholder meeting.

Upon completion of the Blender Acquisition, the directors of the Resulting Company are Chelsie Hodge, Christopher Mackay, Patrick Morris and Grant Smith and the officers include Chelsie Hodge as CEO and Geoff Balderson as CFO and Corporate Secretary.

Upon completion of the Blender Acquisition and the Subscription Receipt Financing, the issued and outstanding capital of the Resulting Company consists of 29,196,788 Shares. As a result, former shareholders of Blender hold approximately 40.32% of the outstanding common shares of the Resulting Company on a non-diluted basis. In addition, former warrant holders of Blender were issued 10,000,000 new Warrants exercisable into 10,000,000 Shares at a price of \$1.00 per Share until May 28, 2023.

The diagram below sets out the corporate structure of the entities prior to and after completion of the Blender Acquisition.

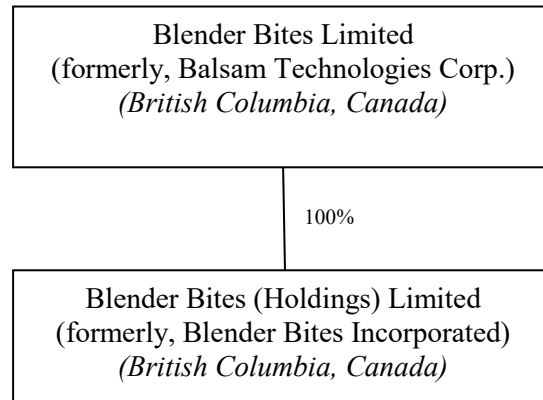
### ***Prior to the Blender Acquisition***

The Company has no subsidiaries.

Blender has no subsidiaries.



### *After the Blender Acquisition and Name Change*



## **2.5 Non-corporate Issuers and Issuers Incorporated Outside of Canada**

This section is not applicable.

## **3. General Development of the Business**

### **3.1 General Development of the Business**

#### ***The Company***

The Company was incorporated under the laws of British Columbia on March 23, 1999 and continued under the *Canada Business Corporations Act* on December 22, 1999. The Company subsequently continued under the laws of the Province of British Columbia on October 21, 2015. On February 20, 2020, the Company's listing was transferred to the NEX and on March 30, 2020 was reinstated for trading on the NEX under the trading symbol "REW.H". On October 8, 2020, the Company changed its name to Balsam Technologies Corp. and on October 9, 2020 began trading on the NEX under the trading symbol "BTEC.H". Prior to the completion of the Blender Acquisition, the Company was a technology company with an interest in other business opportunities.

On September, 2021, the Company acquired all of the issued and outstanding shares of Blender, changed its name to Blender Bites Limited and began operating the existing business of Blender. The Blender Acquisition constituted a fundamental change for the Company under the policies of the CSE and therefore, at the Company's request, trading in the Shares on the NEX was halted on March 18, 2021. The Company's Shares were delisted from the NEX on September 20, 2021 and began trading on the CSE on September 21, 2021.

#### ***Three-year history of the Company***

##### **2021**

On March 16, 2021, the Company entered into a letter of intent, pursuant to which it proposed to acquire all of the outstanding and issued securities of Blender in exchange for the issuance of shares in the Company.

On August 31, 2021, the Company entered into the Share Purchase Agreement with arm's length parties, Blender and the shareholders of Blender, pursuant to which it proposed to acquire all of the issued and outstanding shares of Blender and applied to have its Shares listed on the CSE.

On September 16, 2021, the Company changed its name to Blender Bites Limited in connection with the Blender Acquisition. The Company was delisted from the NEX on September 20, 2021. On September 20, 2021, the Company completed the Blender Acquisition and began trading on the CSE on September 21, 2021.

## **2020**

On April 21, 2020, the Company consolidated its common share capital on a ten-for-one basis.

On October 8, 2020, the Company changed its name to "Balsam Technologies Corp." 2020 and on October 9, 2020 commenced trading its common shares on the NEX under the new name and new ticker symbol "BTEC.H".

## **2019**

On November 12, 2019, the Company terminated the definitive share purchase agreement with EuroMed Therapeutics Ltd. As a result, the Company no longer had any active operations and ceased to meet the continued listing requirements of the TSX Venture Exchange and was subsequently moved to the NEX.

## **2018**

During the year ended September 30, 2018, the Company disposed of its referral and reward business to Buyapowa Ltd. Accordingly, the Company reclassified the operation as discontinued operations in its financial statements.

## ***Financings***

On August 31, 2021, the Company closed a non-brokered private placement of 3,884,500 Subscription Receipts at a price of \$1.00 per Subscription Receipt for gross proceeds of \$3,884,500. Following the completion of the Blender Acquisition, each Subscription Receipt automatically converted into one common Share of the Company and one-half-of-one Share purchase warrant of the Company, with each Warrant entitling the holder thereof to purchase one additional Share at a price of \$2.00 per share until August 31, 2023. The Company also issued 38,845 Shares at a deemed value of \$1.00 per Share to Winchester Advisory Ltd., an arm's-length third-party, for administrative services rendered in connection with the private placement. On February 4, 2021, the Company completed a non-brokered private placement of 2,608,696 units at a price of \$0.23 per unit for gross proceeds of \$600,000. Each unit consists of one Share and one Share purchase warrant exercisable to acquire an additional share at a price of \$0.31 until February 4, 2022. In connection with the private placement, the Company paid an aggregate cash finders' fee of \$12,000.00 to certain arm's length parties in connection with completion of the private placement.

On August 27, 2020, the Company completed a non-brokered private placement of 3,571,427 units at a price of \$0.14 per unit for gross proceeds of \$499,999.78. Each unit consists of one Share and one Share purchase warrant exercisable to acquire an additional Share at a price of \$0.185 until August 26, 2021. No finders' fees or commissions were paid in connection with completion of the private placement. 3,571,427 Warrants have now been exercised for gross proceeds of \$660,714.00.

## **Blender**


Blender was formed by Chelsie Hodge in 2015 with the goal of becoming a leading provider of organic, nutritious and convenient solutions for a daily smoothie routine. Blender Bites provides pre-frozen “smoothie pucks” that contain carefully selected ingredients that allow a consumer to easily prepare a blended smoothie at home. Blender Bites takes care of the time-consuming preparation of vegetable/fruit components of a smoothie and then freezes the ingredients into convenient “pucks” that can be blended with the consumer’s choice of additional ingredients, such as protein powders, nut butters and milk or milk alternatives.


Its premium organic products are made fresh, and then frozen to be kept in an optimal state for maintaining taste, nutrition, quality, and safety. Blender has marketed the quick and easy smoothie category in Western Canada with key retailers including Whole Foods Market. At present, Blender Bites is available in over 560 retail locations Canada-wide, with its U.S. launch anticipated for Q4 of 2021 once a U.S. broker is engaged. Blender’s first three smoothie puck varieties have been favourably received and are distributed by Tree of Life Canada, ULC (“**Tree of Life**”) pursuant to an exclusive distribution agreement from September 2018 to 2019 with automatic renewal each year until terminated by written notice from either Tree of Life or Chelsie Hodge. Blender also entered into a supplier agreement with Horizon Grocery + Wellness (“**Horizon**”) as of March 19, 2021 and anticipates its first order in September 2021.


Leveraging the success of the initial Blender Bites formulas in Canada, Blender has planned to introduce reformulated versions of the products—incorporating plant-based proteins and functional ingredients—to the market over the next year. Blender’s overall product plan is to develop a broad portfolio of organic, frozen smoothie products and functional foods accessible to a large market. Blender Bites intends to compete on quality organic, frozen foods and smoothie pucks at a premium, but not luxury, price point. Through its product innovation, Blender is poised for growth on a national and global scale.

**simplify your smoothie!**

**snack / collation**      **meal / repas**      **optional / optionnel**


  
 +
   
 2/3 cup / 160 ml
   
 water / eau\*


  
 +
   
 1 1/3 cup / 320 ml
   
 water / eau\*


  
 \*or liquid of choice / liquide au choix

**blender bites™ smoothie recipe / recette de smoothie**

<p><b>power protein smoothie</b></p> <p>2 pucks</p> <p>1 scoop protein powder</p> <p>320 ml milk alternative</p> <p><b>blend and enjoy!</b></p>	<p><b>smoothie protéiné puissant</b></p> <p>2 rondelles</p> <p>1 cuillère à soupe de poudre de protéine</p> <p>320 ml d'alternative au lait</p> <p><b>mélangez et savourez!</b></p>
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During the current financial year, Blender has launched in Whole Foods (East: April 2021; West: February 2020) and is expecting to launch in Loblaws (October 2021, with listings in select banners of the Market division and the discount division) and Costco East (September 2021) in Canada. Blender is also working

towards launching in Metro and IGA East in Canada, and club stores in Texas and Chicago in the U.S. (anticipated for Q4 of 2021), though there are no confirmed listings for these grocery chains yet. At present, Blender produces three products for its Canadian retail distribution—Power Berry, Green d·tox, and Vita-smoothie—which are rebranded and improved smoothie puck formulations of its originals, Greens & Berries, Greens & Tropicals, and Vita-smoothie. Each 540-gram retail bag contains six pucks/portion and is sold in a retail case of eight bags. Further product development will focus on building a comprehensive group of products that focuses on gut health, immunity, clean energy, skin health, and functional mushrooms.

### *Three-year history of Blender*

#### **2021**

In January 2021, Blender’s bid to sell Blender Bites 12-packs in Club stores across Canada was accepted. Club stores on the East Coast of Canada will launch in September 2021 on a 30,000-unit trial basis. Club stores on the West Coast are anticipated to launch on a 30,000-unit trial basis across the region in January 2022.

On February 5, 2021, Blender entered into a promissory note agreement with a significant shareholder. The promissory note agreement is for a principal of \$60,000, maturing on February 5, 2022, and bearing interest at 8%.

On March 11, 2021, Blender received an additional advance of \$75,000 from The Better Candy Co., the CEO’s other business. The advance is unsecured, non-interest bearing, and due on demand.

On April 1, 2021, Blender received a loan for \$1,000,000 bearing interest at 5% from DCM Holdings Inc.

In April 2021, Blender began to ship cases of its products to Thrifty Foods and Whole Foods East stores, with subsequent orders from both grocery chains in May 2021. Blender also sent its first test order to Spud.ca, which resulted in a successful trial and a first order in the same month through its distribution partner, Tree of Life.

On May 28, 2021, Blender completed its warrant financing of 10,000,000 warrants (each, a “**Warrant**”) at a price of \$0.02 per Warrant for gross proceeds of \$200,000. Each Warrant is exercisable into a common share at \$1.00 per common share until May 28, 2023.

In June 2021, Blender listed with select banners of Loblaws’ Market division and discount division through Tree of Life. Loblaws’ first order is scheduled for September 2021 with an October 2021 release date.

In July 2021, Blender launched its new and improved smoothie puck formulations and rebranded its originals in Canada to Power Berry, Green d·tox, and Vita-smoothie.

On August 31, 2021, Blender entered into the Share Purchase Agreement and changed its name to Blender Bites (Holdings) Limited and completed its sale to the Company on September 20, 2021.

#### **2020**

On March 3, 2020 and June 15, 2020, Blender listed with Sobeys National and Save-On-Foods, respectively, through Tree of Life.

During the year ended October 31, 2020, Blender entered into two promissory note agreements with a significant shareholder. The first promissory note agreement is for a principal of \$100,000, due on demand, and is secured against certain sales of Blender. The second promissory note is unsecured for \$90,000, maturing in July 2021. Both promissory notes bear interest at 8%.

During the year ended October 31, 2020, Blender increased its sales to \$441,286 from \$60,379 in the year ended October 31, 2019, an increase of \$380,907. The increase was as a result of Blender being able to increase its Canadian distribution channel during the current year. Blender had its product for sale in 507 stores by the end of its 2020 fiscal year compared to 86 stores at the end of its 2019 fiscal year, an increase of 421 stores.

## **2019**

On June 7, 2019, Blender listed nationally with Tree of Life distributors and shipped its first order through Tree of Life.

On September 15, 2019, Blender moved all of its manufacturing processes to Original Foods Limited (“**Original Foods**”) in Ontario.

On November 26, 2019, Blender’s first order shipped out from Original Foods.

## **2018**

In 2018, Blender did not have any material events or conditions that influenced the general development of its business.

### **3.2 Significant Acquisitions and Dispositions**

Please refer to Section 3.1 – *Three Year History of the Company* and Section 3.1 – *Three Year History of Blender*.

#### ***The Blender Acquisition***

On March 16, 2019, the Company entered into a letter of intent for the Blender Acquisition, pursuant to which it proposed to acquire all of the outstanding share capital of Blender. On August 31, 2021, the Company entered into the Share Purchase Agreement with Blender and the acquisition was completed on September 20, 2021.

Blender is an arms-length company, established under the laws of the Province of British Columbia, involved in the development and marketing of a line of frozen premium organic and plant-based smoothies. The Blender Acquisition constituted a fundamental change for the Company under the policies of the CSE and therefore, at the Company’s request, trading in the Shares was halted on the NEX on March 18, 2021.

#### ***Acquisition Consideration***

In consideration for the Blender Acquisition, the Company issued 11,773,580 Shares at a deemed price of \$1.00 per Share. 5,025,079 of the Consideration Shares are subject to escrow in accordance with Exchange Policy 8 – *Fundamental Changes and Changes of Business*.

#### ***Concurrent Financing***

In connection with the Blender Acquisition, the Company completed a financing for gross proceeds of \$3,884,500 through the issuance of 3,884,500 Subscription Receipts at a price of \$1.00 per Subscription Receipt. The securities issued in connection with the Subscription Receipt Financing are subject to a four-month statutory hold period from the date of closing of the Subscription Receipt Financing. Upon the completion of the Blender Acquisition, each Subscription Receipt automatically converted into one Share and one-half of one common Share Purchase Warrant, with each Warrant entitling the holder to purchase one additional common Share of the Resulting Company at a price of \$2.00 per Warrant Share for a period of twenty-four months from their date of issue. It is anticipated that approximately \$400,000 of the proceeds from the financing will be utilized to retire existing loans made to Blender Bites.

On September 20, 2021, the Company issued 38,845 Shares at a deemed value of \$1.00 per Share to Winchester Advisory Ltd., an arm's-length third-party, for administrative services rendered in connection with the private placement.

### ***Finder's Fee***

In connection with the Blender Acquisition and the Subscription Receipt Financing, the Company paid finders' fees in the form of 3,884,500 Shares issued at a deemed price of \$1.00 per Share to certain eligible arm's-length third parties who assisted the Company in introducing subscribers to the Subscription Receipt Financing.

### **3.3 Trends, Commitments, Events or Uncertainties**

The most significant trends and uncertainties which management expects could impact its business and financial condition of the Resulting Company are listed in Section 17 – *Risk Factors*.

Other trends that could impact the Resulting Company's business and financial condition include the following:

- Ever-growing trend for wholesome, quality, and “natural” products that offer general and specific health values and benefits;
- Ability to produce products and expand product lines to satisfy growing demand in this category;
- Desire for innovative premium products and packaging; and
- Increasing market for premium products due to the growing demand for healthier foods combined with escalating safety issues.

## **4. Narrative Description of the Business**

### **4.1 Narrative Description of the Business**

The Company was a technology issuer engaged in the business of the acquisition of strategic business opportunities. See Section 3.1 – *General Description of the Business* for a discussion of the Company's current projects, which may be disposed of prior to completion of the Blender Acquisition.

Blender is an innovative functional foods company that is focused on the manufacturing and distribution of natural and organic frozen smoothie products.

Following the Blender Acquisition and the Subscription Receipt Financing, the Resulting Company will have \$4,800,900 in available funds and will focus its efforts on the existing business of Blender.

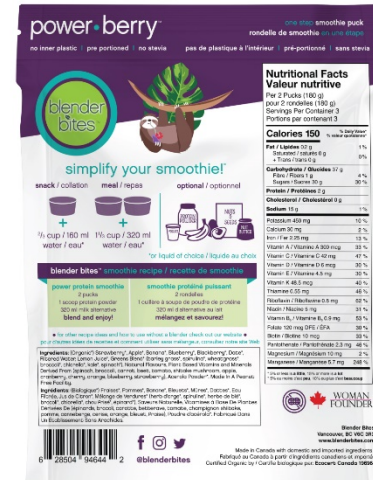
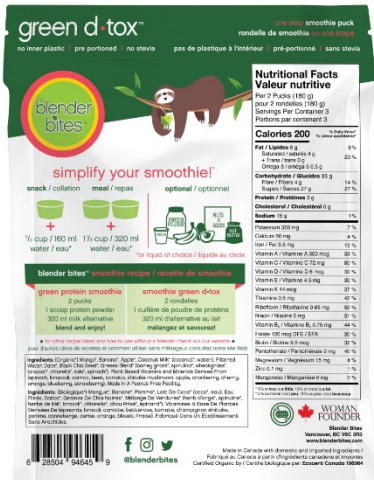
### ***Principal Products and Services***

The Resulting Company's primary products are natural and organic frozen smoothies, currently being:

- (1) Power Berry, a mix of organic berries, apples, dates, and a blend of greens;
- (2) Green detox, a mix of mangos, coconuts, banana, apples, dates, and a blend of greens; and
- (3) Vita-smoothie, a plant-based blend of whole food vitamins and minerals.



Further product development will focus on formulations promoting gut health and immunity, among other benefits.



**Principal Markets**

The largest segment of the functional beverages market is the health and wellness segment, which represented 80.7% of the total market in 2019. Over the past five years, a significant increase in demand for functional beverages has occurred and is expected to continue as an elevated health awareness is evolving. The increasing range of functional beverages will advance the scope of the market and lead to more research and development opportunities. Specifically, ingredient combinations that maximize health and mental benefits are expected to be a driving advantage across competing brands going forward.

**Operations**

While Blender's products are formulated in-house, manufacturing has been outsourced to Original Foods, a highly regarded and experienced food manufacturer based in Ontario, Canada. Original Foods has all necessary manufacturing certificates required by any retailer in North America, including SQF and organic

certification, and is a designated nut-free facility. (See Schedule “J” – *Blender Manufacturing Certificates – Original Foods (SQF Certificate, SFCR License, Organic Certificate, Approval of Labeling)*) Original Foods will be able to meet the demands of Blender’s aggressive U.S. growth plans that are planned for 2021 to 2022. Blender anticipates finalizing its manufacturing agreement with Original Foods in August 2021.

### ***Employees***

As at the date of this Listing Statement, the Resulting Company and Blender have no employees. The Resulting Company expects to hire two employees in 2021, including a marketing director.

### ***Leases***

As at the date of this Listing Statement, the Resulting Company has not entered into any material leases or mortgages.

### ***Specialized Skill and Knowledge***

The nature of Blender’s business requires specialized skills and knowledge in the research, development and commercialization of Blender’s products. Increased competition for qualified professionals and personnel may make it more difficult to hire and retain competent employees, independent contractors and consultants and may affect Blender’s ability to grow at the pace it desires. However, Blender does not currently anticipate any significant difficulties in locating and retaining appropriate personnel that possess the skill and knowledge required to carry on its business.

### ***Branding and Marketing***

Blender has a multi-faceted sales and marketing approach to utilize the following marketing channels and engage data analytics to track and prioritize channels with effective customer acquisition: digital marketing, social media, email marketing, influencer marketing, retail partnerships, earned media, industry shows and events, word of mouth and referrals, and traditional media. The Resulting Company anticipates its marketing strategy will continue to evolve with Blender’s long-term objectives as its services and markets expand over time.

### ***Sales and Distribution***

Blender has partnered with wholesale distribution firm, Tree of Life, for all of its Canadian storage and distribution needs. Tree of Life specializes as a sales, logistics, and distribution provider for small to medium enterprises and start-ups and works with major Canadian retailers include Whole Foods and Walmart. They provide retail sales coverage to Blender’s major retailers such as Sobeys, Safeway and Save-On-Foods and have managers working with retailer head offices to negotiate listings to secure and execute promotional support. Blender also entered into a supplier agreement with Horizon as of March 19, 2021 for onboarding distribution in Canada, with the first order anticipated for September 2021. Blender will begin working with Horizon’s eastern Canada division, Ontario National Food Company (“ONFC”), at the same time as Horizon’s western Canada division.

Blender’s launch with Gordon Food Service (“**Gordon Food**”) is on hold due to the impact of the COVID-19 pandemic on the food service industry; however, Blender anticipates reinstating its agreement with Gordon Food for a trial food service distribution in Ontario once the hospitality industry in Ontario resumes normal function.

Blender will also engage a U.S. broker for a U.S. launch anticipated for Q4 of 2021.



### ***Competitive Conditions***

The packaged frozen smoothie and functional foods and beverages markets are fragmented with no dominant players. Players in the space compete against each other based on factors such as product portfolio, product differentiation, and pricing. The competition among the vendors is expected to intensify due to the increase in demand for healthy superfood products and product innovations with convenience and exotic flavors. Current competitors of Blender include Evive Smoothie, Boom!, Daily Harvest, Revive Superfoods, Fru-V Blender Ready, Sambazon, and Evergreen Juices.

### ***Legal and Regulatory Environment***

The food industry is highly regulated and is subject to changing political, legislative, regulatory, and other influences. Regulating the industry is important to maintain the high standard of food safety and quality that Canadians expect, while allowing the industry to innovate and market new products. In Canada, the primary federal agencies governing the manufacture, distribution, labelling and advertising of the consumer food products are the Canadian Food Inspection Agency (the “CFIA”) and Health Canada. Specifically, the CFIA is responsible for the enforcement of federal food safety policies and standards for food industry businesses. This is accomplished under the Food and Drugs Act (the “FDA”), the Safe Food for Canadians Act (the “SFCA”) and the Safe Food for Canadians Regulations (the “SFR”). At the provincial level, in British Columbia, food safety laws are further governed by the Ministry of Health and the British Columbia Centre for Disease Control, under the Food Safety Act (the “FSA”), the Public Health Act (the “PHA”) and the PHA’s Food Premises Regulation (the “FPR”), which require that all food sold in British Columbia be safe and suitable for human consumption. The Food Regulatory Issues Division also provides information and advice to help industry navigate the regulations for functional foods and other innovative foods with health benefits and claims.

### ***Economic Dependence and Changes to Contracts***

Blender’s business is not substantially dependent on any contract. Blender also does not reasonably expect that its business in the current financial year will be affected by renegotiation or termination of contracts or sub-contracts.

### ***Revenues***

Blender sells frozen smoothie pucks to a third-party distribution company. Orders are fulfilled utilizing a third-party manufacturer. Blender is responsible for the shipment of goods from the manufacturer’s warehouse to the distributors’ warehouses across Canada. Revenue is recognized upon delivery of goods to the distributor, representing Blender’s performance obligation in the transaction. As Blender acts as the principal in the transaction, revenue is recognized on a gross basis.

Blender’s quarterly revenues and income/loss are subject to seasonal volatility. Blender anticipates that its second and third quarters of each fiscal year will be stronger revenue months due to the likelihood of more smoothies being sold in the spring and summer compared to the winter.

### ***Materials***

This is confidential information as Blender’s formulas are proprietary.

### ***Intangible Properties***

Blender currently has five trademark applications in each of Canada and the U.S. for Blender Bites, Vita-smoothie, Simplify Your Smoothie, Power Berry and Green d·tox. To date, the applications have been filed

but are awaiting examination. If the trademarks are not obtained, it will not have a material effect on Blender Bites' business.

#### Canadian Trademark Applications

Jurisdiction	Trademark Name	Application Number	Filing Date	Status
Canada	Blender Bites	1951277	March 13, 2019	Filed Awaiting Examination
Canada	Vita-smoothie	1963215	May 15, 2019	Filed Awaiting Examination
Canada	Simplify Your Smoothie	2079464	January 22, 2021	Filed Awaiting Examination
Canada	Power Berry	2099998	April 14, 2021	Filed Awaiting Examination
Canada	Green d-tox	2105896	May 10, 2021	Filed Awaiting Examination

#### U.S. Trademark Applications

Jurisdiction	Trademark Name	Application Number	Filing Date	Status
U.S.	Blender Bites	90393463	December 18, 2020	Filed Awaiting Examination
U.S.	Vita-smoothie	90393473	December 18, 2020	Issued July 7, 2021 (to be published July 27, 2021)
U.S.	Simplify Your Smoothie	90538355	February 22, 2021	Filed Awaiting Examination
U.S.	Power Berry	90649901	April 16, 2021	Filed Awaiting Examination
U.S.	Green d-tox	90703069	May 11, 2021	Filed Awaiting Examination

#### ***Lending and Investment Policies and Restrictions***

Blender and the Company do not have any formal policies with respect to lending, and the Resulting Company is not expected to have any formal policies with respect to lending either. However, from time to time, the Resulting Company may advance funds under various lending structures as determined by the Resulting Company's Board.

***Bankruptcies***

Neither Blender nor the Company have been party to any bankruptcy, receivership or similar proceeding in the three most recently completed years.

***Restructuring Transactions***

Blender and the Company have not been parties to any material restructuring transaction in the past three years. There are currently no material restructuring transactions planned for the Resulting Company for the current financial year.

***Social and Environmental Policies***

Given the current stage of development, the Resulting Company does not have, nor is expected to have, any social or environmental policies in place. However, Blender is working towards producing recyclable outside packaging. Its products are currently free of any unnecessary inner plastic packaging.

***Business Objectives and Milestones***

Upon completion of the Blender Acquisition and the Subscription Receipt Financing, the Resulting Company has \$4,800,900 in available funds. Up to and including the 12 months following the Blender Acquisition, the Resulting Company expects to:

1. Blender Acquisition, Listing and Financing

Focus on the business of development and marketing of a line of frozen premium organic and plant-based smoothies, upon completion of the Blender Acquisition and the Subscription Receipt Financing. The Resulting Company incurred expenses of \$200,000 related to the Blender Acquisition and the Subscription Receipt Financing.

2. General and Administrative Expenses

Incur \$651,560 in expenses to sustain operations and manage growth. This includes the following: (i) \$309,560 for employee salaries and (ii) \$258,000 for travel, general supplies, external audit and consultant fees, legal costs, and tax advisory costs.

Management plans to implement an investor relations program to create awareness to attract investors and communicate effectively with the Resulting Company's shareholders. The Resulting Company also plans to join industry associations within the plant-based and functional food and beverage industries in North America in order to stay updated on best practices, new ingredients, and competitors in the industry.

3. Launch of Club Store SKUs

Launch Blender Bites 12-packs in club stores on the East Coast of Canada in September 2021 and on the West Coast of Canada in January 2022, both on a 30,000-unit trial basis.

4. U.S. Market Launch

Present to over 50 retail brands, including Whole Foods, Albertsons, Ralphs, and Safeway, representing approximately 5,900 locations nationwide. Previously, Blender worked with a large U.S. broker to secure product placements across the U.S. starting with the East Coast market;

however, the speed of the rollout was impacted by the restrictions in place resulting from the global COVID-19 pandemic. Blender will engage a new U.S. broker for an anticipated U.S. launch in Q4 of 2021.

5. Continued Product Expansion

Expand the portfolio of products with future SKUs that focus on functional ingredients and plant-based proteins in order to achieve the Resulting Company's goal of being a leading functional foods-focused company. Further product development to be launched in 2022 will focus on building a comprehensive group of products that support gut health, immunity, clean energy, skin and muscle health. New intellectual property will further protect the Resulting Company's position in the market and can create distinct advantages over its competitors in terms of ease of use, efficiency and yield, and cost.

6. Strengthening of Distribution Networks

Reinstate its distribution agreement with Gordon Food once the hospitality industry has started up again in Ontario. Pending COVID-19 related delays, Blender anticipates a trial food service distribution with Gordon Food in Ontario to provide bulk smoothie pucks to cafes, restaurants, hotels, stadiums, and more. While Blender's products are currently sold in local grocery stores, functional foods are increasingly being carried in big-box retail stores, which represent a much larger portion of the retail market.

7. Continued Enhancement of Marketing Plan

Develop a strategic marketing plan for print media, online coverage, product endorsements, influencers, and online marketing to maximize marketing spend and drive product demand both online and offline. The marketplace for functional foods is highly competitive and establishing the Resulting Company as a trusted brand for high quality products will require a coordinated and comprehensive plan.

8. Launch of Ecommerce Store and Direct-to-Consumer Sales

Expand the functionality of Blender's current website, so that the Resulting Company is able to sell direct to consumers in North America and beyond. The expected launch of the ecommerce platform is Q3/Q4 of 2021. In the second half of 2021, the Resulting Company's marketing plan is focused on converting ad impressions to customers and driving increased levels of traffic to the website. There will be a strong focus on the Resulting Company providing a direct to home/office/business delivery service.

9. Enhancement of Management and Operational Team for Long-Term Growth

Expand the Resulting Company's executive and operational team as milestones continue to be achieved. As part of Blender's current comprehensive financial plan, Blender is building a human resources plan.

10. Potential Partnerships, Mergers and Acquisitions

Evaluate mergers & acquisition opportunities that are complementary to the Resulting Company's operations over time. Such acquisitions will likely be companies with proprietary product

formulations that are complementary to the overall Blender Bites brand and its focus on plant-based and functional foods.

#### 11. Membership in Industry Groups

Join the Canadian Health Food Association (“CHFA”) in 2021. The CHFA is Canada’s largest trade association dedicated to natural health and organic products. The Resulting Company plans to join additional industry associations within the plant-based and functional food and beverage industries in North America to remain updated on best practices, new ingredients, and competitors in the industry and to help improve the awareness of the Resulting Company’s products. Industry events and tradeshow are critical to the Resulting Company’s marketing strategy in building a brand based on efficiency, effectiveness, sustainability, and quality. Industry groups and events will also be an ideal venue for the Resulting Company to expand its network and establish relationships that are mutually beneficial.

#### ***Total Funds Available***

As at September 20, 2021, the Company had a working capital surplus of approximately \$454,210 and Blender had a working capital deficit of approximately \$562,703. Upon closing the Blender Acquisition and the Subscription Receipt Financing and repaying Blender’s outstanding loan and promissory notes payable, the Resulting Company has a working capital surplus of \$3,776,007 comprised of the following:

<b>Sources and Uses of Working Capital</b>	<b>Amount (\$)</b>
Working Capital Surplus (Company)	454,210
Working Capital Surplus (Blender)	(562,703)
Gross Proceeds of Subscription Receipt Financing	3,884,500
Gross Proceeds of Warrant Financing	200,000
<b>Total Sources of Working Capital</b>	<b>3,976,007</b>
Less: Estimated Expenses of Blender Acquisition	(200,000)
<b>Total Available Working Capital</b>	<b>3,776,007</b>

The Resulting Company estimates that it will require approximately \$919,560 to fund general and administrative expenses for the 12 months following completion of the Blender Acquisition, as further set-out in the below table:

<b>General and Administrative Expenses</b>	<b>Amount (\$)</b>
Office, salary, travel and expenses	567,560
Cash reserve	268,000
Legal, administrative, regulatory and accounting work	84,000
<b>Total:</b>	<b>919,560</b>

The Resulting Company estimates that its total cash and cash equivalents is sufficient to meet its cash requirements set out above for the next 12 months. The Resulting Company may require additional financing to fund its administrative expenses and any proposed acquisitions, if applicable. The Company has historically satisfied its capital needs by issuing equity securities or by loans from related parties.

Notwithstanding the proposed uses of available funds discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult, at this time, to definitively project the total funds necessary to effect the planned activities of the Resulting Company. For these reasons, management of the Company considers it to be in the best interests of the Resulting Company and its shareholders to afford management a reasonable degree of flexibility as to how the funds are employed among the uses identified above, or for other purposes, as the need arises. If, as a result of changes in the Resulting Company's business, assets, operations or circumstances, the Board and management of the Resulting Company should determine that the proceeds of the Subscription Receipt Financing should be employed other than as set forth above, the funds shall be allocated on such other business activities and assets as the Board and management reasonably determine. Further, the above uses of available funds should be considered estimates. See Section 17 - *Risk Factors* and *Forward-Looking Statements*.

#### 4.2 Asset-backed Securities

The Resulting Company will not have any asset-backed securities outstanding.

#### 4.3 Companies with Mineral Projects

Blender and the Company do not have any mineral projects.

#### 4.4 Companies with Oil and Gas Operations

Blender and the Company do not have any oil and gas operations.

### 5. Selected Consolidated Financial Information

#### 5.1 Selected Financial Information

##### *Selected Financial Data of the Company*

The following table provides a brief summary of the financial operations of the Company. For more detailed information, refer to the financial statements of the Company for the nine-month interim period ended June 30, 2021 (unaudited), and fiscal years ended September 30, 2020, 2019 and 2018. See Schedule "A" – *Company Financial Statements*.

Description	Interim Period ended June 30, 2021 (\$)	September 30, 2020 (\$)	September 30, 2019 (\$)	September 30, 2018 (\$)
Total Revenues	nil	nil	nil	nil
Net and Comprehensive Income (Loss)				
<i>Total</i>	(553,478)	(52,450)	(888,357)	(2,192,290)
<i>Per Share</i>	(0.08)	(0.03)	(0.51)	(0.16)
Total Assets	755,544	470,141	118,742	945,945
Total Liabilities	546,772	282,520	133,319	72,165
Cash Dividends	nil	nil	nil	nil

***Selected Financial Data of Blender***

The following table provides a brief summary of the financial operations of Blender. For more detailed information, see Schedule “C” – *Blender Financial Statements*.

<b>Description</b>	<b>Interim Period ended April 30, 2021 (\$)</b>	<b>October 31, 2020 (\$)</b>	<b>October 31, 2019 (\$)</b>	<b>October 31, 2018 (\$)</b>
Total Revenues	206,434	441,286	60,379	49,800
Net and Comprehensive Income (Loss)				
<i>Total</i>	(199,910)	(118,909)	(173,080)	(15,811)
<i>Per Share</i>	(1.05)	(0.63)	(0.75)	(0.16)
Total Assets	1,150,014	230,549	75,790	17,847
Total Liabilities	1,445,107	325,732	52,064	21,026
Cash Dividends	nil	nil	nil	nil

***Selected Financial Data of the Resulting Company***

The following table summarizes selected financial data of the Resulting Company as at April 30, 2021, giving effect to the Share Purchase Agreement as if it had been completed as of April 30, 2021 and completion of the Subscription Receipt Financing and Subscription Warrant Financing and repayment of Blender’s loan and promissory notes payable. For more detailed information, refer to the pro forma consolidated financial statements of the Resulting Company for the period ended April 30, 2021.

<b>Description</b>	<b>Period ended April 30, 2021 (\$)</b>
Cash and cash equivalents	2,853,497
Total Assets	2,947,245
Total Liabilities	634,524

See Schedule “E” – *Pro Forma Financial Statements*.

## 5.2 Summary of Quarterly Results

### *Quarterly Results of the Company*

The table below sets out the revenue, income (loss) and income (loss) per share of the Company for the past eight most recently completed quarters.

<b>Quarter Ended</b>	<b>Revenue (\$)</b>	<b>Income (Loss) (\$)</b>	<b>Income (Loss) per Share (\$)</b>
June 30, 2021	nil	(199,042)	(0.03)
March 31, 2021	nil	(275,695)	(0.02)
December 31, 2020	nil	(78,741)	(0.01)
March 31, 2020	nil	(38,361)	(0.02)
June 30, 2020	nil	(228,407)	(0.13)
September 30, 2020	nil	(284,538)	(0.14)
December 31, 2019	nil	(52,450)	(0.03)
March 31, 2019	nil	(537,026)	(0.31)
June 30, 2019	nil	(656,256)	(0.38)

## 5.3 Dividends

### *The Company*

The Company did not pay dividends during the interim three-month period ended December 30, 2020 or any of the three previously completed financial years. The Company intends to retain any earnings to finance growth and expand its operations and do not anticipate paying any dividends on the Shares in the foreseeable future.

The Resulting Company does not contemplate paying any dividends in the immediate future, as it anticipates investing all available funds to finance the growth of the Resulting Company's business. The Resulting Company Board will determine if, and when, to declare and pay dividends in the future from funds properly applicable to the payment of dividends based on the Resulting Company's financial position at the relevant time. All the Resulting Company Shares are entitled to an equal share in any dividends declared and paid on a per share basis.

## 5.4 Foreign GAAP

This section is not applicable to Blender or the Company.

## 6. Management's Discussion and Analysis

### *The Company*

The Company's MD&As for its most recent financial year ended September 30, 2020 and the nine-month period ended June 30, 2021 are attached as Schedule "B" – *Company MD&As* hereto.



## ***Blender***

Blender's MD&As for the periods ended October 31, 2020 and April 30, 2021 are attached as Schedule "D" – *Blender MD&As* hereto.

### **6.12 Proposed Transactions**

For further details concerning the expected impact of the Share Purchase Agreement and the Blender Acquisition on the Company's financial condition, results of operations and cash flows, see the unaudited *pro forma* consolidated statement of financial position of the Resulting Company prepared by its management as of April 30, 2021, giving effect to the Share Purchase Agreement as if it had been completed as of April 30, 2021 and completion of the Subscription Receipt Financing. See Schedule "E" – *Pro Forma Financial Statements*.

## **7. Market for Securities**

On February 20, 2020, the Company's listing was transferred to the NEX and on March 30, 2020, was reinstated for trading on the NEX under the trading symbol "REW.H". On October 8, 2020, the Company changed its name to Balsam Technologies Corp. and on October 9, 2020 began trading under the new symbol "BTEC.H". On March 19, 2021, at the request of the Company, and as a result of the proposed Blender Acquisition pursuant to the Share Purchase Agreement as well as the Subscription Receipt Financing, which constitutes a "fundamental change" of the Company under the rules and policies of the CSE, trading in the Company's Shares was halted pending completion of the fundamental change transaction. In connection with the closing of the Blender Acquisition, the Resulting Company listed its common shares on the CSE, and voluntarily delisted its shares from the NEX on September 20, 2021. The Resulting Company's Shares trade on the CSE under the symbol "BITE".

## **8. Consolidated Capitalization**

The following table summarizes the capitalization of the Resulting Company following completion of the Blender Acquisition and the Subscription Receipt Financing:

<b>Description of Security</b>	<b>Number Authorized to be Issued</b>	<b>Outstanding as of the Date of this Listing Statement<sup>(1)</sup></b>
Common Shares	Unlimited	29,196,788
Warrants	Unlimited	14,550,946
Options	10% of the issued and outstanding Shares	Nil

**Note:** (1) after giving effect to the Subscription Receipt Financing and the completion of the Blender Acquisition.

### ***Capital Structure of the Resulting Company***

Upon completion of the Blender Acquisition and the Subscription Receipt Financing, the capital structure of the Resulting Company is outlined below:

<b>Security</b>	<b>Price</b>	<b>Number Outstanding</b>
Issued and Outstanding <sup>(1)</sup>		11,499,863
Consideration Shares	\$1.00	11,773,580
Finders' Fee	\$1.00	2,000,000
Subscription Receipt Financing	\$1.00	3,884,500
<u>Administrative Fee</u>	<u>\$1.00</u>	<u>38,845</u>
<b>Undiluted Issued and Outstanding</b>		<b>29,196,788</b>
Share Purchase Warrants	\$2.00	1,942,250
Share Purchase Warrants	\$0.31	2,608,696
Consideration Warrants	\$1.00	10,000,000
<b>Fully-Diluted Issued and Outstanding</b>		<b>43,747,734</b>

**Note:** (1) prior to Blender Acquisition and Subscription Receipt Financing

## **9. Options to Purchase Securities**

On September 6, 2016, the Company approved a 10% rolling stock option plan (the “**Stock Option Plan**”), to which options may be granted to officers, directors, employees and consultants (the “**Participants**”) of the Company or its affiliates, subject to the rules and regulations of applicable regulatory authorities and the CSE. Shareholders of the Company approved and ratified the Stock Option Plan on November 5, 2020. As of the date of this Listing Statement, the Company has nil stock options outstanding under the Stock Option Plan. The purpose of the Stock Option Plan is to advance the interests of the Company, through the grant of options, by: (a) providing an incentive mechanism to foster the interests of the Participants in the success of the Company; (b) encouraging Participants to remain with the Company; and (c) attracting new directors, officers, employees and consultants.

The Stock Option Plan for the Company is appended to this Listing Statement as Schedule “G” – *Company Stock Option Plan*.

## **10. Description of Securities**

### **10.1 Description of Blender and the Company’s Securities**

The Company is authorized to issue an unlimited number of Shares without par value. Prior to the completion of the Blender Acquisition and the Subscription Receipt Financing, the Company had 11,499,863 Shares issued and outstanding as fully paid and non-assessable shares.

Prior to the completion of the Blender Acquisition and the Subscription Receipt Financing, Blender had 190,000 Shares issued and outstanding, of which 100,000 are Class A Shares and 90,000 are Class B shares. Blender is authorized to issue 100,000 Class A voting common shares without par value; 100,000 Class B non-voting common shares without par value; an unlimited number of Class C non-voting common shares without par value; an unlimited number of Class D non-voting, redeemable preferred shares with a par value of \$0.01 per share; an unlimited number of Class E non-voting, redeemable referred shares with a par

value of \$0.01 per share; and an unlimited number of Class F non-voting, redeemable preferred shares with a par value of \$100 per share.

Upon completion of the Blender Acquisition and the Subscription Receipt Financing (including the Finder's Fee), the Resulting Company had 29,196,788 Shares issued and outstanding as full paid and non-assessable Shares and 14,550,946 Warrants outstanding. 2,608,696 Warrants are exercisable to acquire one Share at a price of \$0.31 per Share, expiring on February 4, 2022, and 1,942,250 Warrants are exercisable to acquire one Share at a price of \$2.00 per Share, expiring, on August 31, 2023. 10,000,000 Warrants are exercisable to acquire one Share at a price of \$1.00 per Share, expiring on May 28, 2023.

The Shareholders are entitled to dividends if, as and when declared by the Board. The holders of the Shares are also entitled to one vote per Share at meetings of the Shareholders and, upon liquidation, to share equally in such assets of the Company as are distributable to the Shareholders.

There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions which are capable of requiring a security holder to contribute additional capital.

## 10.2 – 10.6 Miscellaneous Securities Provisions

None of the matters set out in sections 10.2 to 10.6 of CSE Form 2A are applicable to the share structure of the Company.

## 10.7 Prior Sales of Shares

### *The Company*

The prior sales of securities of the Company for the past 12 months are listed in the following table:

Date Issued	Number and Type	Issue Price Per Share (\$)	Aggregate Issue (\$)	Nature of Consideration
September 16, 2021	11,773,580	\$1.00	\$11,773,580.00	Blender Acquisition Consideration Shares
September 16, 2021	2,000,000	\$1.00	\$2,000,000.00	Finder's Fee
August 31, 2021	3,884,500	\$1.00	\$3,884,500.00	Private Placement Units
August 31, 2021	1,942,250	\$2.00	\$3,884,500.00	Warrants
August 31, 2021	38,845	\$1.00	\$38,845.00	Administrative Fee
February 4, 2021	2,608,696	\$0.23	\$600,000.00	Private Placement of Units
February 4, 2021	2,608,696	\$0.31	\$808,695.76	Warrants
August 27, 2020	3,571,427	\$0.14	\$499,999.00	Private Placement of Units
August 27, 2020	3,571,427	\$0.185	\$660,714.00	Warrants

**Blender**

The prior sales of securities of Blender for the past 12 months are listed in the following table:

<b>Date Issued</b>	<b>Number and Type</b>	<b>Issue Price Per Security (\$)</b>	<b>Aggregate Issue (\$)</b>	<b>Nature of Consideration</b>
May 28, 2021	10,000,000 Warrants	\$0.02	\$200,000.00	Private Placement

**10.8 Stock Exchange Price**

The Company's Shares were previously traded on the NEX under the trading symbol "BTEC.H". The Company has now commenced trading on the CSE under the symbol "BITE". The following table sets out trading information for the Shares on a monthly basis for each month of the current quarter and the immediately preceding quarter, as well as on a quarterly basis for the next preceding seven quarters prior to the date of this Listing Statement:

<b>Month</b>	<b>TSX-V (NEX) Price Range<sup>(1)</sup></b>		<b>Total Volume</b>
	<b>High (\$)</b>	<b>Low (\$)</b>	
October 2020	0.69	0.69	0
November 2020	0.265	0.26	84,966
December 2020	0.32	0.16	1,038,836
January 2021	0.64	0.195	490,415
February 2021	0.65	0.4	58,958
March 2021	0.58	0.405	34,000
April – September 16, 2021	0.5	0.5	0

**Note:**

(1) At the request of the Company, trading in the Shares on the NEX was halted on March 18, 2021, pending the completion of the Blender Acquisition.

**11. Escrowed Securities**

The Resulting Company is classified as an "emerging issuer", as defined under NP 46-201. Certain of the Consideration Shares to be issued in connection with the Blender Acquisition are subject to escrow under NP 46-201, and certain of the recipients of the Consideration Shares, including directors and officers of the Resulting Company, have entered into an escrow agreement with the Resulting Company and the Escrow Agent, substantially in the form attached as an Appendix to NP 46-201 (Form 46-201F1) (the "**Escrow Agreement**").

Effective upon the closing of the Blender Acquisition, the following securities of the Company are expected to be held in escrow:

Name of Securityholder	Designation of Class Held in Escrow <sup>(1)</sup>	Number of Securities in Escrow	Percentage of Class
Chelsie Hodge	Common Shares	5,025,079	17.21% <sup>(2)</sup>

**Notes:**

(1) The Escrow Agent is the depository for these shares.

(2) Based on 29,196,788 Shares issued and outstanding upon completion of the Blender Acquisition and the Subscription Receipt Financing.

Escrow releases will be scheduled at periods specified in NP 46-201 for emerging issuers. 10% of the Shares will be released from escrow on the date that the Shares commence trading on the CSE followed by six subsequent releases of 15% every six months thereafter.

## 12. Principal Shareholders

### 12.1 – 12.2 - Principal Shareholders

To the knowledge of the directors and senior officers of Blender and the Company, upon completion of the Blender Acquisition, other than Chelsie Hodge, no person or company beneficially owns, directly or indirectly, or exercise control or direction over, shares of the Resulting Company carrying more than 10% of the voting rights attached to all outstanding shares of the Resulting Company.

### 12.3 Voting Trusts

To the knowledge of Blender and the Company, no voting trust exists within Blender or the Company such that more than 10% of any class of voting securities of Blender or the Company are held, or are to be held, subject to any voting trust or similar agreement.

### 12.4 Associates and Affiliates

To the knowledge of Blender or the Company, none of the principal Shareholders is an Associate or Affiliate of any other principal Shareholder.

## 13. Directors and Officers

### 13.1 – 13.3, 13.5, 13.11 Directors and Officers

The Articles of the Company provide that the number of directors should be no fewer than three directors if the Company is public and not fewer than one if it is private. Each director of the Company is elected annually and holds office until the next annual general meeting of the Company or until his or her successor is duly elected, unless his or her office is earlier vacated, in accordance with the Articles of the Company.

Upon completion of the Blender Acquisition, the directors and officers of the Resulting Company are as follows:

Name and Municipality of Residence	Year First Elected or Appointed <sup>(5)</sup>	Principal Occupation for Past Five Years	Number of Common Shares Beneficially Owned or Controlled as at the Date of the Listing Statement <sup>(1)</sup>	Percentage of Issued and Outstanding Common Shares <sup>(2)</sup>
<b>Chelsie Hodge</b> Founder, CEO & Director  Vancouver, BC, Canada	2015 (Blender)  2020 (Resulting Company)	From September 2015 to present, Ms. Hodge has served as the CEO of Blender.	5,025,079 <sup>(4)</sup>	17.21%
<b>Geoff Balderson</b> CFO & Corporate Secretary  Vancouver, BC, Canada	2019	From 2015 to present, Mr. Balderson has acted an officer and director of various companies and is the President of Harmony Corporate Services Ltd., a Vancouver based company that provides administrative services to publicly listed companies.	Nil	Nil
<b>Patrick Morris<sup>(3)</sup></b> Director  Vancouver, BC, Canada	2018	For the past five years, Mr. Morris's acts as a corporate consultant and serves as a director and officer of several publicly listed companies.	Nil	Nil
<b>Christopher Mackay<sup>(3)</sup></b> Director  Vancouver, BC, Canada	2021	From 2010 to present, Mr. Mackay has served as the President of Strand Development.	Nil	Nil
<b>Grant Smith<sup>(3)</sup></b> Director  Markham, ON, Canada	2021	From April 2020 to present, Mr. Smith has served as the President and CEO of Pond Technologies Holdings Inc.  From September 2018 to present, Mr. Smith has also served as the President of Pond's subsidiary, Pond Naturals Inc.  From February 2009 to September 2018, Mr. Smith served as President of RFI Canada Partnership, which was sold to Pond Technologies Holdings Inc. in 2018.	Nil	Nil

**Notes:**

- (1) The information as to voting securities beneficially owned, directly or indirectly, is based upon information furnished by the anticipated directors and officers of the Resulting Company.
- (2) Based on 29,196,788 common shares of the Resulting Company issued and outstanding upon completion of the Blender Acquisition and the Subscription Receipt Financing.
- (3) Expected member of the Audit Committee.
- (4) 5,025,079 Shares are subject to Escrow.

- (5) Directors of the Resulting Company will serve until the next annual meeting of shareholders of the Resulting Company or until their respective successors are duly appointed.

All of the directors of the Resulting Company are appointed to hold office until the next annual general meeting of shareholders or until their successors are duly elected or appointed, unless their office is earlier vacated. The directors and officers of the Resulting Company are expected to beneficially own, directly or indirectly, as a group, 5,025,079 Shares representing approximately 17.21% of all outstanding voting securities of the Company and 11.52%% of all outstanding voting securities of the Company on a fully diluted basis.

***Principal Occupation or Employment During the Past Five Years of Directors and Officers***

Brief descriptions of the biographies for all of the officers and directors of the Resulting Company are set out below and in the table above. Unless otherwise stated, each of the below-named directors and officers has held the principal occupation or employment indicated for the past five years.

***Chelsie Hodge***, Founder, Chief Executive Officer and Director, *Age: 38*

Chelsie has had an interest in nutrition and emerging ingredient trends since an early age and strongly believes in the power of food as medicine. Chelsie got her start in the plant-based sector in 2006 while working for category disrupter, VEGA. At VEGA, she received a crash course on the ins and outs of entrepreneurship and what it takes to start a consumer goods brand. Chelsie also has a keen interest in capital markets and has been a consultant to various public companies for over 12 years assisting with investor relations activities, capital raises and IPO transactions. Chelsie obtained her bachelor's degree in Business Administration from Capilano University in April 2005.

Chelsie is an employee of the Resulting Company, and, in her capacity as CEO and director, will dedicate approximately 100% of her time to the affairs of the Resulting Company. Pursuant to the terms of her employment agreement with the Resulting Company, Chelsie is subject to confidentiality obligations. Chelsie is not a party to any non-competition agreement with the Resulting Company.

***Patrick Morris***, Director, *Age: 52*

Mr. Morris is an entrepreneur and capital markets executive with 20 years of experience raising funds for microcap companies in a number of industries including pharmaceutical cannabis, resource exploration, blockchain technologies, finance and business related to the future of food. Since its inception in late 2019, Mr. Morris has served as CEO and Director of Eat Beyond Global Holdings Inc (CSE:EATS) Canada's first publicly traded investment issuer specifically focussed on investing in the future of food. Mr. Morris also co-created and co-produced Canada's first nationally syndicated radio show about growth stock opportunities which was broadcast on fourteen of the top-rated news talk stations across Canada.

Mr. Morris is a consultant of the Resulting Company, and, in his capacity as director, will dedicate approximately 15% of his time to the affairs of the Resulting Company. Pursuant to the terms of his consulting agreement with the Resulting Company, Mr. Morris is subject to confidentiality obligations. Mr. Morris is not a party to any non-competition agreement with the Resulting Company.

***Christopher Mackay***, Director, *Age: 33*

Chris is the President of Strand Development and is responsible for overseeing Strand Development's real estate activities in the United States. These roles range from the initial sourcing and analysis of new acquisitions and development projects to the disposition and subsequent distributions from these projects, monitoring the status of each project as they come to fruition and dealing with banks and any financing or refinancing situations. Chris started at Strand Development in 2010, working in the companies Atlanta

office, and proceeded to work his way up to the company's headquarters in Vancouver by way of Santa Monica. Strand Development currently has over 3,000 homes in the United States spread between metros such as San Francisco, Los Angeles, Atlanta, Chicago, Denver, Las Vegas, Orlando, Portland, Reno and Seattle. Chris has maintained a relatively low profile; however, he passionately supports and assists in the background in numerous causes such as: Arts Umbrella, East End Boys Club, The Vancouver Sports Club, Zajac Ranch (receiving the Zajac Nights Raising the Bar Award in 2019), and The Table Church. Chris earned diplomas from The Sauder School of Business and The Real Estate Council of British Columbia for the Real Estate Trading Services course and Mortgage Brokerage in British Columbia course in December 2012 and January 2013, respectively.

Chris is a consultant of the Resulting Company, and, in his capacity as director, will dedicate approximately 15% of his time to the affairs of the Resulting Company. Pursuant to the terms of his consulting agreement with the Resulting Company, Chris is subject to confidentiality obligations. Chris is not a party to any non-competition agreement with the Resulting Company.

***Grant Smith***, Director, Age: 52

Mr. Smith has over 25 years of experience in the food and beverage industry with a focus on organics and wellness. He also has a strong track record of building strategic relationships and driving sustainable growth within an organization. After over 15 years of technical sales of primarily nutritionally focused ingredients, Mr. Smith formed RFI Canada Partnership, a company dedicated to nutritional wellness via nutritional ingredients, which then merged with Pond Technologies Holdings Inc. to continue serving producers and consumers with natural and organic products, including algae extracts. Mr. Smith obtained his Bachelor of Science degree in Nutrition and a minor in Human Kinetics from the University of Guelph in 1993.

Mr. Smith is a consultant of the Resulting Company, and, in his capacity as director, will dedicate approximately 15% of his time to the affairs of the Resulting Company. Pursuant to the terms of his consultant agreement with the Resulting Company, Mr. Smith is subject to confidentiality obligations. Mr. Smith is not a party to any non-competition agreement with the Resulting Company.

***Geoff Balderson***, Chief Financial Officer and Corporate Secretary, Age: 43

Mr. Balderson has an extensive background in business and has worked in the capital markets for over 20 years. He currently acts as an officer and director of multiple TSX Venture and Canadian Securities Exchange listed companies. Mr. Balderson is the President of Harmony Corporate Services Ltd., a Vancouver based company that provides administrative services to publicly listed companies. Prior to this he was an Investment Advisor with two Canadian investment dealers. Mr. Balderson graduated from the Sauder School of Business at the University of British Columbia in April 2006.

Mr. Balderson is a consultant of the Resulting Company, and, in his capacity as CFO and Corporate Secretary, will dedicate approximately 15% of his time to the affairs of the Resulting Company. Pursuant to the terms of his consultant agreement with the Resulting Company, Mr. Balderson is subject to confidentiality obligations. Mr. Balderson is not a party to any non-competition agreement with the Resulting Company.

### **13.4 – Board Committees of the Company**

#### ***Audit Committee***

The overall purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to: the financial reporting process and the quality, transparency and integrity of the financial



statements and other related public disclosures; internal controls over financial reporting; compliance with legal and regulatory requirements relevant to the financial statements and financial reporting; ensuring that there is an appropriate standard of corporate conduct for senior financial personnel and employees including, if necessary, adopting a corporate code of ethics; the external auditors' qualifications and independence; and the performance of the internal audit function and the external auditor. The Company has adopted a Charter of the Audit Committee of the Board.

The Resulting Company's Audit Committee consists of the following members:

- Christopher Mackay;
- Patrick Morris; and
- Grant Smith.

All members of the Audit Committee of the Resulting Company are "financially literate" within the meaning of Section 1.6 of NI 52-110 as a result of their prior financial experience in a management capacity, as directors, or as members of audit committees of public companies.

The Resulting Company's Board will adopt a written charter setting forth the responsibilities, powers and operations of the Audit Committee consistent with NI 52-110. The principal duties and responsibilities of the Resulting Company's Audit Committee will be to assist the Resulting Company's Board in discharging the oversight of:

- the integrity of the Resulting Company's consolidated financial statements and accounting and financial processes and the audits of our consolidated financial statements;
- the Resulting Company's compliance with legal and regulatory requirements;
- the Resulting Company's external auditors' qualifications and independence;
- the work and performance of the Resulting Company's financial management and its external auditors; and
- the Resulting Company's system of disclosure controls and procedures and system of internal controls regarding finance, accounting, legal compliance, and risk management established by management and the Resulting Company's Board.

It is anticipated that the Audit Committee will have access to all books, records, facilities, and personnel and may request any information about the Resulting Company as it may deem appropriate. It will also have the authority to retain and compensate special legal, accounting, financial and other consultants, or advisors to advise the Audit Committee. The Audit Committee is also expected to review and approve all related-party transactions and prepare reports for the Resulting Company's Board on such related-party transactions as well as be responsible for the pre-approval of all non-audit services to be provided by our auditors.

The Resulting Company is a "venture issuer" as defined in NI 52-110 and is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110.

### **13.6 13.7 and 13.9 – Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Other than as disclosed below, no directors of Blender or the Company, or the Resulting Company (including any personal holding company of a director), is:

1. as at the date of this Listing Statement, or has been, within 10 years before the date of this Listing Statement a director, CEO or CFO of any company (including the Company) that:
  - (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
  - (b) was subject to an order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO;
2. as at the date of this Listing Statement, or has been within 10 years before the date of the Listing Statement, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
3. has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
4. has been subject to:
  - (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000 or before December 31, 2000, the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
  - (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director, except as follows.

Geoff Balderson, a director of the Company, was (from August 2014 to May 2017) the President and CEO, and was (from July 2007 to present) a director of Argentum Silver Corp. (“**Argentum**”), a company publicly trading on the TSXV. A management cease trade order was issued on November 2, 2015 for failure to file its annual financial statements in the required time. Argentum’s annual financial statements were subsequently filed and the BCSC issued a revocation order on December 16, 2015. In addition, a management cease trade order was issued on November 3, 2016 for failure to file its annual financial statements in the required time. Argentum’s annual financial statements were subsequently and the BCSC issued a revocation order on December 5, 2016. Mr. Balderson was CFO and Secretary of Core One Labs Inc. (“**Core**”), a company publicly trading on the CSE. A management cease trade order was issued on May 3, 2021 for failure to file its annual financial statements in the required time. Core’s annual financial statements were subsequently filed and the BCSC issued a revocation order on June 29, 2021. Mr. Balderson was CFO and Secretary of Thoughtful Brands Inc. (“**Thoughtful**”), a company publicly trading on the CSE. A management cease trade order was issued on May 4, 2021 and a cease trade order was issued on July 8, 2021. Thoughtful is in the process of completing its annual financial statements at which time Thoughtful anticipates that the cease trade order will be revoked.

### 13.10 Conflicts of Interest

Conflicts of interest may arise as a result of the directors, officers and promoters of the Resulting Company also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Resulting Company have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Resulting Company will be in direct competition with the Resulting Company. Directors of the Resulting Company will be bound by the provisions of the BCBCA to act honestly and in good faith with a view to the best interests of the Resulting Company and to disclose any interests, which they may have in any project or opportunity the Resulting Company may have. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the knowledge of Blender and the Company, and other than disclosed herein, there are no known existing or potential conflicts of interest among the promoters, directors and officers of Blender or the Company or other members of management or of any proposed promoter, director, officer or other member of management of the Resulting Company as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Resulting Company and their duties as a director or officer of such other companies.

## 14. Capitalization

### 14.1 Issued Capital

Upon completion of the Blender Acquisition and the Subscription Receipt Financing, the share capital of the Resulting Company on a non-diluted and fully-diluted basis is as follows:

Issued Capital	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% Issued (non-diluted)	% of Issued (fully-diluted)
<b>Public Float</b>				
Total Outstanding (A)	29,196,788	43,747,734	100%	100%
Held by related persons or employees or related person or by persons or company who beneficially own, direct or indirectly, more than a 5% voting position in the issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the issuer upon exercise or conversion of other securities held (B)	5,025,079	5,037,579	17.21%	11.52%
<b>Total Public Float (A-B)</b>	<b>24,171,709</b>	<b>38,710,155</b>	<b>82.79%</b>	<b>88.47%</b>
<b>Freely-Tradeable Float</b>				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	5,025,0795	5,037,579	20.82%	13.01%
<b>Total Tradeable Float (A-C)</b>	<b>24,171,709</b>	<b>38,710,155</b>	<b>82.79%</b>	<b>86.20%</b>

**Public Securityholders (Registered)**<sup>(1)</sup>

Information of the following is extracted from the list of Shareholders of the Resulting Company as of the date of this Listing Statement, as maintained by its registrar and transfer agent, Computershare.

<b>Common Shares Size of Holding</b>	<b>Number of Holders</b>	<b>Total Number of Securities</b>
1 – 99 securities	33	546
100 – 499 securities	18	4,634
500 – 999 securities	8	4,939
1,000 – 1,999 securities	9	14,573
2,000 – 2,999 securities	5	11,763
3,000 – 3,999 securities	2	6,902
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	93	29,153,431
	<b>Total</b>	<b>29,196,788<sup>(1)</sup></b>

**Note:**

(1) This number includes the aggregate holdings of the Canadian Depository (CDS) (4,487,101 registered Shares).

**Public Securityholders (Beneficial)**

The following information is based on data files provided to Broadridge by financial intermediaries that hold the Resulting Company's securities.

<b>Common Shares Size of Holding</b>	<b>Number of Holders</b>	<b>Total Number of Securities</b>
1 – 99 securities	175	2,253
100 – 499 securities	57	12,357
500 – 999 securities	17	11,450
1,000 – 1,999 securities	35	47,915
2,000 – 2,999 securities	18	42,635
3,000 – 3,999 securities	10	34,971
4,000 – 4,999 securities	7	29,920
5,000 or more securities	78	4,278,499
Totals		4,460,000

**Non - Public Securityholders (Registered)**

<b>Class of Security Size of Holding</b>	<b>Number of Holders</b>	<b>Total Number of Securities</b>
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil

<b>Class of Security Size of Holding</b>	<b>Number of Holders</b>	<b>Total Number of Securities</b>
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities		
5,000 or more securities	1	5,025,079

## **14.2 Convertible / Exchangeable Securities**

The Company does not have any securities convertible or exchangeable into any class of listed securities.

## **14.3 Other Listed Securities**

The Company has no other listed securities reserved for issuance that are not included in this Section 14.

## **15. Executive Compensation**

### **15.1 Compensation Discussion and Analysis**

Please refer to the Statement of Executive Compensation Form 51-102F6 filed on the Company's SEDAR profile.

#### ***Oversight and Description of Director and Named Executive Officer Compensation***

The Board of the Resulting Company will review the compensation of its executives following completion of the Blender Acquisition and make such changes as it deems appropriate.

## **16. Indebtedness of Directors and Officers**

Management is not aware of any indebtedness (other than routine indebtedness) outstanding by any of Blender's or the Company's directors, executive officers or any of their associates, or any guarantees, support agreements, letters of credit or similar arrangements provided by Blender or the Company to these individuals.

## **17. Risk Factors**

### **17.1 Description of Risk Factors**

The Shares should be considered highly speculative due to the nature of the Resulting Company's business and the present stage of its development. In evaluating the Resulting Company and its new business, investors should carefully consider the following risk factors, in addition to the other information contained in this Listing Statement. These risk factors are not a definitive list of all risk factors associated with an investment in the Resulting Company or in connection with the its operations.

Additional risks and uncertainties that the Resulting Company is unaware of, or that the Resulting Company currently deems not to be material, may also become important factors that affect the Resulting Company. If any such risks actually occur, the Resulting Company's business, financial condition or results of operations could be materially adversely affected.

### ***Limited Operating History***

The Resulting Company is subject to many of the risks common to entering a new area of investment, including under-capitalization, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Resulting Company will be successful in achieving a return on its investment and the likelihood of success must be considered in light of the Resulting Company's lack of experience in the functional foods and plant-based industry in North America.

Because the Resulting Company has limited operating history in an emerging area of business, potential investors should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets. These risks may include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful;
- risks that fluctuations in its operating results will be significant relative to its revenues; and
- risks relating to an evolving regulatory regime.

The Resulting Company's growth will depend substantially on its ability to address these and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

### ***Uncertainty about the Resulting Company's ability to continue as a going concern***

The Resulting Company's ability to continue as a going concern will be dependent upon its ability in the future to grow its revenue and achieve profitable operations and, in the meantime, to obtain the necessary financing to meet its obligations and repay its liabilities when they become due. External financing, predominantly by the issuance of equity and debt, will be sought to finance the operations of the Resulting Company; however, there can be no certainty that such funds will be available at terms acceptable to the Resulting Company, or at all. These conditions indicate the existence of material uncertainties that may cast significant doubt about the Resulting Company's ability to continue as a going concern.

### ***The Resulting Company's actual financial position and results of operations may differ materially from the expectations of the Resulting Company's management.***

The Resulting Company's actual financial position and results of operations may differ materially from management's expectations. As a result, the Resulting Company's revenue, net income and cash flow may differ materially from the Resulting Company's projected revenue, net income and cash flow. The process for estimating the Resulting Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Resulting Company's financial condition or results of operations.

### ***Probable lack of business diversification***

Because the Resulting Company will be initially focused solely on developing its functional foods and plant-based business, the prospects for the Resulting Company's success will be dependent upon the future performance and market acceptance of the Resulting Company's intended facilities, products, processes

and services. Unlike certain entities that have the resources to develop and explore numerous product lines, operating in multiple industries or multiple areas of a single industry, the Resulting Company does not anticipate having the ability to immediately diversify or benefit from the possible spreading of risks or offsetting of losses. Again, the prospects for the Resulting Company's success may become dependent upon the development or market acceptance of a very limited number of facilities, products, processes or services.

### ***Public Health Crises***

Public health crises could adversely affect the Resulting Company's business. The Resulting Company's financial and/or operating performance could be materially adversely affected by the outbreak of public health crises, epidemics, pandemics or outbreaks of new infectious diseases or viruses, such as the recent global outbreak of a novel coronavirus disease, COVID-19. Such public health crises, including the ongoing COVID-19 pandemic, can result in volatility and disruption to global supply chains, consumer, trade and market sentiment, mobility of people, and global financial markets, which could affect share prices, interest rates, credit ratings, credit risk, inflation, business, financial conditions and results of operations, and other factors relevant to the Resulting Company. The risks to the Resulting Company of such public health crises, including the ongoing COVID-19 outbreak, also include risks to employee health and safety, a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak or could result in the cancellation of orders, as well as supply chain disruptions and could negatively impact the Resulting Company's business, financial condition and results of operations.

In particular, the current restrictions, and future prevention and mitigation measures implemented as result of the current COVID-19 pandemic, are likely to have an adverse impact on global economic conditions and consumer confidence and spending, which could materially adversely affect the demand and supply for our products. Uncertainties regarding the economic impact of COVID-19 is likely to result in sustained market turmoil, which could also negatively impact the Resulting Company's business, financial condition and cash flows and the trading price of its Common Shares.

### ***Regulatory compliance risks***

Achievement of the Resulting Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Resulting Company may not be able to obtain or maintain the necessary licences, permits, quotas, authorizations or accreditations to operate its business or may only be able to do so at great cost. The Resulting Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by local governmental authorities.

The officers and directors of the Resulting Company must rely, to a great extent, on the Resulting Company's legal counsel and local consultants retained by the Resulting Company in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect the Resulting Company's business operations, and to assist the Resulting Company with its governmental relations. The Resulting Company will rely on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing and tax matters.

The Resulting Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. The Resulting Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. In addition, changes in regulations, more vigorous enforcement

thereof or other unanticipated events could require extensive changes to the Resulting Company's operations, increase compliance costs or give rise to material liabilities, which could all have a material adverse effect on the business, results of operations and financial condition of the Resulting Company.

***Food Safety and Consumer Health***

The Resulting Company will be subject to risks that affect the food industry in general, including risks posed by food spoilage, accidental contamination, product tampering, consumer product liability, and the potential costs and disruptions of a product recall. The Resulting Company manage these risks by maintaining strict and rigorous controls and processes in its production facility and distribution system. However, the Resulting Company cannot assure that such systems will eliminate the risks related to food safety. The Resulting Company could be required to recall certain or a large portion of its products in the event of contamination or adverse test results or as a precautionary measure. There is also a risk that not all of the product subject to the recall will be properly identified, or that the recall will not be successful or not be enacted in a timely manner. A product recall could result in significant losses due to its costs, destruction of product inventory and lost sales due to the unavailability of the product or potential loss of current or new customers as a result of an adverse impact on our reputation. In addition, once purchased by consumers, the Resulting Company has no further control over its products and consumers may prepare its products in a manner that is inconsistent with its directions which may adversely affect the quality and safety of the Resulting Company's products. Any product contamination could subject the Resulting Company to product liability claims, adverse publicity and government scrutiny, investigation or intervention, resulting in increased costs and decreased sales. Any of these events could have a material adverse impact on the Resulting Company's business, financial condition and results of operations.

***The Resulting Company faces competition from other companies where it will conduct business that may have higher capitalization, more experienced management or may be more mature as a business.***

Many other businesses in North America engage in similar activities to the Resulting Company. An increase in the companies competing in this industry could limit the ability of the Resulting Company to expand its operations. Current and new competitors may have better capitalization, a longer operating history, more expertise and be able to develop higher quality equipment or products at the same or a lower cost. The Resulting Company cannot provide assurances that it will be able to compete successfully against current and future competitors. Competitive pressures faced by the Resulting Company could have a material adverse effect on its business, operating results and financial condition.

***The Resulting Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure, growth, regulatory compliance and operations.***

The Resulting Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Resulting Company's results of operations, financial condition and cash flows. In addition, future changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Resulting Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Company. The Resulting Company's efforts to grow its business may be costlier than the Resulting Company expects, and the Resulting Company may not be able to increase its revenue enough to offset its higher operating expenses. The Resulting Company may incur significant losses in the future for a number of reasons, and unforeseen expenses, difficulties, complications and delays, and other unknown events. If the Resulting Company is unable to achieve and sustain profitability, the market price of the Resulting Company Shares may significantly decrease.

***Development of the business of the Resulting Company***



The development of the business of the Resulting Company and its ability to execute on its expansion opportunities described herein will depend, in part, upon the amount of additional financing available. Failure to obtain sufficient financing may result in delaying, scaling back, eliminating or indefinitely postponing expansion opportunities and the business of the Resulting Company's current or future operations. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be acceptable to the Resulting Company. In addition, there can be no assurance that future financing can be obtained without substantial dilution to existing shareholders.

***There is no assurance that the Resulting Company will become profitable or pay dividends.***

There is no assurance as to whether the Resulting Company will become profitable or pay dividends. The Resulting Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, the Resulting Company's results of operations, cash flow, financial condition and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends. In the event that any of the Resulting Company's investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Resulting Company to declare or pay dividends, affect other distributions or subsequently repatriate such funds back to Canada.

***The Resulting Company may not be able to effectively manage its growth and operations, which could materially and adversely affect its business.***

If the Resulting Company implements its business plan as intended, it may in the future experience rapid growth and development in a relatively short period of time. The management of this growth will require, among other things, continued development of the Resulting Company's financial and management controls and management information systems, stringent control of costs, the ability to attract and retain qualified management personnel and the training of new personnel. The Resulting Company intends to utilize outsourced resources and hire additional personnel to manage its expected growth and expansion. Failure to successfully manage its possible growth and development could have a material adverse effect on the Resulting Company's business and the value of the common shares of the Resulting Company.

***Liability, enforcement and complaints***

The Resulting Company's participation in the functional foods and plant-based industry may lead to litigation, formal or informal complaints, enforcement actions and inquiries by third parties, other companies or various governmental authorities against the Resulting Company. Litigation, complaints and enforcement actions involving the Resulting Company could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Resulting Company's future cash flows, earnings, results of operations and financial condition.

***Breaches of security at its facilities, or in respect of electronic documents and data storage and may face risks related to breaches of applicable privacy laws***

Given the nature of the Resulting Company's product, despite meeting or exceeding all legislative security requirements, there remains a risk of shrinkage, as well as theft. A security breach could expose the Resulting Company to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential consumers from choosing the Resulting Company's products. A privacy breach may occur through procedural or process failure,

information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes, particularly consumer lists and preferences, is an ongoing risk whether perpetrated via employee collusion or negligence or through a deliberate cyber-attack. Any such theft or privacy breach would have a material adverse effect on the Resulting Company's business, financial condition and results of operations.

### ***Dependence on suppliers***

The ability of the Resulting Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to equipment, parts and components. No assurances can be given that the Resulting Company will be successful in maintaining its required supply of equipment, parts and components. This could have an adverse effect on the financial results of the Resulting Company.

### ***The Resulting Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Resulting Company relating to intellectual property rights.***

The Resulting Company may be forced to litigate to enforce or defend its intellectual property rights, to protect its trade secrets or to determine the validity and scope of other parties' proprietary rights. Any such litigation could be very costly and could distract its management from focusing on operating the Resulting Company's business. The existence or outcome of any such litigation could harm the Resulting Company's business. Further, because the content of much of the Resulting Company's intellectual property concerns and other activities that are not legal in some state jurisdictions or under federal law, the Resulting Company may face additional difficulties in defending its intellectual property rights.

### ***The Resulting Company may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on the Resulting Company's reputation, business, results from operations and financial condition.***

The Resulting Company may be named as a defendant in a lawsuit or regulatory action. The Resulting Company may also incur uninsured losses for liabilities which arise in the ordinary course of business, or which are unforeseen, including, but not limited to, employment liability and business loss claims. Any such losses could have a material adverse effect on the Resulting Company's business, results of operations, sales, cash flow or financial condition.

### ***Insurance coverage***

The Resulting Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, labour disputes, product liability and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability. Although the Resulting Company will maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance may not cover all the potential risks associated with its operations. The Resulting Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of the Resulting Company is not generally available on acceptable terms. The Resulting Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Resulting Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Resulting Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

### ***Product recalls***

Manufacturers and distributors of products can be subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of the Resulting Company's products are recalled due to an alleged product defect or for any other reason, the Resulting Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Resulting Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. A recall for any of the foregoing reasons could lead to decreased demand for the Resulting Company's products and could have a material adverse effect on the Resulting Company's results of operations and financial condition. Additionally, product recalls may lead to increased scrutiny of the Resulting Company's operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

***Failure to successfully integrate acquired businesses, its products and other assets into the Resulting Company, or if integrated, failure to further the Resulting Company's business strategy, may result in the Resulting Company's inability to realize any benefit from such acquisition***

The Resulting Company may grow by acquiring other businesses. The consummation and integration of any acquired business, product or other assets into the Resulting Company may be complex and time consuming and, if such businesses and assets are not successfully integrated, the Resulting Company may not achieve the anticipated benefits, cost-savings or growth opportunities. Furthermore, these acquisitions and other arrangements, even if successfully integrated, may fail to further the Resulting Company's business strategy as anticipated, expose the Resulting Company to increased competition or other challenges with respect to the Resulting Company's products or geographic markets, and expose the Resulting Company to additional liabilities associated with an acquired business, technology or other asset or arrangement.

***The size of the Resulting Company's target market is difficult to quantify and investors will be reliant on their own estimates on the accuracy of market data.***

As the plant-based industry is in an early stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Resulting Company and, few, if any, established companies whose business model the Resulting Company can follow or upon whose success the Resulting Company can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Resulting Company. There can be no assurance that the Resulting Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results. The Resulting Company regularly purchases and follows market research.

***The Resulting Company's industry is experiencing rapid growth and consolidation that may cause the Resulting Company to lose key relationships and intensify competition.***

The plant-based industry and businesses ancillary to and directly involved with plant-based businesses are undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and formation of strategic relationships. Acquisitions or other consolidating transactions could harm the Resulting Company in a number of ways, including by losing strategic partners if they are acquired by or enter into relationships with a competitor, losing customers, revenue and market share, or forcing the Resulting Company to expend greater resources to meet new or additional competitive threats, all of which could harm the Resulting Company's operating results. As competitors enter the market and become increasingly sophisticated, competition in the Resulting Company's industry may intensify and

place downward pressure on retail prices for its products and services, which could negatively impact its profitability. The Resulting Company may continue to sell shares for cash to fund operations, capital expansion and mergers and acquisitions that will dilute the current shareholders' equity.

***There is no guarantee that the Resulting Company will be able to achieve its business objectives. The continued development of the Resulting Company and its business will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Resulting Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Resulting Company.***

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Resulting Company Shares. The Resulting Company's articles permit the issuance of an unlimited number of Resulting Company Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Resulting Company have discretion to determine the price and the terms of issue of further issuances. Moreover, additional Resulting Company Shares will be issued by the Resulting Company on the exercise of options under the Resulting Company Option Plan and upon the exercise of outstanding Resulting Company Warrants. In addition, from time to time, the Resulting Company may enter into transactions to acquire assets or shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Resulting Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Resulting Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Resulting Company's ability to pursue its business objectives.

If an investor purchases Resulting Company Shares in an offering, it will experience substantial and immediate dilution because the price that such investor will pay will be substantially greater than the net tangible book value per share of the Resulting Company Shares that it acquires. This dilution is due in large part to the fact that the Resulting Company's earlier investors will have paid substantially less than a public offering price when they purchased their shares of the Resulting Company's capital stock.

***The Resulting Company will be reliant on information technology systems and may be subject to damaging cyberattacks.***

The Resulting Company has entered into agreements with third parties for hardware, software, telecommunications and other information technology ("IT") services in connection with its operations. The Resulting Company's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Resulting Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays or increases in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Resulting Company's reputation and results of operations.

The Resulting Company has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that the Resulting Company will not incur

such losses in the future. The Resulting Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Resulting Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

***The Resulting Company's major shareholders, officers and directors may be engaged in a range of business activities resulting in conflicts of interest.***

Although certain major shareholder, officers and board members of the Resulting Company are expected to be bound by anti-circumvention agreements limiting their ability to enter into competing or conflicting ventures or businesses, the Resulting Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Resulting Company's executive officers and directors may devote time to their outside business interests as long as such activities do not materially or adversely interfere with their duties to the Resulting Company. In some cases, the Resulting Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Resulting Company's business and affairs and that could adversely affect the Resulting Company's operations. These business interests could require significant time and attention of the Resulting Company's executive officers and directors.

In addition, the Resulting Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time to time deal with persons, firms, institutions or companies with which the Resulting Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Resulting Company. In addition, from time to time, these persons may be competing with the Resulting Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Resulting Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Resulting Company are required to act honestly, in good faith and in the best interests of the Resulting Company.

***Risks related to the Resulting Company's securities***

The Resulting Company cannot assure investors that a market will continue to develop or exist for the Resulting Company Shares or what the market price of the Resulting Company Shares will be.

The Resulting Company cannot assure that a market will develop or be sustained for the Resulting Company Shares. If a market does not continue to develop or is not sustained, it may be difficult for investors to sell Resulting Company Shares at an attractive price or at all. The Resulting Company cannot predict the prices at which the Resulting Company Shares will trade.

***The Resulting Company may be subject to additional regulatory burden resulting from its public listing on the CSE.***

Prior to the Blender Acquisition, Blender was not subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations and policies of the CSE. The Resulting Company is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to the Resulting Company's financial management control systems to manage its obligations as a public company listed on the CSE. These areas include corporate governance, corporate

controls, disclosure controls and procedures and financial reporting and accounting systems. The Resulting Company has made, and will continue to make, changes in these and other areas, including the Resulting Company's internal controls over financial reporting. However, the Resulting Company cannot assure holders of Resulting Company Shares that these and other measures that the Resulting Company might take will be sufficient to allow it to satisfy the Resulting Company's obligations as a public company listed on the CSE on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies listed on the CSE will create additional costs for the Resulting Company and will require the time and attention of management. The Resulting Company cannot predict the amount of the additional costs that the Resulting Company might incur, the timing of such costs or the impact that management's attention to these matters will have on the Resulting Company's business.

***The market price for Resulting Company Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Resulting Company's control.***

The market price for Resulting Company Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Resulting Company's control, including the following: (i) actual or anticipated fluctuations in the Resulting Company's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of companies in the industry in which the Resulting Company operates; (iv) addition or departure of the Resulting Company's executive officers and other key personnel; (v) release or expiration of lock-up or other transfer restrictions on outstanding Resulting Company Shares; (vi) sales or perceived sales of additional Resulting Company Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving us or the Resulting Company's competitors; (viii) fluctuations to the costs of vital production materials and services; (ix) changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility; (x) operating and share price performance of other companies that investors deem comparable to the Resulting Company or from a lack of market comparable companies; (xi) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Resulting Company's industry or target markets; and (xii) regulatory changes in the industry.

***Future sales of Resulting Company Shares by existing shareholders could reduce the market price of the Resulting Company shares.***

Sales of a substantial number of Resulting Company Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Resulting Company Shares intend to sell their Resulting Company Shares, could reduce the market price of the Resulting Company Shares. Additional Resulting Company Shares may be available for sale into the public market, subject to applicable securities laws, which could reduce the market price for Resulting Company Shares.

#### ***Tax issues***

There may be income tax consequences in relation to the Resulting Company Shares, which will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers.

#### ***No guarantee on the use of available funds by the Resulting Company***

The Resulting Company cannot specify with certainty the particular uses of its available funds. Management has broad discretion in the application of its available funds. Accordingly, shareholders of Resulting Company Shares will have to rely upon the judgment of management with respect to the use of available funds, with only limited information concerning management's specific intentions. The Resulting Company's management may spend a portion or all of the available funds in ways that the Resulting

Company's shareholders might not desire, that might not yield a favourable return and that might not increase the value of a shareholder's investment. The failure by management to apply these funds effectively could harm the Resulting Company's business. Pending use of such funds, the Resulting Company might invest available funds in a manner that does not produce income or that loses value.

### ***Environmental, Health and Safety Laws***

The Resulting Company is subject to environmental, health and safety laws and regulations in each jurisdiction in which the Resulting Company operates. Such regulations govern, among other things, emissions of pollutants into the air, wastewater discharges, waste disposal, the investigation and remediation of soil and groundwater contamination, and the health and safety of the Resulting Company's employees. The Resulting Company may be required to obtain environmental permits from governmental authorities for certain of its current or proposed operations. The Resulting Company may not have been, nor may it be able to be at all times, in full compliance with such laws, regulations and permits. If the Resulting Company violates or fails to comply with these laws, regulations or permits, the Resulting Company could be fined or otherwise sanctioned by regulators. As with other companies engaged in similar activities or that own or operate real property, the Resulting Company faces inherent risks of environmental liability at its current and historical production sites. Certain environmental laws impose strict and, in certain circumstances, joint and several liability on current or previous owners or operators of real property for the cost of the investigation, removal or remediation of hazardous substances as well as liability for related damages to natural resources. In addition, the Resulting Company may discover new facts or conditions that may change its expectations or be faced with changes in environmental laws or their enforcement that would increase its liabilities. Furthermore, its costs of complying with current and future environmental and health and safety laws, or the Resulting Company's liabilities arising from past or future releases of, or exposure to, regulated materials, may have a material adverse effect on its business.

### ***Governmental Regulations and Risks***

Government approvals and permits may in the future be required in connection with the Resulting Company's operations. To the extent such approvals are required and not obtained, the Resulting Company may be curtailed or prohibited from conducting its business. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, or remedial actions. The Resulting Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Changes to current laws and regulations may be unfavorable and have an adverse affect on the companies operations.

### ***Reliance on Management***

The Resulting Company has plans to expand its distribution across North America. The Resulting Company is expected to have five people on its management team. The success of the Resulting Company is dependent to a certain degree upon the ability, expertise, judgment, discretion and good faith of certain key members of management. It is expected that these individuals will be a significant factor in the growth and success of the Resulting Company. Any loss of the services of such individuals could have a material adverse effect on the Resulting Company's ability to implement its business plan and achieve its objectives.

### ***Competition***

The Resulting Company will likely face intense competition from other companies, some of which have longer operating histories and more financial resources and marketing experience than the Resulting Company. Increased competition by larger and better-financed competitors could materially and adversely affect the proposed business, financial condition and results of operations of the Resulting Company.

Because of the early stage of the industry in which the Resulting Company operates, the Resulting Company expects to face additional competition from new entrants. To remain competitive, the Resulting Company will require a continued investment in facilities and product development to be able to compete on costs. The Resulting Company may not have sufficient resources to maintain marketing, sales and patient support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations.

### ***Liability for Actions of Employees, Contractors and Consultants***

The Resulting Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Resulting Company.

The Resulting Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Resulting Company that violates: (i) government regulations; (ii) manufacturing standards; (iii) fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Resulting Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Resulting Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Resulting Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Resulting Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on its business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, the curtailment of the Resulting Company's operations or asset seizures, any of which could have a material adverse effect on the Resulting Company's business, financial condition and results of operations.

### ***Breach of Confidentiality***

While discussing potential business relationships or other transactions with third parties, the Resulting Company may disclose confidential information relating to the business, operations or affairs of the Resulting Company. Although confidentiality agreements are to be signed by third parties prior to the disclosure of any confidential information, a breach of such confidentiality agreement could put the Resulting Company at competitive risk and may cause significant damage to its business. The harm to the Resulting Company's business from a breach of confidentiality cannot presently be quantified but may be material and may not be compensable in damages. There can be no assurance that, in the event of a breach of confidentiality, the Resulting Company will be able to obtain equitable remedies, such as injunctive relief from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

### ***Inability to Protect Intellectual Property***

The Resulting Company's success is heavily dependent upon its intangible property and technology. The Resulting Company relies upon copyrights, patents, trade secrets, unpatented proprietary know-how and continuing innovation to protect the intangible property, technology and information that are considered important to the development of the business. The Resulting Company relies on various methods to protect its proprietary rights, including confidentiality agreements with consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of confidential information. However, despite efforts to protect intangible property rights, unauthorized parties may attempt to copy or replicate intangible property, technology or processes. There can be no assurances that the steps taken by the Resulting Company to protect its intangible property, technology and information



will be adequate to prevent misappropriation or independent third-party development of the Resulting Company's intangible property, technology or processes. It is likely that other companies can duplicate a production process similar to the Resulting Company's. Other companies may also be able to materially duplicate the Resulting Company's proprietary plant strains. To the extent that any of the above would occur, revenue could be negatively affected, and in the future, the Resulting Company may have to litigate to enforce its intangible property rights, which could result in substantial costs and divert management's attention and other resources.

The Resulting Company's ability to successfully implement its business plan depends in part on its ability to obtain, maintain and build brand recognition using its trademarks, service marks, trade dress, domain names and other intellectual property rights, including the Resulting Company's names and logos. If the Resulting Company's efforts to protect its intellectual property are unsuccessful or inadequate, or if any third party misappropriates or infringes on its intellectual property, the value of its brands may be harmed, which could have a material adverse effect on the Resulting Company's business and might prevent its brands from achieving or maintaining market acceptance.

The Resulting Company may be unable to obtain registrations for its intellectual property rights for various reasons, including refusal by regulatory authorities to register trademarks or other intellectual property protections, prior registrations of which it is not aware, or it may encounter claims from prior users of similar intellectual property in areas where it operates or intends to conduct operations. This could harm its image, brand or competitive position and cause the Resulting Company to incur significant penalties and costs.

If the Resulting Company is unable to continually innovate and increase efficiencies, its ability to attract new customers may be adversely affected. In the area of innovation, the Resulting Company must be able to develop new technologies and products that appeal to its customers. This depends, in part, on the technological and creative skills of its personnel and on its ability to protect its intellectual property rights. The Resulting Company may not be successful in the development, introduction, marketing, and sourcing of new technologies or innovations, that satisfy customer needs, achieve market acceptance, or generate satisfactory financial returns.

### ***Limited Market for Securities***

The Resulting Company's Shares are expected to be listed on the CSE, however, there can be no assurance that an active and liquid market for the Resulting Company's Shares will develop or be maintained.

### ***Emerging Industry***

As a participant in the emerging plant-based industry, the Resulting Company will have limited access to industry benchmarks in relation to its business. Industry-specific data points such as operating ratios, research and development projects, debt structures, compliance and other financial and operational related data is limited and accordingly, management will be required to make decisions in the absence of such data points.

### ***Discretion in Use of Proceeds***

Management will have broad discretion concerning the use of the proceeds of the Subscription Receipt Financing, as well as the timing of their expenditure. The results and the effectiveness of the application of the net proceeds are uncertain. If the proceeds are not applied effectively, the results of the Resulting Company's operations may suffer. Shareholders may not agree with the manner in which management chooses to allocate and spend the net proceeds of the Subscription Receipt Financing.

### ***Holding Company***

The Resulting Company is a holding company and will not have any significant assets other than Blender Shares and will conduct substantially all of its business through Blender. The ability of Blender to distribute funds to the Resulting Company will depend on its operating results, tax considerations (both domestic and cross-border) and will be subject to applicable laws and regulations which require that solvency and capital standards be maintained by Blender and contractual restrictions contained in the instruments governing its debt, existing or if incurred.

### ***Key Personnel Risks***

The Resulting Company's efforts are dependent to a large degree on the skills and experience of certain of its key personnel, including the Board. The Resulting Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Resulting Company and its securities. The Resulting Company's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Resulting Company may incur significant costs to attract and retain them.

### ***Litigation***

The Resulting Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business including as a result of contractual or other disputes or as a consequence of the Resulting Company's listing on the CSE and reporting issuer status. Should any litigation in which the Resulting Company becomes involved be determined against the Resulting Company, such decision could adversely affect the Resulting Company's ability to continue operating and the market price for the Shares, and could use significant resources. Even if the Resulting Company is involved in litigation and wins, litigation can redirect significant Resulting Company resources. Litigation may also create a negative perception of the Resulting Company's brand.

### ***Negative Cash Flow***

The Resulting Company has not and does not expect to generate significant revenue or cash flow for a period of time. As a result of the Resulting Company's negative cash flow, the Resulting Company will continue to rely on the issuance of securities or other sources of financing to generate the funds required to fund corporate expenditures. The Resulting Company may continue to have negative operating cash flow for the foreseeable future.

## **18. Promoters**

### **18.1 Promoters**

#### ***The Company***

As the founder, director, and CEO of Blender up to the completion of the Blender Acquisition, and as CEO and director of the Resulting Company upon completion of the Blender Acquisition, Chelsie Hodge is a promoter of the Resulting Company within the meaning of applicable securities laws, controlling 5,025,079 (17.21%) of the Resulting Company Shares (of which 5,025,079 Shares will be held in escrow). The Resulting Company has not acquired any assets from Ms. Hodge within the two years before the date of the Listing Statement.

## 18.2 Orders, Bankruptcies and Sanctions

No promoter referred to in Section 18.1 is, as at the date of this Listing Statement, or was within ten years before the date hereof, a director, CEO or CFO of any person or company that:

- (a) was subject to an order that was issued while the promoter was acting in the capacity as a director, CEO or CFO; or
- (b) was subject to an order that was issued after the promoter ceased to be a director, CEO or CFO and which resulted from an event that occurred while the promoter was acting in the capacity as director, CEO or CFO.

No promoter referred to in Section 18.1:

- (a) is, as at the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any person or company that, while the promoter was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the promoter.

No promoter referred to in Section 18.1 has been subject to:

- (a) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement agreement with a provincial and territorial securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

## 19. Legal Proceedings

There are no current or contemplated legal proceedings that are material to the business or assets of Blender or the Company.

## 20. Interest of Management and Others in Material Transactions

Blender and the Company are not aware of any direct or indirect material interest in any matter to be acted upon or any material transaction during the last three fiscal years, of any director, executive officer or principal Shareholder.

## 21. Auditors, Transfer Agents and Registrars

### 21.1 Auditors

#### *The Company and Resulting Company*

The auditor of the Company is DMCL Chartered Professional Accountants (“**DCML**”), at its office located at Suite 1500-1700, 1140 West Pender Street, Vancouver, British Columbia, V6E 4G1. It is anticipated that DMCL will continue to be the auditor of the Resulting Company following completion of the Blender Acquisition.

#### *Blender*

The auditor of Blender is Davidson & Company LLP, at its office located at Suite 1200, 609 Granville Street, Vancouver, British Columbia, V7Y 1G6.

### 21.2 Transfer Agent and Registrar

#### *The Company and Resulting Company*

The transfer agent and registrar of the Company is Computershare Trust Company of Canada (“**Computershare**”), at its office located at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9. It is anticipated that Computershare will continue to be the transfer agent and registrar, as well as the Escrow Agent, for the Resulting Company following completion of the Blender Acquisition.

## 22. Material Contracts

### 22.1 Material Contracts

During the course of the two years prior to the date of this Listing Statement, the Resulting Company entered into the following material contracts, other than contracts entered into in the ordinary course of business:

- Share Purchase Agreement (see Schedule “F”);
- Escrow Agreement (see Section 11 – *Escrowed Securities*);
- Blender Distribution Agreement – Tree of Life (see Schedule “H”); and
- Blender Supplier Agreement – Horizon (see Schedule “I”).

### 22.2 Special Agreements

This Section does not apply to the Resulting Company.

## 23. Interest of Experts

There is no direct or indirect interest in the business or assets of a Related Person of the Company or Blender received or to be received by a person or company whose profession or business gives authority to a statement made in this Listing Statement or a person who is named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described or included in this Listing Statement.

## 24. Other Material Facts

### *Description of Functional Foods*

Functional foods are the growing health sub-category in the grocery and nutritional products industry which have physiological benefits and have been shown reduce the risk of chronic disease beyond its basic nutritional value. The term originated in the 1980s when the Japanese government began to apply the description to certain foods.

Examples include such foods as fatty fish contain omega-3 fatty acids that may prevent against stroke and heart disease; cranberry juice which reduces risk of urinary tract infections; red wine that contains resveratrol and polyphenols that protect against heart disease; black and green tea that have a cancer-preventive effect; and yogurt that contains probiotics that have beneficial effects on gastrointestinal function and immunity.

## 25. Financial Statements

Financial statements for Company the nine-month period ended June 30, 2021 (unaudited) and the years ended September 30, 2020, 2019 and 2018 (audited) are appended to this Listing Statement as Schedule “A” – *Company Financial Statements*.

Audited financial statements for Blender for the year ended October 31, 2020 and the interim periods ended January 31, 2021 and April 30, 2021 are appended to this Listing Statement as Schedule “C” – *Blender Financial Statements*.

Pro forma financial statements for the Resulting Company, assuming the completion of the Blender Acquisition and the Subscription Receipt Financing, as at April 30, 2021 are appended to this Listing Statement as Schedule “E” – *Pro Forma Financial Statements*.

## 26. CERTIFICATE OF BLENDER BITES LIMITED

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

Dated at Vancouver, British Columbia this 20<sup>th</sup> day of September, 2021.

*s/ "Chelsie Hodge"*

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**Chelsie Hodge**

**Chief Executive Officer and Director**

*s/ "Geoff Balderson"*

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**Geoff Balderson**

**Chief Financial Officer and Corporate Secretary**

*s/ "Christopher Mackay"*

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**Christopher Mackay**

**Director**

*s/ "Patrick Morris"*

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**Patrick Morris**

**Director**

*s/ "Grant Smith"*

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**Grant Smith**

**Director**

**27. CERTIFICATE OF BLENDER BITES INCORPORATED**

The foregoing contains full, true and plain disclosure of all material information relating to Blender Bites Incorporated. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia this 20<sup>th</sup> day of September, 2021.

*s/ "Chelsie Hodge"*

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**Chelsie Hodge**

**Chief Executive Officer and Director**

**Schedule "A"**  
**Company Financial Statements**

(see attached)



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**BALSAM TECHNOLOGIES CORP.**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED JUNE 30, 2021 AND 2020**  
**(Expressed in Canadian Dollars)**  
**(Unaudited – prepared by management)**

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**BALSAM TECHNOLOGIES CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

As at June 30, 2021 and September 30, 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	June 30, 2021	September 30, 2020
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 726,846	\$ 457,930
Accounts receivable	28,698	12,211
<b>Total assets</b>	<b>\$ 755,544</b>	<b>\$ 470,141</b>
<b>LIABILITIES AND EQUITY</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 4 and 7)	\$ 514,114	\$ 251,208
Loan payable (Note 5)	32,658	31,312
<b>Total liabilities</b>	<b>546,772</b>	<b>282,520</b>
<b>EQUITY</b>		
Share capital (Note 6)	17,057,632	16,483,003
Share-based compensation reserve (Note 6)	1,860,580	1,860,580
Warrant reserve (Note 6)	288,995	288,995
Deficit	(18,998,435)	(18,444,957)
<b>Total equity</b>	<b>208,772</b>	<b>187,621</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 755,544</b>	<b>\$ 470,141</b>

Nature of business and continuance of operations (Note 1)

Subsequent events (Note 10)

Approved and authorized by the Board of Directors:

"Joel Shacker"  
Joel Shacker, Director

"Geoff Balderson"  
Geoff Balderson, Director

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

**BALSAM TECHNOLOGIES CORP.**  
**CONDENSED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

For the three and nine months ended June 30, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Three months ended June 30,		Nine months ended June 30,	
	2021	2020	2021	2020
<b>EXPENSES</b>				
Consulting fees (Note 7)	\$ 160,649	\$ 115,000	\$ 463,538	\$ 173,200
Interest and bank charges	570	463	1,885	934
Office and miscellaneous	7,246	-	12,924	-
Professional fees	20,480	11,997	39,147	15,731
Rent	9,000	-	27,000	12,000
Transfer agent and filing fees	1,097	10,136	8,984	23,593
Travel expenses	-	-	-	4,256
	199,042	137,596	553,478	229,714
Net loss before other item	(199,042)	(137,596)	(553,478)	(229,714)
<b>OTHER ITEM</b>				
Interest income	-	-	-	1,307
Net loss and comprehensive loss for the period	\$ (199,042)	\$ (137,596)	\$ (553,478)	\$ (228,407)
<b>Basic and diluted loss per share</b>	<b>(0.03)</b>	<b>(0.08)</b>	<b>(0.08)</b>	<b>(0.13)</b>
<b>Weighted average number of common shares outstanding</b>	<b>7,928,436</b>	<b>1,748,123</b>	<b>6,714,867</b>	<b>1,748,123</b>

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

**BALSAM TECHNOLOGIES CORP.**  
**STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)**

For the nine months ended June 30, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	SHARE CAPITAL		RESERVES			Total Equity (Deficiency)
	Number of Shares	Amount	Share-based Compensation Reserve	Warrant Reserve	Deficit	
<b>Balance at September 30, 2019</b>	1,748,313	\$ 15,996,267	\$ 1,860,580	\$ 288,995	\$ (18,160,419)	\$ (14,577)
Net loss for the period	-	-	-	-	(228,407)	(228,407)
<b>Balance at June 30, 2020</b>	1,748,313	\$ 15,996,267	\$ 1,860,580	\$ 288,995	\$ (18,388,826)	\$ (242,984)
<b>Balance at September 30, 2020</b>	5,319,740	\$ 16,483,004	\$ 1,860,580	\$ 288,995	\$ (18,444,957)	\$ 187,622
Private placement	2,608,696	600,000	-	-	-	600,000
Share issue cost	-	(25,372)	-	-	-	(25,372)
Net loss for the period	-	-	-	-	(553,478)	(553,478)
<b>Balance at June 30, 2021</b>	7,928,436	\$ 17,057,632	\$ 1,860,580	\$ 288,995	\$ (18,998,435)	\$ 208,772

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

**BALSAM TECHNOLOGIES CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**

For the nine months ended June 30, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Nine months ended June 30,	
	2021	2020
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss from for the period	\$ (553,478)	\$ (228,407)
Items not involving cash:		
Accrued interest payable	1,346	858
Changes in non-cash working capital items:		
Accounts receivable	(16,487)	68,165
Prepaid expenses and deposits	-	15,000
Accounts payable and accrued liabilities	262,907	126,608
	(305,712)	(17,776)
<b>FINANCING ACTIVITIES</b>		
Shares issued for cash	600,000	-
Share issue cost - cash	(25,372)	-
Loan payable	-	30,000
	574,628	30,000
<b>CHANGE IN CASH DURING THE PERIOD</b>	268,916	12,224
<b>CASH, BEGINNING OF PERIOD</b>	457,930	1,221
<b>CASH, END OF PERIOD</b>	\$ 726,846	\$ 13,445
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest paid	\$ -	\$ -
Income tax paid	\$ -	\$ -

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

**BALSAM TECHNOLOGIES CORP.**  
**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

June 30, 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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**1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS**

The Company was incorporated under the laws of British Columbia on March 23, 1999 and continued under the *Canada Business Corporations Act* on December 22, 1999. The Company was subsequently continued under the laws of British Columbia on October 21, 2015. The head office and records are located at Suite 1000, 409 Granville Street, Vancouver, British Columbia V6C 1T2. On February 20, 2020, the Company's listing was transferred to the NEX and on March 30, 2020, was reinstated for trading on the NEX board under the trading symbol "REW.H". Effective October 8, 2020, the Company changed its name to Balsam Technologies Corp and trade under the trading symbol "BTEC.H". The Company has entered into a letter of intent to acquire Blender Bites Inc. (Note 10).

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of \$553,478 for the nine months ended June 30, 2021. As at June 30, 2021, the Company had an accumulated deficit of \$18,998,435. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company's continued existence is dependent upon its ability to raise additional capital and to identify and acquire a suitable business opportunity. Failure to do so would have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

There was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company's operations.

These financial statements do not include any adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

**2. BASIS OF PRESENTATION**

a) Statement of compliance

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting.

The condensed interim financial statements were authorized for issue by the Audit Committee and approved and authorized for issue by the Board of Directors on August 24, 2021.

**BALSAM TECHNOLOGIES CORP.**  
**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

June 30, 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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**2. BASIS OF PRESENTATION – (cont'd)**

b) Basis of measurement

These financial statements have been prepared on a historical basis, except for certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The financial statements are presented in Canadian dollars which is the Company's functional currency.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements for the year ended September 30, 2020. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2020.

Use of estimates and judgments

The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period.

Significant areas requiring the use of management judgments include:

The going concern assumption

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

The Company bases its estimates and judgments on current facts and various other factors that it believes to be reasonable under the circumstances. The actual results experienced by the Company may differ materially and adversely from the Company's estimates and could affect future results of operations and cash flows.

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

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	<b>June 30, 2020</b>	<b>September 30, 2020</b>
Accounts payable	\$ 497,757	\$ 236,708
Accrued liabilities	16,357	14,500
	<b>\$ 514,114</b>	<b>\$ 251,208</b>

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**BALSAM TECHNOLOGIES CORP.**  
**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

June 30, 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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**5. LOAN PAYABLE**

On January 9, 2020, the Company received a promissory note of \$30,000 from a third party which bears interest at 6% per annum, unsecured and repayable by July 9, 2020 and remains outstanding as at June 30, 2021. Loan payable consist of the following:

	<b>June 30, 2021</b>	<b>September 30, 2020</b>
Opening balance	\$ 31,312	\$ -
Loan received	-	30,000
Accrued interest	1,346	1,312
Ending balance	\$ 32,658	\$ 31,312

**6. SHARE CAPITAL**

a) Authorized:  
Unlimited common shares, without par value.

b) Issued and outstanding:

During the nine months ended June 30, 2021:

On February 4, 2021, the Company completed a non-brokered private placement of 2,608,696 units at a price of \$0.23 per unit for gross proceeds of up to \$600,000. Each unit consists of one common share and one share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.31 for a period of twelve months expiring on February 4, 2022. The Company recorded \$25,372 in cash share issuance costs.

During the year ended September 30, 2020:

On August 27, 2020, the Company issued 3,571,427 units at a price of \$0.14 per unit for gross proceeds of \$500,000. Each unit consists of one common share and one share purchase warrant with each share purchase warrant entitling the holder the right to purchase an additional common share at a price of \$0.185 per share expiring on August 27, 2021. The Company incurred \$13,263 in share issuance costs.

c) Stock options

The Company has a stock option plan (the “Plan”) that permits the grant of share purchase options up to 10% of the issued and outstanding common shares of the Company to directors, officers, key employees and consultants. Terms of the options granted are subject to determination and approval by the Board of Directors.

There were no stock options granted during the nine months ended June 30, 2021 and for the year ended September 30, 2020.



**BALSAM TECHNOLOGIES CORP.**  
**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

June 30, 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

**6. SHARE CAPITAL – (cont'd)**

d) Warrants

The table below summarizes the information on the outstanding warrants of the Company for the nine months ended June 30, 2021 and for the year ended September 30, 2020 and 2019:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2019	-	\$ -
Issued	3,571,427	\$ 0.185
Balance, September 30, 2020	3,571,427	\$ 0.185
Issued	2,608,696	\$ 0.31
Balance, June 30, 2021	6,180,123	\$ 0.24

As at June 30, 2021, the Company has 6,180,123 share purchase warrants outstanding expiring as follows:

Number of Warrants	Weighted Average Remaining Contractual Life in Years	Exercise Price	Expiry Date
3,571,427	0.16	\$0.185	August 27, 2021
2,608,696	0.60	\$0.31	February 4, 2022
6,180,123	0.35	\$0.24	

**7. RELATED PARTY TRANSACTIONS**

Related party transactions not otherwise described in these financial statements are shown below.

The remuneration of the Company's directors and other members of key management, individuals who have the authority and responsibility for planning, directing and controlling the activities of the Company, for the nine months ended June 30, 2021 and 2020 are as follows:

	For the nine months ended June 30,	
	2021	2020
<u>Consulting fees</u>		
Enermetals Ventures Inc. (Pat Morris, Director and former CEO)	\$ -	\$ 50,000
Harmony Corporate Services Ltd; (Geoff Balderson, Director and CFO)	1,779	39,200
1156724 BC Ltd. (Joel Shacker, Director and CEO)	90,000	-
	\$ 91,779	\$ 89,200

Accounts payable and accrued liabilities at June 30, 2021, includes \$208,535 (September 30, 2020 - \$114,035) owing to companies controlled by directors and officers of the Company for unpaid fees.

**BALSAM TECHNOLOGIES CORP.**  
**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

June 30, 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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**8. FINANCIAL INSTRUMENTS**

The carrying values of cash, accounts receivable, loans payable, and accounts payable and accrued liabilities approximate their fair values due to their short-term nature. Financial assets and liabilities measured at fair value on a recurring basis are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis.

Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and consider the implications of market conditions in relation to the Company's activities.

There are no changes in the Company's objective, policies and processes for managing the risks and the methods used to measure the risks during the period ended June 30, 2021.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest-bearing accounts.

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The accounts payable and accrued liabilities are typically due in 30 days. The Company uses cash to settle its financial obligations as they fall due. As at June 30, 2021, the Company has a working capital of \$208,772. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company's short term and long-term cash requirement.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

**BALSAM TECHNOLOGIES CORP.**  
**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

June 30, 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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**8. FINANCIAL INSTRUMENTS – (cont'd)**

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's operations, income or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns. The Company is exposed to market risk as follows:

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk due to the short-term to maturity of its financial instruments. The Company had no interest rate swap or financial contracts in place as at June 30, 2021. Interest rate risk is minimal as loans have a fixed interest rate.

(ii) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. As at June 30, 2021, the Company did not have any financial instruments denominated in foreign currencies and considers foreign currency risk to be negligible.

(iii) Price risk

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market.

**9. CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will raise additional amounts as needed.

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers shareholders' equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

There were no changes to the Company's approach to capital management during the period ended June 30, 2021.

**BALSAM TECHNOLOGIES CORP.**  
**NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS**

June 30, 2021

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

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**10. SUBSEQUENT EVENTS**

On March 16, 2021, the Company entered into a Letter of Intent (“LOI”) to acquire all of the outstanding share capital of Blender Bites Inc. (“Blenders Bites”) a British Columbia company. As consideration the Company proposes to issue 11,500,000 common shares to the existing shares of Blender Bites in exchange for all of the outstanding shares of Blenders Bites. Prior to closing of the transaction, the Company intends to apply to list its common shares on the Canadian Securities Exchange (“CSE”) and voluntarily delist its shares from the TSX Venture Exchange (“TSX-V”). On closing the Company will change its name to Blender Bites Ltd.

In connection with the completion of the transaction, the Company intends to undertake a non-broker private placement of no less than two million subscription receipts at a price of \$1 per subscription receipt to raise no less than \$2,000,000. All proceeds from the financing will be held in escrow pending completion of the transaction and will be returned to subscribers in the event the transaction is not completed. Upon completion of the transaction, each subscription receipt will automatically convert into one common share of the Company. The Company anticipates issuing two million common shares to an arm's length third party that assisted in introducing the transaction to the Company.

Completion of the transaction remains subject to a number of conditions, including the completion of satisfactory due diligence, the negotiation and finalization of definitive documentation, receipt of any required regulatory and third party consents, approval of minority shareholders of the company to the delisting of the company's common shares from the TSX-V, the company having arranged for third parties to lend no less than \$1 million to Blender Bites, completion of the financing, the CSE having conditionally accepted the listing of the company's common shares, the TSX-V having consented to the voluntarily delisting of the company's common shares, and the satisfaction of other customary closing conditions. The transaction cannot close until the required approvals are obtained and the company's common shares have been delisted from the TSX-V. There can be no assurance that the transaction will be completed as proposed or at all, or that the company's common shares will be listed and posted for trading on any stock exchange.

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**BALSAM TECHNOLOGIES CORP.**  
**(formerly Rewardstream Solutions Inc.)**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**SEPTEMBER 30, 2020 AND 2019**  
**(EXPRESSED IN CANADIAN DOLLARS)**

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of  
Balsam Technologies Corp. (formerly Rewardstream Solutions Inc.)

### *Opinion*

We have audited the accompanying financial statements of Balsam Technologies Corp. (formerly Rewardstream Solutions Inc.) (the "Company"), which comprise the statement of financial position as at September 30, 2020, and the statements of operations and comprehensive loss, changes in equity (deficiency), and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 1 of the financial statements, which indicates that the Company incurred a net loss and comprehensive loss of \$284,538 for the year ended September 30, 2020. As at September 30, 2020, the Company had an accumulated deficit of \$18,444,957. As stated in Note 1, the Company's continued existence is dependent upon its ability to raise additional capital and to identify and acquire a suitable business opportunity. Failure to do so would have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

### *Other Matters*

The financial statements of Balsam Technologies Corp. for the year ended September 30, 2019 were audited by another auditor who expressed an unmodified opinion on those statements on February 10, 2020.

### *Other Information*

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

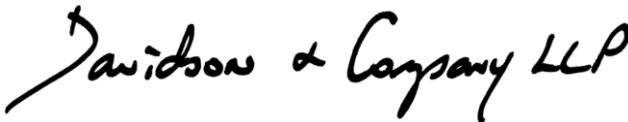
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Dylan Connelly.

A handwritten signature in black ink that reads "Davidson & Coysany LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

January 28, 2021



**BALSAM TECHNOLOGIES CORP.**  
**(formerly Rewardstream Solutions Inc.)**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2020 AND 2019**  
**EXPRESSED IN CANADIAN DOLLARS**

	2020	2019
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 457,930	\$ 1,221
Accounts receivable	12,211	74,452
Prepaid expenses (Note 7)	-	43,069
<b>Total assets</b>	<b>\$ 470,141</b>	<b>\$ 118,742</b>
<b>LIABILITIES AND EQUITY (DEFICIENCY)</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Notes 4 and 7)	\$ 251,208	\$ 133,319
Loans payable (Note 5)	31,312	-
<b>Total liabilities</b>	<b>282,520</b>	<b>133,319</b>
<b>EQUITY (DEFICIENCY)</b>		
Share capital (Note 6)	16,483,003	15,996,267
Share-based compensation reserve (Note 6)	1,860,580	1,860,580
Warrant reserve (Note 6)	288,995	288,995
Deficit	(18,444,957)	(18,160,419)
<b>Total equity (deficiency)</b>	<b>187,621</b>	<b>(14,577)</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 470,141</b>	<b>\$ 118,742</b>

Nature of business and continuance of operations (Note 1)  
Subsequent events (Note 12)

Approved and authorized by the Board of Directors:

"Joel Shacker"  
**Joel Shacker, Director**

"Geoff Balderson"  
**Geoff Balderson, Director**

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

**BALSAM TECHNOLOGIES CORP.**  
**(formerly Rewardstream Solutions Inc.)**  
**STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**  
**EXPRESSED IN CANADIAN DOLLARS**

	<b>2020</b>	<b>2019</b>
		(Note 11)
<b>EXPENSES</b>		
Consulting fees (Note 7)	\$ 205,300	\$ 548,256
Interest and bank charges (Note 5)	1,448	277
Office and miscellaneous	5,677	23,574
Professional fees	29,036	160,743
Property investigation cost	-	36,681
Rent	11,000	51,191
Transfer agent and filing fees	29,128	17,214
Travel expenses	4,256	50,421
	<b>285,845</b>	<b>888,357</b>
Net loss before other item	(285,845)	(888,357)
<b>OTHER ITEM</b>		
Interest income	1,307	-
	<b>\$ (284,538)</b>	<b>\$ (888,357)</b>
<b>Basic and diluted loss per share</b>	<b>(0.14)</b>	<b>(0.51)</b>
<b>Weighted average number of common shares outstanding</b>	<b>2,080,084</b>	<b>1,748,313</b>

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

**BALSAM TECHNOLOGIES CORP.**  
**(formerly Rewardstream Solutions Inc.)**  
**STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**  
**EXPRESSED IN CANADIAN DOLLARS (EXCEPT NUMBER OF SHARES)**

	SHARE CAPITAL		RESERVES			Total Equity (Deficiency)
	Number of Shares	Amount	Share-based Compensation Reserve	Warrant Reserve	Deficit	
<b>Balance at September 30, 2018</b>	1,748,313	\$ 15,996,267	\$ 1,860,580	\$ 288,995	\$ (17,272,062)	\$ 873,780
Net loss for the year	-	-	-	-	(888,357)	(885,857)
<b>Balance at September 30, 2019</b>	1,748,313	15,996,267	1,860,580	288,995	(18,160,419)	(14,577)
Private placement	3,571,427	500,000	-	-	-	500,000
Share issue cost	-	(13,263)	-	-	-	(13,263)
Net loss for the year	-	-	-	-	(284,538)	(284,538)
<b>Balance at September 30, 2020</b>	5,319,740	\$ 16,483,004	\$ 1,860,580	\$ 288,995	\$ (18,444,957)	\$ 187,622

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

**BALSAM TECHNOLOGIES CORP.**  
**(formerly Rewardstream Solutions Inc.)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**  
**EXPRESSED IN CANADIAN DOLLARS**

	<b>2020</b>	<b>2019</b>
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	\$ (284,538)	\$ (888,357)
Items not involving cash:		
Accrued interest payable	1,312	-
Changes in non-cash working capital items:		
Accounts receivable	62,241	(16,782)
Prepaid expenses	43,069	(19,761)
Accounts payable and accrued liabilities	117,888	66,804
<b>Cash used in operating activities</b>	<b>(60,028)</b>	<b>(858,096)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of common shares	500,000	-
Share issue cost	(13,263)	-
Loans received	30,000	-
Repayment of loans payable	-	(5,650)
<b>Cash provided by (used in) financing activities</b>	<b>516,737</b>	<b>(5,650)</b>
<b>CHANGE IN CASH</b>	<b>456,709</b>	<b>(863,746)</b>
<b>CASH, Beginning of year</b>	<b>1,221</b>	<b>864,967</b>
<b>CASH, End of year</b>	<b>\$ 457,930</b>	<b>\$ 1,221</b>

During the years ended September 30, 2020 and 2019, no amounts were paid for interest or income tax expense.

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

**BALSAM TECHNOLOGIES CORP.**  
**(formerly Rewardstream Solutions Inc.)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**  
**EXPRESSED IN CANADIAN DOLLARS**

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**1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS**

The Company was incorporated under the laws of British Columbia on March 23, 1999 and continued under the *Canada Business Corporations Act* on December 22, 1999. The Company was subsequently continued under the laws of British Columbia on October 21, 2015. The head office and records are located at Suite 1000, 409 Granville Street, Vancouver, British Columbia V6C 1T2. On February 20, 2020, the Company's listing was transferred to the NEX and on March 30, 2020, was reinstated for trading on the NEX board under the trading symbol "REW.H". Effective October 8, 2020, the Company changed its name to Balsam Technologies Corp and trade under the trading symbol "BTEC.H". The Company continues to search for strategic business opportunities.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of \$284,538 for the year ended September 30, 2020. As at September 30, 2020, the Company had an accumulated deficit of \$18,444,957. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company's continued existence is dependent upon its ability to raise additional capital and to identify and acquire a suitable business opportunity. Failure to do so would have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

During the year ended September 30, 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company's operations.

These financial statements do not include any adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

**2. BASIS OF PRESENTATION**

a) Statement of compliance

These annual 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 Issues Committee ("IFRIC"). The principal accounting policies applied in the preparation of these financial statements are set below. These policies have been consistently applied to all years presented, unless otherwise noted.

These financial statements were approved and authorized for issue by the Board of Directors on January 28, 2021.

**BALSAM TECHNOLOGIES CORP.**  
**(formerly Rewardstream Solutions Inc.)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**  
**EXPRESSED IN CANADIAN DOLLARS**

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**2. BASIS OF PRESENTATION – (cont'd)**

b) Basis of measurement

These financial statements have been prepared on a historical basis, except for certain financial instruments that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The financial statements are presented in Canadian dollars which is the Company's functional currency.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently in the financial statements.

a) Financial Instruments

*Financial Assets*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in the entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows. These are the measurement categories under which the Company classifies its financial assets:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets classified at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income (loss). When the financial instrument is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.
- Fair value through profit or loss ("FVTPL"): Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss in the period which it arises.

The Company's cash is measured at amortized cost.

**BALSAM TECHNOLOGIES CORP.**  
**(formerly Rewardstream Solutions Inc.)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**  
**EXPRESSED IN CANADIAN DOLLARS**

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**3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)**

a) Financial Instruments – (cont'd)

*Impairment*

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

*Financial Liabilities*

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. The Company classifies its accounts payable and accrued liabilities and loans payable as financial liabilities held at amortized cost.

b) Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity. Equity instruments are valued at either the fair value of the goods or services received or at the fair value of the equity instruments granted.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced, and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in share capital, and any related amount recorded in warrants reserve is transferred to share capital.

**BALSAM TECHNOLOGIES CORP.**  
**(formerly Rewardstream Solutions Inc.)**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**  
**EXPRESSED IN CANADIAN DOLLARS**

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**3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)**

c) Income taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income (loss), in which case the income tax is also recognized directly in equity or other comprehensive income (loss).

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

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the statement of financial position date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Deferred income tax assets and liabilities are presented as non-current.

d) Basic and Diluted Loss Per Share

Basic loss per share is computed by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted earnings/loss per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. There were no potentially dilutive common shares related to warrants outstanding at September 30, 2020. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.



**BALSAM TECHNOLOGIES CORP.**  
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**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**  
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**3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)**

e) Share-based compensation

The Company has a stock option plan that is described in note 6 that grants stock options to the Company's directors, officers and employees. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period. For directors and employees, the fair value of the options is measured at the date of grant. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The offset to the recorded cost is to share-based compensation reserve. Consideration received on the exercise of stock options is recorded as share capital and the recorded amount to share-based compensation reserve is transferred to share capital.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is charged to profit or loss.

f) Use of estimates and judgments

The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period.

Significant areas requiring the use of management judgments include:

- The utilization of deferred income tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

**BALSAM TECHNOLOGIES CORP.**  
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**3. SIGNIFICANT ACCOUNTING POLICIES – (cont'd)**

f) Use of estimates and judgments – (cont'd)

- The going concern assumption

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

The Company bases its estimates and judgments on current facts and various other factors that it believes to be reasonable under the circumstances. The actual results experienced by the Company may differ materially and adversely from the Company's estimates and could affect future results of operations and cash flows.

g) New accounting standards

IFRS 16: Leases. The Company has no leases and the adoption of this standard had no impact on the Company's financial statements.

**4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>2020</b>	<b>2019</b>
Accounts payable	\$ 236,708	\$ 118,069
Accrued liabilities	14,500	15,250
	<b>\$ 251,208</b>	<b>\$ 133,319</b>

**5. LOANS PAYABLE**

On January 9, 2020, the Company received a promissory note of \$30,000 from a third party which bears interest at 6% per annum, unsecured and repayable by July 9, 2020 and remains outstanding as at September 30, 2020. During the year ended September 30, 2020, \$1,312 of interest was accrued on the loan amount and is included in loans payable as at September 30, 2020.

**6. SHARE CAPITAL**

- a) Authorized:  
 unlimited common shares, without par value

On April 7, 2020, the Company completed a share consolidation on the basis of 10 old shares for 1 new share. The share consolidation has been retroactively presented in these financial statements and all share amounts, including per share amounts, reflect the share consolidation.

**BALSAM TECHNOLOGIES CORP.**  
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**6. SHARE CAPITAL – (cont'd)**

b) Issued and outstanding:

During the year ended September 30, 2020:

On August 27, 2020, the Company issued 3,571,427 units at a price of \$0.14 per unit for gross proceeds of \$500,000. Each unit consist of one common share and one share purchase warrant with each share purchase warrant entitling the holder the right to purchase an additional common share at a price of \$0.185 per share expiring on August 27, 2021. The Company incurred \$13,263 in share issuance costs.

During the year ended September 30, 2019:

There were no shares issued during the year ended September 30, 2019.

c) Stock options

The Company has a stock option plan (the “Plan”) that permits the grant of share purchase options up to 10% of the issued and outstanding common shares of the Company to directors, officers, key employees and consultants. Terms of the options granted are subject to determination and approval by the Board of Directors.

There were no stock options granted during the years ended September 30, 2020 and 2019.

d) Warrants

The table below summarizes the information on the outstanding warrants of the Company for the years ended September 30, 2020 and 2019:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
Balance, September 30, 2018	1,355,362	\$4.24
Expired	(1,355,362)	4.24
Balance, September 30, 2019	-	-
Issued	3,571,427	0.185
Balance, September 30, 2020	3,571,427	\$0.185

**BALSAM TECHNOLOGIES CORP.**  
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**7. RELATED PARTY TRANSACTIONS**

Related party transactions not otherwise described in these financial statements are shown below.

The remuneration of the Company's directors and other members of key management, individuals who have the authority and responsibility for planning, directing and controlling the activities of the Company, for the years ended September 30, 2020 and 2019 are as follows:

	<b>2020</b>	<b>2019</b>
<u>Consulting fees</u>		
Enermetals Ventures Inc. (Pat Morris, Director and former CEO)	\$ 75,000	\$ 75,000
Harmony Corporate Services Ltd; (Geoff Balderson, Director and CFO)	28,800	25,600
1156724 BC Ltd. (Joel Shacker, Director and CEO)	70,000	-
Danilen Villanueva, former director	-	3,500
Usama Chaudhry, former CFO	-	6,300
	<b>\$ 173,800</b>	<b>\$ 110,400</b>

Prepaid expenses at September 30, 2020, includes \$Nil (2019 - \$43,069) in advances to a company controlled by the former CEO for travel expenses and consulting fees.

Accounts payable and accrued liabilities at September 30, 2020, includes \$114,035 (2019 - \$7,230) owing to companies controlled by directors and officers of the Company for unpaid fees.

**8. INCOME TAXES**

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	<b>2020</b>	<b>2019</b>
Loss before income taxes	\$ (284,538)	\$ (888,357)
Statutory tax rate	27%	27%
Expected income tax recovery	(76,825)	(239,856)
Items not deductible for tax purposes	(4,175)	3,558
Effect of adjustment to statutory return	-	222,411
Impact of future income tax rates applied	-	80,166
Change in unrecognized tax benefits	81,000	(66,279)
	<b>\$ -</b>	<b>\$ -</b>

**BALSAM TECHNOLOGIES CORP.**  
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**8. INCOME TAXES – (cont'd)**

*Deferred income tax assets and liabilities*

The ultimate realization of deferred income assets is dependent upon the generation of taxable income during the in periods in which those temporary differences become deductible. Due to uncertainty surrounding realization of the deferred income tax assets in the future, the Company has not recognized the benefits of its deferred income tax assets other than an amount to offset deemed income tax liabilities. Significant unrecognized tax benefits and unused tax losses for which no deferred tax assets is recognized as of September 30 are as follows:

	<b>2020</b>	<b>2019</b>
Non-capital losses	\$ 4,650,300	\$ 4,553,700
Exploration and evaluation assets	1,028,000	1,028,000
Share issuance costs	17,600	33,900
Capital loss	247,800	247,800
Research and development tax pools	642,700	642,700
	6,586,400	6,506,100
Less: Deferred income tax assets not recognized	(6,586,400)	(6,506,100)
Deferred tax assets, net	\$ -	\$ -

The Company has accumulated losses for Canadian tax purposes that expire in 2026 to 2039 totaling approximately \$17,223,000. Research and development tax pools of \$2,485,000 carry forward indefinitely.

**9. FINANCIAL INSTRUMENTS**

The carrying values of cash, accounts receivable, loans payable, and accounts payable and accrued liabilities approximate their fair values due to their short-term nature. Financial assets and liabilities measured at fair value on a recurring basis are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis.

Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and consider the implications of market conditions in relation to the Company's activities.

There are no changes in the Company's objective, policies and processes for managing the risks and the methods used to measure the risks during the year ended September 30, 2020.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest-bearing accounts.

**BALSAM TECHNOLOGIES CORP.**  
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**9. FINANCIAL INSTRUMENTS – (cont'd)**

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The accounts payable and accrued liabilities are typically due in 30 days. The Company uses cash to settle its financial obligations as they fall due. As at September 30, 2020, the Company has a working capital of \$187,621. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company's short term and long-term cash requirement.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's operations, income or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns. The Company is exposed to market risk as follows:

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk due to the short-term to maturity of its financial instruments. The Company had no interest rate swap or financial contracts in place as at September 30, 2020 and 2019. Interest rate risk is minimal as loans have a fixed interest rate.

(ii) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates. As at September 30, 2020, the Company did not have any financial instruments denominated in foreign currencies and considers foreign currency risk to be negligible.

(iii) Price risk

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market.

**BALSAM TECHNOLOGIES CORP.**  
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**FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019**  
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**10. CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will raise additional amounts as needed.

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers shareholders' equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

There were no changes to the Company's approach to capital management during the year ended September 30, 2020.

**11. COMPARATIVE FIGURES**

Certain of the comparative figures for the year ended September 30, 2019 have been reclassified in order to conform to the current year's presentation.

**12. SUBSEQUENT EVENTS**

On January 4, 2021, the Company announced a non-brokered private placement of up to 4,285,715 units at a price of \$0.14 per unit for gross proceeds of up to \$600,000. Each unit will consist of one common share and one share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.185 for a period of twelve months. As at January 28, 2021, the Company has collected \$600,000. Completion of the offering is subject to the approval of the TSX Venture Exchange.



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**REWARDSTREAM SOLUTIONS INC.  
FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
SEPTEMBER 30, 2019 AND 2018  
(EXPRESSED IN CANADIAN DOLLARS)**

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DALE MATHESON CARR-HILTON LABONTE LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of RewardStream Solutions Inc.

### Opinion

We have audited the financial statements of RewardStream Solutions Inc. (the "Company"), which comprise the statements of financial position as at September 30, 2019 and 2018, and the statements of operations and comprehensive loss, changes in equity (deficiency) and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred a net loss of \$888,357 during the year ended September 30, 2019 and has accumulated deficit of \$18,160,419. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is David Goertz.

*DMCL*

**DALE MATHESON CARR-HILTON LABONTE LLP**  
**CHARTERED PROFESSIONAL ACCOUNTANTS**  
Vancouver, BC

February 10, 2020



An independent firm  
associated with Moore  
Global Network Limited

**REWARDSTREAM SOLUTIONS INC.  
STATEMENTS OF FINANCIAL POSITION  
AS AT SEPTEMBER 30, 2019 AND 2018  
EXPRESSED IN CANADIAN DOLLARS**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 1,221	\$ 864,967
Accounts receivable	74,452	57,670
Prepaid expenses (note 8)	43,069	23,308
<b>Total assets</b>	<b>\$ 118,742</b>	<b>\$ 945,945</b>
<b>LIABILITIES AND EQUITY (DEFICIENCY)</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (notes 5 and 8)	\$ 133,319	\$ 66,515
Loans payable (note 6)	-	5,650
<b>Total liabilities</b>	<b>\$ 133,319</b>	<b>\$ 72,165</b>
<b>EQUITY (DEFICIENCY)</b>		
Share capital (note 7)	15,996,267	15,996,267
Share-based compensation reserve (note 7)	1,860,580	1,860,580
Warrant reserve (note 7)	288,995	288,995
Deficit	(18,160,419)	(17,272,062)
<b>Total equity (deficiency)</b>	<b>(14,577)</b>	<b>873,780</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 118,742</b>	<b>\$ 945,945</b>

Nature of business and continuance of operations (Note 1)

Approved and authorized by the Board of Directors:

"Patrick C.T. Morris"  
**Patrick C.T. Morris, Director**

"Geoff Balderson"  
**Geoff Balderson, Director**

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

**REWARDSTREAM SOLUTIONS INC.  
STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018  
EXPRESSED IN CANADIAN DOLLARS**

	<b>2019</b>	<b>2018</b>
<b>EXPENSES</b>		
Sales and marketing (note 8)	\$ -	\$ 49,592
General and administrative (note 8)	340,101	261,235
Consulting fees (notes 6, 7 and 8)	548,256	1,445,150
Share-based compensation (notes 7 and 8)	-	(29,083)
<b>LOSS FROM OPERATIONS</b>	<b>(888,357)</b>	<b>(1,726,894)</b>
<b>OTHER EXPENSES</b>		
Foreign exchange loss	-	2,201
Finance expense (note 6)	-	9,806
	-	(12,007)
<b>LOSS FROM CONTINUING OPERATIONS</b>	<b>(888,357)</b>	<b>(1,738,901)</b>
Loss from discontinued operations (note 12)	-	(453,389)
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>\$ (888,357)</b>	<b>\$ (2,192,290)</b>
<b>LOSS PER SHARE FROM CONTINUING OPERATIONS, BASIC AND DILUTED</b>	<b>\$ (0.05)</b>	<b>\$ (0.16)</b>
<b>LOSS PER SHARE FROM DISCONTINUED OPERATIONS, BASIC AND DILUTED</b>	<b>\$ -</b>	<b>\$ (0.04)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING, BASIC AND DILUTED</b>	<b>17,483,123</b>	<b>10,907,781</b>

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

**REWARDSTREAM SOLUTIONS INC.  
STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018  
EXPRESSED IN CANADIAN DOLLARS (EXCEPT NUMBER OF SHARES)**

	SHARE CAPITAL		RESERVES			Total Equity (Deficiency)
	Number of Shares	Amount	Share-based Compensation Reserve	Warrant Reserve	Deficit	
<b>Balance at September 30, 2017</b>	4,983,124	\$ 12,927,577	\$ 1,889,663	\$ 212,648	\$ (15,079,772)	\$ (49,884)
Issuance of shares for cash (note 7)	12,499,999	3,250,000	-	-	-	3,250,000
Share issuance costs	-	(181,310)	-	76,347	-	(104,963)
Share-based compensation (note 7)	-	-	13,160	-	-	13,160
Share based compensation forfeited (note 7)	-	-	(42,243)	-	-	(42,243)
Net loss for the year	-	-	-	-	(2,192,290)	(2,192,290)
<b>Balance at September 30, 2018</b>	17,483,123	\$ 15,996,267	\$ 1,860,580	\$ 288,995	\$ (17,272,062)	\$ 873,780
Net loss for the year	-	-	-	-	(888,357)	(885,857)
<b>Balance at September 30, 2019</b>	17,483,123	\$ 15,996,267	\$ 1,860,580	\$ 288,995	\$ (18,160,419)	\$ (14,577)

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

**REWARDSTREAM SOLUTIONS INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018  
EXPRESSED IN CANADIAN DOLLARS**

	<b>2019</b>	<b>2018</b>
<b>OPERATING ACTIVITIES</b>		
Net loss from continuing operations	\$ (888,357)	\$ (1,738,901)
Items not involving cash:		
Non-cash finance expense	-	9,191
Share-based compensation	-	(29,083)
Share-based payments	-	666,805
Changes in non-cash working capital items:		
Accounts receivable	(16,782)	(118,777)
Prepaid expenses	(19,761)	51,099
Accounts payable and accrued liabilities	66,804	35,088
Deferred revenue	-	(17,839)
<b>Cash used in operating activities</b>	<b>(858,096)</b>	<b>(1,142,417)</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of common shares, net of issuance costs	-	2,478,232
Repayment of finance lease obligations	-	(3,980)
Loans received	-	435,573
Repayment of loans payable	(5,650)	(507,850)
<b>Cash provided by (used in) financing activities</b>	<b>(5,650)</b>	<b>2,401,975</b>
Net cash used in discontinued operations	-	(463,189)
<b>CHANGE IN CASH</b>	<b>(863,746)</b>	<b>796,369</b>
<b>CASH, BEGINNING</b>	<b>864,967</b>	<b>68,598</b>
<b>CASH, ENDING</b>	<b>\$ 1,221</b>	<b>\$ 864,967</b>

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

**REWARDSTREAM SOLUTIONS INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018  
EXPRESSED IN CANADIAN DOLLARS**

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**1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS**

RewardStream Solutions Inc. (the “Company” or “Solutions”) was a provider of Software as a Service (“SaaS”) marketing technology that powers loyalty marketing programs, referral programs.

On December 13, 2017, the Company incorporated a wholly-owned subsidiary, RewardStream Solutions NA Inc. (“RSNA”). On June 15, 2018, the Company completed the transfer of all of the assets of its referral and rewards business to RSNA and sold the subsidiary, RewardStream Solutions NA Inc. (“RSNA”) to Buyapowa Ltd. (note 12).

The Company was incorporated under the laws of British Columbia on March 23, 1999 and continued under the *Canada Business Corporations Act* on December 22, 1999. The Company was subsequently continued under the laws of British Columbia on October 21, 2015. The head office and records are located at Suite 1000, 409 Granville Street, Vancouver, British Columbia V6C 1T2. Solutions trades on the TSX Venture Exchange under the symbol “REW”.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of \$888,357 for the year ended September 30, 2019. As at September 30, 2019, the Company had an accumulated deficit of \$18,160,419. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company's continued existence is dependent upon its ability to raise additional capital and to identify and acquire a suitable business opportunity. Failure to do so would have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These financial statements do not include any adjustments that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

**2. BASIS OF PRESENTATION**

a) Statement of compliance

These annual 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 Issues Committee (“IFRIC”). The principal accounting policies applied in the preparation of these financial statements are set below. These policies have been consistently applied to all years presented, unless otherwise noted.

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**2. BASIS OF PRESENTATION (Continued)**

These financial statements were approved and authorized for issue by the Board of Directors on February 10, 2020.

b) Basis of measurement

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

**3. SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies:

a) Impairment of non-financial assets

Impairment tests on non-financial assets, including equipment, are undertaken annually at the financial year-end and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an assets exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit ("CGU"), which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (the CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

b) Income taxes

The Company uses the statement of financial position method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred income tax assets also result from unused loss carryforwards and other deductions. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized.



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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions for warranties, legal claims, onerous leases and other onerous commitments are recognized at the best estimate of the expenditure required to settle the Company's liability at the reporting date. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

d) Revenue recognition

On October 1, 2018, the Company adopted the standards under IFRS 15, "Revenue from Contracts with a Customer". Revenues are recognized on a gross basis, when a service has been delivered, with the cost of obtaining the service being presented as cost of sales.

IFRS 15 provides a single, principle based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

- a. Identify the contract with the customer
- b. Identify the performance obligations in the contract
- c. Determine the transaction price
- d. Allocate the transaction price to the performance obligations in the contracts.
- e. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company derived revenue from the sale of its software as a service marketing technology and from royalties relating to the sale of the technology, which occurred during the prior year (note 12). Revenue from the service marketing technology was generally in the form of monthly subscriptions and support fees as well as launch fees, implementation costs, excess usage fees, and other fees for one-off services requested by its customers. Revenue from the service and marketing technology was recognized on a straight-line basis over the term of the contract which may be modified to more closely reflect the pattern in which the services are provided. Revenue from royalties on license fees is accrued as it is earned and when collection is reasonably assured.

e) Foreign currency translation

The financial statements are presented in Canadian dollars, which is also the functional currency of the Company. Transactions in currencies other than the functional currency are translated into Canadian dollars on the following bases:

- Monetary assets and liabilities at the rate of exchange in effect at the statement of financial position date;
- Non-monetary assets and liabilities at the rates of exchange in effect on the respective dates of transactions; and
- Revenues and expenses (excluding depreciation, which is translated at the same rate as the related asset), at the exchange rates in effect on the date of transaction.

Gains and losses arising from this translation of foreign currency are included in the determination of net loss.

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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

f) Financial instruments

The Company has adopted IFRS 9 retrospectively as of October 1, 2018. Changes in accounting policies resulting from the adoption of IFRS 9 did not have a material impact on the Company's financial statements.

Financial Assets - Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI"), or through profit or loss ("FVTPL"), and
- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows. For assets measured at fair value, gains or losses are recorded in profit or loss or OCI.

The company's cash are measured at amortized cost.

Financial Assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in the entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are measurement categories under which the Company classifies its financial assets:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through OCI ("FVTOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.

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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

f) Financial instruments (continued)

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the Consolidated Statement of Loss and Comprehensive Loss in the period which it arises.

*Impairment of Financial Assets at Amortized Cost*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses of the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of income (loss), as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Financial Liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. The Company classifies its accounts payable and accrued liabilities and loans payable as financial liabilities held at amortized cost.

g) Equity instruments

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity. Equity instruments are to be valued at either the fair value of the goods or services received or at the fair value of the equity instruments granted.

The proceeds from the issuance of units are allocated between common shares and warrants based on the residual value method. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced, and any residual value is allocated to the warrants reserve. Consideration received for the exercise of warrants is recorded in share capital, and any related amount recorded in warrants reserve is transferred to share capital.

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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

h) Share-based compensation

The Company has a stock option plan that is described in note 7 that grants stock options to the Company's directors, officers and employees. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period. For directors and employees, the fair value of the options is measured at the date of grant. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The offset to the recorded cost is to share-based compensation reserve. Consideration received on the exercise of stock options is recorded as share capital and the recorded amount to share-based compensation reserve is transferred to share capital.

The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is charged to profit or loss.

i) Use of estimates and judgments

The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period.

(i) The collectability of accounts receivable

Accounts receivable are recorded at the estimated recoverable amount, which involves the estimate of uncollectible accounts.

(ii) The determination of the fair value of common shares issued

Common shares issued are valued at either the fair value of the goods or services received or at the fair value of the equity instruments granted. The Company has estimated the fair value of the equity instruments issued during the year.

(iii) The assumptions used in calculating share-based compensation expense

The fair value of share options granted is measured using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the option, expected volatility, expected life of the options, expected dividends and the risk-free rate. The Company estimates volatility based on historical share price of comparable

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**3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

j) Use of estimates and judgments (continued)

companies excluding specific time frames in which volatility was affected by specific transactions that are not considered to be indicative of the entities' expected share price volatility. The expected life of the options is based on historical experience and general option holder behavior. Dividends were not taken into consideration as the Company does not expect to pay dividends. Management also makes an estimate of the number of options that will forfeit and the rate is adjusted to reflect the actual number of options that actually vest.

Significant areas requiring the use of management judgments include:

- The utilization of deferred income tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

- The going concern assumption

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

Significant areas requiring the use of management judgments include (continued):

The Company bases its estimates and judgments on current facts and various other factors that it believes to be reasonable under the circumstances. The actual results experienced by the Company may differ materially and adversely from the Company's estimates and could affect future results of operations and cash flows.

k) Loss per share

The Company presents the basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all the dilutive potential common shares.

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**4. NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

Accounting Standards and Amendments Issued But Not Yet Effective

The following new standard and interpretation will be adopted on October 1, 2019.

IFRS 16 *Leases* replaces IAS 17, *Leases* and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a services contract on the basis of whether the customer controls the assets begin leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that have also adopted IFRS 15.

The Company anticipate that there will be no material changes to the financial statements upon adoption.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	September 30, 2019	September 30, 2018
Accounts payable	\$ 118,069	\$ 66,515
Accrued liabilities	15,250	-
	<u>\$ 133,319</u>	<u>\$ 66,515</u>

**6. LOANS PAYABLE**

On May 2, 2016, the Company entered into a loan agreement with a related party. Under the terms of the agreement, the related party loaned \$102,093 to the Company. The loan had an annual interest rate of 15%, compounded monthly, and was payable on October 31, 2016. The loan was secured by the assets of the Company. The related party also received 10,890 warrants with an exercise price of \$0.39, exercisable until May 2, 2018. The Company bifurcated the loan into its components using a discounted cash flow model with an estimated fair value interest rate of 20% to estimate the fair value of the liability component of \$93,174. The residual amount of \$8,919 was recorded to warrant reserves. \$50,000 of this loan was repaid on October 27, 2016. On November 29, 2017, the outstanding principal was assigned - see below. The interest on the loan was still outstanding to the related party at this time. During the year ended September 30, 2018, \$3,542 was included in finance expense.

On November 29, 2017, the Company entered into a loan assignment agreement between the related party (above) and 0890454 B.C. Ltd. ("0890454") (the "Assignment Agreement"). Under the terms of the Assignment Agreement, the Company assigned the outstanding principal of the loan to 0890454, secured by the assets of the Company. During the year ended September 30, 2018 this loan was repaid.

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**6. LOANS PAYABLE (Continued)**

In addition, on November 29, 2017, the Company entered into a loan agreement with 0890454, whereby loaned the Company \$140,573 at 6% secured by the assets of the Company, and matured on September 30, 2018. Included in finance expense in 2018 was interest expense of \$5,650. The principal was repaid during 2018 and the balance of the loan payable to 0890454 at September 30, 2018 is comprised of accrued interest of \$5,650 which was repaid during the year ended September 30, 2019.

During the year ended September 30, 2018, the Company received non-interest bearing loans totaling \$295,000 from Northwest Marketing and Management Inc. ("Northwest Marketing"). These were fully repaid during in the year ended September 30, 2018.

On October 9, 2018, consulting fees of \$10,500 were paid to an individual. On December 1, 2018, the Company entered into an agreement with the individual for consulting services commencing December 1, 2018 for a 12 month period, for \$10,000 per month. The total amount of this contract of \$120,000 was advanced to the individual in December.

**7. SHARE CAPITAL**

a. Authorized:  
unlimited common shares, without par value

b. Issued and outstanding:

Effective January 29, 2018, the Company completed a consolidation of its issued and outstanding shares on the basis of one new common share for every ten old common shares. All share, share equivalent, and per share amounts have been restated to retrospectively reflect this consolidation.

As at September 30, 2019 and 2018, the issued and outstanding common shares of the Company consisted of 17,483,123 common shares. There were no shares issued during the year ended September 30, 2019.

*Share issuance during the year ended September 30, 2018 was as follows:*

On April 17, 2018, the Company completed a non-brokered private placement totaling \$3,250,000 by issuing a total of 12,499,999 Units of the Company. Each Unit had a purchase price of \$0.26 and consisted of one common share and one common share purchase warrant of the Company. Each full warrant is exercisable at an exercise price of \$0.35 for a period of one year from the date of issuance. In association with this private placement, the Company also paid \$104,963 in finders' fees and issued 466,533 broker warrants with a fair value of \$76,347 that are exercisable at an exercise price of \$0.35 for a period of one year from the date of issuance.

At approximately the same date as the private placement, consulting fees of \$666,805 were paid to companies owned by individuals who had subscribed for shares which had gross proceeds of \$702,905 in the April private placement. These payments have been presented at net for cash flows, due to the effective timing of the transactions.

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**7. SHARE CAPITAL (Continued)**

b) Issued and outstanding: (continued)

During the remainder of 2018, consulting fees of \$100,000 were paid to a company owned by an individual who had subscribed for shares which had gross proceeds of \$65,000 in the April private placement.

During the year ended September 30, 2019,

- consulting fees of \$10,000 were paid to an individual who had subscribed for shares with gross proceeds of \$10,000 in the April private placement; and
- consulting fees of \$94,500 were paid to a company owned by an individual who had subscribed for shares with gross proceeds of \$20,000 in the April private placement.

c) Stock options

The Company has a stock option plan (the “Plan”) that permits the grant of share purchase options up to 10% of the issued and outstanding common shares of the Company to directors, officers, key employees and consultants. Terms of the options granted are subject to determination and approval by the Board of Directors.

Activity under the Plan for the year ended September 30, 2019 and 2018 were as follows:

	Number of Options	Weighted Average Exercise Price
Balance, September 30, 2017	416,333	\$ 2.70
Options forfeited	(416,333)	2.70
Balance, September 30, 2018 and 2019	-	\$ -

The Company applies the fair value method using the Black-Scholes option pricing model to account for options granted to employees, directors and non-employees. The Black-Scholes option pricing model requires management to make certain estimates.

There were no stock options granted during the year ended September 30, 2019 and 2018.

During the year ended September 30, 2018, the Company recorded an expense of \$13,160 in recognition of share-based compensation related to stock options vested. This was offset by forfeiture of stock options on June 15, 2018 related to the sale of subsidiary (note 12) and a reversal of \$42,243 was recognized for unvested options. The Black-Scholes option pricing model was calculated based on weighted average assumptions carried forward from the 2017 stock options. These estimates include volatility.

Due to the lack of historical pricing information for the Company, the expected volatility is based on an average of historical prices of a comparable group of companies within the same industry. The risk-free rate of return is the yield on a zero-coupon Canadian treasury bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche.



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**7. SHARE CAPITAL (Continued)**

c) Stock options (continued)

Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate.

d) Warrants

The table below summarizes the information on the outstanding warrants of the Company for the years ended September 30, 2019 and 2018:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2017	1,016,142	\$ 3.30
Warrants granted	12,966,533	0.35
Warrants expired	(429,056)	4.92
Balance, September 30, 2018	13,553,619	\$ 0.42
Warrants expired	(13,553,619)	0.34
Balance, September 30, 2019	-	\$ -

**8. RELATED PARTY TRANSACTIONS**

Related party transactions not otherwise described in these financial statements are shown below.

The remuneration of the Company's directors and other members of key management, individuals who have the authority and responsibility for planning, directing and controlling the activities of the Company, for the years ended September 30, 2019 and 2018 are as follows:

	2019	2018
Wages and benefits	\$ -	\$ 653,876
Consulting fees	110,400	21,684
Share-based compensation	-	6,777
	\$ 110,400	\$ 682,337

Prepaid expenses at September 30, 2019, includes \$43,069 (2018 - \$Nil) in advances to a company controlled by the CEO for travel expenses and consulting fees.

Accounts payable and accrued liabilities at September 30, 2019 includes \$7,230 (2018 - \$Nil) owing to a company controlled by the CFO for unpaid fees and expense reimbursements.

During the year ended September 30, 2018, the Company paid additional fees of \$100,000 to companies controlled by a former director and \$100,000 to a company controlled by the former CEO.

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**8. RELATED PARTY TRANSACTIONS (Continued)**

Wages and benefits of \$Nil (2018 - \$653,876) are included in the following expenses:

	<b>2019</b>	<b>2018</b>
Sales and marketing	\$ -	\$ 254,402
General and administrative	-	331,974
Research and development	-	67,500
	<b>\$ -</b>	<b>\$ 653,876</b>

**9. INCOME TAXES**

The following table reconciles the amount of income tax recoverable on application of the statutory Canadian federal and provincial income tax rates:

	<b>2019</b>	<b>2018</b>
Loss before income taxes	\$ (888,357)	\$ (2,192,290)
Statutory tax rate	27%	27%
Expected income tax recovery	(239,856)	(591,918)
Items not deductible for tax purposes	3,558	(3,105)
Effect of adjustment to statutory return	222,411	(554,850)
Share issuance costs	-	(28,340)
Impact of future income tax rates applied	80,166	-
Unused tax losses and tax offsets not recognized	(66,279)	1,178,213
Total income tax	<b>\$ -</b>	<b>\$ -</b>

*Deferred income tax assets and liabilities*

The ultimate realization of deferred income assets is dependent upon the generation of taxable income during the in periods in which those temporary differences become deductible. Due to uncertainty surrounding realization of the deferred income tax assets in the future, the Company has not recognized the benefits of its deferred income tax assets other than an amount to offset deemed income tax liabilities. Significant unrecognized tax benefits and unused tax losses for which no deferred tax assets is recognized as of September 30 are as follows:

	<b>2019</b>	<b>2018</b>
Non-capital losses	\$ 7,013,917	\$ 7,074,527
Share issuance costs	17,004	22,672
Cumulative eligible capital	13,877	13,877
Research and development tax pools	676,791	676,791
Unrecognized deferred tax assets	(7,721,588)	(7,787,867)
Deferred tax assets, net	<b>\$ -</b>	<b>\$ -</b>

The Company has accumulated losses for Canadian tax purposes that expire in 2026 to 2039 totaling \$16,781,658. Research and development tax pools of \$2,485,000 carry forward indefinitely.

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**10. FINANCIAL INSTRUMENTS**

The carrying values of cash, accounts receivable, loans payable, and accounts payable and accrued liabilities approximate their fair values due to their short-term nature. Financial assets and liabilities measured at fair value on a recurring basis are classified in their entirety based on the lowest level of input that is significant to their fair value measurement. Certain non-financial assets and liabilities may also be measured at fair value on a non-recurring basis.

Management has implemented and monitors compliance with risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and consider the implications of market conditions in relation to the Company's activities.

There are no changes in the Company's objective, policies and processes for managing the risks and the methods used to measure the risks during the year ended September 30, 2019.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held at a large Canadian financial institution in interest-bearing accounts.

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The accounts payable and accrued liabilities are typically due in 30 days. The Company uses cash to settle its financial obligations as they fall due. As at September 30, 2019, the Company has a working capital deficiency of \$14,577. Management is considering different alternatives to secure adequate debt or equity financing to meet the Company's short term and long-term cash requirement.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities. Despite previous success in acquiring financing, there is no guarantee of obtaining future financings.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's operations, income or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns. The Company is exposed to market risk as follows:

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to significant interest rate risk due to the short-term to maturity of its financial instruments. The Company had no interest rate swap or financial contracts in place as at September 30, 2019 and 2018. Interest rate risk is minimal as loans have a fixed interest rate.

**REWARDSTREAM SOLUTIONS INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018  
EXPRESSED IN CANADIAN DOLLARS**

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**10. FINANCIAL INSTRUMENTS (Continued)**

(ii) Foreign currency risk

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and other foreign currencies will affect the Company's operations and financial results. The Company does not have significant exposure to foreign exchange rate fluctuation.

**11. CAPITAL MANAGEMENT**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern. In order to facilitate the management of its capital requirements, the Company prepares periodic budgets that are updated as necessary. The Company manages its capital structure and makes adjustments to it to effectively support the Company's objectives. In order to pay for general administrative costs, the Company will raise additional amounts as needed.

The Company reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company considers shareholders' equity and working capital as components of its capital base. The Company may access capital through the issuance of shares or the disposition of assets. Management historically funds the Company's expenditures by issuing share capital rather than using capital sources that require fixed repayments of principal and/or interest. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products. The Company believes it will be able to raise additional equity capital as required, but recognizes the uncertainty attached thereto.

**REWARDSTREAM SOLUTIONS INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018  
EXPRESSED IN CANADIAN DOLLARS**

**12. SALE OF SUBSIDIARY**

On June 15, 2018, the Company completed the transfer of all of the assets and liabilities of its referral and reward business to RSNA through an asset purchase agreement.

On June 15, 2018, the Company entered into a purchase and sale agreement with Buyapowa Ltd. ("Buyapowa") wherein the Company sold to Buyapowa all the issued and outstanding shares in the capital of RSNA in consideration for an upfront cash payment of \$150,000 (the "Closing Payment") and sliding-scale royalty payment based on license fees received from existing and active RSNA customers. The royalty commences at a 15% rate for an initial 11-month period and decreases over time, resulting in a perpetual 1% royalty after a period of 47 months. The royalty will be first applied against the Closing Payment until such fees equal \$150,000.

<b>Purchase consideration</b>	<b>\$</b>	<b>150,000</b>
Cash		40,276
Accounts receivable		136,994
Prepaid expenses and deposits		23,642
Equipment and leasehold improvements		88,676
Accounts payable and accrued liabilities		(45,985)
Due to Buyapowa		(35,000)
Other current liabilities		(95,216)
Finance lease obligation		(892)
Deferred revenue		(32,755)
Lease improvement allowance		(55,448)
<b>Net assets sold</b>		<b>24,292</b>
<b>Gain on sale of subsidiary</b>	<b>\$</b>	<b>125,708</b>

**REWARDSTREAM SOLUTIONS INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018  
EXPRESSED IN CANADIAN DOLLARS**

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**12. SALE OF SUBSIDIARY (Continued)**

The subsidiary operations have been reclassified as discontinued operations. The following summarizes operating and cash flow information relating to the discontinued operations:

	<u>For the year ended</u> <u>September 30, 2018</u>
<b>REVENUE</b>	\$ 894,540
<b>COST OF SALES</b>	<u>(270,212)</u>
	624,328
<b>EXPENSES</b>	
Sales and marketing	366,992
General and administrative	689,379
Research and development	131,373
Depreciation	18,115
Finance income	404
Foreign exchange loss (gain)	<u>(2,838)</u>
	1,203,425
<b>OTHER ITEMS</b>	
Gain from sale of subsidiary	<u>125,708</u>
Loss from discontinued operations	<u><b>\$ (453,389)</b></u>
 <b>Cash used in:</b>	
Operating activities	<u>\$ (453,390)</u>
Gain from sale of subsidiary	(125,708)
Non-cash allowance for disposal of leasehold and equipment	6,184
Net cash received from sale of subsidiary	<u>109,725</u>
Total cash used in discontinued operations	<u><b>\$ (463,189)</b></u>

**Schedule "B"**  
**Company MD&As**

(see attached)

## MANAGEMENT DISCUSSION AND ANALYSIS

Balsam Technologies Corp. (formerly RewardStream Solutions Inc.) (“Balsam” or the “Company”)

For the nine months ended June 30, 2021

Dated – August 24, 2021

This management’s discussion and analysis (MD&A) was prepared in accordance with National Instrument 51-102, Continuous Disclosure Obligations, and should be read in conjunction with the unaudited condensed interim financial statements and accompanying notes for the nine months ended June 30, 2021 and the annual audited financial statements for the year ended September 30, 2020 and related notes.

The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

Certain information included in this MD&A contains forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws, including, without limitation, in respect of the Company’s priorities, plans and strategies and the Company’s anticipated financial and operating performance and prospects. All statements and information, other than statements of historical fact, included in or incorporated by reference into this MD&A are forward-looking statements and forward-looking information, including, without limitation, statements regarding activities, events or developments that we expect or anticipate may occur in the future. Such forward-looking statements and information can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue" or similar words and expressions or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which such forward-looking statements and information are based will occur or, even if they do occur, will result in the performance, events or results expected.

We caution readers of this MD&A not to place undue reliance on forward-looking statements and information contained herein, which are not a guarantee of performance, events or results and are subject to a number of risks, uncertainties and other factors that could cause actual performance, events or results to differ materially from those expressed or implied by such forward-looking statements and information. These factors include: the Company’s ability to raise additional financing through debt, equity or other form of financing; the ability to retain or add customers, complete product development plans, retain key staff; changes in priorities, plans, strategies and prospects; general economic, industry, business and market conditions; changes in law; the ability to implement business plans and strategies, and to pursue business opportunities; rulings by courts or arbitrators, proceedings and investigations; disruptions or changes in the credit or securities markets; inflationary pressures; challenges such as lawsuits, to the intellectual property of the Company; and various other events, conditions or circumstances that could disrupt Balsam’s priorities, plans, strategies and prospects. Readers are cautioned that all forward-looking statements and information involve risks and uncertainties. Balsam undertakes no obligation to publicly release the results of any revisions to forward-looking statements and information that may be made to reflect events or circumstances after the above-stated date or to reflect the occurrence of unanticipated events.



## OVERVIEW

The Company was incorporated under the laws of British Columbia on March 23, 1999 and continued under the *Canada Business Corporations Act* on December 22, 1999. The Company was subsequently continued under the laws of British Columbia on October 21, 2015. The head office and records are located at Suite 1000, 409 Granville Street, Vancouver, British Columbia V6C 1T2. On February 20, 2020, the Company's listing was transferred to the NEX and on March 30, 2020, was reinstated for trading on the NEX board under the trading symbol "REW.H". Effective October 8, 2020, the Company changed its name to Balsam Technologies Corp and is classified as a technology company and will trade under the trading symbol "BTEC.H".

The Company continues with its search for other business opportunities.

There was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company's operations.

On April 7, 2020, the Company completed a share consolidation on the basis of 10 old shares for 1 new share. The share consolidation has been retroactively presented in the financial statements and MD&A and all share amounts, including per share amounts, reflect the share consolidations.

The Company has entered into a letter of intent, dated effective March 16, 2021, pursuant to which it proposes to acquire all of the outstanding share capital of Blender Bites Inc. ("Blender Bites") Blender Bites is an arm's-length company, established under the laws of British Columbia, involved in the development and marketing of a line of frozen premium organic and plant-based smoothies.

Blender Bites was founded in 2016 and was first to market in Western Canada with a 100-per-cent-organic, pre-portioned smoothie product that is free of any unnecessary inner plastic packaging. Blender Bites products are 100 per cent organic, vegan, non-GMO (genetically modified organisms), gluten free, dairy free and soy free. They contain no added sugars and are made in Canada. Blender Bites products are distributed nationally across Canada and are currently sold in over 700 stores, including Sobeys, Safeway, Save on Foods, Whole Foods Market, Buy-Low/Nesters, IGA and Fresh Street, with a planned launch in the United States marketplace this summer. Blender Bites anticipates expanding its plant-based footprint in North America through organic growth of the existing brand and through new acquisitions.

In accordance with the terms of the transaction, the company proposes to issue 11.5 million common shares to the existing shareholders of Blender Bites in exchange for all of the outstanding share capital of Blender Bites. Prior to closing of the transaction, the company intends to apply to list its common shares on the Canadian Securities Exchange and voluntarily delist its shares from the TSX Venture Exchange. On closing of the transaction, it is anticipated that the company will change its name to Blender Bites Ltd. and will reconstitute its board and management to consist of an equal number of nominees from the company and Blender Bites.

In connection with completion of the transaction, the company intends to undertake a non-brokered private placement of no less than two million subscription receipts at a price of \$1 per subscription receipt to raise no less than \$2 million. All proceeds from the financing will be held in escrow pending completion of the transaction and will be returned to subscribers in the event the transaction is not completed. Upon

completion of the transaction, each subscription receipt will automatically convert into one common share of the company. All securities issued in connection with the financing, will be subject to a four-month-and-one-day statutory hold period. It is anticipated that approximately \$400,000 of the proceeds from the financing will be utilized to retire existing loans made to Blender Bites.

In connection with the transaction, the company anticipates issuing two million common shares to an arm's-length third party that assisted in introducing the transaction to the company. Following completion of the transaction, and assuming completion of the minimum financing, the company is expected to have approximately 23,428,436 common shares outstanding.

Completion of the transaction remains subject to a number of conditions, including the completion of satisfactory due diligence, the negotiation and finalization of definitive documentation, receipt of any required regulatory and third party consents, approval of minority shareholders of the company to the delisting of the company's common shares from the TSX-V, the company having arranged for third parties to lend no less than \$1 million to Blender Bites, completion of the financing, the CSE having conditionally accepted the listing of the company's common shares, the TSX-V having consented to the voluntarily delisting of the company's common shares, and the satisfaction of other customary closing conditions. The transaction cannot close until the required approvals are obtained and the company's common shares have been delisted from the TSX-V. There can be no assurance that the transaction will be completed as proposed or at all, or that the company's common shares will be listed and posted for trading on any stock exchange. Trading in the company's common shares is currently halted and it is anticipated that trading will remain halted until completion of the transaction.

#### SELECTED ANNUAL INFORMATION

	For the twelve months ended		
	September 30, 2020 \$	September 30, 2019 \$	September 30, 2018 \$
Revenue	-	-	-
Loss from continuing operations	(284,538)	(888,357)	(1,738,901)
Loss from discontinued operations	-	-	(453,389)
Net loss and comprehensive loss	(284,538)	(888,357)	(2,192,290)
Basic and diluted loss per share from continuing operations	(0.14)	(0.51)	(1.59)
Basic and diluted loss per share from discontinued operations	-	-	(0.42)
Basic and diluted loss per share	(0.14)	(0.51)	(2.01)
Weighted average number of common shares	2,080,084	1,748,313	1,090,778
Total assets	470,141	118,742	945,945
Long-term financial liabilities	-	-	-

During the year ended September 30, 2018, the Company disposed of its referral and reward business to Buyapowa Ltd. Accordingly, the Company reclassified the operation as discontinued operations in its financial statements. Total net loss for 2018 amounted to \$2,192,290, which is lower than the \$2,357,400

for 2017, can be attributed to the recognition of a gain on sale of subsidiary of \$125,708. During the year ended September 30, 2019, the Company recorded a net loss of from continuing operations of \$888,357 as compared to the net loss of \$1,738,901 from continuing operations for 2018. The decrease can be attributed to the reduced operations and to the sale of the referral and reward business. During the year ended September 30, 2020, the Company recorded a net loss from operations of \$284,538 as compared to the net loss of \$888,357 for 2019. During 2020, the Company was going through a corporate restructuring.

#### INTERIM QUARTERLY HIGHLIGHTS

For the quarter ended:	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Revenue	\$ -	\$ -	\$ -	\$ -
Net and comprehensive loss	(199,042)	(275,695)	(78,741)	(56,131)
Loss per share from operations	(0.03)	(0.03)	(0.01)	(0.03)
Weighted average number of shares	7,928,436	7,928,436	5,319,740	2,080,085

For the quarter ended:	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019
Revenue	\$ -	\$ -	\$ -	\$ -
Net and comprehensive loss	(137,596)	(38,361)	(52,450)	(232,101)
Loss per share from operations	(0.08)	(0.02)	(0.03)	(0.13)
Weighted average number of shares	1,748,312	1,748,312	1,748,312	1,748,312

#### FOURTH QUARTER

N/A

#### RESULTS OF OPERATIONS

##### For the three months ended June 30, 2021:

During the three months ended June 30, 2021, the Company reported a net loss of \$199,042 as compared to \$137,596 net loss for the comparable quarter ended June 30, 2020.

Total expenses for the current quarter amounted to \$199,042 as compared to \$137,596 for the comparable quarter. The majority of the expenses in the current quarter relates to consulting fees paid/accrued to third parties for administrative and accounting services and to a company with a director in common. The majority of the remaining expenses incurred in the current quarter relates to cost associated with maintaining the Company's reporting issuer status and its continuous search for new business opportunities.

On March 16, 2021, the Company entered into a Letter of Intent ("LOI") to acquire all of the outstanding share capital of Blender Bites Inc. ("Blenders Bites") a British Columbia company. As consideration the Company proposes to issue 11,500,000 common shares to the existing shares of Blender Bites in exchange for all of the outstanding shares of Blenders Bites. Prior to closing of the transaction, the Company intends to apply to list its common shares on the Canadian Securities Exchange ("CSE") and voluntarily delist its shares from the TSX Venture Exchange ("TSX-V"). On closing the Company will change its name to Blender Bites Ltd.

For the nine months ended June 30, 2021:

During the nine months ended June 30, 2021, the Company reported a net loss of \$553,478 as compared to \$228,407 net loss for the comparable period ended June 30, 2020.

Total expenses for the current period to date amounted to \$553,478 as compared to \$229,714 for the comparable period ended June 30, 2020. The majority of the expenses in the current quarter relates to consulting fees paid/accrued to a third parties for administrative and accounting services and to a company with a director in common (see related party section for details). The majority of the remaining expenses incurred in the current quarter relates to cost associated with maintaining the Company's reporting issuer status and its continuous search for new business opportunities.

**LIQUIDITY AND CAPITAL RESOURCES**

Liquidity is the risk of the Company not being able to meet its financial obligations as they become due. The Company manages its liquidity risk through budgeting, ongoing management and forecasting of operating cash flows, reviews of trade receivables, management of cash, and use of equity financings when appropriate.

During the period ended June 30, 2021, the Company used \$305,712 in operating activities as compared to \$17,776 for the previous period ended June 30, 2020.

During the period ended June 30, 2021, the Company was provided with \$574,628 in financing activities compared to \$30,000 for the previous period ended June 30, 2020. The financing was provided by a private placement of \$600,000 less \$25,372 in share issue cost.

There was no investing activity during the period ended June 30, 2021 and 2020.

As at June 30, 2021, the Company had cash of \$726,846 and accounts receivable of \$28,698 as compared to a cash balance of \$457,930 and accounts receivable of \$12,211 at September 30, 2020. The Company's current liabilities at June 30, 2021 were \$546,772 and at September 30, 2020 were \$282,520. At June 30, 2021, the Company's working capital was \$208,772 as compared to a working capital of \$187,621 for September 30, 2020.

The Company believes that the current capital resources are not sufficient to pay overhead expenses for the next twelve months and will need to seek additional funding to fund its overhead expenses and its potential acquisition of Blenders Bites. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations, it will be dependent on outside financing to continue operations until it is able to achieve positive cash flow. The Company has historically been able to secure financing from outside parties. However, there is no guarantee that cash generated from external financing or operations will be sufficient to sustain the Company's operations for the foreseeable future. In order to maintain sufficient liquidity, the Company may be required to issue additional shares, incur more debt or further reduce operating costs.

On February 4, 2021, the Company completed a non-brokered private placement of 2,608,696 units at a price of \$0.23 per unit for gross proceeds of up to \$600,000. Each unit will consist of one common share and one share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.31 for a period of twelve months expiring on February 4, 2022. The Company recorded \$25,372 in share issue cost.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements.

#### **RELATED PARTY TRANSACTIONS**

Related party transactions not otherwise described in these financial statements are shown below.

The remuneration of the Company's directors and other members of key management, individuals who have the authority and responsibility for planning, directing and controlling the activities of the Company, for the nine months ended June 30, 2021 and 2020 are as follows:

	<b>For the nine months ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
<u>Consulting fees</u>		
Enermetals Ventures Inc. (Pat Morris, Director and former CEO)	\$ -	\$ 50,000
Harmony Corporate Services Ltd; (Geoff Balderson, Director and CFO)	1,779	39,200
1156724 BC Ltd. (Joel Shacker, Director and CEO)	90,000	-
	<b>\$ 91,779</b>	<b>\$ 89,200</b>

Accounts payable and accrued liabilities at June 30, 2021, includes \$208,535 (September 30, 2020 - \$114,035) owing to companies controlled by directors and officers of the Company for unpaid fees.

#### **FINANCIAL INSTRUMENTS**

The type and nature of financial instruments are disclosed in the financial statements of the Company. All of these financial instruments are currently reported at their carrying value as the Company believes that this approximates their fair value due to their short-term nature. As discussed in the financial statements, the Company is exposed to certain risks associated with these financial instruments. These include credit, liquidity and market risk. The Company does not anticipate any significant credit risk at June 30, 2021 as the Company had no accounts receivable related to customers. Liquidity risk and its management has been previously discussed above (see Liquidity). Market risk includes interest rate and foreign currency risk. Due to the short-term nature of its borrowing, the Company does not believe that it is exposed to significant interest rate risk and has therefore, not undertaken any action to mitigate this risk. The Company does not have significant exposure to foreign currency rate fluctuations.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The Company's critical accounting estimates and judgements are disclosed in Note 3 of the condensed interim financial statements.

## **PROPOSED TRANSACTIONS**

See Subsequent Events below.

## **SUBSEQUENT EVENTS**

On March 16, 2021, the Company entered into a Letter of Intent ("LOI") to acquire all of the outstanding share capital of Blender Bites Inc. ("Blenders Bites") a British Columbia company. As consideration the Company proposes to issue 11,500,000 common shares to the existing shares of Blender Bites in exchange for all of the outstanding shares of Blenders Bites. Prior to closing of the transaction, the Company intends to apply to list its common shares on the Canadian Securities Exchange ("CSE") and voluntarily delist its shares from the TSX Venture Exchange ("TSX-V"). On closing the Company will change its name to Blender Bites Ltd.

In connection with the completion of the transaction, the Company intends to undertake a non-broker private placement of no less than two million subscription receipts at a price of \$1 per subscription receipt to raise no less than \$2,000,000. All proceeds from the financing will be held in escrow pending completion of the transaction and will be returned to subscribers in the event the transaction is not completed. Upon completion of the transaction, each subscription receipt will automatically convert into one common share of the Company. The Company anticipates issuing two million common shares to an arm's length third party that assisted in introducing the transaction to the Company.

Completion of the transaction remains subject to a number of conditions, including the completion of satisfactory due diligence, the negotiation and finalization of definitive documentation, receipt of any required regulatory and third party consents, approval of minority shareholders of the company to the delisting of the company's common shares from the TSX-V, the company having arranged for third parties to lend no less than \$1 million to Blender Bites, completion of the financing, the CSE having conditionally accepted the listing of the company's common shares, the TSX-V having consented to the voluntarily delisting of the company's common shares, and the satisfaction of other customary closing conditions. The transaction cannot close until the required approvals are obtained and the company's common shares have been delisted from the TSX-V. There can be no assurance that the transaction will be completed as proposed or at all, or that the company's common shares will be listed and posted for trading on any stock exchange.

## DISCLOSURE OF OUTSTANDING SHARE DATA

Below is the summary of the Company's share capital as at June 30, 2021 and as of the date of this report:

Security description	As at	
	August 24, 2021	June 30, 2021
Common shares – issued and outstanding	7,928,436	7,928,436
Warrants	6,180,123	6,180,123
Common shares – fully diluted	14,108,559	14,108,559

## MANAGEMENT AND BOARD OF DIRECTORS

As at the date of the MD&A the board of directors consists of Patrick Morris, Geoff Balderson, Joel Shacker and Adam Cegielski. Joel Shacker has been appointed as Chief Executive Officer of the Company, and replaces Patrick Morris who will remain with the Company as an independent director. Geoff Balderson will continue to serve as Chief Financial Officer of the Company.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

## MANAGEMENT DISCUSSION AND ANALYSIS

Balsam Technologies Corp. (formerly RewardStream Solutions Inc.) (“Balsam” or the “Company”)

For the year ended September 30, 2020

Dated – January 28, 2021

This management’s discussion and analysis (MD&A) was prepared in accordance with National Instrument 51-102, Continuous Disclosure Obligations, and should be read in conjunction with the annual audited financial statements for the year ended September 30, 2020 and related notes. These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and are reported in Canadian dollars.

Certain information included in this MD&A contains forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws, including, without limitation, in respect of the Company’s priorities, plans and strategies and the Company’s anticipated financial and operating performance and prospects. All statements and information, other than statements of historical fact, included in or incorporated by reference into this MD&A are forward-looking statements and forward-looking information, including, without limitation, statements regarding activities, events or developments that we expect or anticipate may occur in the future. Such forward-looking statements and information can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue" or similar words and expressions or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which such forward-looking statements and information are based will occur or, even if they do occur, will result in the performance, events or results expected.

We caution readers of this MD&A not to place undue reliance on forward-looking statements and information contained herein, which are not a guarantee of performance, events or results and are subject to a number of risks, uncertainties and other factors that could cause actual performance, events or results to differ materially from those expressed or implied by such forward-looking statements and information. These factors include: the Company’s ability to raise additional financing through debt, equity or other form of financing; the ability to retain or add customers, complete product development plans, retain key staff; changes in priorities, plans, strategies and prospects; general economic, industry, business and market conditions; changes in law; the ability to implement business plans and strategies, and to pursue business opportunities; rulings by courts or arbitrators, proceedings and investigations; disruptions or changes in the credit or securities markets; inflationary pressures; challenges such as lawsuits, to the intellectual property of the Company; and various other events, conditions or circumstances that could disrupt Balsam’s priorities, plans, strategies and prospects. Readers are cautioned that all forward-looking statements and information involve risks and uncertainties. Balsam undertakes no obligation to publicly release the results of any revisions to forward-looking statements and information that may be made to reflect events or circumstances after the above-stated date or to reflect the occurrence of unanticipated events.



## OVERVIEW

The Company was incorporated under the laws of British Columbia on March 23, 1999 and continued under the *Canada Business Corporations Act* on December 22, 1999. The Company was subsequently continued under the laws of British Columbia on October 21, 2015. The head office and records are located at Suite 1000, 409 Granville Street, Vancouver, British Columbia V6C 1T2. On February 20, 2020, the Company's listing was transferred to the NEX and on March 30, 2020, was reinstated for trading on the NEX board under the trading symbol "REW.H". Effective October 8, 2020, the Company changed its name to Balsam Technologies Corp and is classified as a technology company and will trade under the trading symbol "BTEC.H".

The Company continues with its search for other business opportunities.

During the year ended September 30, 2020, there was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company's operations.

On April 7, 2020, the Company completed a share consolidation on the basis of 10 old shares for 1 new share. The share consolidation has been retroactively presented in the financial statements and MD&A and all share amounts, including per share amounts, reflect the share consolidations.

## SELECTED ANNUAL INFORMATION

	For the twelve months ended		
	September 30, 2020 \$	September 30, 2019 \$	September 30, 2018 \$
Revenue	-	-	-
Loss from continuing operations	(284,538)	(888,357)	(1,738,901)
Loss from discontinued operations	-	-	(453,389)
Net loss and comprehensive loss	(284,538)	(888,357)	(2,192,290)
Basic and diluted loss per share from continuing operations	(0.14)	(0.51)	(1.59)
Basic and diluted loss per share from discontinued operations	-	-	(0.42)
Basic and diluted loss per share	(0.14)	(0.51)	(2.01)
Weighted average number of common shares	2,080,084	1,748,312	1,090,778
Total assets	470,141	118,742	945,945
Long-term financial liabilities	-	-	-

During the year ended September 30, 2018, the Company disposed of its referral and reward business to Buyapowa Ltd. Accordingly, the Company reclassified the operation as discontinued operations in its

financial statements. Total net loss for 2018 amounted to \$2,192,290, which is lower than the \$2,357,400 for 2017, can be attributed to the recognition of a gain on sale of subsidiary of \$125,708. During the year ended September 30, 2019, the Company recorded a net loss of from continuing operations of \$888,357 as compared to the net loss of \$1,738,901 from continuing operations for 2018. The decrease can be attributed to the reduced operations and to the sale of the referral and reward business. During the year ended September 30, 2020, the Company recorded a net loss from operations of \$284,538 as compared to the net loss of \$888,357 for 2019. During 2020, the Company was going through a corporate restructuring.

#### INTERIM QUARTERLY HIGHLIGHTS

For the quarter ended:	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019
Revenue	\$ -	\$ -	\$ -	\$ -
Loss from continuing operations	(56,131)	(137,596)	(38,361)	(52,450)
Loss from discontinued operations	-	-	-	-
Net and comprehensive loss	(56,131)	(137,596)	(38,361)	(52,450)
Loss per share from continuing operations	(0.03)	(0.08)	(0.02)	(0.03)
Loss per share from discontinued operations	0.00	0.00	0.00	0.00
Comprehensive loss per share	\$ (0.03)	\$ (0.08)	\$ (0.02)	\$ (0.03)
Weighted average number of shares	2,080,085	1,748,312	1,748,312	1,748,312

For the quarter ended:	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Revenue	\$ -	\$ -	\$ -	\$ -
Loss from continuing operations	(232,101)	(119,230)	(206,336)	(330,690)
Income (loss) from discontinued operations	-	-	-	-
Net and comprehensive loss	(232,101)	(119,230)	(206,336)	(330,690)
Loss per share from continuing operations	(0.13)	(0.07)	(0.12)	(0.19)
Income (loss) per share from discontinued operations	0.00	0.00	0.00	0.00
Comprehensive loss per share	\$ (0.13)	\$ (0.07)	\$ (0.12)	\$ (0.19)
Weighted average number of shares	1,748,312	1,748,312	1,748,312	1,748,312

#### FOURTH QUARTER

During the fourth quarter ended September 30, 2020, the Company reported a net loss of \$56,131 as compared to a net loss of \$232,101 for the corresponding period in 2019. The decline in net loss can be attributed to the decline in operations for 2020 as the Company continues its search for new business opportunities. The majority of the expenses for 2020 relates to consulting fees incurred in its searches for new business opportunities and the accrual for year end audit fee.

## **RESULTS OF OPERATIONS**

During the year ended September 30, 2020, the Company reported a net loss of \$284,538 as compared to \$888,357 net loss for the previous year ended September 30, 2019.

Total expenses for the current year amounted to \$285,845 as compared to \$888,357 for the prior year. The majority of the expenses in the current year relates to consulting fees paid to a third party for administrative services and to directors and officers of the Company (see related party section for details on the fees accrued/paid during the year). The majority of the remaining expenses incurred in 2020 relates to cost associated with the reinstatement of the Company on the NEX board of the TSX venture exchange and maintaining the Company's reporting issuer status and its continuous search for new business opportunities. Majority of the total expenses for the previous year related to consulting fees paid to numerous consultants that were engaged by previous management to help find new business opportunities for the Company.

## **LIQUIDITY AND CAPITAL RESOURCES**

Liquidity is the risk of the Company not being able to meet its financial obligations as they become due. The Company manages its liquidity risk through budgeting, ongoing management and forecasting of operating cash flows, reviews of trade receivables, management of cash, and use of equity financings when appropriate.

During the year ended September 30, 2020, the Company used \$60,027 in operating activities as compared to \$858,096 used in operating activities for the previous year ended September 30, 2019. There were fewer transactions in the current period as compared to the prior period.

During the year ended September 30, 2020, the Company received \$516,737 in financing activities which was provided by a \$30,000 loan payable which bears interest at 6% per annum, unsecured and is due by July 9, 2020 and net proceeds from a private placement of \$486,737.

There was no investing activity during the year ended September 30, 2020 and 2019.

As at September 30, 2020, the Company had cash of \$457,930, and accounts receivable of \$12,211 as compared to a cash balance of \$1,221, accounts receivable of \$74,452 and prepaid expenses of \$43,069 at September 30, 2019. The Company's current liabilities at September 30, 2020 were \$282,520 and at September 30, 2019 were \$133,319. At September 30, 2020, the Company's working capital was \$187,621 as compared to a working deficit of \$14,577 for September 30, 2019.

The Company believes that the current capital resources are not sufficient to pay overhead expenses for the next twelve months and will need to seek additional funding to fund its overhead expenses and its continuous search for other business opportunities. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations, it will be dependent on outside financing to continue operations until it is able to achieve positive cash flow. The Company has historically been able to secure financing from outside parties. However, there is no guarantee that cash generated from external financing or operations will be sufficient to sustain the Company's operations for the

foreseeable future. In order to maintain sufficient liquidity, the Company may be required to issue additional shares, incur more debt or further reduce operating costs.

On January 9, 2020, the Company received a promissory note of \$30,000 from a third party which bears interest at 6% per annum, unsecured and repayable by July 9, 2020.

On August 27, 2020, the Company issued 3,571,427 units at a price of \$0.14 per unit for gross proceeds of \$500,000. Each unit consist of one common share and one share purchase warrants with each share purchase warrant entitling the holder the right to purchase an additional common share at a price of \$0.185 per share expiring on August 27, 2021. The Company recorded \$13,263 in share issue cost.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet arrangements.

#### **RELATED PARTY TRANSACTIONS**

Related party transactions not otherwise described in these financial statements are shown below.

The remuneration of the Company's directors and other members of key management, individuals who have the authority and responsibility for planning, directing and controlling the activities of the Company, for the years ended September 30, 2020 and 2019 are as follows:

	<b>2020</b>	<b>2019</b>
<u>Consulting fees</u>		
Enermetals Ventures Inc. (Pat Morris, Director and former CEO)	\$ 75,000	\$ 75,000
Harmony Corporate Services Ltd; (Geoff Balderson, Director and CFO)	28,800	25,600
1156724 BC Ltd. (Joel Shacker, Director and CEO)	70,000	-
Danilen Villanueva, former director	-	3,500
Usama Chaudhry, former CFO	-	6,300
	<b>\$ 173,800</b>	<b>\$ 110,400</b>

Prepaid expenses at September 30, 2020, includes \$Nil (2019 - \$43,069) in advances to a company controlled by the CEO for travel expenses and consulting fees.

Accounts payable and accrued liabilities at September 30, 2020, includes \$114,035 (2019 - \$7,230) owing to companies controlled by directors and officers of the Company for unpaid fees.

#### **FINANCIAL INSTRUMENTS**

The type and nature of financial instruments are disclosed in the financial statements of the Company. All of these financial instruments are currently reported at their carrying value as the Company believes that this approximates their fair value due to their short-term nature. As discussed in the financial statements, the Company is exposed to certain risks associated with these financial instruments. These include credit, liquidity and market risk. The Company does not anticipate any significant credit risk at September 30, 2020 as the Company had no accounts receivable related to customers. Liquidity risk and its management

has been previously discussed above (see Liquidity). Market risk includes interest rate and foreign currency risk. Due to the short-term nature of its borrowing, the Company does not believe that it is exposed to significant interest rate risk and has therefore, not undertaken any action to mitigate this risk. The Company exposed to foreign currency risk to the extent of expenditures incurred or funds received, and balances maintained by the Company are denominated in currencies other than the Canadian dollar (primarily United States dollars (“USD”)). To mitigate this risk, the Company has not historically used or entered into any foreign currency contracts. However, should the need arise, the Company will consider the use of such contracts. The changes in foreign currency with respects to the financial instruments are recorded in the Company’s statement of comprehensive loss under foreign exchange gain. The Company does not have significant exposure to foreign currency rate fluctuations.

#### **ACCOUNTING STANDARD AND AMENDMENTS ADOPTED**

The following new standard and interpretation was adopted on October 1, 2019.

IFRS 16 *Leases* replaces IAS 17, *Leases* and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a services contract on the basis of whether the customer controls the assets begin leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that have also adopted IFRS 15.

The adoption of IFRS 16 has not had a significant impact on the Company’s financial statements.

#### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company’s financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The Company’s critical accounting estimates and judgements are disclosed in Note 3 of the financial statements.

#### **PROPOSED TRANSACTIONS**

N/A

#### **SUBSEQUENT EVENTS**

On January 4, 2020, the Company announced a non-brokered private placement of up to 4,285,715 units at a price of \$0.14 per unit for gross proceeds of up to \$600,000. Each unit will consist of one common share and one share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.185 for a period of twelve months. As at January 22, 2021, the Company has collected \$550,000. Completion of the offering is subject to the approval of the TSX Venture Exchange.

## DISCLOSURE OF OUTSTANDING SHARE DATA

Below is the summary of the Company's share capital as at September 30, 2020 and as of the date of this report:

Security description	As at	
	September 30, 2020	MD&A
Common shares – issued and outstanding	5,319,740	5,319,740
Warrants	3,571,427	3,571,427
Common shares – fully diluted	8,891,167	8,891,167

## MANAGEMENT AND BOARD OF DIRECTORS

In March 2020, Joel Shacker and Adam Cegielski were appointed to the Board of Directors of the Company. Following the appointments, the board of directors consists of Patrick Morris, Geoff Balderson, Joel Shacker and Adam Cegielski. Joel Shacker has been appointed as Chief Executive Officer of the Company, and replaces Patrick Morris who will remain with the Company as an independent director. Geoff Balderson will continue to serve as Chief Financial Officer of the Company.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

## MANAGEMENT DISCUSSION AND ANALYSIS

Balsam Technologies Corp. (formerly RewardStream Solutions Inc.) (“Balsam” or the “Company”)

For the six months ended March 31, 2021

Dated – May 27, 2021

This management’s discussion and analysis (MD&A) was prepared in accordance with National Instrument 51-102, Continuous Disclosure Obligations, and should be read in conjunction with the unaudited condensed interim financial statements and accompanying notes for the six months ended March 31, 2021 and the annual audited financial statements for the year ended September 30, 2020 and related notes. These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and are reported in Canadian dollars.

Certain information included in this MD&A contains forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws, including, without limitation, in respect of the Company’s priorities, plans and strategies and the Company’s anticipated financial and operating performance and prospects. All statements and information, other than statements of historical fact, included in or incorporated by reference into this MD&A are forward-looking statements and forward-looking information, including, without limitation, statements regarding activities, events or developments that we expect or anticipate may occur in the future. Such forward-looking statements and information can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue" or similar words and expressions or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which such forward-looking statements and information are based will occur or, even if they do occur, will result in the performance, events or results expected.

We caution readers of this MD&A not to place undue reliance on forward-looking statements and information contained herein, which are not a guarantee of performance, events or results and are subject to a number of risks, uncertainties and other factors that could cause actual performance, events or results to differ materially from those expressed or implied by such forward-looking statements and information. These factors include: the Company’s ability to raise additional financing through debt, equity or other form of financing; the ability to retain or add customers, complete product development plans, retain key staff; changes in priorities, plans, strategies and prospects; general economic, industry, business and market conditions; changes in law; the ability to implement business plans and strategies, and to pursue business opportunities; rulings by courts or arbitrators, proceedings and investigations; disruptions or changes in the credit or securities markets; inflationary pressures; challenges such as lawsuits, to the intellectual property of the Company; and various other events, conditions or circumstances that could disrupt Balsam’s priorities, plans, strategies and prospects. Readers are cautioned that all forward-looking statements and information involve risks and uncertainties. Balsam undertakes no obligation to publicly release the results of any revisions to forward-looking statements and information that may be made to reflect events or circumstances after the above-stated date or to reflect the occurrence of unanticipated events.

## OVERVIEW

The Company was incorporated under the laws of British Columbia on March 23, 1999 and continued under the *Canada Business Corporations Act* on December 22, 1999. The Company was subsequently continued under the laws of British Columbia on October 21, 2015. The head office and records are located at Suite 1000, 409 Granville Street, Vancouver, British Columbia V6C 1T2. On February 20, 2020, the Company's listing was transferred to the NEX and on March 30, 2020, was reinstated for trading on the NEX board under the trading symbol "REW.H". Effective October 8, 2020, the Company changed its name to Balsam Technologies Corp and is classified as a technology company and will trade under the trading symbol "BTEC.H".

The Company continues with its search for other business opportunities.

There was a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company's shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company's operations.

On April 7, 2020, the Company completed a share consolidation on the basis of 10 old shares for 1 new share. The share consolidation has been retroactively presented in the financial statements and MD&A and all share amounts, including per share amounts, reflect the share consolidations.

The Company has entered into a letter of intent, dated effective March 16, 2021, pursuant to which it proposes to acquire all of the outstanding share capital of Blender Bites Inc. ("Blender Bites") Blender Bites is an arm's-length company, established under the laws of British Columbia, involved in the development and marketing of a line of frozen premium organic and plant-based smoothies.

Blender Bites was founded in 2016 and was first to market in Western Canada with a 100-per-cent-organic, preportioned smoothie product that is free of any unnecessary inner plastic packaging. Blender Bites products are 100 per cent organic, vegan, non-GMO (genetically modified organisms), gluten free, dairy free and soy free. They contain no added sugars and are made in Canada. Blender Bites products are distributed nationally across Canada and are currently sold in over 700 stores, including Sobeys, Safeway, Save on Foods, Whole Foods Market, Buy-Low/Nesters, IGA and Fresh Street, with a planned launch in the United States marketplace this summer. Blender Bites anticipates expanding its plant-based footprint in North America through organic growth of the existing brand and through new acquisitions.

In accordance with the terms of the transaction, the company proposes to issue 11.5 million common shares to the existing shareholders of Blender Bites in exchange for all of the outstanding share capital of Blender Bites. Prior to closing of the transaction, the company intends to apply to list its common shares on the Canadian Securities Exchange and voluntarily delist its shares from the TSX Venture Exchange. On closing of the transaction, it is anticipated that the company will change its name to Blender Bites Ltd. and will reconstitute its board and management to consist of an equal number of nominees from the company and Blender Bites.

In connection with completion of the transaction, the company intends to undertake a non-brokered private placement of no less than two million subscription receipts at a price of \$1 per subscription receipt to raise no less than \$2-million. All proceeds from the financing will be held in escrow pending completion of the transaction and will be returned to subscribers in the event the transaction is not completed. Upon



completion of the transaction, each subscription receipt will automatically convert into one common share of the company. All securities issued in connection with the financing, will be subject to a four-month-and-one-day statutory hold period. It is anticipated that approximately \$400,000 of the proceeds from the financing will be utilized to retire existing loans made to Blender Bites.

In connection with the transaction, the company anticipates issuing two million common shares to an arm's-length third party that assisted in introducing the transaction to the company. Following completion of the transaction, and assuming completion of the minimum financing, the company is expected to have approximately 23,428,436 common shares outstanding.

Completion of the transaction remains subject to a number of conditions, including the completion of satisfactory due diligence, the negotiation and finalization of definitive documentation, receipt of any required regulatory and third party consents, approval of minority shareholders of the company to the delisting of the company's common shares from the TSX-V, the company having arranged for third parties to lend no less than \$1-million to Blender Bites, completion of the financing, the CSE having conditionally accepted the listing of the company's common shares, the TSX-V having consented to the voluntarily delisting of the company's common shares, and the satisfaction of other customary closing conditions. The transaction cannot close until the required approvals are obtained and the company's common shares have been delisted from the TSX-V. There can be no assurance that the transaction will be completed as proposed or at all, or that the company's common shares will be listed and posted for trading on any stock exchange. Trading in the company's common shares is currently halted and it is anticipated that trading will remain halted until completion of the transaction.

#### SELECTED ANNUAL INFORMATION

	For the twelve months ended		
	September 30, 2020 \$	September 30, 2019 \$	September 30, 2018 \$
<b>Revenue</b>	-	-	-
<b>Loss from continuing operations</b>	(284,538)	(888,357)	(1,738,901)
<b>Loss from discontinued operations</b>	-	-	(453,389)
<b>Net loss and comprehensive loss</b>	(284,538)	(888,357)	(2,192,290)
<b>Basic and diluted loss per share from continuing operations</b>	(0.14)	(0.51)	(1.59)
<b>Basic and diluted loss per share from discontinued operations</b>	-	-	(0.42)
<b>Basic and diluted loss per share</b>	(0.14)	(0.51)	(2.01)
<b>Weighted average number of common shares</b>	2,080,084	1,748,313	1,090,778
<b>Total assets</b>	470,141	118,742	945,945
<b>Long-term financial liabilities</b>	-	-	-

During the year ended September 30, 2018, the Company disposed of its referral and reward business to Buyapowa Ltd. Accordingly, the Company reclassified the operation as discontinued operations in its financial statements. Total net loss for 2018 amounted to \$2,192,290, which is lower than the \$2,357,400

for 2017, can be attributed to the recognition of a gain on sale of subsidiary of \$125,708. During the year ended September 30, 2019, the Company recorded a net loss of from continuing operations of \$888,357 as compared to the net loss of \$1,738,901 from continuing operations for 2018. The decrease can be attributed to the reduced operations and to the sale of the referral and reward business. During the year ended September 30, 2020, the Company recorded a net loss from operations of \$284,538 as compared to the net loss of \$888,357 for 2019. During 2020, the Company was going through a corporate restructuring.

#### INTERIM QUARTERLY HIGHLIGHTS

For the quarter ended:	March 31, 2021	December 31, 2020	September 30, 2020	June 30, 2020
Revenue	\$ -	\$ -	\$ -	\$ -
Net and comprehensive loss	(275,695)	(78,741)	(56,131)	(137,596)
Loss per share from operations	(0.05)	(0.01)	(0.03)	(0.08)
Weighted average number of shares	6,108,082	429,524	2,080,085	1,748,312

For the quarter ended:	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019
Revenue	\$ -	\$ -	\$ -	\$ -
Net and comprehensive loss	(38,361)	(52,450)	(232,101)	(119,230)
Loss per share from continuing operations	(0.02)	(0.03)	(0.13)	(0.07)
Weighted average number of shares	1,748,312	1,748,312	1,748,312	1,748,312

#### FOURTH QUARTER

N/a

#### RESULTS OF OPERATIONS

For the Three months ended March 31, 2021:

During the three months ended March 31, 2021, the Company reported a net loss of \$275,695 as compared to \$38,361 net loss for the comparable quarter ended March 31, 2020.

Total expenses for the current quarter amounted to \$275,695 as compared to \$38,361 for the comparable quarter. The majority of the expenses in the current quarter relates to consulting fees paid/accrued to a third parties for administrative and accounting services and to a company with a director in common. The majority of the remaining expenses incurred in the current quarter relates to cost associated with maintaining the Company's reporting issuer status and its continuous search for new business opportunities. Total costs for the comparable quarter related to cost associated with maintaining the Company's reporting issuer status and its continuous search for new business opportunities.

On March 16, 2021, the Company entered into a Letter of Intent ("LOI") to acquire all of the outstanding share capital of Blender Bites Inc. ("Blenders Bites") a British Columbia company. As consideration the Company proposes to issue 11,500,000 common shares to the existing shares of Blender Bites in exchange

for all of the outstanding shares of Blenders Bites. Prior to closing of the transaction, the Company intends to apply to list its common shares on the Canadian Securities Exchange (“CSE”) and voluntarily delist its shares from the TSX Venture Exchange (“TSX-V”). On closing the Company will change its name to Blender Bites Ltd.

For the Six months ended March 31, 2021:

During the six months ended March 31, 2021, the Company reported a net loss of \$354,436 as compared to \$90,811 net loss for the comparable period ended March 31, 2020.

Total expenses for the current period to date amounted to \$354,436 as compared to \$92,118 for the comparable period ended March 31, 2020. The majority of the expenses in the current quarter relates to consulting fees paid/accrued to a third parties for administrative and accounting services and to a company with a director in common (see related party section for details). The majority of the remaining expenses incurred in the current quarter relates to cost associated with maintaining the Company’s reporting issuer status and its continuous search for new business opportunities. Total costs for the comparable quarter related to cost associated with maintaining the Company’s reporting issuer status and its continuous search for new business opportunities.

#### **LIQUIDITY AND CAPITAL RESOURCES**

Liquidity is the risk of the Company not being able to meet its financial obligations as they become due. The Company manages its liquidity risk through budgeting, ongoing management and forecasting of operating cash flows, reviews of trade receivables, management of cash, and use of equity financings when appropriate.

During the period ended March 31, 2021, the Company used \$187,477 in operating activities as compared to \$14,557 provided by operating activities for the previous period ended March 31, 2020.

During the period ended March 31, 2021, the Company was provided by \$574,628 in financing activities compared to \$30,000 for the previous period ended March 31, 2020. The financing was provided by a private placement of \$600,000 less \$25,371 in share issue cost.

There was no investing activity during the period ended March 31, 2021 and 2020.

As at March 31, 2021, the Company had cash and cash equivalents of \$845,081, and accounts receivable of \$19,723 as compared to a cash balance of \$457,930 and accounts receivable of \$12,211 at September 30, 2020. The Company’s current liabilities at March 31, 2021 were \$456,990 and at September 30, 2020 were \$282,520. At March 31, 2021, the Company’s working capital was \$407,814 as compared to a working capital of \$187,621 for September 30, 2020.

The Company believes that the current capital resources are not sufficient to pay overhead expenses for the next twelve months and will need to seek additional funding to fund its overhead expenses and its potential acquisition of Blenders Bites. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company’s liquidity and future prospects.

Since the Company will not be able to generate cash from its operations, it will be dependent on outside financing to continue operations until it is able to achieve positive cash flow. The Company has historically been able to secure financing from outside parties. However, there is no guarantee that cash generated

from external financing or operations will be sufficient to sustain the Company's operations for the foreseeable future. In order to maintain sufficient liquidity, the Company may be required to issue additional shares, incur more debt or further reduce operating costs.

On February 4, 2021, the Company completed a non-brokered private placement of up to 2,608,695 units at a price of \$0.23 per unit for gross proceeds of up to \$600,000. Each unit will consist of one common share and one share purchase warrant entitling the holder to acquire an additional common share at a price of \$0.31 for a period of twelve months expiring on February 4, 2022. The Company recorded \$25,372 in share issue cost.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off balance sheet arrangements.

#### **RELATED PARTY TRANSACTIONS**

Related party transactions not otherwise described in these financial statements are shown below.

The remuneration of the Company's directors and other members of key management, individuals who have the authority and responsibility for planning, directing and controlling the activities of the Company, for the six months ended March 31, 2021 and 2020 are as follows:

	<b>For the six months ended March 31.</b>	
	<b>2021</b>	<b>2020</b>
<u>Consulting fees</u>		
Enermetals Ventures Inc. (Pat Morris, Director and former CEO)	\$ -	\$ 30,000
Harmony Corporate Services Ltd; (Geoff Balderson, Director and CFO)	1,779	19,200
1156724 BC Ltd. (Joel Shacker, Director and CEO)	60,000	-
	<b>\$ 61,779</b>	<b>\$ 49,200</b>

Accounts payable and accrued liabilities at March 31, 2021, includes \$177,035 (September 30, 2020 - \$114,035) owing to companies controlled by directors and officers of the Company for unpaid fees.

## **FINANCIAL INSTRUMENTS**

The type and nature of financial instruments are disclosed in the financial statements of the Company. All of these financial instruments are currently reported at their carrying value as the Company believes that this approximates their fair value due to their short-term nature. As discussed in the financial statements, the Company is exposed to certain risks associated with these financial instruments. These include credit, liquidity and market risk. The Company does not anticipate any significant credit risk at December 31, 2020 as the Company had no accounts receivable related to customers. Liquidity risk and its management has been previously discussed above (see Liquidity). Market risk includes interest rate and foreign currency risk. Due to the short-term nature of its borrowing, the Company does not believe that it is exposed to significant interest rate risk and has therefore, not undertaken any action to mitigate this risk. The Company does not have significant exposure to foreign currency rate fluctuations.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The Company's critical accounting estimates and judgements are disclosed in Note 3 of the condensed interim financial statements.

## **PROPOSED TRANSACTIONS**

See Subsequent Events.

## **SUBSEQUENT EVENTS**

On March 16, 2021, the Company entered into a Letter of Intent ("LOI") to acquire all of the outstanding share capital of Blender Bites Inc. ("Blenders Bites") a British Columbia company. As consideration the Company proposes to issue 11,500,000 common shares to the existing shares of Blender Bites in exchange for all of the outstanding shares of Blenders Bites. Prior to closing of the transaction, the Company intends to apply to list its common shares on the Canadian Securities Exchange ("CSE") and voluntarily delist its shares from the TSX Venture Exchange ("TSX-V"). On closing the Company will change its name to Blender Bites Ltd.

In connection with the completion of the transaction, the Company intends to undertake a non-broker private placement of no less than two million subscription receipts at a price of \$1 per subscription receipt to raise no less than \$2,000,000. All proceeds from the financing will be held in escrow pending completion of the transaction and will be returned to subscribers in the event the transaction is not completed. Upon completion of the transaction, each subscription receipt will automatically convert into one common share of the Company. The Company anticipates issuing two million common shares to an arm's length third party that assisted in introducing the transaction to the Company.

Completion of the transaction remains subject to a number of conditions, including the completion of satisfactory due diligence, the negotiation and finalization of definitive documentation, receipt of any

required regulatory and third party consents, approval of minority shareholders of the company to the delisting of the company's common shares from the TSX-V, the company having arranged for third parties to lend no less than \$1-million to Blender Bites, completion of the financing, the CSE having conditionally accepted the listing of the company's common shares, the TSX-V having consented to the voluntarily delisting of the company's common shares, and the satisfaction of other customary closing conditions. The transaction cannot close until the required approvals are obtained and the company's common shares have been delisted from the TSX-V. There can be no assurance that the transaction will be completed as proposed or at all, or that the company's common shares will be listed and posted for trading on any stock exchange.

#### **DISCLOSURE OF OUTSTANDING SHARE DATA**

Below is the summary of the Company's share capital as at March 31, 2021 and as of the date of this report:

Security description	As at	
	March 31, 2021	MD&A
Common shares – issued and outstanding	7,928,436	7,928,436
Warrants	6,180,123	6,180,123
Common shares – fully diluted	14,108,559	14,108,559

#### **MANAGEMENT AND BOARD OF DIRECTORS**

As at the date of the MD&A the board of directors consists of Patrick Morris, Geoff Balderson, Joel Shacker and Adam Cegielski. Joel Shacker has been appointed as Chief Executive Officer of the Company, and replaces Patrick Morris who will remain with the Company as an independent director. Geoff Balderson will continue to serve as Chief Financial Officer of the Company.

#### **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION**

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities.

The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors.

This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. In order to do so, the audit committee meets annually with the external auditors, with or without the Company's management, to review their respective audit plans and discuss the results of their examination. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

**Schedule "C"**  
**Blender Financial Statements**

(see attached)

**BLENDER BITES INCORPORATED**

**FINANCIAL STATEMENTS**

**October 31, 2020**

**EXPRESSED IN CANADIAN DOLLARS**



## INDEPENDENT AUDITOR'S REPORT

To the Director of  
Blender Bites Incorporated

### *Opinion*

We have audited the accompanying financial statements of Blender Bites Incorporated (the "Company"), which comprise the statements of financial position as at October 31, 2020 and 2019, and the statements of loss and comprehensive loss, cash flows, and changes in equity for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

### *Basis for Opinion*

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 2 of the financial statements, which indicates that the Company incurred a net loss of \$118,909 during the year ended October 31, 2020 and, as of that date, had an accumulated deficit of \$345,193. As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

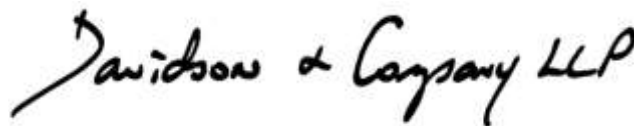
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Dylan Connelly.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

May 7, 2021

**Blender Bites Incorporated**  
**Statement of Financial Position**

*Canadian Dollars*

	Note	October 31, 2020	October 31, 2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 205,868	\$ 48,683
Accounts receivable		10,521	9,152
		<b>216,389</b>	<b>57,835</b>
<b>Non-current assets</b>			
Equipment	7	12,718	16,352
Trademarks	7	1,442	1,603
		<b>\$ 230,549</b>	<b>\$ 75,790</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	10	\$ 129,185	\$ 52,064
Promissory notes	8, 10	196,547	-
		<b>325,732</b>	<b>52,064</b>
<b>EQUITY</b>			
Share capital	9	250,010	250,010
Deficit		(345,193)	(226,284)
		<b>(95,183)</b>	<b>23,726</b>
		<b>\$ 230,549</b>	<b>\$ 75,790</b>

Basis of Preparation and Going Concern (Note 2)  
Subsequent Events (Note 13)

ON BEHALF OF THE BOARD:

Signed "Chelsie Hodge", Director

The accompanying notes are an integral part of these financial statements

**Blender Bites Incorporated****Statement of Loss and Comprehensive Loss**

For the years ended October 31

Canadian Dollars

	Note	2020	2019
<b>Sales</b>	\$	<b>441,286</b>	60,379
Cost of goods sold		<b>419,177</b>	85,924
<b>Gross margin</b>		<b>22,109</b>	(25,545)
<b>Operating expenses</b>			
Amortization	7	<b>3,795</b>	1,817
Advertising and promotion		<b>19,502</b>	21,369
Bank charges		<b>1,117</b>	487
Insurance		<b>1,993</b>	1,951
Interest expense	8	<b>6,547</b>	-
Management fees	10	<b>63,876</b>	39,308
Meals and entertainment		<b>3,766</b>	4,115
Office		<b>6,551</b>	13,996
Professional fees		<b>26,190</b>	10,025
Rent		<b>2,285</b>	4,984
Travel		<b>5,396</b>	9,773
		<b>141,018</b>	107,825
<b>Loss before other items</b>		<b>(118,909)</b>	(133,370)
<b>Other expense</b>			
Loss on disposal of equipment	7	-	39,710
<b>Loss and Comprehensive Loss for the Year</b>	\$	<b>(118,909)</b>	\$ (173,080)
<b>Loss per Share – Basic and Diluted</b>	\$	<b>(0.63)</b>	\$ (2.59)
<b>Weighted Average Number of Shares Outstanding</b>		<b>190,000</b>	66,722

The accompanying notes are an integral part of these financial statements

**Blender Bites Incorporated**  
**Statement of Cash Flows**  
For the years ended October 31  
Canadian Dollars

	Note	2020	2019
<b>Operating Activities</b>			
Loss for the year		\$ (118,909)	\$ (173,080)
Items not affecting cash:			
Amortization		3,795	1,817
Interest expense		6,547	-
Loss on disposal of equipment		-	39,710
		<b>(108,567)</b>	<b>(131,553)</b>
Changes in current assets and liabilities:			
Accounts receivable		(1,369)	(5,723)
Prepaid expenses		-	1,969
Accounts payable and accrued liabilities		77,121	(18,997)
Cash used in operating activities		<b>(32,815)</b>	<b>(154,284)</b>
<b>Investing Activities</b>			
Purchase of equipment		-	(49,512)
Purchase of intangible assets		-	(1,603)
Cash used in investing activities		-	(51,115)
<b>Financing Activities</b>			
Proceeds from private placements		-	250,000
Proceeds from promissory notes		190,000	-
Cash provided by financing activities		190,000	250,000
<b>Net Increase in Cash</b>		<b>157,185</b>	<b>44,601</b>
Cash – Beginning of Year		48,683	4,082
<b>Cash – End of Year</b>		<b>\$ 205,868</b>	<b>\$ 48,683</b>
<b>Supplemental disclosures for cash flow information:</b>			
Cash paid during the year for:			
Interest		\$ -	\$ -
Income taxes		\$ -	\$ -

The accompanying notes are an integral part of these financial statements

**Blender Bites Incorporated**

**Statements of Changes in Shareholders' Equity (Deficiency)**

*Canadian Dollars*

	Number of Shares	Share Capital	Deficit	Total
<b>October 31, 2018</b>	<b>100,000</b>	<b>10</b>	<b>(53,204)</b>	<b>(53,194)</b>
Private placements	90,000	250,000	-	250,000
Loss for the year	-	-	(173,080)	(173,080)
<b>October 31, 2019</b>	<b>190,000</b>	<b>250,010</b>	<b>(226,284)</b>	<b>23,726</b>
Loss for the year	-	-	(118,909)	(118,909)
<b>October 31, 2020</b>	<b>190,000</b>	<b>250,010</b>	<b>(345,193)</b>	<b>(95,183)</b>

The accompanying notes are an integral part of these financial statements

## **Blender Bites Incorporated**

### **Notes to Financial Statements**

**For the years ended October 31, 2020 and 2019**

*Canadian Dollars*

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#### **1. Nature of Business**

Blender Bites Incorporated's ("Blender Bites" or the "Company") business is the manufacturing and distribution of natural and organic frozen smoothie products.

Blender Bites is a private company incorporated in British Columbia, Canada. The head office, principal address and records office of the Company are at 1288 West Cordova Street, #2808, Vancouver, British Columbia, Canada, V6C 3R3.

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has experienced losses since its inception and has had negative cash flows from operations. These circumstances indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern, and therefore, the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

During the second quarter 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company are not known at this time. To the extent that the investments, products under development of the Company are negatively impacted by the COVID-19 outbreak, this will have a direct negative impact on the current and future revenue earned by the Company. The situation with COVID-19 is evolving and consequently, management cannot predict the effect of unknown adverse changes to its future business plans, including its financial position, cash flows, and results of operations.

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#### **2. Basis of Preparation and Going Concern**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

The Board of Directors approved the financial statements on May 7, 2021.

These financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of \$118,909 for the year ended October 31, 2020 (2019 - \$173,080). As at October 31, 2020, the Company had an accumulated deficit of \$345,193. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company's continued existence is dependent upon its ability to raise additional capital and to generate profit from its business. Failure to do so would have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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#### **3. Summary of Significant Accounting Policies**

The significant accounting policies described below have been applied consistently to all periods presented in these financial statements, unless otherwise stated.

##### **a) Functional and Presentation Currency**

The functional and presentation currency of the Company is Canadian Dollars ("CAD"), the currency of the primary economic environment in which the Company operates.

b) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, term deposits and other short-term highly liquid investments with the original term to maturity of three months or less.

c) Financial Instruments

**Measurement – Initial Recognition**

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as fair value through profit or loss (“FVTPL”). Transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

**Classification of Financial Assets**

*Amortized cost*

Financial assets that meet the following conditions are measured at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus principal repayments plus the cumulative amortization, using the effective interest method applied to the difference between the initial amount and the maturity amount, adjusted for any allowance due to losses or gains. Interest income is recognized using the effective interest method.

The Company’s financial assets at amortized cost include its cash and cash equivalents, and certain receivables.

*Fair value through other comprehensive income (“FVTOCI”)*

Financial assets that meet the following conditions are measured at FVTOCI.

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any instruments classified as financial assets at FVTOCI.

*FVTPL*

All other financial assets are measured at FVTPL.

The Company, at initial recognition, may also irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.



Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship.

The Company does not have any financial assets measured at fair value through profit or loss.

***Financial liabilities and equity***

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

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognized as proceeds received net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly from equity. No gain or loss is recognized, by the Company, in profit or loss on the purchase, sale, or the cancellation of its own equity instruments.

**Classification of Financial Liabilities**

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading, or designated as at FVTPL, are measured at amortized cost using the effective interest method.

**Derecognition**

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full to a third party under a 'pass-through' arrangement;
- And either (a) the Company has transferred substantially all risks and rewards of the asset, or (b) the Company retains legal title but has contractually or otherwise transferred the associated economic risks and rewards.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

d) **Equipment**

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, when it is probable that future economic benefits from such assets will flow to the Company and the cost of such assets can be measured reliably. The carrying amount of an asset is derecognized when it is replaced or taken out of service. Repairs and maintenance costs are charged to the statement of loss and comprehensive loss during the period they are incurred.

The major category of equipment is amortized on a straight-line basis as follows:

Moulds	5 years
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The Company allocates the amount initially recognized to each asset's significant components and depreciates each component separately. Residual values, amortization methods and useful lives of the assets are reviewed periodically and adjusted on a prospective basis as required.

Gains and losses on disposals of equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other income and losses in the statement of loss and comprehensive loss.

## Blender Bites Incorporated

### Notes to Financial Statements

For the years ended October 31, 2020 and 2019

Canadian Dollars

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#### e) Intangible Assets

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Amortization commences when the intangible assets are available for use. The following useful lives are applied:

Trademarks	10 years
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#### f) Impairment of Non-Financial Assets

The carrying amounts of non-financial assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable potential cash flow generating units ("CGU's"). The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use (being the present value of the expected future cash flows of the CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

Non-financial assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized in the statement of operations.

#### g) Provisions

Provisions are recognized when a current legal or constructive obligation exists as a result of past events and it is probable that a reliably estimated outflow of resources will be required to settle the obligation. Where material, provisions are discounted using a pre-tax risk adjusted interest rate specific to the obligation.

#### h) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in the statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in equity in which case the related income tax is recognized directly in equity.

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

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that such assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are presented as non-current.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current tax assets and liabilities on a net basis.

i) Revenues

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised at a point in time when the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company sells frozen smoothie pucks to a third-party distribution company. Orders are fulfilled utilizing a third-party manufacturer. The Company is responsible for the shipment of goods from the manufacturer's warehouse to the distributors warehouses across Canada. Revenue is recognized upon delivery of goods to the distributor, representing the Company's performance obligation in the transaction. As the Company acts as the principal in the transaction, revenue is recognized on a gross basis.

j) Earnings (Loss) per Share

Basic earnings (loss) per share is computed by dividing earnings (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of outstanding options and their equivalents are reflected in diluted earnings per share by application of the treasury stock method. The treasury stock method calculates the dilutive effect of share options assuming that the proceeds to be received on the exercise of share options are applied to repurchase common shares at the average market price of the period.

k) Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined using the first in first out method and includes the cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. As of October 31, 2020, the Company's inventories amount is \$nil. (2019: \$nil).

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#### **4. Future Accounting Pronouncements**

The following new standards and amendments are not yet effective and have not been applied in preparing these consolidated financial statements. The Company does not expect the adoption of this standard to have a significant impact on the consolidated financial statements.

IAS 1 - Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020.

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## Blender Bites Incorporated

### Notes to Financial Statements

For the years ended October 31, 2020 and 2019

Canadian Dollars

#### 5. Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Critical estimates which are most subject to uncertainty and have the most significant risk of resulting in a material adjustment to the carrying values of assets and liabilities within the next twelve months are as follows:

a) Recoverability of accounts receivable and allowance for credit loss

The Company provides allowances for lifetime expected credit losses based on an assessment of the recoverability of account receivables. Allowances are applied to account receivables at initial recognition based on the probability of default by the customers. Management analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for lifetime expected credit losses. Where the expectation is different from the original estimate, such difference will impact the carrying value of accounts receivable.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are included in the following notes:

a) Going concern

The assessment of the Company's ability to continue as a going concern requires significant judgment. The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, as disclosed in Note 2.

b) Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Deferred income taxes are based on estimates as to the timing of the reversal of temporary differences, tax rates currently substantively enacted and the determination of tax assets not recognized. Tax assets not recognized are based on estimates of the probability of the Company utilizing certain tax pools and losses in future periods.

#### 6. Financial Instruments

	October 31, 2020	October 31, 2019
Financial assets at amortized cost		
Cash	\$ 205,868	\$ 48,683
Accounts receivable	10,521	9,152
	<b>\$ 216,389</b>	<b>\$ 57,835</b>
Financial liabilities at amortized cost		
Accounts payable and accrued liabilities	\$ 129,185	\$ 52,064
Promissory notes	196,547	-
	<b>\$ 325,732</b>	<b>\$ 52,064</b>

a) **Fair value**

As at October 31, 2020, the carrying values of all of the Company's financial assets and financial liabilities approximate their fair value.

**Blender Bites Incorporated****Notes to Financial Statements**

For the years ended October 31, 2020 and 2019

Canadian Dollars

**b) Management of financial risk**

The Company's financial instruments are exposed to certain financial risks, credit risk and liquidity risk.

**i. Credit risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to is 100% of cash, and its receivables.

**ii. Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements by taking into account anticipated cash expenditures for its operating activities. The Company will pursue equity or debt financing as required to meet its long-term commitments. There is no assurance that such financing will be available or that it will be available on favourable terms.

As at October 31, 2020, the Company's financial liabilities consist of accounts payable and accrued liabilities and the promissory notes totalling \$325,732, which are expected to be paid over the next twelve months.

**c) Management of capital**

The Company's objectives of capital management are intended to safeguard the Company's ability to support the Company's operations and growth.

The capital of the Company consists of items included in its shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's underlying assets.

To effectively manage its capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its objectives. The Company may issue new shares or seek debt to ensure that there is sufficient working capital to meet its short-term business requirements.

There were no changes to the Company's approach to capital management during the year ended October 31, 2020.

**7. Equipment and Trademarks**

	<b>Trademarks</b>	<b>Moulds</b>	<b>Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance - November 1, 2018	-	-	8,367	8,367
Additions	1,603	18,169	31,343	51,115
Disposals	-	-	(39,710)	(39,710)
Amortization	-	(1,817)	-	(1,817)
<b>Balance - October 31, 2019</b>	<b>1,603</b>	<b>16,352</b>	<b>-</b>	<b>17,955</b>
<b>Amortization</b>	<b>(161)</b>	<b>(3,634)</b>	<b>-</b>	<b>(3,795)</b>
<b>Balance - October 31, 2020</b>	<b>1,442</b>	<b>12,718</b>	<b>-</b>	<b>14,160</b>

During the year ended October 31, 2019, the Company disposed certain equipment for \$nil proceeds resulting in a loss of \$39,710.

**Blender Bites Incorporated****Notes to Financial Statements**

For the years ended October 31, 2020 and 2019

Canadian Dollars

**8. Promissory Notes**

During the year ended October 31, 2020, the Company entered into two promissory note agreements with a significant shareholder (Note 8). The first promissory note agreement is for principal of \$100,000, due on demand. This note is secured against certain sales of the Company. The second loan agreement, unsecured, was for \$90,000 maturing in July 2021. Both loans bear interest at 8%.

	February 27, 2020		July 2, 2020		Total
Date	February 27, 2020		July 2, 2020		
Maturity date	Demand		July 2, 2021		
Interest rate	8%		8%		
Principal	\$	100,000	\$	90,000	\$ 190,000
Interest accrued		4,740		1,807	6,547
<b>Balance – October 31, 2020</b>	<b>\$</b>	<b>104,740</b>	<b>\$</b>	<b>91,807</b>	<b>\$ 196,547</b>

**9. Share Capital****Authorized share capital**

- 100,000 Class A voting common shares without par value
- 100,000 Class B non-voting common shares without par value
- Unlimited number of Class C non-voting common shares without par value.
- Unlimited number of Class D non-voting, redeemable preferred shares with a par value of \$0.01 per share
- Unlimited number of Class E non-voting, redeemable preferred shares with a par value of \$0.01 per share
- Unlimited number of Class F non-voting, redeemable preferred shares with a par value of \$100 per share.

	Class A	Class B	Class C	Class D	Class E	Class F
Issued and outstanding – October 31, 2018	100,000	-	-	-	-	-
Issued	-	90,000	-	-	-	-
<b>Issued and outstanding – October 31, 2019 and 2020</b>	<b>100,000</b>	<b>90,000</b>	-	-	-	-

**10. Related Party Transactions**

During the year ended October 31, 2020, the Company incurred \$58,200 (2019 - \$36,250) for the remuneration of the Chief Executive Officer (“CEO”).

Amounts due to the CEO are unsecured, non-interest bearing and due on demand. As at October 31, 2020 \$87,500 (October 31, 2019 - \$50,000) was due to the CEO which is included in accounts payable and accrued liabilities.

As of October 31, 2020, promissory notes payable of \$196,547 (2019 - \$nil), including accrued interest, were payable to a significant shareholder (Note 6).

**11. Operating Segments**

As of October 31, 2020 and October 31, 2019, the Company is operating its business in one reportable segment: the sale of frozen smoothie products in Canada. All non-current assets are located in Canada. The Company derives 99% of its revenue from a single customer.

**Blender Bites Incorporated**

**Notes to Financial Statements**

For the years ended October 31, 2020 and 2019

Canadian Dollars

**12. Income Taxes**

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

	Year ended October 31, 2020	Year ended October 31, 2019
Loss before income taxes	\$ (118,909)	\$ (173,080)
Canadian federal and provincial income tax rates	27.0%	27.0%
Income tax recovery based on the above rates	(32,105)	(46,732)
Non-deductible items (net)	508	556
Other	497	(14,824)
Change in unrecognized deductible temporary differences	31,100	61,000
<b>Total income tax recovery (expense)</b>	<b>\$ -</b>	<b>\$ -</b>

The components of the Company's unrecognized deferred income taxes are as follows:

	October 31, 2020 (000's)	October 31, 2019 (000's)
<b>Deferred income tax assets:</b>		
Non-capital losses	\$ 92,000	\$ 61,000
Equipment	100	-
Unrecognized deferred income tax assets	(92,100)	(61,000)
<b>Total deferred tax assets</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Deferred income tax liabilities</b>	<b>\$ -</b>	<b>\$ -</b>

In assessing the recoverability of deferred tax assets other than deferred tax assets resulting from the initial recognition of assets and liabilities that do not affect accounting or taxable profit, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible.

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	October 31, 2020	October 31, 2019	Expiry date range
Non-capital losses	340,593	224,091	See below
Equipment	364	-	Not applicable

**Blender Bites Incorporated****Notes to Financial Statements****For the years ended October 31, 2020 and 2019***Canadian Dollars*

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At October 31, 2020, the Company has non-capital losses available for carry forward of \$340,593 which may be applied to reduce future year's taxable income. These loss carry-forwards expire as follows:

	\$
2036	<b>20,930</b>
2037	<b>16,326</b>
2038	<b>15,813</b>
2039	<b>171,022</b>
2040	<b>116,502</b>
	<b>340,593</b>

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**13. Subsequent Events**

On December 8, 2020, the Company repaid a total of \$80,000 to the CEO.

On February 5, 2021, the Company entered into a promissory note agreement with a significant shareholder. The promissory note agreement is for principal of \$60,000, maturing on February 5, 2022, and bearing interest at 8%.

On March 11, 2021, the Company received an additional advance of \$75,000 from the CEO. The advance is unsecured, non-interest bearing and due on demand.

On March 16, 2021, the Company entered into a non-binding letter of intent with Balsam Technologies Corp. ("Balsam") whereby Balsam agreed to acquire all outstanding and issued securities of the Company in exchange for the issuance of shares in Balsam. The letter of intent is contingent on all necessary approvals and set financing milestones being met.

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**BLENDER BITES INCORPORATED**

**INTERIM CONDENSED FINANCIAL STATEMENTS**

**January 31, 2021**

**EXPRESSED IN CANADIAN DOLLARS**

**Blender Bites Incorporated**  
**Interim Condensed Statement of Financial Position**

*Canadian Dollars*  
*(Unaudited)*

	Note	January 31, 2021	October 31, 2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 15,636	\$ 205,868
Accounts receivable		82,034	10,521
		<b>97,670</b>	<b>216,389</b>
<b>Non-current assets</b>			
Equipment	3	11,810	12,718
Trademarks	3	10,260	1,442
<b>TOTAL ASSETS</b>		<b>\$ 119,740</b>	<b>\$ 230,549</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	6	\$ 121,612	\$ 129,185
Promissory notes	4,6	200,537	196,547
		<b>322,149</b>	<b>325,732</b>
<b>EQUITY</b>			
Share capital	5	250,010	250,010
Deficit		(452,419)	(345,193)
		<b>(202,409)</b>	<b>(95,183)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 119,740</b>	<b>\$ 230,549</b>

Basis of Preparation and Going Concern (Note 2)  
Subsequent Events (Note 8)

ON BEHALF OF THE BOARD:

Signed "Chelsie Hodge", Director

The accompanying notes are an integral part of these financial statements

**Blender Bites Incorporated****Interim Condensed Statement of Loss and Comprehensive Loss**

Canadian Dollars  
(Unaudited)

		January 31, 2021	Three months ended January 31, 2020
	Note		
<b>Sales</b>	\$	<b>56,336</b>	29,638
Cost of goods sold		<b>56,022</b>	20,860
<b>Gross margin</b>		<b>314</b>	8,778
<b>Operating expenses</b>			
Amortization	3	1,175	949
Advertising and promotion		22,418	8,881
Bank charges		215	54
Insurance		1,976	498
Interest expense	4	3,990	-
Management fees	6	34,646	16,036
Meals and entertainment		-	1,969
New product development		637	-
Office		2,343	3,131
Professional fees		38,371	1,506
Rent		425	826
Travel		1,344	928
		<b>107,540</b>	34,778
<b>Loss and Comprehensive Loss for the Year</b>	\$	<b>(107,226)</b>	\$ (26,000)
<b>Loss per Share – Basic and Diluted</b>	\$	<b>(0.56)</b>	\$ (0.14)
<b>Weighted Average Number of Shares Outstanding</b>		<b>190,000</b>	190,000

The accompanying notes are an integral part of these financial statements

**Blender Bites Incorporated****Interim Condensed Statement of Cash Flows***Canadian Dollars  
(Unaudited)*

	<b>January 31, 2021</b>	<b>Three months ended January 31, 2020</b>
<b>Operating Activities</b>		
Loss for the period	\$ (107,226)	\$ (26,000)
Items not affecting cash:		
Amortization	1,175	949
Interest expense	3,990	-
	<b>(102,061)</b>	<b>(25,051)</b>
Changes in current assets and liabilities:		
Accounts receivable	(71,513)	(20,725)
Accounts payable and accrued liabilities	(7,573)	17,205
Cash used in operating activities	<b>(181,147)</b>	<b>(28,571)</b>
<b>Investing Activities</b>		
Purchase of intangible assets	(9,085)	-
Cash used in investing activities	<b>(9,085)</b>	<b>-</b>
<b>Net Decrease in Cash</b>	<b>(190,232)</b>	<b>(28,571)</b>
Cash – Beginning of Period	205,868	48,683
<b>Cash – End of Period</b>	<b>\$ 15,636</b>	<b>\$ 20,112</b>
<b>Supplemental disclosures for cash flow information:</b>		
Cash paid during the period for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

The accompanying notes are an integral part of these financial statements

**Blender Bites Incorporated****Interim Condensed Statements of Changes in Shareholders' Equity (Deficiency)**

Canadian Dollars  
(Unaudited)

	Number of Shares	Share Capital \$	Deficit \$	Total \$
<b>October 31, 2019</b>	190,000	250,010	(226,284)	23,726
Loss for the period	-	-	(26,000)	(26,000)
<b>January 31, 2020</b>	190,000	250,010	(252,284)	(2,274)
<b>October 31, 2020</b>	190,000	250,010	(345,193)	(95,183)
Loss for the period	-	-	(107,226)	(107,226)
<b>January 31, 2021</b>	190,000	250,010	(452,419)	(202,409)

The accompanying notes are an integral part of these financial statements

## **Blender Bites Incorporated**

### **Notes to Interim Condensed Financial Statements**

**January 31, 2021**

*Canadian Dollars  
(Unaudited)*

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#### **1. Nature of Business**

Blender Bites Incorporated's ("Blender Bites" or the "Company") business is the manufacturing and distribution of natural and organic frozen smoothie products.

Blender Bites is a private company incorporated in British Columbia, Canada. The head office, principal address and records office of the Company are at 1288 West Cordova Street, #2808, Vancouver, British Columbia, Canada, V6C 3R3.

These financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Company has experienced losses since its inception and has had negative cash flows from operations. These circumstances indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern, and therefore, the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

During the second quarter 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company are not known at this time. To the extent that the investments, products under development of the Company are negatively impacted by the COVID-19 outbreak, this will have a direct negative impact on the current and future revenue earned by the Company. The situation with COVID-19 is evolving and consequently, management cannot predict the effect of unknown adverse changes to its future business plans, including its financial position, cash flows, and results of operations.

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#### **2. Basis of Preparation and Going Concern**

These unaudited interim condensed financial statements (the "interim financial statements") have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") as applicable to interim financial reports, including International Accounting Standard 34, "Interim Financial Reporting". The interim financial statements do not include all the notes of the type normally included in the annual financial statements. The interim financial statements follow the same accounting policies and methods of application as the most recent annual financial statements. These interim financial statements should be read in conjunction with the audited annual financial statements for the period ended October 31, 2020, which have been prepared in accordance with IFRS.

These interim financial statements have been authorized for issue by the Board of Directors of the Company on June 1, 2021.

The interim financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company realized a net loss of \$107,226 for the three months ended January 31, 2021 (2020 - \$26,000). As at January 31, 2021, the Company had an accumulated deficit of \$452,419. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company's continued existence is dependent upon its ability to raise additional capital and to generate profits from its business. Failure to do so would have an adverse effect on the financial position of the Company and its ability to continue as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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**Blender Bites Incorporated****Notes to Interim Condensed Financial Statements****January 31, 2021**Canadian Dollars  
(Unaudited)**3. Equipment and Trademarks**

	Trademarks \$	Moulds \$	Total \$
Balance – October 31, 2019	1,603	16,352	17,955
Amortization	(161)	(3,634)	(3,795)
Balance - October 31, 2020	1,442	12,718	14,160
Additions	9,085	-	9,085
Amortization	(267)	(908)	(1,175)
<b>Balance – January 31, 2021</b>	<b>10,260</b>	<b>11,810</b>	<b>22,070</b>

**4. Promissory Notes**

During the year ended October 31, 2020, the Company entered into two promissory note agreements with a significant shareholder (Note 6). The first promissory note agreement is for principal of \$100,000, due on demand. This note is secured against certain sales of the Company. The second loan agreement, unsecured, was for \$90,000 maturing in July 2021. Both loans bear interest at 8%.

	February 27, 2020		July 2, 2020		Total
Date		Demand		July 2, 2021	
Maturity date		8%		8%	
Interest rate		8%		8%	
Principal	\$	100,000	\$	90,000	\$ 190,000
Interest accrued		4,740		1,807	6,547
Balance – October 31, 2020		104,740		91,807	196,547
Interest accrued		2,126		1,864	3,990
<b>Balance – January 31, 2021</b>	<b>\$</b>	<b>106,866</b>	<b>\$</b>	<b>93,671</b>	<b>\$ 200,537</b>

**5. Share Capital****Authorized share capital**

- 100,000 Class A voting common shares without par value
- 100,000 Class B non-voting common shares without par value
- Unlimited number of Class C non-voting common shares without par value.
- Unlimited number of Class D non-voting, redeemable preferred shares with a par value of \$0.01 per share
- Unlimited number of Class E non-voting, redeemable preferred shares with a par value of \$0.01 per share
- Unlimited number of Class F non-voting, redeemable preferred shares with a par value of \$100 per share.

	Class A	Class B	Class C	Class D	Class E	Class F
<b>Issued and outstanding – January 31, 2021 and October 31, 2021</b>	<b>100,000</b>	<b>90,000</b>	-	-	-	-

## **Blender Bites Incorporated**

### **Notes to Interim Condensed Financial Statements**

**January 31, 2021**

*Canadian Dollars  
(Unaudited)*

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#### **6. Related Party Transactions**

During the three months ended January 31, 2021, the Company incurred \$22,500 (2020 - \$15,700) for the remuneration of the Chief Executive Officer ("CEO").

Amounts due to the CEO are unsecured, non-interest bearing and due on demand. During the three months ended January 31, 2021, the Company repaid \$80,000 for amounts previously owing to the CEO. As at January 31, 2021 \$15,000 (2020 - \$50,000) was due to the CEO which is included in accounts payable and accrued liabilities.

As of January 31, 2021, promissory notes payable of \$200,537 (October 31, 2020 - \$196,547), including accrued interest, were payable to a significant shareholder (Note 4).

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#### **7. Operating Segments**

As of January 31, 2021, the Company is operating its business in one reportable segment: the sale of frozen smoothie products in Canada. All non-current assets are located in Canada. The Company derives 99% of its revenue from a single customer.

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#### **8. Subsequent Events**

On February 5, 2021, the Company entered into an unsecured promissory note agreement with a significant shareholder. The promissory note agreement is for principal of \$60,000, maturing on February 5, 2022, and bearing interest at 8%.

On March 11, 2021, the Company received an advance of \$75,000 from the CEO. The advance is unsecured, non-interest bearing and due on demand.

On March 16, 2021, the Company entered into a non-binding letter of intent with Balsam Technologies Corp. ("Balsam") whereby Balsam agreed to acquire all outstanding and issued securities of the Company in exchange for the issuance of shares in Balsam. As consideration, Balsam proposes to issue 11,500,000 common shares to the existing shares of Blender Bites in exchange for all of the outstanding shares of Blenders Bites. Prior to closing of the transaction, Balsam intends to apply to list its common shares on the Canadian Securities Exchange ("CSE") and voluntarily delist its shares from the TSX Venture Exchange ("TSX-V"). On closing the Balsam will change its name to Blender Bites Ltd.

In connection with the completion of the transaction, Balsam intends to undertake a non-broker private placement of no less than two million subscription receipts at a price of \$1 per subscription receipt to raise no less than \$2,000,000 ("the financing"). All proceeds from the financing will be held in escrow pending completion of the transaction and will be returned to subscribers in the event the transaction is not completed. Upon completion of the transaction, each subscription receipt will automatically convert into one common share of Balsam. Balsam anticipates issuing two million common shares to an arm's length third party that assisted in introducing the transaction to Balsam.

Completion of the transaction remains subject to a number of conditions, including the completion of satisfactory due diligence, the negotiation and finalization of definitive documentation, receipt of any required regulatory and third party consents, approval of minority shareholders of Balsam to the delisting of Balsam's common shares from the TSX-V, Balsam having arranged for third parties to lend no less than \$1-million to Blender Bites, completion of the financing, the CSE having conditionally accepted the listing of Balsam's common shares, the TSX-V having consented to the voluntarily delisting of Balsam's common shares, and the satisfaction of other customary closing conditions. The transaction cannot close until the required approvals are obtained and Balsam's common shares have been delisted from the TSX-V. There can be no assurance that the transaction will be completed as proposed or at all.

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**Schedule "D"**  
**Blender MD&As**

(see attached)

**BLENDER BITES INCORPORATED**

MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED OCTOBER 31, 2020

The following Management's Discussion and Analysis ("MD&A") comments on the audited financial condition and results of operations of Blender Bites Incorporated ("Blender") for the year ended October 31, 2020. All data in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. The information contained herein should be read in conjunction with Blender's audited financial statements for the year ended October 31, 2020 (the "Financial Statements"). Unless the context otherwise requires, all references to "Blender", "Corporation", "Company", "our", "us", and "we" refers to Blender Bites Incorporated.

This MD&A is dated June 1, 2021. All amounts are presented in Canadian dollars, unless otherwise noted.

### **Advisory Regarding Forward-Looking Statements**

This MD&A contains forward-looking statements. When used in this MD&A the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. In particular, this MD&A contains forward-looking statements with respect to, among other things, our objectives, goals, strategies, intentions, plans, estimates, outlook, expected growth and business opportunities. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, including without limitation, factors and assumptions regarding revenues, operating costs and tariffs, taxes and fees, changes in market competition, governmental or regulatory developments, changes in tax legislation and general economic conditions. Actual results may differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from these expectations include, among other things: the Company's ability to develop market food and products which are considered financially viable; the sufficiency of the Company's cash and cash generated from operations to meet its working capital and capital expenditure requirements; the ability of the Company to raise sufficient capital to fund operations and meet its financial obligations; and changes in accounting standards.

The Company cautions you that the foregoing list may not contain all of the forward-looking statements made in this document. The Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do, what benefits that the Company will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. When relying upon our forward-looking statements to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. All subsequent forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this document are made as at the date of this document and Blender does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

### **Overview and About Blender Bites Incorporated**

Blender Bites Incorporated ("Blender Bites" or "the Company") was formed under the BCBCA on September 17, 2015. The head office of Blender Bites is located at Suite 2808, 1288 West Cordova Street, Vancouver, British Columbia V6C 3R3 and its registered office is located at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

Blender Bites is a timely and innovative Functional Food company that combines convenience, taste and nutrition in the form of a concentrated frozen smoothie product that is easily added to a liquid of choice to create a healthy drink that can be used as a breakfast or nutritious snack or meal, any time of day.

The Company was created and launched by founder Chelsie Hodge and has created an innovative, timely and relevant frozen product line, called Blender Bites™ (BB), a frozen premium organic frozen food-line targeted for this important growing market segment.

The Company is currently listed in over 560 major retail stores across Canada, and the Company anticipates its products to be available in over 2,500 retail locations by the end of 2021.

Blender Bites are 100% organic Superfood Pucks for Smoothies. They are composed of organic fruits, berries and nutrient-dense greens, including; Wheatgrass, Spirulina, Chlorella Kale and Spinach. They take all the mess, prep and waste out of the daily smoothie making routine without having to sacrifice nutrition. They allow customers to simplify their daily smoothie production all while offering a highly nutritious, vegan and low sugar solution to a tedious and time-consuming task.

The Company entered into the Letter of Intent with arm's length party, Balsam Technologies Corp. ("Balsam"), pursuant to which Balsam proposed to acquire all of the issued and outstanding shares of Blender Bites. Upon completion of the Proposed Transaction, Balsam will make an application to have its common shares listed on the CSE.

Subject to the terms and conditions of the Share Purchase Agreement, at the closing of the Proposed Transaction, 100% of the Blender Shares will be sold to Balsam for the Consideration Shares, pursuant to which, among other things, on the Effective Date:

- (a) As consideration for the acquisition of Blender Shares by Balsam, Balsam will issue the Consideration Shares to the Blender Bites Shareholders;
- (b) As a result of the Proposed Transaction, Blender Bites will be 100% owned by the Balsam; and
- (c) Upon completion of the Proposed Transaction, the Resulting Issuer will be renamed "Blender Bites Limited".

Upon completion of the Blender Acquisition, the Resulting Company will be re-named "Blender Bites."

## **Operations and Operational Highlights**

Blender Bites was formed by Chelsie Hodge with the goal of becoming the North American leading provider of organic, highly nutritious and convenient solutions for the market's daily smoothie routine.

Blender Bites are a frozen premium organic frozen food-line targeted for this important growing market segment. They are made fresh, and then frozen to be kept in an optimal state for maintaining taste, nutrition and quality, as well as safety. This process is also an effective method to greatly extend shelf-life.

Blender Bites was first to market in Western Canada and pioneered the quick and easy smoothie category with key retailers, such as Whole Foods Market. At present, Blender Bites is available in over 500 retail locations Canada-wide, with its U.S. launch scheduled for May 2021. Blender Bites' first three smoothie puck varieties have been favorably received and the Company has in place strong distribution partners in both Canada and the U.S. Leveraging the success of the initial Blender Bites formulas in Canada, the Company has planned to introduce re-formulated versions of the products—incorporating plant-based proteins and functional ingredients—to the market over the next year. Through its product innovation, Blender is poised for growth on a national and global scale.

The overall product plan for Blender Bites is to develop a broad portfolio of organic, frozen smoothie products and functional foods, which are accessible to a large market. Blender Bites intends to compete on quality organic, frozen foods and smoothie pucks, at a premium, but not luxury, price point.

Blender Bites is also currently seeking \$2,000,000 in a private placement (the "Financing") to accelerate its business and growth objectives. Funds from the financing and cash on hand will primarily be used for product manufacturing, sales and marketing activities, general and administrative expenses, and costs related to a public listing of the Resulting Issuer's shares on the CSE.

During 2021, Blender Bites is expecting to launch in Loblaws, Metro, Costco East and West, IGA East, and Whole Foods East in Canada, as well as Big Y Foods, Costco Chicago, Loblaws and potentially other accounts in the U.S. To date, Blender Bites has been successful in establishing a strong distribution network and customer base across Canada. Blender Bites currently has a non-exclusive agreement with Tree of Life Canada, ULC ("Tree of Life") as its main distribution partner, as well as a verbal agreement with Horizon. Blender Bites' launch with Gordon Food Services is on hold due to the impact of the COVID-19 pandemic on the food service industry. Blender Bites has successfully established its Canadian distribution channels and is currently available nation-wide at retailers such as Sobeys, Choices, IGA, Safeway, and Thrifty Foods. Blender Bites has also entered into distribution agreements with companies that specialize in food distribution across the U.S. with a target launch of Q2 2021. As at the end of October 2020, the Company had its products for sale in 507 stores compared to 86 stores at the end of its 2019 fiscal year, an increase of 421 stores.

## **Overall Performance, Selected Annual Information & Discussion of Operations**

### **Results of Operations**

#### ***Selected Annual Information***

The following table sets out selected annual financial information of the Company and is derived from the Company's audited consolidated financial statements for the years ended October 31, 2020, and 2019.

	<b>October 31, 2020</b>	<b>October 31, 2019</b>
	<b>\$</b>	<b>\$</b>
Revenues	441,286	60,379
Loss for the period	118,909	173,080
Loss per share (basic and diluted)	0.63	2.59
Total assets	230,549	75,790
Total non-current financial liabilities	-	-
Dividends declared	Nil	Nil

During the periods ended October 31, 2020 and 2019, the Company focused on growing its Canadian customer base. As described above and in the accompanying consolidated financial statements of the Company, during October 31, 2020, the Company secured capital funds via two promissory notes. This allowed the Company to grow its sales from \$60,379 for the year ended October 31, 2019 to \$441,286 for the year ended October 31, 2020.

As at October 31, 2020, all of the Company's liabilities were current.

#### ***Summary of Quarterly Results***

The following table sets out selected unaudited quarterly financial information of the Company and is derived from unaudited interim consolidated financial statements. The Company's interim consolidated financial statements are prepared in accordance with IFRS applicable to interim financial statements.

Period	Revenues \$ (000's)	Income (Loss) for the period \$ (000's)	Income (Loss) per share (basic and diluted) \$
4th Quarter 2020	18,790	(60,073)	(0.32)
3rd Quarter 2020	259,803	(32,494)	(0.17)
2nd Quarter 2020	133,055	(342)	(0.00)
1st Quarter 2020	29,638	(26,000)	(0.14)
4th Quarter 2019	19,067	(27,808)	(0.15)
3rd Quarter 2019	13,728	(50,692)	(0.68)
2nd Quarter 2019	12,060	(61,701)	(0.62)
1st Quarter 2019	15,524	(32,879)	(0.338)

The Company's quarterly revenues and income/loss for the period are subject to seasonal volatility. The Company anticipates that its second and third quarters of each fiscal year, will be stronger revenue months as the Company anticipates selling more smoothies in the spring and summer compared to winter months.

Sales dropped in the fourth quarter of 2020 as a result of the seasonal fluctuations in smoothie demand heading into the winter season.

***Year ended October 31, 2020 compared to the year ended October 31, 2019***

The Company had a loss from operations of \$118,909 in the year ended October 31, 2020 compared to a loss of \$173,080 in the year ended October 31, 2019, a decrease in loss of \$54,171.

During the year ended October 31, 2020, the Company increased its sales to \$441,286 from \$60,379 in the year ended October 31, 2019, an increase of \$380,907. The increase was a result of the Company being able to increase its Canadian distribution channel during the current year. The Company had its product for sale in 507 stores by the end of its 2020 fiscal year compared to 86 stores at the end of its 2019 fiscal year, an increase of 421 stores. The Company increased its gross margin to \$22,109 in the current year compared to a gross margin deficit of \$25,545 in the comparative year. The Company expects its gross margin percentage to increase its distribution and scales its production.

Operating costs for the year ended October 31, 2020 were \$141,018 compared to \$107,825, an increase of \$33,193. Management fees increased from \$39,308 in the year ended October 31, 2019 to \$63,876 in the current year, and professional fees increased from \$10,025 in 2019 to \$26,190 in the year ended October 31, 2020. The Company expects its general and administrative costs will increase in 2021 as a result of the Company scaling up its operations and distributions.

***Three month period ended October 31, 2020 compared to the three month period ended October 31, 2019***

The Company had a loss from operations of \$60,072 in the three months ended October 31, 2020 compared to a loss of \$27,808 in the three months ended October 31, 2019, an increase in loss of \$32,264.

During the three months ended October 31, 2020, the Company's sales decreased slightly to \$18,790 from \$19,067 in the year ended October 31, 2019, an increase of \$380,907. The Company's gross margin was \$1,193 in the current period compared to \$3,747 in the comparative quarter. The Company expects its gross margin percentage to increase as it distributes and scales its production.

Operating costs for the quarter ended October 31, 2020 were \$61,265 compared to \$31,555, an increase of \$29,710. Management fees increased from \$10,901 in the quarter ended October 31, 2019 to \$27,840 in the current quarter, and professional fees increased from \$422 in 2019 to \$22,821 in the quarter ended October 31, 2020. The Company expects its general and administrative costs will increase in 2021 as a result of the Company scaling up its operations and distributions.

### **Liquidity and Capital Resources**

The Company had cash of \$205,868 as at October 31, 2020 and a negative working capital balance of \$109,343. During the year ended October 31, 2020, the Company used \$32,815 of cash in operating activities as compared to using \$154,284 of cash in the year ended October 31, 2019. The decrease is primarily related to an increase in sales and the Company improved its gross margin on its sales offset by an increase in general and administrative expenses.

During the year ended October 31, 2020, the Company received \$190,000 from the issuance of promissory notes.

The financial statements of the Company and this MD&A have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business. Blender Bites is an early stage revenue generating company and as at October 31, 2020 had an accumulated deficit of \$345,193. Management of the Company does not expect that its current cash position will be sufficient to meet all of its operating requirements, financial commitments, and business development priorities during the next twelve months. Accordingly, the Company will need to obtain financing in the form of debt, equity, or a combination to continue to operate. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. These conditions indicate the existence of material uncertainty that may give rise to significant doubt about the Company's ability to continue as a going concern.

### **Off-Balance Sheet Arrangements**

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

### **Related Party Transactions**

During the year ended October 31, 2020, the Company incurred \$58,200 (2019 - \$36,250) for the remuneration of the Chief Executive Officer ("CEO").

Amounts due to the CEO are unsecured, non-interest bearing and due on demand. As at October 31, 2020 \$87,500 (October 31, 2019 - \$50,000) was due to the CEO which is included in accounts payable and accrued liabilities.

As of October 31, 2020, promissory notes payable of \$196,547 (2019 - \$nil), including accrued interest, were payable to a significant shareholder.

## **Key Accounting Estimates and Judgments**

Preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates form the judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates.

Management's key estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

### **Critical accounting estimates and Judgments**

Significant assumptions relate to the following:

i) Revenues

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognizing revenue when/as performance obligation(s) are satisfied.

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognized at a point in time when the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company sells frozen smoothie pucks to a third-party distribution company. Orders are fulfilled utilizing a third-party manufacturer. The Company is responsible for the shipment of goods from the manufacturer's warehouse to cold storage warehouses across Canada. Revenue is recognized upon delivery of goods to the distributor, representing the Company's performance obligation in the transaction. As the Company acts as the principal in the transaction, revenue is recognized on a gross basis.



## Financial Instruments

	October 31, 2020	October 31, 2019	November 1, 2018
Financial assets at amortized cost			
Cash	\$ 205,365	\$ 48,683	\$ 4,082
Accounts receivable	-	9,152	3,429
	<b>\$ 205,365</b>	<b>\$ 57,835</b>	<b>\$ 7,511</b>
Financial liabilities at amortized cost			
Accounts payable and accrued liabilities	\$ 129,185	\$ 52,064	\$ 71,041
Promissory notes	196,547	-	-
	<b>\$ 325,732</b>	<b>\$ 52,064</b>	<b>\$ 71,041</b>

### a) Fair value

As at October 31, 2020, the carrying values of all of the Company's financial assets and financial liabilities approximate their fair value.

### b) Management of financial risk

The Company's financial instruments are exposed to certain financial risks, credit risk and liquidity risk.

#### i. Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to is 100% of cash, and its receivables.

#### ii. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements by taking into account anticipated cash expenditures for its operating activities. The Company will pursue equity or debt financing as required to meet its long-term commitments. There is no assurance that such financing will be available or that it will be available on favorable terms.

As at October 31, 2020, the Company's financial liabilities consist of accounts payable and accrued liabilities and the promissory notes totaling \$325,732, which are expected to be paid over the next twelve months.

## **Capital Management**

The Company's objectives of capital management are intended to safeguard the Company's ability to support the Company's operations and growth.

The capital of the Company consists of items included in its shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's underlying assets.

To effectively manage its capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its objectives. The Company may issue new shares or seek debt to ensure that there is sufficient working capital to meet its short-term business requirements.

There were no changes to the Company's approach to capital management during the year ended October 31, 2020.

## **Approval**

The director of Blender Bites has approved the disclosure contained in this MD&A.

**Schedule "E"**  
**Pro Forma Financial Statements**

(see attached)

**Blender Bites Inc.****Pro Forma Unaudited Consolidated Statement of Financial Position****As at April 30, 2021**

(Unaudited – Expressed in Canadian dollars)

	Blender Bites Inc. as at April 30, 2021	Balsam Technologies Corp. as at March 31, 2021	Note	Pro Forma Adjustments	Pro Forma Consolidated
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 1,075,989	\$ 845,081	2c 2d 2b	2,000,000 (1,002,329) (265,244) 200,000	\$ 2,853,497
Accounts receivable	-	19,723		-	19,723
Inventory	26,965	-		-	26,965
Prepaid expense	25,000	-		-	25,000
<b>Total Current Assets</b>	<b>1,127,954</b>	<b>864,804</b>		<b>\$ 932,427</b>	<b>2,925,185</b>
<b>Non-Current Assets</b>					
Equipment	10,901	-		-	10,901
Intangible assets	11,159	-		-	11,159
<b>Total Assets</b>	<b>\$ 1,150,014</b>	<b>\$ 864,804</b>		<b>\$ 932,427</b>	<b>\$ 2,947,245</b>
<b>Liabilities and Shareholders' Equity</b>					
<b>Current Liabilities</b>					
Accounts payable and accrued liabilities	163,893	424,766		-	588,659
Promissory notes	265,244	-	2d	(265,244)	-
Loan payable	1,002,329	32,224	2d	(1,002,329)	32,224
<b>Total Current Liabilities</b>	<b>1,431,466</b>	<b>456,990</b>		<b>(1,267,573)</b>	<b>620,883</b>
<b>Total Liabilities</b>	<b>1,431,466</b>	<b>456,990</b>		<b>(1,267,573)</b>	<b>620,883</b>
<b>Shareholders' Equity</b>					
Share Capital	250,010	17,057,632	2c 2a 2a 2e 2b	2,000,000 (17,057,632) 7,928,436 2,000,000 200,000	12,378,446
Contributed surplus	-	2,149,575	2a 2a 2b	(2,149,575) 5,174,012 200,000	5,374,012
Deficit	(531,462)	(18,799,393)	2a 2a	19,207,207 15,302,448	(15,426,096)
<b>Total Shareholders' Equity/(Deficit)</b>	<b>\$ (281,452)</b>	<b>\$ (407,814)</b>		<b>2,200,000</b>	<b>\$ 2,326,362</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 1,150,014</b>	<b>\$ 864,804</b>		<b>\$ 932,427</b>	<b>\$ 2,947,245</b>

## **Blender Bites Inc.**

### **Notes to Unaudited Pro Forma Consolidated Statement of Financial Position**

(Unaudited – Expressed in Canadian dollars)

#### **1. Proposed Transaction and Basis of Presentation**

The accompanying unaudited pro forma consolidated statement of financial position of Balsam Technologies Corp. (“Balsam”) has been prepared by the management of Blender Bites Inc. (“Blender”) for inclusion in the Filing Statement of Balsam dated June 3, 2021, in connection with the acquisition of 100% of Blender (the “Transaction”). The Transaction was accounted for as a reverse acquisition as the control of Balsam will be acquired by the shareholders of Blender. Although legally, Balsam will be regarded as the parent and the continuing company, Blender will be the accounting acquirer. Consequently, Blender will be deemed to be the continuation of Balsam, and control of the assets and operations of Balsam will be deemed to have been acquired in consideration for the issuance of Balsam shares to the former shareholders of Blender.

The unaudited pro forma consolidated statement of financial position has been prepared assuming that the Transaction was completed on April 30, 2021, with the information derived from the following:

- a) The unaudited interim financial statements of Blender for the six months ended April 30, 2021; and
- b) The unaudited condensed interim financial statements of Balsam for the six months ended March 31, 2021.

In the opinion of management, the unaudited pro forma consolidated statement of financial position includes all adjustments necessary for fair presentation for the Transaction described herein and is in accordance with International Financial Reporting Standards (“IFRS”). The unaudited pro forma consolidated statement of financial position is not intended to reflect the financial position which would have actually resulted had the proposed Transaction been effected on the dates indicated. These pro forma statements should be read in conjunction with the financial statements and notes thereto of Blender and Balsam as noted above and included elsewhere in the Filing Statement.

Balsam and Blender are both domiciled in British Columbia, Canada. The statutory tax rate applicable to both entities is 27%. As at the date of these pro forma financial statements, the effective tax rate applicable to the Resulting Issuer is 0%.

#### **2. Pro Forma Assumptions and Adjustments**

The key terms of the Transaction, which are more clearly laid out in the Filing Statement and the amalgamation agreement between Blender and Balsam (the “Amalgamation Agreement”), are as follows:

- Name Change: Balsam will change its name to “Blender Bites Limited” in connection with closing of the Transaction and will request a stock symbol reservation with the CSE under separate cover.

## **Blender Bites Inc.**

### **Notes to Unaudited Pro Forma Consolidated Statement of Financial Position**

(Unaudited – Expressed in Canadian dollars)

- Balsam Financings: Balsam Financing: Concurrent with closing the Transaction, Balsam is raising \$2,000,000 by way of non-brokered private placement of 2,000,000 Balsam Shares at a price of \$1.00 per Balsam Share.
- Warrant Financing: Blender is raising \$200,000 by way of a private placement of 10,000,000 Blender warrants at a price of \$0.02 per Blender warrant. Each warrant will allow the holder to purchase one Balsam share at a price of \$1.00 per share for a period of 24 months.
- Finders Fee: In connection with the transaction between Balsam and Blender, a finders fee of 2,000,000 shares will be issued to the persons who introduced Balsam to Blender Bites acquisition

On completion of the Transaction, Balsam will be the legal parent of Blender. However, as a result of the Transaction, control of Balsam will pass to the former shareholders of Blender. This type of share exchange is referred to a reverse acquisition. A reverse acquisition involving a non-public enterprise and a non-operating public enterprise is a capital transaction in substance, rather than a business combination. Since the Transaction does not meet the definition of a business combination in accordance with *IFRS 3: Business Combination*, the Transaction will be accounted for as an asset acquisition as follows:

- The assets and liabilities of Blender are recognized and measured in the consolidated statement of financial position at their pre-Transaction carrying amounts;
- The identifiable assets and liabilities of Balsam are recognized at fair value at the acquisition date. The fair value of Balsam is determined based on the equity interests deemed to have been issued by Blender to provide the shareholders of Balsam the same percentage holding of the common shares of the Resulting Issuer;
- The excess of the fair value over the identifiable assets and liabilities of Balsam is charged to profit or loss as a listing expense in accordance with *IFRS 2: Share-based Payments*;
- Deficit and other equity balances recognized in the consolidated statement of financial position is determined by adding the fair value of Balsam to Blender's issued equity immediately prior to the Transaction. However, the equity structure shown in the consolidated statements of the Resulting Issuer reflects Balsam's equity structure, including the common shares issued by Balsam to effect the Transaction. The equity structure of Blender is restated to reflect the number of shares issued by Balsam in the Transaction.

## Blender Bites Inc.

### Notes to Unaudited Pro Forma Consolidated Statement of Financial Position

(Unaudited – Expressed in Canadian dollars)

The unaudited pro forma consolidated statements reflect the following transactions:

- a) The Transaction does not meet the definition of a business combination in accordance with *IFRS 3: Business Combination*, the transaction will be accounted for as an asset acquisition since Balsam's activities prior to the acquisition were limited to the management of cash resources and the maintenance of its listing and accordingly did not constitute a business. The consideration is based on the fair value of Balsam's shares using the share price of the concurrent financing of \$1.00 that are to be exchanged as this is the most reliable indicator of fair value and the fair value of the share warrants issued. The consideration is recognized with a corresponding increase in the equity of Blender. Balsam's identifiable assets and liabilities are recognized at the fair value. The difference between the consideration and net identifiable assets received is recognized in profit and loss.

A summary of the amounts recognized in the unaudited pro forma consolidated statement of financial position are:

Consideration (see below)	\$	13,102,448
Carrying amount of net identifiable assets		(407,814)
<b>Difference recognized in deficit</b>		<b>12,694,634</b>

The consideration is made up of the following components of equity:

Fair value of 7,928,436 commons shares of Balsam at \$1.00 per share	\$	7,928,436
Contributed surplus – warrants		5,174,012
<b>Total</b>		<b>13,102,448</b>

The fair value of stock options was determined using the Black-Scholes option pricing model with the following assumptions: Risk-free rate: 0.30%; Expected life of options: less than one year; Expected stock price volatility: 205%; Dividend yield: 0%; and Exercise price: \$0.31 per share.

As a result of the recognition of the consideration above, the equity of Balsam prior to the Transaction was reversed.

- b) Transaction costs to be incurred by Balsam and Blender are estimated to be \$200,000. These costs are expensed and reduced from the overall consideration for the Transaction.
- c) Blender and Balsam are completing a \$2.0 million concurrent financing with the transaction. This consisted of 2,000,000 commons shares to be issued for gross proceeds of \$2,000,000.
- d) Upon completion of the transaction and concurrent financing, Blender will repay its outstanding loan payable of \$1,002,329 and promissory note payable of \$265,244.
- e) Finders Fee: In connection with the transaction between Balsam and Blender, a finders fee of 2,000,000 common shares will be issued to the persons who introduced Balsam to Blender Bites acquisition

## Blender Bites Inc.

### Notes to Unaudited Pro Forma Consolidated Statement of Financial Position

(Unaudited – Expressed in Canadian dollars)

#### 3. Share Capital

A reconciliation of the number of shares outstanding is as follows:

	<b>As Initially Stated, Blender</b>	<b>Adjusted, Resulting Issuer</b>
<b>Balance at April 30, 2021</b>	<b>190,000</b>	<b>11,500,000</b>
<b>Balance prior to arrangement</b>	<b>190,000</b>	<b>11,500,000</b>
Expected concurrent financing	-	2,000,000
Issued to finders	-	2,000,000
Issued to Balsam shareholders	-	7,928,436
<b>Pro forma balance</b>	<b>-</b>	<b>23,428,436</b>

#### 4. Deficit

A reconciliation of the deficit of the Resulting Issuer is presented below:

	<b>Adjusted, Resulting Issuer</b>
Blender deficit as at April 30, 2021	(531,462)
Transaction costs (Note 2b)	(200,000)
Additional consideration (Note 2a and 2e)	(14,694,634)
<b>Resulting Issuer deficit</b>	<b>(15,426,096)</b>



**Schedule "F"**  
**Share Purchase Agreement**

(see attached)

## SHARE PURCHASE AGREEMENT

THIS AGREEMENT is dated as of the 31<sup>st</sup> day of August, 2021.

AMONG:

**BLENDER BITES INCORPORATED**, a company existing under the laws of the Province of British Columbia and having an office located at Suite 2808, 1288 West Cordova Street, Vancouver, British Columbia V6C 3R3

(the “**Company**”)

AND

**THOSE SHAREHOLDERS OF THE COMPANY SET FORTH IN SCHEDULE “A” TO THIS AGREEMENT**

(collectively the “**Vendors**”)

AND

**BALSAM TECHNOLOGIES CORP.**, a company existing under the laws of the Province of British Columbia and having an office located at Suite 1000, 409 Granville Street, Vancouver, British Columbia, V6C 1T2

(the “**Purchaser**”)

WHEREAS:

- A. The Company carries on the Business (as hereafter defined) and in connection therewith owns certain licenses, property, equipment, assets and product formulations;
- B. The Vendors are the registered and beneficial owners of all of the right, title and interest in and to the Vendors Shares (as hereafter defined) which in the aggregate, represent all of the issued and outstanding Company Shares as of the date hereof; and
- C. The Vendors have agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Vendors, the right, title and interest in and to all of the Vendors Shares pursuant to the terms and conditions of this Agreement;

THEREFORE this Agreement witnesses that in consideration of the premises and mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each party hereto, the parties agree as follows:

### **1. Definitions and Interpretation**

1.1 In this Agreement and in the Schedules and the recitals hereto, the following expressions will have the following meanings unless the context otherwise requires:

- (a) **“Adverse Interests”** means any lien, charge, mortgage, hypothec, pledge, assignment, option, lease, sublease, right to possession, or other security interest, encumbrance or adverse right, restriction or interest of any nature or kind.
- (b) **“Applicable Law”** means:
  - (i) any domestic or foreign statute, law (including common and civil law), code, ordinance, rule, regulation, restriction or bylaw; or
  - (ii) any judgment, order, ruling, decision, writ, decree, injunction or award,  
  
of any governmental entity, statutory body or self-regulatory authority (including a stock exchange), to the extent that the same is legally binding on the person referred to in the context in which the term is used.
- (c) **“Applicable Securities Laws”** means the securities legislation and regulations of each of the provinces and territories of Canada, and the instruments, policies, rules, orders, codes, notices and interpretation notes of the applicable Securities Authorities.
- (d) **“Assets”** means all the assets, real and personal, tangible and intangible of the Company, including without limitation, the Corporate IP and Equipment, all as set out in Schedule “B” hereto.
- (e) **“Authorization”** means, with respect to any person, any order, permit, approval, consent, waiver, licence, or similar authorization of any Governmental Authority having jurisdiction over the person.
- (f) **“Books and Records”** means all books, records, papers and files of the Company or Purchaser, as applicable, including research and development records, sales and advertising materials, purchase and sales correspondence, trade association files, lists of customers and suppliers, personnel and employment records, personal information (as such term is defined under applicable privacy laws), accounting and financial records and the minute and share certificate books of the Company, in whatever form including electronic, digital and other computer-related media, and all copies, recordings and archives of the foregoing.
- (g) **“Business”** means the business which, as of the date hereof, is currently carried on by the Company, consisting of, among other things, the production and sale of Blender Bites™, a premium organic line of frozen smoothie products.
- (h) **“Closing”** means the completion of the purchase and sale of all of the Vendors Shares and other transactions contemplated in this Agreement in accordance with the terms and conditions of this Agreement.

- (i) “**Closing Date**” means the date on which the Closing occurs, but in no event later than the Outside Date.
- (j) “**Company**” means Blender Bites Incorporated, a corporation incorporated under the laws of the Province of British Columbia.
- (k) “**Company Financial Statements**” means the audited financial statements of the Company for the financial year ended October 31, 2020.
- (l) “**Company Financing**” means the non-brokered private placement of Company Warrants, at a price of \$0.02 per Company Warrant, to be completed by the Company prior to the Closing.
- (m) “**Company Warrant**” means the share purchase warrants of the Company entitling the holder thereof to acquire one (1) Company Share at a price of \$1.00 for a period of twenty-four (24) months.
- (n) “**Company Shares**” means the Class A common shares, the Class B common shares, and the Class C common shares in the capital of the Company.
- (o) “**Confidential Information**” has the meaning ascribed thereto in Section 10.2 of this Agreement.
- (p) “**Consents**” means all consents, approvals and other authorizations required to be obtained in connection with the execution and delivery of this Agreement and the completion of the transactions contemplated herein.
- (q) “**Consideration Shares**” means 11,773,580 Purchaser Shares issuable to the Vendors pursuant to the terms of this Agreement and in the amounts set forth in Schedule “A” hereto.
- (r) “**Consideration Warrants**” means the (i) 10,000,000 common share purchase warrants of the Purchaser, issuable on substantially the same terms as the Company Warrants in exchange for the Company Warrants; or (ii) in the case of the Class C common shares, the meaning ascribed thereto in Section 3.2(m) and Schedule “A” of this Agreement.
- (s) “**Corporate IP**” means all Intellectual Property that the Company owns or has the right to use that is necessary to conduct the Business.
- (t) “**Disclosure Documents**” has the meaning ascribed thereto in Section 3.3(l) of this Agreement.
- (u) “**Environmental Law**” means any and all laws relating to the protection of the environment including those relating to the storage, generation, use, handling, manufacture, processing, transportation, import, export, treatment, release or disposal of any hazardous substance.

- (v) **“Equipment”** means the equipment of the Company listed in Schedule “B” hereto.
- (w) **“Exchange”** means the Canadian Securities Exchange.
- (x) **“Fee Shares”** means the 2,000,000 Purchaser Shares issuable to certain arm’s length third parties on Closing for introducing the parties.
- (y) **“Governmental Authority”** means: (a) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise); and (b) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing.
- (z) **“Intellectual Property”** means domestic and foreign intellectual property rights, including: (a) inventions, patents, applications for patents and reissues, divisions, continuations, re-examinations, renewals, extensions, and continuations-in-part of patents or patent applications; (b) copyrights, copyright registrations, and applications for copyright registration; (c) inventions (whether patentable or not), inventive ideas, discoveries, innovations, and developments; (d) designs and similar rights, design registrations, and design registration applications; (e) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade-mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; and (f) trade secrets, confidential information, and know-how.
- (aa) **“Interim Period”** has the meaning ascribed thereto in Section 4.1 of this Agreement.
- (bb) **“Knowledge of the Company”** means the knowledge of Joel Shacker, after due enquiry
- (cc) **“Knowledge of the Purchaser”** means the knowledge of Chelsie Hodge, after due enquiry.
- (dd) **“Legal Proceeding”** means any action, suit, claim, litigation, complaint, grievance, application, arbitration, inquiry, investigation, hearing or other civil, criminal, regulatory, or administrative proceeding or other similar proceeding, at law or in equity, before or by any court, agency, commission, tribunal, panel or other judicial, governmental or administrative body or authority and includes any appeal or review thereof and any application or leave for appeal or review.
- (ee) **“Material Adverse Effect”** means an effect, change, event, occurrence, fact or circumstance that, individually or in the aggregate with another such effect, change, event, occurrence, fact or circumstance, is or would be reasonably expected to be material and adverse to the business, affairs,

operations, property, assets, liabilities, financial condition, financial results, capital or prospects (financial or otherwise) of the Purchaser or the Company or which would be reasonably expected to prevent in any material respect, materially delay or materially impair the ability of the respective parties to complete the transactions contemplated by this Agreement and to otherwise consummate the transactions contemplated in this Agreement, except any such effect, change, event, occurrence, fact or circumstance to the extent resulting from or arising in connection with:

- (i) any adoption, implementation, proposal or change in Applicable Law or any interpretation thereof by any governmental entity;
- (ii) any change in global, national or regional political conditions (including the outbreak of war or acts of terrorism) or in national or global financial or capital markets or in general economic, business, political, regulatory or market conditions;
- (iii) any natural disaster;
- (iv) the impact of the COVID-19 pandemic, including any general economic, business, political, regulatory, or market conditions; or
- (v) the announcement of this Agreement or any transactions contemplated herein, or otherwise contemplated by or arising as a result of the terms of this Agreement;

provided, however, that with respect to clauses (ii), (iii), and (iv), such matter does not have a materially disproportionate effect on the Company or the Purchaser, as applicable and each taken as a whole, relative to other comparable companies and entities operating in the industries in which the Company and Purchaser operate.

- (a) **“Material Contract”** means any contract that:
  - (i) involves or would result in the payment of money or money’s worth by or to the Company in an amount in excess of \$20,000 over the term of the contract;
  - (ii) has an unexpired term of more than one year (including renewals) which involves payment under that contract by or to the Company of more than \$20,000 over the term of the contract;
  - (iii) cannot be terminated by the Company without penalty upon less than 30 days’ notice; or
  - (iv) if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect on the Company or the Purchaser (on a consolidated basis), as applicable.

- (ff) “**Order**” means any order, writ, judgment, ruling, decree, decision, directive, injunction or award of any competent judicial, governmental or administrative body or authority.
- (gg) “**Outside Date**” means the close of business on September 30, 2021, or such other date as the Company and the Purchaser may mutually agree in writing.
- (hh) “**Purchaser**” means Balsam Technologies Corp., a corporation existing under the laws of the Province of British Columbia.
- (ii) “**Purchaser Financial Statements**” has the meaning ascribed thereto in Section 3.3(r) of this Agreement.
- (jj) “**Purchaser Financing**” means the offering of Purchaser Receipts by the Purchaser, on a private placement basis, at a price of \$1.00 per Purchaser Receipt for minimum gross proceeds of \$2,000,000.
- (kk) “**Purchaser Receipts**” means the subscription receipts of the Purchaser, offered in connection with the Purchaser Financing, each of which will automatically convert into one Purchaser Share immediately following the Closing.
- (ll) “**Purchaser Shares**” means the common shares in the capital of the Purchaser, as presently constituted.
- (mm) “**Reporting Jurisdictions**” has the meaning ascribed thereto in Section 3.3(b) of this Agreement.
- (nn) “**Securities Authorities**” means the applicable securities commissions in the provinces and territories of Canada.
- (oo) “**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.
- (pp) “**Tax Act**” has the meaning ascribed thereto in section 2.5 of this Agreement.
- (qq) “**Tax Returns**” means any and all returns, reports, declarations, elections, notices, forms, designations, filings, and statements (including estimated tax returns and reports, withholding tax returns, and reports and information returns and reports) filed or required to be filed in respect of Taxes.
- (rr) “**Taxes**” means: (a) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies, and other charges or assessments of any kind whatsoever imposed by any Governmental Authority, whether computed on a separate, consolidated, unitary, combined, or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock,

production, recapture, transfer, land transfer, licence, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal, health, employee health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export and including all licence and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (b) all interest, penalties, fines, additions to tax, or other additional amounts imposed by any Governmental Authority on or in respect of amounts described in clause (a) above or this clause (b); (c) any liability for the payment of any amounts of the type described in clauses (a) or (b) as a result of being a member of an affiliated, consolidated, combined, or unitary group for any period; and (d) any liability for the payment of any amounts described in clauses (a) or (b) as a result of any express or implied obligation to indemnify any other person or as a result of being a transferee or successor in interest to any party.

- (ss) **"TSXV"** means the TSX Venture Exchange.
- (tt) **"U.S. Person"** means a "U.S. Person" as that term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act.
- (uu) **"U.S. Securities Act"** means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.
- (vv) **"Vendors"** means collectively, those shareholders of the Company set forth in Schedule "A" to this Agreement.
- (ww) **"Vendors Debt"** all debt owing to the Vendors, or any affiliates of the Vendors, by the Company as at the Closing Date.
- (xx) **"Vendors Shares"** means the Company Shares held by the Vendors at the Closing, in the amounts set forth in Schedule "A" hereto.

1.2 In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) all references in this Agreement to "Articles", "Sections" and other subdivisions or Schedules are to the designated articles, sections or other subdivisions or Schedules of this Agreement;
- (b) the division of this Agreement into Articles, Sections and other subdivisions and the use of headings are for convenience only and are not intended to define, interpret or limit the scope, extent or intent of this Agreement;



- (c) the words “hereof”, “hereto”, “herein”, “hereby”, “herewith” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision;
- (d) the word “or” is not exclusive and the word “including” is not limiting (whether or not non-limiting language is used with reference thereto);
- (e) the words “written” or “in writing” include printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception including telex, telegraph, telecopy, facsimile or e-mail;
- (f) a “day” shall refer to a calendar day, and references to a “business day” shall refer to days on which banks are ordinarily open for business in Vancouver, British Columbia, other than a Saturday or a Sunday or statutory holiday in the Province of British Columbia; in calculating all time periods the first day of a period is not included and the last day is included, and if a date is or a time period ends on a day which is not a business day, such date will be extended and the time period will be deemed to expire on the next business day;
- (g) all references to “\$” or “dollars” are references to the lawful currency of Canada;
- (h) any reference to a statute is a reference to the applicable statute and to any regulations made pursuant thereto and includes all amendments made thereto and in force from time to time and any statute or regulation that has the effect of supplementing or superseding such statute or regulation;
- (i) words importing individuals include bodies corporate and other artificial entities, and vice versa; words importing gender include the other gender; words importing one form of body corporate or artificial entity include all other forms of bodies corporate or artificial entities; and words importing the singular includes the plural, and vice versa; and
- (j) the rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the construction or interpretation of any of the terms and conditions of this Agreement.

## **2. Purchase and Sale**

2.1 Subject to the terms and conditions of this Agreement, at the Closing, each Vendor shall sell, assign and transfer to the Purchaser, and the Purchaser shall purchase from each Vendor, all right, title and interest in and to their respective Vendors Shares (which in the aggregate, represent all of the issued and outstanding Company Shares), free and clear of all Adverse Interests.

2.2 In consideration for the Vendors Shares, on the Closing Date, the Purchaser shall issue the Consideration Shares to the Vendors in the amounts indicated in Schedule "A" hereto, and all Company Warrants shall be exchanged for Consideration Warrants.

2.3 The Vendors acknowledge that the Consideration Shares and the Consideration Warrants are being issued by the Purchaser in reliance upon exemptions from the registration and prospectus requirements of Applicable Securities Laws. The Vendors covenant to comply with Applicable Securities Laws with respect to any sale or transfer of the Consideration Shares. The Vendors further acknowledge that a portion of the Consideration Shares may be subject to escrow in accordance with the terms of National Policy 46-201 – *Escrow for Initial Public Offerings* to the extent required by the applicable policies of the Exchange.

2.4 The parties acknowledge and agree that the Fee Shares shall be payable by the Purchaser on the Closing.

2.5 The Purchaser agrees to make a joint election with the Vendors pursuant to section 85 of the *Income Tax Act* (Canada) (the "**Tax Act**") (or any similar provision of any provincial tax legislation) in accordance with the procedures and within the time limits set out in the Tax Act. The Purchaser further agrees that the agreed amounts under such joint election shall be determined by each of the Vendors in its sole discretion within the limits set out in the Tax Act. The Vendors shall be responsible for preparing the appropriate Tax election form. The Purchaser shall execute and return forthwith to the Vendors any such election, and the Purchaser shall not be responsible for reviewing or otherwise ensuring the proper completion of such election (other than the accuracy of particular information in respect of the Purchaser). The Vendors shall be solely responsible for filing such election in a timely manner with the appropriate Governmental Authority and paying interest, penalties and other costs that may be assessed against the Vendors or the Purchaser as a result of not filing such election within the prescribed time or the prescribed manner, as applicable. The Vendors and the Buyer shall provide reasonable cooperation to execute and file any amended elections, or other documents as reasonably determined to be necessary by the Vendors.

### **3. Representations and Warranties**

3.1 Each of the Vendors represents and warrants, severally as to itself and not in respect of any other Vendor, and acknowledges that the Purchaser is relying on such representations and warranties, that as of the date of this Agreement and the Closing:

- (a) it has the legal power and capacity and has taken all necessary action and has obtained all necessary approvals to enter into and execute this Agreement and to carry out its obligations hereunder;
- (b) it has duly executed this Agreement and this Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with the Agreement's terms;

- (c) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein by the Vendor will constitute or result in a breach of or default under, or create a state of facts which after notice or lapse of time or both will constitute or result in a breach of or default under, or will otherwise conflict with (i) any indenture, agreement or instrument to which it is a party or by which it is bound, or (ii) any Applicable Laws or orders, rulings or other judgments or decisions of a court or regulatory authority having jurisdiction over it;
- (d) it is the registered holder and beneficial owner of all of the right, title and interest in and to its respective Vendors Shares as indicated in Schedule "A" hereto; it has good and marketable title to such Vendors Shares free and clear of all Adverse Interests;
- (e) it holds no other shares in the capital of the Company other than such Vendors Shares; and it holds no right, privilege, option, warrant or agreement to purchase or otherwise acquire, directly or indirectly, any other shares in the capital of the Company;
- (f) to its knowledge, no person has any right, privilege, option, warrant or agreement, contingent or otherwise, or any of the foregoing capable of become any right, privilege, option, warrant or agreement, to purchase or otherwise acquire, directly or indirectly, any of its respective Vendors Shares or any interest or entitlement therein (other than as provided by this Agreement);
- (g) it is not a party to any unanimous shareholders agreement, escrow agreement, pooling agreement, voting trust or similar arrangements or obligations in respect of its respective Vendors Shares or any other securities of the Company; and
- (h) none of the Vendors has any information or knowledge of any facts relating to the Company (including but not limited to the Vendors Shares, the Business or the assets of the Company) which if known to the Purchaser would or might reasonably be expected to deter the Purchaser from completing the transactions contemplated herein and hereby, and none of the foregoing representations and warranties and no documents furnished by or on behalf of the Vendors to the Purchaser in connection herewith or hereunder, contains any untrue statement of material fact or omits to state any material fact that the party knew or ought to have known is necessary to make any such representation or warranty not misleading to a prospective purchaser of the Vendors Shares seeking full information as to the Vendors Shares, the Company and its business and affairs.

3.2 The Company represents and warrants to the Purchaser and acknowledges that the Purchaser is relying on such representations and warranties, that as of the date of this Agreement and the Closing:

- (a) the Company is duly formed, validly existing and in good standing under the laws of its jurisdiction of formation;
- (b) the Company has the corporate power and capacity and has taken all necessary corporate action and has obtained all necessary approvals to own its assets and to enter into and execute this Agreement and to carry out its obligations hereunder;
- (c) the Company has duly executed this Agreement and this Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with the Agreement's terms except that (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally; (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court; (iii) rights of indemnity and contribution hereunder may be limited under Applicable Law; and (iv) a court may stay proceedings before them by virtue of equitable or statutory powers;
- (d) provided the conditions to Closing, as set out in Section 5.3 hereof, are satisfied, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein will constitute or result in a breach of or default under, or create a state of facts which after notice or lapse of time or both will constitute or result in a breach of or default under, or will otherwise conflict with (i) any of the Company's constituting documents or any resolutions of its directors, shareholders or other stakeholders, (ii) any indenture, agreement or instrument to which the Company is a party or by which it is bound (or otherwise cause a forfeiture of rights or accelerate any performance required thereby), or (iii) any Applicable Laws or orders, rulings or other judgments or decisions of a court or regulatory authority having jurisdiction over the Company; in each case that may result in a Material Adverse Effect;
- (e) the Company's authorized capital consists of 100,000 Class A common shares, 100,000 Class B common shares, an unlimited number of Class C common shares, an unlimited number of Class D preferred shares, an unlimited number of Class E preferred shares, and an unlimited number of Class F preferred shares, of which 100,000 Class A common shares, 90,000 Class B common shares and 273,580 Class C common shares are validly issued and outstanding as of the date hereof;
- (f) all of the Company Shares are held by the Vendors in the proportions set out in Schedule "A" hereto; all of the issued and outstanding Company Shares are fully paid and non-assessable securities in the capital of the Company, and the Company has not made, declared or authorized any dividend or other distribution on the Company Shares or purchased or redeemed or agreed to purchase or redeem any of the Company Shares;

- (g) as of the Closing Date, no person shall have any right, privilege, option, warrant or agreement, contingent or otherwise, or any of the foregoing capable of become any right, privilege, option, warrant or agreement, to purchase or otherwise acquire from the treasury of the Company, directly or indirectly, any Company Shares or any other shares in the capital of the Company, other than pursuant to this Agreement or in accordance with the Company Warrants;
- (h) the Company is not a party to any unanimous shareholders agreement, escrow agreement, pooling agreement, voting trust or similar arrangements or obligations in respect of the Company Shares or any other securities of the Company;
- (i) as of the Closing Date, the Company is the recorded and beneficial owner in and to all of the right, title and interest in and to the Assets currently held by the Company, and has good and marketable title thereto free and clear of any actual, pending, contingent or, to the Knowledge of the Company, threatened Adverse Interests, including without limitation any unregistered encumbrances and any Legal Proceeding challenging or adversely affecting title to or quiet and exclusive possession, use and enjoyment of those assets, and no person has any right, privilege, option or agreement, contingent or otherwise, or any of the foregoing capable of become any right, privilege, option or agreement, to purchase or otherwise acquire, directly or indirectly, any assets or any interest or entitlement therein;
- (j) without limiting the foregoing, as of the Closing Date, the Company has the sole and exclusive right to use the Intellectual Property presently used by the Company in connection with the Business, free and clear, of any actual, pending, contingent or, to the Knowledge of the Company, threatened Adverse Interests including without limitation any Legal Proceeding challenging or adversely affecting its right to use any such intellectual property, and for greater certainty none of such Intellectual Property is licensed to any other person or, to the Knowledge of the Company, infringes any rights owned or held by any other person; no royalty payments, license fees or other charges are payable with respect to such Intellectual Property and no other person has made, threatened or otherwise has any grounds for any claim of any sort against the Company in respect of such Intellectual Property;
- (k) the Company has not guaranteed or is otherwise not liable for the indemnification, assumption, endorsement or like commitment with respect to the debts, liabilities or obligations (contingent or otherwise) of any other person, except for indemnities of directors and officers and agreements entered into in the ordinary course of the business;
- (l) all Taxes due and payable by the Company have been paid or provision made therefor in the Company Financial Statements except for where the failure to pay such Taxes would not result in a Material Adverse Effect for

the Company. All Tax Returns, declarations, remittances and filings required to be filed by the Company have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the Knowledge of the Company, no examination of any Tax Return of the Company is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by the Company. There are no agreements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to the Company;

- (m) except for loans provided by Countryman Investments Inc. as of February 27, 2020, July 2, 2020, and February 5, 2021 for a total of \$250,000 bearing interest at 8% (herein settled with the issuance of Class C common shares, which will be exchanged pro-rata for one common share and one-half of one common share purchase warrant, with each whole warrant exercisable into one additional common share at a price of \$2.00 per share until August 31, 2023), and by DCM Holdings Inc. as of April 1, 2021 for \$1,000,000 bearing interest at 5%, the Company has no outstanding debts or liabilities, other than those disclosed in the Company Financial Statements or incurred in the ordinary course subsequent to March 16, 2021;
- (n) the Company has fulfilled all requirements under Applicable Laws with respect to all required deductions and withholding of amounts from any former employees and consultants and has remitted all such deductions and withheld amounts to the appropriate authorities at the prescribed times;
- (o) the financial records of the Company are complete and accurate in all material respects and present fairly the financial condition, financial performance and cash flows of each of the Company as at the date and for the periods indicated therein;
- (p) there are no actual, pending, contingent or, to the Knowledge of the Company, threatened Legal Proceedings which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect on the Company;
- (q) to the Knowledge of the Company, no Legal Proceedings involving the Company which may operate to prevent or restrict trading of any securities of the Company or otherwise prevent or restrict the completion of the transactions contemplated herein are currently in progress, pending, contingent or threatened before any applicable securities regulatory authority or stock exchange;
- (r) the Company is not insolvent under any Applicable Laws and there is no bankruptcy, liquidation, dissolution, winding-up or other similar proposal or proceeding or other Legal Proceeding in progress, pending, contingent or,

to the Knowledge of the Company, threatened by or against the Company, before any judicial, governmental or administrative body or authority in respect of the foregoing, or in respect of any general assignment, arrangement or compromise with creditors or appointment of a receiver or manager with respect to any of its assets or execution or distress levied upon any of its assets;

- (s) the Books and Records of the Company have been maintained in accordance with all applicable statutory requirements and are complete in all material respects, accurate and up-to-date in all material respects and contain and accurately record the business, operations, affairs, development and all financial transactions of the Company, and contain complete and accurate copies of its constating documents and all resolutions, minutes of meetings of its directors and shareholders;
- (t) the Company has not entered into any agreement or arrangement, written or oral, that would entitle any person to any claim against the Company for a brokerage or finder fee, commission or other compensation, or any like payment, in respect of this Agreement and the transactions contemplated herein;
- (u) the Company has all permits, licences, certificates of authority, orders and approvals of, and has made all filings, applications and registrations with, applicable Governmental Authorities that are required in order to permit it to carry the Business as presently conducted, except for such permits, licences, certificates, orders, filings, applications and registrations, the failure to have or make, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on the Company, and all such permits, licences, certificates of authority, orders and approvals are in good standing in all material respects;
- (v) the operations of the Company have been conducted in all material respects in compliance with all Applicable Laws of each jurisdiction in which the Company owns or leases property or assets or carries on business, in accordance with industry standards and otherwise in a good and workmanlike manner, and the Company has not received any notice of and the Company knows of no state of facts which would constitute or result in any such violation of any such laws;
- (w) the inventories, if any, maintained by the Company have been accumulated for use or sale in the ordinary course of the business, and are in good and marketable condition, and the present levels of the inventories are consistent with the levels of inventories that have been maintained by the Company before the date of this Agreement in the ordinary course of the business in light of seasonal adjustments, market fluctuations and the requirements of customers of the business;

- (x) with respect to Authorizations: (i) all Authorizations which are necessary for the Company to conduct its business as presently conducted have been obtained and are in full force and effect in accordance with their terms; (ii) the Company has complied with all such Authorizations and are not in breach or default under any such Authorizations; (iii) the Company has not received written, or to the Knowledge of the Company, other notice, of any alleged breach of or alleged default under any such Authorization or of any intention of any Governmental Authority to revoke or not renew any such Authorizations; and (iv) no proceedings are pending or, to the Knowledge of the Company, threatened which could reasonably be expected to result in the revocation of such Authorizations;
- (y) there is no agreement, judgment, injunction, order, or decree binding upon the Company that has or would reasonably be expected to have the effect of prohibiting, restricting, or materially impairing any business practice of the Company or the conduct of business by the Company as currently conducted;
- (z) with respect to Material Contracts: (i) each Material Contract is legal, valid, and binding and in full force and effect and is enforceable by the Company in accordance with its terms subject only to any limitation under bankruptcy, insolvency, or other Applicable Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction; (ii) the Company has performed the obligations required to be performed by it under each Material Contract; (iii) the Company is not in breach or default under any Material Contract nor does the Company have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a breach or default; (iv) as of the date of this Agreement, the Company has no knowledge of, and has not received any notice (whether written or oral) of, any breach, default, cancellation, termination, or non-renewal under any Material Contract by any party to a Material Contract; and (v) there is no requirement to obtain any consent, approval, or waiver of a party under any Material Contract in order to complete the transactions contemplated by this Agreement;
- (aa) the Company owns, possesses, and has good and marketable title to all of its undertakings, property, and assets (whether owned or leased), reflected in the Company Financial Statements, free and clear of all Adverse Interests;
- (bb) the financial records of the Company, as disclosed in the Company Financial Statements, are complete and accurate in all material respects and present fairly the financial condition, financial performance, and cash flows of the Company as at the date and for the periods indicated therein;



- (cc) the undertakings, property, and assets of the Company comprise all of the undertakings, property, and assets necessary for the Company to carry on the Business as it is currently operated;
- (dd) all facilities, machinery, equipment (including the Equipment), fixtures, and other tangible assets owned, leased, or used by the Company are in good operating condition and repair, ordinary wear and tear excepted, and are reasonably fit and usable for the purposes for which they are being used;
- (ee) the Company has good and valid title to in all tangible personal property and other Assets;
- (ff) no person has any right of first refusal, undertaking or commitment or any right or privilege capable of becoming such, to purchase, lease or acquire any of the Assets owned by the Company or any part thereof or interest therein;
- (gg) to the Knowledge of the Company, the Assets are all in good working condition adequate for the purpose of carrying on the Business and contain no defects which could have or cause a Material Adverse Effect to the Company, the Business or the Assets;
- (hh) the Company is in compliance with all Environmental Laws and has not received from any person any (i) notice or (ii) written request for information under Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the Closing;
- (ii) the Company has obtained and is in material compliance with all permits necessary for the ownership, lease, operation or use of the Assets of the Company and the operation of the Business;
- (jj) the Company is not a party to a strategic alliance or co-operative agreement and the Company is not a partner, beneficiary, trustee, co-tenant, joint-venture or otherwise a participant in any partnership, trust, joint venture, co-tenancy or similar jointly owned business undertaking and the Company has no significant investment interests in any business owned or controlled by any third party;
- (kk) the Company has no subsidiaries; and
- (ll) the Company has no equity ownership in any entity whatsoever.

3.3 The Purchaser represents and warrants to the Vendors and acknowledges that the Vendors are relying on such representations and warranties, that as of the date of this Agreement and the Closing:

- (a) the Purchaser is duly formed, validly existing and in good standing under the laws of its jurisdictions of formation;

- (b) the Purchaser is a reporting issuer not in default in the Provinces of British Columbia and Alberta (the “**Reporting Jurisdictions**”), and the Purchaser Shares are listed for trading on the NEX board, a division of the TSXV for issuers that have fallen below the TSXV’s continued listed requirements;
- (c) the Purchaser has the corporate power and capacity and has taken all necessary corporate action and has obtained all necessary approvals to own and lease its property and assets, to conduct its business as presently conducted, and to enter into and execute this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement and to perform its obligations hereunder and thereunder;
- (d) the Purchaser has duly executed this Agreement and this Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with the Agreement’s terms except that (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally; (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court; (iii) rights of indemnity and contribution hereunder may be limited under Applicable Law; and (iv) a court may stay proceedings before them by virtue of equitable or statutory powers;
- (e) the Consideration Shares and the Purchaser Shares issuable upon the exercise of the Consideration Warrants in accordance with their terms (i) will be issued by the Purchaser in reliance upon exemptions from the registration and prospectus requirements of Applicable Securities Laws, (ii) have been duly authorized and reserved for issuance and, upon issuance, will be validly issued as fully paid and non-assessable shares in the capital of the Purchaser, (iii) will not be subject to any contractual or other restrictions on transferability or voting, except as maybe imposed by the Exchange, (iv) upon due issuance to the Vendors, will be freely trading and listed for trading on the Exchange, except for any resale restrictions which maybe imposed by the Exchange (v) will not be issued in violation of the certificate of incorporation, charter, articles or other constating documents of the Purchaser, or any agreement, contract, covenant, undertaking, or commitment to which the Purchaser is a party or bound; and (vi) will not be subject to, and will not be issued in violation of, any pre-emptive rights, rights of first refusal or other similar rights;
- (f) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein will constitute or result in a breach of or default under, or create a state of facts which after notice or lapse of time or both will constitute or result in a breach of or default under, or will otherwise conflict with (i) any of the Purchaser’s constituting documents or any resolutions of its directors, shareholders or other stakeholders, (ii) any indenture, agreement or instrument to which the Purchaser is a party or by which it is bound (or otherwise cause a forfeiture of rights or accelerate any performance required thereby), or (iii) any Applicable Laws or orders,

rulings or other judgments or decisions of a court or regulatory authority having jurisdiction over the Company; in each case that may result in a Material Adverse Effect;

- (g) the authorized capital of the Purchaser consists of an unlimited number of Purchaser Shares, of which, as of the date hereof, 11,499,863 Purchaser Shares are issued and outstanding as fully paid and non-assessable; as of the date hereof, 2,608,696 common share purchase warrants exercisable at a price of \$0.31 until February 4, 2022, and no stock options are outstanding;
- (h) as of the Closing Date, no person shall have any right, privilege, option, warrant or agreement, contingent or otherwise, or any of the foregoing capable of become any right, privilege, option, warrant or agreement, to purchase or otherwise acquire from the treasury of the Purchaser, directly or indirectly, any Purchaser Shares or any other shares in the capital of the Purchaser, other than with respect to the Purchaser Receipts, those convertible securities as set out in Section 3.3(g) and the Vendors' rights pursuant to this Agreement;
- (i) the operations of the Purchaser have been conducted in all material respects in compliance with all Applicable Laws of each jurisdiction in which the Purchaser owns or leases property or assets or carries on business, in accordance with industry standards and otherwise in a good and workmanlike manner, and the Purchaser has not received any notice of and the Purchaser knows of no state of facts which would constitute or result in any such violation of any such laws;
- (j) the Purchaser is not currently in default of any requirement of the Applicable Securities Laws;
- (k) there is no "material fact" or "material change" (as those terms are defined in the *Securities Act* (British Columbia)) in the affairs of the Purchaser that has not been generally disclosed to the public;
- (l) the Purchaser has filed all forms, reports, documents and information required to be filed by it, whether pursuant to Applicable Securities Laws or otherwise, with the applicable Securities Authorities (the "**Disclosure Documents**"). As of the time the Disclosure Documents were filed with the applicable Securities Authorities and on SEDAR (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing): (a) each of the Disclosure Documents complied in all material respects with the requirements of the Applicable Securities Laws; and (b) none of the Disclosure Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

- (m) the Purchaser is in compliance in all material respects with all its disclosure obligations under Applicable Securities Laws and all documents filed by the Purchaser pursuant to such obligations are in compliance in all material respects with Applicable Securities Laws and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;
- (n) as of the Closing Date, the Purchaser is the recorded and beneficial owner in and to all of the right, title and interest in and to the assets currently held by the Purchaser, and has good and marketable title thereto free and clear of any actual, pending, contingent or, to the Knowledge of the Purchaser, threatened Adverse Interests, including without limitation any unregistered encumbrances and any Legal Proceeding challenging or adversely affecting title to or quiet and exclusive possession, use and enjoyment of those assets, and no person has any right, privilege, option or agreement, contingent or otherwise, or any of the foregoing capable of become any right, privilege, option or agreement, to purchase or otherwise acquire, directly or indirectly, any assets or any interest or entitlement therein;
- (o) there are no legal or governmental proceedings pending or, to the Knowledge of the Purchaser, contemplated or threatened, to which the Purchaser is a party or to which the property of the Purchaser is subject;
- (p) there are no actual, pending, contingent or, to the Knowledge of the Purchaser, threatened Legal Proceedings which, individually or in the aggregate, may result in or could reasonably be expected to have a Material Adverse Effect on the Purchaser;
- (q) to the Knowledge of the Purchaser, no Legal Proceedings involving the Purchaser which may operate to prevent or restrict trading of any securities of the Purchaser or otherwise prevent or restrict the completion of the transactions contemplated herein are currently in progress, pending, contingent or threatened before any applicable securities regulatory authority or stock exchange;
- (r) the audited annual financial statements of the Purchaser as at September 30, 2020, and the notes thereto (collectively, the “**Purchaser Financial Statements**”), have been prepared in accordance with IFRS, present fairly, in all material respects, the financial position of the Purchaser as at such date, and do not omit to state any material fact that is required by IFRS or by Applicable Law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading;
- (s) the Purchaser has no outstanding material liability, whether direct, indirect, absolute or contingent or otherwise, which is not reflected in the Purchaser Financial Statements;

- (t) the Purchaser has not guaranteed or is otherwise not liable for the indemnification, assumption, endorsement or like commitment with respect to the debts, liabilities or obligations (contingent or otherwise) of any other person, except for indemnities of directors and officers;
- (u) all Taxes due and payable by the Purchaser have been paid or provision made therefor in the Purchaser Financial Statements except for where the failure to pay such Taxes would not result in a Material Adverse Effect for the Purchaser. All Tax Returns, declarations, remittances and filings required to be filed by the Purchaser have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the Knowledge of the Purchaser, no examination of any Tax Return of the Purchaser is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by the Purchaser. There are no agreements with any taxation authority providing for an extension of time for any assessment or reassessment of Taxes with respect to the Purchaser;
- (v) the Purchaser is not a party to any agreement nor to the Knowledge of the Purchaser is there any agreement, which in any manner affects the voting control of any of the securities of the Purchaser;
- (w) the Purchaser is not insolvent under any Applicable Laws and there is no bankruptcy, liquidation, dissolution, winding-up or other similar proposal or proceeding or other Legal Proceeding in progress, pending, contingent or, to the Knowledge of the Purchaser, threatened by or against the Purchaser, before any judicial, governmental or administrative body or authority in respect of the foregoing, or in respect of any general assignment, arrangement or compromise with creditors or appointment of a receiver or manager with respect to any of its assets or execution or distress levied upon any of its assets;
- (x) the Books and Records of the Purchaser have been maintained in accordance with all applicable statutory requirements and are complete in all material respects, accurate and up-to-date in all material respects and contain and accurately record the business, operations, affairs, development and all financial transactions of the Purchaser, and contain complete and accurate copies of its constating documents and all resolutions, minutes of meetings of its directors and shareholders;
- (y) no person, firm or company acting or purporting to act at the request of the Purchaser is entitled to any brokerage or finder's fee in connection with the transactions contemplated herein;

- (z) the Purchaser has all permits, licences, certificates of authority, orders and approvals of, and has made all filings, applications and registrations with, applicable Governmental Authorities that are required in order to permit it to carry on its business as presently conducted, except for such permits, licences, certificates, orders, filings, applications and registrations, the failure to have or make, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on the Purchaser, and all such all permits, licences, certificates of authority, orders and approvals are in good standing in all material respects;
- (aa) with respect to Authorizations: (i) all Authorizations which are necessary for the Purchaser to conduct its business as presently conducted have been obtained and are in full force and effect in accordance with their terms; (ii) the Purchaser has complied with all such Authorizations and are not in breach or default under any such Authorizations; (iii) the Purchaser has not received written, or to the Knowledge of the Purchaser, other notice, of any alleged breach of or alleged default under any such Authorization or of any intention of any Governmental Authority to revoke or not renew any such Authorizations; and (iv) no proceedings are pending or, to the Knowledge of the Purchaser, threatened which could reasonably be expected to result in the revocation of such Authorizations; and
- (bb) the corporate records of the Purchaser are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all Applicable Laws and with the constating documents of the Purchaser, and without limiting the generality of the foregoing: (i) the minute books contain complete and accurate minutes of all meetings of the directors (and any committee thereof) and shareholders of the Purchaser; (ii) such minute books contain all written resolutions passed by the directors (and any committee thereof) and shareholders of the Purchaser; (iii) the share certificate books, if any, the central securities register and register of transfers, and branch registers, of the Purchaser are complete and accurate, and all transfers of shares of the Purchaser reflected therein have been duly completed and approved; and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers of the Purchaser were duly elected or appointed as the case may be.

#### **4. Covenants of the Parties**

4.1 During the period commencing on the date hereof and ending on the Closing or earlier termination of this Agreement (the “**Interim Period**”), each of the parties hereto shall, in good faith, use all commercially reasonable efforts to:

- (a) conduct their business and affairs in a manner such that its respective representations and warranties made by it herein remain true prior to

Closing, and to promptly notify the other parties should any representation and warranty made by it herein cease to be true;

- (b) perform and observe the covenants made by it herein;
- (c) fully cooperate with and assist the other parties in obtaining any required Consents; and
- (d) perform and observe matters required to satisfy any other conditions precedent to the completion of the transactions contemplated by this Agreement.

4.2 During the Interim Period, the Company and the Vendors and their respective agents will not, nor will they permit any of their respective directors, officers, employees or agents (including without limitation, attorneys, accountants, financial advisors and investment bankers) to directly or indirectly solicit, discuss, encourage or accept any offer for the acquisition of the Company or the Business and/or the assets of the Company, whether as a primary or back-up offer, or take any other action with the intention or reasonably foreseeable effect of leading to any commitment or agreement for the acquisition of the Company or Business and/or the assets of the Company.

4.3 During the Interim Period, the Company shall:

- (a) with the exception of the transactions contemplated herein, carry on its business only in the ordinary course, consistent with past practice;
- (b) make all commercially reasonable efforts to preserve the goodwill of the Company and its relationships with customers, suppliers, and others having business dealings with the Company;
- (c) not enter into any material transactions or incur any material liabilities or obligations without first obtaining the prior written consent of the Purchaser, which consent will not be unreasonably withheld or delayed;
- (d) not amend or otherwise change its constating documents;
- (e) not take any action that would permit any Adverse Interest over any assets of the Company;
- (f) not authorize, issue, sell, or transfer any share capital or other equity interests of the Company or any securities convertible into or exercisable or exchangeable for share capital or other equity interests of the Company, or adjust, split, or reclassify any share capital or other equity interests of the Company;
- (g) not declare, set aside, make, or pay any dividend or other distribution (whether in cash, stock or other property) in respect of any share capital of the Company;

- (h) continue in full force all of its material insurance policies;
- (i) conduct its business, operations and affairs in compliance with all Applicable Laws and regulatory requirements;
- (j) notify the Purchaser orally and promptly in writing of any material change as defined in the *Securities Act* (British Columbia) and any circumstance or development that is or would, individually or in the aggregate, reasonably be expected to constitute a Material Adverse Effect; and
- (k) apply for, maintain in good standing, and make all commercially reasonable efforts to renew all Authorizations.

4.4 During the Interim Period, the Purchaser shall:

- (a) with the exception of the transactions contemplated herein, carry on its business only in the ordinary course, consistent with past practice;
- (b) make all commercially reasonable efforts to preserve the goodwill of the Purchaser and its relationships with customers, suppliers, and others having business dealings with the Purchaser;
- (c) not enter into any material transactions or incur any material liabilities or obligations without first obtaining the prior written consent of the Company, which consent will not be unreasonably withheld or delayed;
- (d) not, nor will its permit any of its directors, officers, employees or agents (including without limitation, attorneys, accountants, financial advisors and investment bankers) to directly or indirectly solicit, discuss, encourage or accept any offer for the acquisition of the Purchaser or the business and/or the assets of the Purchaser, whether as a primary or back-up offer, or take any other action with the intention or reasonably foreseeable effect of leading to any commitment or agreement for the acquisition of the Purchaser or business and/or the assets of the Purchaser;
- (e) not amend or otherwise change its constating documents;
- (f) not take any action that would permit any Adverse Interest over any assets of the Purchaser;
- (g) other than pursuant to the exercise of currently issued and outstanding convertible securities, not authorize, issue, sell, or transfer any share capital or other equity interests of the Purchaser or any securities convertible into or exercisable or exchangeable for share capital or other equity interests of the Purchaser, or adjust, split, or reclassify any share capital or other equity interests of the Purchaser;



- (h) not declare, set aside, make, or pay any dividend or other distribution (whether in cash, stock or other property) in respect of any share capital of the Purchaser;
- (i) continue in full force all of its material insurance policies;
- (j) conduct its business, operations and affairs in compliance with all Applicable Laws and regulatory requirements;
- (k) apply for, maintain in good standing, and make all commercially reasonable efforts to renew all Authorizations;
- (l) notify the Company and the Vendors orally and promptly in writing of any material change as defined in the *Securities Act* (British Columbia) and any circumstance or development that is or would, individually or in the aggregate, reasonably be expected to constitute a Material Adverse Effect; and
- (m) fully cooperate with the Vendors to file tax elections, to the extent requested by the Vendors.

## **5. Conditions of Closing**

5.1 The Vendors shall not be obligated to complete the sale of the Vendors Shares pursuant to this Agreement and the other transactions contemplated herein, unless each of the conditions listed below is satisfied, it being understood that the said conditions are included for the exclusive benefit of the Vendors:

- (a) the representations and warranties of the Purchaser in this Agreement shall be true and correct in all material respects at the Closing, except those representations and warranties qualified by a materiality qualification which shall be true and correct in all respects;
- (b) the covenants and conditions of the Purchaser to be performed and observed in this Agreement prior to or at Closing shall have been performed and observed;
- (c) the receipt of any Consents contemplated by this Agreement or otherwise necessary for this Agreement and the completion of the transactions contemplated herein, including the conditional approval of the Exchange for the for the transaction contemplated herein and the listing of the Purchaser Shares on the Exchange following Closing, all in form and content and upon such conditions, if any, acceptable to the Company, and all such approvals being in full force and effect;
- (d) during the Interim Period, there shall have been no event or change that has had or would be reasonably likely to have a Material Adverse Effect on the Purchaser;

- (e) during the Interim Period, there shall have been no Order made or any Legal Proceedings commenced or threatened for the purpose, or which could have the effect, of preventing or restraining the completion of the transactions contemplated by this Agreement;
- (f) the Purchaser Shares having been voluntarily delisted from the TSXV;
- (g) the Purchaser having completed the Purchaser Financing for gross proceeds of not less than \$2,000,000 and having sufficient working capital to meet the minimum listing requirements prescribed by the Exchange;
- (h) the Purchaser having changed its name to "Blender Bites Limited", or such other name as is acceptable to the Purchaser and the Company;
- (i) the current board of directors and management of the Purchaser having been reconstituted to include an equal number of nominees of the Company;
- (j) the Purchaser shall not be on the list of defaulting issuers maintained by the Securities Authorities in the Reporting Jurisdictions; and
- (k) no Securities Authority, the TSXV or any other competent authority, including any other Governmental Authority, shall have issued any order to cease or suspend trading or distribution of any securities of the Purchaser or shall have instituted or threatened the institution of any proceedings for that purpose nor shall any notice of investigation that could potentially result in an order to cease or suspend trading or distribution of any securities of the Purchaser have been commenced.

5.2 If any condition in Section 5.1 hereof has not been fulfilled or if any such condition is or becomes impossible to satisfy, other than as a result of the failure of the Vendors or the Company to comply with their obligations under this Agreement, then the Vendors may, without limiting any rights or remedies available to the Vendors at law or in equity, either:

- (a) terminate this Agreement by notice to the Purchaser, as provided in Section 7.1(a); or
- (b) waive compliance with any such condition without prejudice to its right of termination in the event of the non-fulfillment of any other condition for its benefit.

5.3 The Purchaser shall not be obligated to complete the purchase of the Vendors Shares pursuant to this Agreement and the other transactions contemplated herein, unless each of the conditions listed below is satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser:

- (a) the representations and warranties of the Vendors and the Company in this Agreement shall be true and correct in all material respects at the Closing,

except those representations and warranties qualified by a materiality qualification which shall be true and correct in all respects;

- (b) the covenants and conditions of the Vendors and the Company to be performed and observed in this Agreement prior to or at Closing shall have been performed and observed in all material respects;
- (c) the receipt of any Consents contemplated by this Agreement or otherwise necessary for this Agreement and the completion of the transactions contemplated herein, including the conditional approval of the Exchange for the for the transaction contemplated herein and the listing of the Purchaser Shares on the Exchange following Closing, all in form and content and upon such conditions, if any, acceptable to the Company, and all such approvals being in full force and effect;
- (d) during the Interim Period, there shall have been no event or change that has had or would be reasonably likely to have a Material Adverse Effect on the Company;
- (e) the Assets of the Company being free of all Adverse Interests, unless otherwise agreed by the Purchaser;
- (f) the liabilities of the Company shall not exceed \$250,000, excluding the loans described in 3.2(m) and costs incurred by the Company related to transactions contemplated by this Agreement, which shall not exceed \$50,000;
- (g) the Purchaser having received a comprehensive business plan and working capital budget for the Company for the twelve months following Closing, as are necessary in accordance with Exchange policies and in connection with the preparation of an Exchange Form 2A Listing Statement;
- (h) the Purchaser having received the Company Financial Statements;
- (i) Chelsie Hodge having entered into an escrow arrangement for 5,000,000 Consideration Shares in accordance with the policies of the Exchange;
- (j) the Purchaser Shares having been voluntarily delisted from the TSXV;
- (k) the Company having completed the Company Financing, there being no more than 10,000,000 Company Warrants outstanding, and the holders of the Company Warrants having agreed to exchange the Company Warrants for the Consideration Warrants;
- (l) the Board of Directors of the Company shall have approved the transfer of the Vendors Shares contemplated in this Agreement, in accordance with the Articles of Incorporation of the Company; and

- (m) during the Interim Period, there shall have been no Order made or any Legal Proceedings commenced or threatened for the purpose, or which could have the effect, of preventing or restraining the completion of the transactions contemplated by this Agreement.

5.4 If any condition in Section 5.3 hereof has not been fulfilled or if any such condition is or becomes impossible to satisfy, other than as a result of the failure of the Purchaser to comply with its obligations under this Agreement, then the Purchaser may, without limiting any rights or remedies available to the Purchaser at law or in equity, either:

- (a) terminate this Agreement by notice to the Company as provided in Section 7.1(a); or
- (b) waive compliance with any such condition without prejudice to its right of termination in the event of the non-fulfillment of any other condition for its benefit.

## **6. Closing**

6.1 The Closing shall take place electronically, at such time and date as may be agreed by the parties, such agreement not to be unreasonably withheld.

6.2 At Closing, the Vendors and the Company shall deliver or cause to be delivered to the Purchaser the following documents:

- (a) a certificate of a senior officer of the Company (without personal liability) dated as of Closing certifying that the representations and warranties of the Company contained herein are true and correct in all material respects as of Closing, except those representations and warranties qualified by a materially qualification which shall be true and correct in all respects, and that the covenants and conditions of the Company to be performed prior to or at Closing have been performed and observed in all material respects;
- (b) copies of the consent to act and resolutions of the Company authorizing the appointment of individuals to the board of the directors to the Company, as may be agreed by the parties as at the Closing;
- (c) certified copy of the resolutions of the Company authorizing this Agreement and the transactions contemplated herein and hereby;
- (d) the minute books of the Company and all corporate, financial, legal and technical files, records and data of the Company related to the Business;
- (e) certificates representing the Vendors Shares owned by the Vendors duly endorsed for transfer to the Purchaser or accompanied by a stock transfer power of attorney;
- (f) a certificate representing the Vendors Shares, duly registered in the name of the Purchaser; and

- (g) such other documents and instruments in connection with the Closing as may be reasonably requested by the Purchaser.

6.3 At Closing, the Purchaser shall deliver or cause to be delivered to the Vendors the following documents:

- (a) a certificate of a senior officer of the Purchaser (without personal liability) dated as of Closing certifying that the representations and warranties of the Purchaser contained herein are true and correct in all material respects as of Closing, except those representations and warranties qualified by a materially qualification which shall be true and correct in all respects, and that the covenants and conditions of the Purchaser to be performed prior to or at Closing have been performed and observed in all material respects;
- (b) certified copy of the resolutions of the Purchaser authorizing this Agreement and the transactions contemplated herein and hereby; and
- (c) DRS evidencing the Consideration Shares duly registered in accordance with Schedule "A" hereto or as the Vendors may otherwise direct in writing and certificates evidencing the Consideration Warrants duly registered to the holders of the Company Warrants.

## **7. Termination**

7.1 This Agreement may be terminated by the mutual consent of the parties or in the following circumstances by written notice given by the terminating party to the other parties hereto:

- (a) by either the Company, the Vendors or the Purchaser if the Closing has not occurred on or before the Outside Date unless, in the case of the Purchaser, any action of Purchaser or such Purchaser's breach of this Agreement results in the failure of the Closing to occur by such date or, in the case of the Company, any action of the Company or the Vendors or the Company's or the Vendors' breach of this Agreement results in the failure to close by such date;
- (b) by the Company if the Purchaser is in default of any covenant on its part to be performed hereunder, the Company or Vendors have given written notice to the Purchaser of such default, and the Purchaser has not proceeded to cure such default within fourteen (14) days of such notice and thereafter proceeded in good faith to diligently cure such default to the Vendors' reasonable satisfaction provided that in any case such default shall be cured within thirty (30) days after such notice (or such longer period as may be reasonably required to cure the default given the nature or circumstances thereof); and
- (c) by the Purchaser if any of the Vendors or the Company is in default of any covenant on its part to be performed hereunder, the Purchaser has given written notice to the Vendors and the Company of such default, and the

Vendor in default and/or the Company has not proceeded to cure such default within fourteen (14) days of such notice and thereafter proceeded in good faith to diligently cure such default to the Purchaser's reasonable satisfaction provided that in any case such default shall be cured within thirty (30) days after such notice (or such longer period as may be reasonably required to cure the default given the nature or circumstances thereof).

7.2 Upon termination of this Agreement, each party hereto shall be released from all obligations under this Agreement, except this Section 7.2 and Sections 1, 9, 10 and 12, which provisions shall survive such termination. Each party's right of termination is in addition to and not in derogation or limitation of any other rights, claims, causes of action or other remedy that such party may have under this Agreement or otherwise at law or in equity with respect to such termination and any misrepresentation, breach of covenant or indemnity contained herein.

## **8. Notices**

8.1 Any notice, communication, instrument or document required or permitted to be given under this Agreement shall be in writing and may be given by personal delivery, pre-paid, certified or registered mail, or by telecommunication, facsimile, email or other similar form of communication (in each case with electronic confirmed receipt), addressed as follows:

(a) If to the Company or the Vendors at:

Blender Bites Incorporated  
Suite 2808, 1288 West Cordova Street  
Vancouver, British Columbia, V6C 3R3

Attention: Chelsie Hodge  
Email: chelsie@blenderbites.com

With a copy to:

McMillan LLP  
Suite 1500, 1055 West Georgia Street  
Vancouver, British Columbia, V6E 4N7

Attention: Desmond M. Balakrishnan  
Email: desmond.balakrishnan@mcmillan.ca

(b) If to the Purchaser at:

Balsam Technologies Corp.  
Suite 1000, 409 Granville Street  
Vancouver, British Columbia V6C 1T2

Attention: Joel Shacker, Chief Executive Officer

Email: jshacker@winchestersecurities.com

With a copy to:

Cassels Brock & Blackwell LLP  
Suite 2200, HSBC Building  
885 West Georgia Street  
Vancouver, British Columbia V6C 3E8

Attention: Sam Cole  
Email: scole@cassels.com

and such shall be deemed to have been given (i) if effected by personal delivery, or telecommunication, facsimile or other similar form of communication (with electronic confirmed receipt), at the time of delivery or electronic confirmed receipt unless such occurs after the recipient's customary business hours in which case it shall be deemed to have been given on the next business day; and (ii) if effected by mail, on the fourth business day after mailing excluding all days on which postal service is disrupted.

8.2 A party may at any time in the above manner give notice to the other parties of any change of address and after the giving of such notice the address or addresses specified will be the address of such party for the purpose of giving notice hereunder.

## **9. Expenses**

9.1 Each of the parties hereto shall bear all expenses incurred by such party in connection with the preparation and fulfillment of this Agreement, including but not limited to the fees and expenses of their legal counsel, accountants, financial, tax and investment advisors, brokers and finders.

## **10. Public Announcement; Disclosure and Confidentiality**

10.1 Unless and until the transactions contemplated in this Agreement will have been completed, none of the parties shall make any public announcement concerning this Agreement or the matters contemplated herein, their discussions or any other memoranda, letters or agreements between them relating to the matters contemplated herein without the prior consent of the other parties, which consent shall not be unreasonably withheld, provided that no party shall be prevented from making any disclosure which is required to be made by law or any rules of a stock exchange or similar organization to which it is bound.

10.2 All information provided to or received by the parties hereunder shall be treated as confidential ("**Confidential Information**"). Subject to the provisions of this Section 10.2, no Confidential Information shall be disclosed by any party hereto without the prior written consent of the others, but such consent in respect of the reporting of factual data shall not be unreasonably withheld. The consent required by this Section 10.2 shall not apply to a disclosure to: (a) comply with any Applicable Laws, stock exchange rules or a regulatory authority having jurisdiction; (b) a director, officer or employee of a party; (c) an affiliate of a party; (d) a consultant, contractor or subcontractor of a party that has a

bona fide need to be informed; or (e) any third party to whom the disclosing party may assign any of its rights under this Agreement; provided, however, that in the case of subsection (e) the third party or parties, as the case may be, agree to maintain in confidence any of the Confidential Information so disclosed to them. Each party acknowledges that the foregoing confidentiality provisions apply to all of its affiliates, officers, directors, employees, agents, consultants, advisors or representatives (collectively, the "**Representatives**") and agrees that it will be responsible for any breach of the foregoing confidentiality provisions by such Representatives.

10.3 The obligations of confidence and prohibitions against use of Confidential Information under this Agreement shall not apply to information that the disclosing party can show by reasonable documentary evidence or otherwise: (a) as of the date of this Agreement, was in the public domain; (b) after the date of this Agreement, was published or otherwise became part of the public domain through no fault of the disclosing party or an affiliate thereof (but only after, and only to the extent that, it is published or otherwise becomes part of the public domain); or (c) was information that the disclosing party or its affiliates were required to disclose pursuant to the order of any governmental or judicial authority

## **11. Reporting and Consent**

11.1 The Vendors expressly consent and agree to:

- (a) the Purchaser collecting personal information regarding such Vendors for the purpose of completing the transactions contemplated by this Agreement; and
- (b) the Purchaser releasing personal information regarding such Vendors and this Agreement, including such Vendors' name, residential address, telephone number, email address, registration and delivery instructions, and the number of Consideration Shares and Consideration Warrants received, to securities regulatory authorities in compliance with Applicable Laws, to other authorities as required by law and to the registrar and transfer agent of the Purchaser for the purpose of arranging for the preparation of the certificates representing the Consideration Shares and Consideration Warrants in connection with the transactions contemplated in this Agreement.

The purpose of the collection of the information is to ensure the Purchaser and its advisors will be able to issue the Consideration Shares and the Consideration Warrants to the Vendors in accordance with the instructions of the applicable Vendors and in compliance with applicable corporate, securities, and other laws, and to obtain the information required to be provided in documents required to be filed with securities regulatory authorities under Applicable Laws and with other authorities as required, which may include their public disclosure of such information. The Vendors further expressly consent and agree to the collection, use, and disclosure of all such personal information by securities regulatory authorities and other authorities in accordance with their requirements, including but not limited to the publishing or making available to the public



of such information and the provision of such information to third party service providers for their collection, use, and disclosure from time to time.

The contact information for the officer of the Purchaser who can answer questions about the collection of information by the Purchaser is as follows:

Name and Title:	Joel Shacker, Chief Executive Officer
Purchaser Name:	Balsam Technologies Corp.
Address:	Suite 1000, 409 Granville Street Vancouver, British Columbia, V6C 1T2
Email Address:	jshacker@winchestersecurities.com

## **12. Independent Legal Advice**

12.1 Each of the Vendors acknowledge and agree that counsel to the Company is acting solely for the Company and not for the Vendors. The Vendors have been advised to seek independent legal advice before signing this Agreement and by signing this Agreement, the Vendors each represent that he/she/it had an opportunity to obtain such advice.

## **13. General**

13.1 This Agreement (including the Schedules thereto) constitutes the entire agreement among the parties and replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations and representations, whether oral or written, express or implied, statutory or otherwise among the parties with respect to the subject matter herein. There are no implied covenants contained in this Agreement other than those of good faith and fair dealing.

13.2 The parties shall from time to time prior to or after Closing execute and deliver any and all such instruments and other documents and perform any and all such acts and other things as may be necessary or desirable to carry out the intent of this Agreement.

13.3 Any amendments hereto or waivers in respect hereof shall only be effective if made in writing and executed by the parties thereto. No waiver shall constitute a waiver of any other provision or act as a continuing waiver unless such is expressly provided for.

13.4 Time is of the essence of this Agreement. Any failure to exercise any rights provided for hereunder shall not, in the absence of a waiver in accordance with the terms hereof, affect the subsequent enforcement of such right.

13.5 The invalidity or unenforceability of any provision hereof shall not affect or impair the validity or enforceability of the remainder of the Agreement or any other provision hereof. In the event that any provision hereof is invalid or unenforceable in a given jurisdiction, that shall not affect the validity or enforceability of the provision in any other jurisdiction. The courts shall have the power to modify this Agreement, in a manner consistent with the intent of the parties, in order to limit the application of any such offensive provision to the maximum extent permitted by law.

13.6 This Agreement and any rights herein or hereto shall not be assigned or otherwise transferred by any party hereto without the express written consent of the other parties hereto. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

13.7 This Agreement shall be exclusively governed by and construed in accordance with the laws of British Columbia and the laws of Canada applicable therein. For the purposes of all legal proceedings, this Agreement shall be deemed to have been made and performed in British Columbia, and the parties hereby irrevocably agree that the courts of British Columbia shall have exclusive jurisdiction to entertain any action arising under this Agreement.

13.8 This Agreement may be executed and delivered in two or more counterparts and by facsimile and by electronic delivery. Each such counterpart, facsimile and electronically delivered copy shall be deemed to form one and the same and an originally executed instrument, bearing the date set forth on the face page hereof notwithstanding the date of execution or delivery.

*[Signature page follows.]*

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

**BALSAM TECHNOLOGIES CORP.**

**BLENDER BITES INCORPORATED**

Per:           "Joel Shacker"          

Per:           "Chelsie Hodge"          

Authorized Signatory

Authorized Signatory

*Signature Pages of Vendors to follow*

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

**CHELSIE HODGE**

[REDACTED]

*"Chelsie Hodge"*

\_\_\_\_\_

\_\_\_\_\_

[REDACTED]

[REDACTED]

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Authorized Signatory

Authorized Signatory

[REDACTED]

[REDACTED]

Per: \_\_\_\_\_

\_\_\_\_\_

Authorized Signatory

[REDACTED]

\_\_\_\_\_



**SCHEDULE "B"**

EQUIPMENT



CORPORATE IP

N/A

**Schedule "G"**  
**Company Stock Option Plan**

(see attached)

## BLENDER BITES LIMITED

### STOCK OPTION PLAN

#### ARTICLE 1 DEFINITIONS AND INTERPRETATION

##### 1.1 Defined Terms

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) **"Accelerated Vesting Event"** means the occurrence of any one of the following events:
- (i) a take-over bid (as defined under applicable securities Laws) is made for Common Shares or Convertible Securities which, if successful would result (assuming the conversion, exchange or exercise of the Convertible Securities, if any, that are the subject of the take-over bid) in any Person or Persons acting jointly or in concert (as determined under applicable securities Laws) or Persons associated or affiliated with such Person or Persons (as determined under applicable securities Laws) beneficially, directly or indirectly, owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Corporation that may be cast to elect Directors;
  - (ii) the acquisition or continuing ownership by any Person or Persons acting jointly or in concert (as determined under applicable securities Laws), directly or indirectly, of Common Shares or of Convertible Securities, which, when added to all other securities of the Corporation at the time held by such Person or Persons, Persons associated with such person or persons, or persons affiliated with such Person or Persons (as determined under applicable securities Laws) (collectively, the "Acquirors"), and assuming the conversion, exchange or exercise of Convertible Securities beneficially owned by the Acquirors, results in the Acquirors beneficially owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast at least 50% of the votes attaching to all shares in the capital of the Corporation that may be cast to elect Directors;
  - (iii) an amalgamation, merger, arrangement or other business combination (a "Business Combination") involving the Corporation receives the approval of, or is accepted by, the securityholders of the Corporation (or all classes of securityholders whose approval or acceptance is required) or, if their approval or acceptance is not required in the circumstances, is approved or accepted by the Corporation and as a result of that Business Combination, parties to the Business Combination or securityholders of the parties to the Business Combination, other than the securityholders of the Corporation, own, directly or indirectly, shares of the continuing entity that entitle the holders thereof to cast at least 50% of the votes attaching to all shares in the capital of the continuing entity that may be cast to elect Directors;
- (b) **"Affiliate"** shall have the meaning ascribed thereto by the TSX Venture Exchange in Policy 1.1 – Interpretation;
- (c) **"Associate"** shall have the meaning ascribed thereto by the TSX Venture Exchange in Policy 1.1 – Interpretation;



- (d) **"Board"** means the board of directors of the Corporation or, as applicable, a committee consisting of not less than 3 directors of the Corporation duly appointed to administer this Plan;
- (e) **"Charitable Option"** means a stock option or equivalent security granted by the Corporation to an Eligible Charitable Organization;
- (f) **"Charitable Organization"** means "charitable organization" as defined in the *Income Tax Act* (Canada) from time to time;
- (g) **"Common Shares"** means the common shares in the capital of the Corporation;
- (h) **"Consultant"** means, in relation to the Corporation, an individual (other than an Employee or a Director of the Corporation) or company that:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation, other than services provided in relation to a Distribution;
  - (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the company, as the case may be;
  - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and
  - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- (i) **"Consultant Company"** means a Consultant that is a company;
- (j) **"Convertible Securities"** means any security of the Corporation which is convertible into Common Shares;
- (k) **"Corporation"** means RewardStream Solutions Inc. and its successor entities;
- (l) **"Director"** means a director, senior officer or Management Company Employee of the Corporation, or a director, senior officer or Management Company Employee of the Corporation's subsidiaries;
- (m) **"Disinterested Shareholder Approval"** means approval by a majority of the votes cast by all shareholders entitled to vote at a meeting of shareholders of the Corporation excluding votes attached to shares beneficially owned by insiders to whom options may be granted under this Plan and their Associates;
- (n) **"Distribution"** has the meaning ascribed thereto by the Exchange;
- (o) **"Eligible Charitable Organization"** means:
  - (i) any Charitable Organization or Public Foundation which is a Registered Charity, but is not a Private Foundation; or
  - (ii) a Registered National Arts Service Organization;

- (p) **"Eligible Person"** means
- (i) a Director, Officer, Employee or Consultant of the Corporation or its subsidiaries, if any, at the time the option is granted, and includes companies that are wholly owned by Eligible Persons; or
  - (ii) an Eligible Charitable Organization at the time the Option is granted;
- (q) **"Employee"** means:
- (i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source);
  - (ii) an individual who works full-time for the Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source.
- (r) **"Exchange"** means the TSX Venture Exchange or the NEX board of the TSX Venture Exchange, as the context requires, and any successor entity or the Toronto Stock Exchange if the Corporation is listed thereon;
- (s) **"Expiry Date"** means the last day of the term for an Option, as set by the Board at the time of grant in accordance with Section 5.2 and, if applicable, as amended from time to time;
- (t) **"Governmental Authorities"** means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities:
- (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or
  - (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;
- (u) **"Insider"** means a director or senior officer of the Corporation, a Person that beneficially owns or controls directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Corporation, a director or senior officer of a company that is an insider or a subsidiary of the Corporation, and the Corporation itself if it holds any of its own securities;
- (v) **"Investor Relations Activities"** has the meaning ascribed thereto in the TSX Venture Exchange's Corporate Finance Manual;

- (w) **"Laws"** means currently existing applicable statutes, by-laws, rules, regulations, orders, ordinances or judgments, in each case of any Governmental Authority having the force of the law;
- (x) **"Management Company Employee"** means an individual who is employed by a Person providing management services to the Corporation which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities;
- (y) **"Material Information"** has the meaning ascribed thereto in the TSX Venture Exchange's Corporate Finance Manual;
- (z) **"Officer"** means an officer of the Corporation or its subsidiaries, if any;
- (aa) **"Option"** means a non-transferable and non-assignable option to purchase Common Shares granted to an Eligible Person pursuant to the terms of this Plan;
- (bb) **"Optionee"** means an Eligible Person of an Option granted by the Corporation;
- (cc) **"Other Share Compensation Arrangement"** means, other than this Plan and any Options, any stock option plan, stock options, employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including but not limited to a purchase of Common Shares from treasury which is financially assisted by the Corporation by way of loan, guarantee or otherwise;
- (dd) **"Person"** means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (ee) **"Plan"** means this incentive stock option plan;
- (ff) **"Private Foundation"** means "private foundation" as defined in the *Income Tax Act* (Canada) as amended from time to time;
- (gg) **"Public Foundation"** means "public foundation" as defined in the *Income Tax Act* (Canada) as amended from time to time;
- (hh) **"Registered Charity"** means "registered charity" as defined in the *Income Tax Act* (Canada) as amended from time to time;
- (ii) **"Registered National Arts Service Organization"** means "registered national arts service organization" as defined in the *Income Tax Act* (Canada) as amended from time to time; and
- (jj) **"Termination Date"** means the date on which an Optionee ceases to be an Eligible Person.

## 1.2 Interpretation

- (a) References to the outstanding Common Shares at any point in time shall be computed on a non-diluted basis.

- (b) If the Corporation is listed on the Toronto Stock Exchange, the provisions of this Plan as they relate to companies listed on Tier 1 of the TSX Venture Exchange shall apply.

## **ARTICLE 2 ESTABLISHMENT OF PLAN**

### **2.1 Purpose**

The purpose of this Plan is to advance the interests of the Corporation, through the grant of Options, by:

- (a) providing an incentive mechanism to foster the interest of Eligible Persons in the success of the Corporation, its Affiliates and its subsidiaries, if any;
- (b) encouraging Eligible Persons to remain with the Corporation, its Affiliates or its subsidiaries, if any; and
- (c) attracting new Directors, Officers, Employees and Consultants.

### **2.2 Shares Reserved**

- (a) The aggregate number of Common Shares that may be reserved for issuance pursuant to Options shall not exceed 10% of the issued and outstanding Common Shares at the time of the granting of an Option, LESS the aggregate number of Common Shares then reserved for issuance pursuant to any Other Share Compensation Arrangement. For greater certainty, if an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan. If the Corporation is listed on the NEX board of the TSX Venture Exchange, the maximum number of Options that may be reserved for issuance or issued in any 12 month period shall not exceed 10% of the issued and outstanding Common Shares of the Corporation.
- (b) If there is a change in the issued and outstanding Common Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval of the relevant regulatory authorities, appropriate substitution and/or adjustment in:
  - (i) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;
  - (ii) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and
  - (iii) the vesting of any Options, including the accelerated vesting thereof on conditions the Board deems advisable and, if it relates to Investor Relations vesting provisions, then subject to the approval of the Exchange,

and if the Corporation undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Optionees as it shall deem advisable.

- (c) No fractional Common Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which an Option, insofar as it relates to the acquisition of a fractional Common Share, shall be treated.
- (d) The Corporation shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

### **2.3 Non-Exclusivity**

Nothing contained herein shall prevent the Board from adopting such other incentive or compensation arrangements as it shall deem advisable.

### **2.4 Effective Date**

This Plan shall be subject to the approval of any regulatory authority whose approval is required. Any Options granted under this Plan prior to such approvals being given shall be conditional upon such approvals being given, and no such Options may be exercised unless and until such approvals are given.

## **ARTICLE 3 Administration of plan**

### **3.1 Administration**

- (a) This Plan shall be administered by the Board or any committee established by the Board for the purpose of administering this Plan. Subject to the provisions of this Plan, the Board shall have the authority:
  - (i) to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Optionee's rights in respect of an Option or Common Shares acquired upon exercise of an Option may be forfeited; and
  - (ii) to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Section 3.3 and 3.4 hereof.
- (b) The Board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon the Corporation, Eligible Persons, Optionees and all other Persons.
- (c) For stock options granted to Employees, Consultants or Management Company Employees, the Corporation and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

### **3.2 Amendment, Suspension and Termination**

The Board may amend, subject to the approval of any regulatory authority whose approval is required, suspend or terminate this Plan or any provision herein. No such amendment, suspension or termination shall alter or impair any outstanding unexercised Options or any rights without the consent of such Optionee. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

### **3.3 Compliance with Laws**

- (a) This Plan, the grant and exercise of Options hereunder and the Corporation's obligation to sell, issue and deliver any Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign Laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any Governmental Authority as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of Options hereunder to sell, issue or deliver Common Shares upon exercise of Options in violation of such Laws, policies, rules and regulations or any condition or requirement of such approvals.
- (b) No Option shall be granted and no Common Shares sold, issued or delivered hereunder where such grant, sale, issue or delivery would require registration or other qualification of this Plan or of the Common Shares under the applicable securities Laws of any foreign jurisdiction, and any purported grant of any Option or any sale, issue and delivery of Common Shares hereunder in violation of this provision shall be void. In addition, the Corporation shall have no obligation to sell, issue or deliver any Common Shares hereunder unless such Common Shares shall have been duly listed, upon official notice of issuance, with all stock exchanges on which the Common Shares are listed for trading.
- (c) Common Shares sold, issued and delivered to Optionees pursuant to the exercise of Options shall be subject to restrictions on resale and transfer under applicable securities Laws and the requirements of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading, and any certificates representing such Common Shares shall bear, as required, a restrictive legend in respect thereof.

### **3.4 Tax Withholdings**

- (a) Notwithstanding any other provision contained herein, in connection with the exercise of an Option by an Optionee from time to time, as a condition to such exercise the Corporation shall require such Optionee to pay to the Corporation or the relevant Affiliate an amount as necessary so as to ensure that the Corporation or such Affiliate, as applicable, is in compliance with the applicable provisions of any federal, provincial or local Laws relating to the withholding of tax or other required deductions relating to the exercise of such Options. In addition, the Corporation or the relevant Affiliate, as applicable shall be entitled to withhold from any amount payable to an Optionee, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Corporation or the relevant Affiliate is in compliance with the applicable provisions of any federal, provincial, local or foreign Laws relating to the withholding of tax or other required deductions relating to the exercise of such Options. The Corporation may also satisfy any liability for any such withholding obligations, on such terms and conditions as the Corporation may determine in its discretion, by (a) requiring an Optionee, as a condition to the exercise of any Options, to make such arrangements as the Corporation may require so that the Corporation can satisfy such withholding obligations including, without limitation, requiring the Optionee to remit to the Corporation in advance, or reimburse the Corporation for, any such withholding

obligations or (b) selling on the Optionee's behalf, or requiring the Optionee to sell, any Shares acquired by the Optionee under the Plan, or retaining any amount which would otherwise be payable to the Optionee in connection with any such sale.

## **ARTICLE 4 OPTION GRANTS**

### **4.1 Eligibility and Multiple Grants**

Options shall only be granted to Eligible Persons. An Eligible Person may receive Options on more than one occasion and may receive separate Options, with differing terms, on any one or more occasions.

### **4.2 Option Agreement**

Every Option shall be evidenced by an option agreement executed by the Corporation and the Optionee. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

### **4.3 Limitation on Grants and Exercises**

- (a) To any one Person. The aggregate number of Options granted to any one Person (and companies wholly owned by that Person) pursuant to this Plan and any other Share Compensation Arrangement in a 12 month period must not exceed 5% of the issued shares of the Corporation, calculated on the date an Option is granted to the Person (unless the Corporation has obtained the requisite Disinterested Shareholder Approval).
- (b) To Consultants. The aggregate number of Options granted to any one Consultant in a 12 month period pursuant to this Plan and any other Share Compensation Arrangement must not exceed 2% of the issued shares of the Corporation, calculated at the date an Option is granted to the Consultant.
- (c) To Persons conducting Investor Relations Activities. The aggregate number of Options granted to all Persons retained to provide Investor Relations Activities pursuant to this Plan and any other Share Compensation Arrangement must not exceed 2% of the issued shares of the Corporation in any 12 month period, calculated at the date an Option is granted to any such Person. If the Corporation is listed on the NEX board of the TSX Venture Exchange, no Options are permitted to be granted to Persons who provide Investor Relations Activities.
- (d) To Eligible Charitable Organizations. The aggregate number of Options granted and outstanding to Eligible Charitable Organizations pursuant to this Plan and any other Share Compensation Arrangement must not at any time exceed 1% of the issued shares of the Corporation, as calculated immediately subsequent to the grant of any Options to Eligible Charitable Organizations.

## **ARTICLE 5 Option terms**

### **5.1 Exercise Price**

- (a) Subject to a minimum exercise price of \$0.05 per Common Share, the exercise price per Common Share for an Option shall be determined by the Directors or their delegates if any, but will in no event be less than the Market Price for the Common Shares (as defined by the policies of the Exchange) at the date of grant.

- (b) If Options are granted within ninety days of a Distribution by the Corporation by prospectus, then the exercise price per Common Share for such Option shall not be less than the greater of the minimum exercise price calculated pursuant to subsection 5.1(a) herein and the price per Common Share paid by the public investors for Common Shares acquired pursuant to such Distribution. Such ninety day period shall begin:
  - (i) on the date the final receipt is issued for the final prospectus in respect of such Distribution; or
  - (ii) in the case of an initial public offering, on the date of listing.

## **5.2 Expiry Date**

Every Option granted shall, unless sooner terminated, have a term not exceeding and shall therefore expire no later than 10 years after the date of grant (subject to extension where the expiry date falls within a “blackout period”, as discussed in subsection 5.7) hereof.

## **5.3 Vesting**

- (a) Subject to subsection 5.3(b) herein and otherwise in compliance with the policies of the Exchange, the Board shall determine the manner in which an Option shall vest and become exercisable.
- (b) Options granted to Consultants performing Investor Relations Activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any 3 month period.

## **5.4 Accelerated Vesting Event**

Subject to subsection 5.3(b) and in compliance with the policies of the Exchange, upon the occurrence of an Accelerated Vesting Event, the Board will have the power, at its sole discretion and without being required to obtain the approval of shareholders or the holder of any Option, except pertaining to options granted to Consultants performing Investor Relations activities which will be subject to prior written Exchange approval, to make such changes to the terms of Options as it considers fair and appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of Options, conditionally or unconditionally; (b) terminating every Option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the Options are proposed to be granted to or exchanged with the holders of Options, which replacement options treat the holders of Options in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of Shares under such transaction; (c) otherwise modifying the terms of any Option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any Option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board in respect of any such Accelerated Vesting Event shall for the purposes of this Plan be final, conclusive and binding.

## **5.5 Non-Assignability**

Options may not be assigned or transferred.

## **5.6 Ceasing to be Eligible Person**

- (a) If an Optionee who is a Director, Officer, Employee or Consultant is terminated for cause, each Option held by such Optionee shall terminate and therefore cease to be exercisable upon such termination for cause.



- (b) If an Optionee dies prior to otherwise ceasing to be an Eligible Person, each Option held by such Optionee shall be exercisable by the heirs or administrators of such Optionee and shall terminate and therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is twelve months from the date of the Optionee's death.
- (c) Unless an option agreement specifies otherwise, if an Optionee ceases to be an Eligible Person for any reason other than death or termination for cause, each Option held by the Optionee other than an Optionee who is involved in investor relations activities will cease to be exercisable 90 days after the Termination Date or for a "reasonable period" after the Optionee ceases to serve in such capacity, as determined by the Board. For Optionees involved in investor relations activities, Options shall cease to be exercisable 30 days after the Termination Date or for a "reasonable period" after the Optionee ceases to serve in such capacity, as determined by the Board.
- (d) If any portion of an Option is not vested at the time an Optionee ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the Option may not be thereafter exercised by the Optionee or its legal representative, as the case may be, provided that the Board may, in its discretion, thereafter permit the Optionee or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the Option that would have vested prior to the time such Option otherwise terminates.
- (e) A Charitable Option must expire after the earlier of a date that is not more than 10 years from the grant date of the Charitable Option and the 90<sup>th</sup> day following the date that the holder of the Charitable Option ceases to be an Eligible Charitable Organization.

## 5.7 Blackout Periods

An Option will be automatically extended past the expiry date of an Option governed by the Plan if such expiry date falls within a period (a "**blackout period**") during which the Corporation prohibits Optionees from exercising their Options provided that the following requirements are satisfied:

- (a) The blackout period must be formally imposed by the Corporation pursuant to its internal trading policies. For greater certainty, in the absence of the Corporation formally imposing a blackout period, the expiry date of any Options will not be automatically extended in any circumstances.
- (b) The blackout period must expire upon the general disclosure of the undisclosed Material Information. The expiry date of the affected Options can be extended to no later than ten (10) business days after the expiry of the blackout period.
- (c) The automatic extension of an Optionee's Options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under securities Laws) in respect of the Corporation's securities.

## ARTICLE 6 EXERCISE procedure

### 6.1 Exercise Procedure

An Option may be exercised from time to time, and shall be deemed to be validly exercised by the Optionee only upon the Optionee's delivery to the Corporation at its head office of:

- (a) a written notice of exercise addressed to the Corporate Secretary of the Corporation, specifying the number of Common Shares with respect to which the Option is being exercised;

- (b) a signed option agreement with respect to the Option being exercised;
- (c) a certified cheque or bank draft made payable to the Corporation for the aggregate exercise price for the number of Common Shares with respect to which the Option is being exercised, together with the amount necessary to satisfy any applicable tax withholding or remittance obligations under applicable Laws; and
- (d) documents containing such representations, warranties, agreements and undertakings, including such as to the Optionee's future dealings in such Common Shares, as counsel to the Corporation reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of the Laws of any jurisdiction;

and on the business day following, the Optionee shall be deemed to be a holder of record of the Common Shares with respect to which the Option is being exercised, and thereafter the Corporation shall, within a reasonable amount of time, cause certificates for such Common Shares to be issued and delivered to the Optionee.

## **ARTICLE 7 AMENDMENT OF OPTIONS**

### **7.1 Consent to Amend**

The Board may amend any Option with the consent of the affected Optionee and the Exchange, including any shareholder approval required by the Exchange. For greater certainty, Disinterested Shareholder Approval is required for any reduction in the exercise price of an Option if the Optionee is an Insider at the time of the proposed amendment.

### **7.2 Amendment Subject to Approval**

If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

## **ARTICLE 8 miscellaneous**

### **8.1 No Rights as Shareholder**

Nothing in this Plan or any Option shall confer upon an Optionee any rights as a shareholder of the Corporation with respect to any of the Common Shares underlying an Option unless and until such Optionee shall have become the holder of such Common Shares upon exercise of such Option in accordance with the terms of the Plan.

### **8.2 No Right to Employment**

Nothing in this Plan or any Option shall confer upon an Optionee any right to continue in the employ of the Corporation or any Affiliate or affect in any way the right of the Corporation or any Affiliate to terminate the Optionee's employment, with or without cause, at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any Affiliate to extend the employment of any Optionee beyond the time which the Optionee would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or any Affiliate, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or any Affiliate.

### **8.3 Governing Law**

This Plan, all option agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Common Shares hereunder upon exercise of Options shall be, as applicable, governed by and construed in accordance with the Laws of the Province of British Columbia and the federal Laws of Canada applicable therein. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.

**Schedule "H"**  
**Blender Distribution Agreement – Tree of Life**  
(see attached)



## DISTRIBUTION AGREEMENT

This distribution agreement entered into on the SEPT 06, 2018 (enter date) by and between: BLUNDER BITES (enter vendor name), hereinafter referred to as "CLIENT".

And

TREE OF LIFE CANADA, ULC, an unlimited liability company incorporated under the laws of Alberta, hereinafter referred to as "DISTRIBUTOR".

WITNESSETH THAT:

1. CLIENT hereby grants to DISTRIBUTOR exclusive rights to promote, sell and distribute CLIENT products as listed in Schedule A (hereinafter called the "PRODUCTS"), within the territory of Canada (hereinafter referred to as TERRITORY).
2. CLIENT undertakes that neither it nor any of its associated companies, subsidiaries or licensees, nor any of its distributors shall, directly or indirectly, offer for sale, and ship or export any of the PRODUCTS in the TERRITORY.
3. DISTRIBUTOR undertakes to use commercially reasonable best efforts to promote the sale of the PRODUCTS in a manner beneficial to both parties, with a view to building up a long-term relationship with customers.
4. CLIENT shall sell, and DISTRIBUTOR shall purchase, the PRODUCTS at the prices specified in CLIENT'S price list in effect at the time DISTRIBUTOR'S order is received.
5. All prices for PRODUCTS shall be subject to change by CLIENT at any time on twenty (20) weeks prior written notice with proper commodity breakdown information. A minimum of twenty (20) weeks' notice is required with the exception of traditional Christmas season blackout periods which preclude price increase notices at major accounts in December and January. In the event of a cost decrease, price protection of existing floor stock is required. DISTRIBUTOR will debit CLIENT for the change in lost inventory value.
6. In the event of a recall or product withdrawal of any of the PRODUCTS, the CLIENT agrees to indemnify for any amounts owing by DISTRIBUTOR to third parties as a result of such a recall or withdrawal, including any administrative or laboratory costs, fee's or fines associated with this action, by CLIENT or account. The CLIENT shall also reimburse DISTRIBUTOR for any government-required laboratory testing completed prior to launch, at the request of the government or CLIENT, or in response to customer complaint.



7. The term of this Agreement shall be from [REDACTED] and shall be automatically renewed for an additional period of Twelve (12) months if neither party gives written notice. If for any reason, either party decides to terminate this contract, agreement or partnership, ninety (90) days written notice must be provided. In this event, any remaining inventory that is in good merchantable condition in any DISTRIBUTOR warehouse will be handled in a way that is mutually agreed upon between DISTRIBUTOR and SUPPLIER. In certain cases it may be best suited for inventory to be sold down/suitably discounted until stock is depleted. In other cases it may be best suited for inventory to be picked up. There are options to handle inventory which will be mutually agreed upon between DISTRIBUTOR and CLIENT however DISTRIBUTOR shall be reimbursed for full landed costs/value plus 5% paid to DISTRIBUTOR in cases where inventory is picked up or value plus 5% paid for inventory sold down/dischanted below this cost.
8. Inventory errors related to vendor issues are subject to charges of landed cost/value, plus the identified percentage below, to cover warehouse and labour costs or associated with inventory management.
- Vendor delivers to the retailer, non-frozen: Moving Average Cost + 5%
  - Vendor delivers to the retailer, frozen: Moving Average Cost + 7%
  - Tree of Life delivers to the retailer, non-frozen: Moving Average Cost +8%
  - Tree of Life delivers to the retailer, frozen: Moving Average Cost +10%
9. CLIENT shall maintain a fill rate of 98% or higher on a consistent basis, measured by each purchase order. CLIENT must provide DISTRIBUTOR with written explanation on any item that is a long term out of stock. Long term defined as in excess of 14 days. DISTRIBUTOR will share this explanation with key accounts. Notwithstanding any explanation, CLIENT must meet fill rate requirements. The CLIENT will be held financially liable for any fines or deductions that are a result of CLIENT short shipments or out of stocks.
10. CLIENT represents and warrants that the products shall not be adulterated and shall comply with all applicable laws in the TERRITORY. CLIENT further warrants that the PRODUCTS shall not infringe on the intellectual property rights of any third party. CLIENT shall defend, indemnify and hold DISTRIBUTOR harmless from any claims, actions, liability or damages that result from (1) the sale and distribution of the PRODUCTS, (2) the negligence of CLIENT, or (3) CLIENTS breach of this agreement or any warranties herein. Notwithstanding the foregoing, the provisions herein shall not apply to the extent the same is caused by the negligence or willful misconduct of DISTRIBUTOR.
11. DISTRIBUTOR requests that all products have, at minimum, a production code on both the outside shipping case and on the product itself. CLIENT must provide DISTRIBUTOR with details on how to read the production code. CLIENT must provide DISTRIBUTOR, in writing, for all products, both the total product shelf life and the guaranteed minimum shelf life that will exist on delivery of the goods. The guaranteed shelf life of a product must never be less than 80% of the total production shelf life. If the product is received

with less than 80% of the total product shelf life any discounts the DISTRIBUTOR must take in order to sell the product will be billed back to the CLIENT accordingly.

12. If applicable, DISTRIBUTOR requires on file a copy of the CLIENT'S current Organic, and/or Kosher, and/or Gluten-Free, and/or non-GMO Certificate(s) certified by an accredited certifier and listing all-inclusive items by name. The Certification(s) must be updated yearly.
13. CLIENT must meet minimum insurance coverage requirements as outlined in the new item set up process and provide updated copies each year to the DISTRIBUTOR.
14. Internal third party factory audit certificates and safety accreditations must be made available to the DISTRIBUTOR.
15. If applicable, certification that packaging is of food grade quality must be made available to the DISTRIBUTOR.
16. The CLIENT shall bear the responsibility for all INITIAL (approximately \$200-\$250 CDN per sku currently) AND ANNUAL (approximately \$25-\$30 per sku currently) costs associated with registration and maintenance of their products on the GS1 database. GS1 services include e-Commerce, web imaging, and nutritional imaging/data extraction, marketing images, planogram images, product dimensions/weight and a Barcode Scan Verification Report. UPC and packaging changes are also considered initial costs by GS1. Fees are subject to change, vendors will be notified as soon as Tree of Life is made aware of any changes.
17. CLIENT must reimburse DISTRIBUTOR for any agreed to listing fees to gain distribution at specified accounts and shall be paid by cheque or wire transfer upon deduction or invoice by customer.
18. CLIENT agrees that pre-approved manufacturer charge backs (MCB's) are due upon receipt by the agreed upon payment method. Any outstanding pre-approved MCB's not paid within 60 days will be automatically deducted. MCB's are to be paid in CAD funds; free goods, as a policy, is not acceptable payment of bill backs.
19. CLIENT agrees to pay stewardship fees either directly or to be billed back by DISTRIBUTOR.
20. CLIENT agrees to pay for samples for launch either directly or to be billed back by DISTRIBUTOR.
21. Any dispute concerning the application, interpretation or termination of the present Agreement is to be resolved according to the procedures for arbitration as set out by Canadian and Ontario Laws.

22. All amendments or modifications of the provisions of the Agreement shall be void unless duly executed in writing by an authorized representative of the parties hereto.

**IN WITNESS WHEREOF THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE DULY EXECUTED AS OF THE DAY AND THE YEAR FIRST WRITTEN ABOVE.**

Per:

Per:



Name: *Savel Hoster*  
Title: *Sr Dir Natural/Org.*  
Tree of Life Canada, ULC.

Name: *CHRISTIE FURNE*  
Title: *CEO*  
Client Name: *BLENDER BITES*

Schedule A: PRODUCTS

*You may list products covered under the agreement or simply attach a current price list.*



**Schedule "I"**  
**Blender Supplier Agreement – Horizon**  
(see attached)

## 7. Safe Food for Canadians

### **REQUIRED: Food products imported into Canada**

On January 15, 2019, the [Safe Food for Canadians Act \(SFCA\)](#) and the [Safe Food for Canadians Regulations \(SFCR\)](#) became effective.

As a [license holder](#) who [imports food](#), we are required to comply with Canada's Safe Food for Canadians Regulations.

All food items we import must be **manufactured, prepared, stored, packaged and labelled** under the same level of protection as that provided by provisions **47-81** at <http://inspection.gc.ca/food/sfcr/general-food-requirements-and-guidance/preventive-controls-food-businesses/regulatory-requirements-preventive-controls/eng/1524581767630/1524581834894?chap=0#s3c3>

Please refer to the link above and confirm that your organization's ongoing compliance with the *Safe Food for Canadians Regulations* requirements:

**3.0 Hazards identification, analysis, and control measures.** Sections 47 & 48

**4.0 Conditions of the establishment.** Sections 56 to 71

**5.0 Sanitation, pest control and non-food agents.** Sections 50 to 52

**6.0 Conveyances or equipment.** Sections 53 to 55

**7.0 Loading, unloading, and storage.** Sections 72 to 74

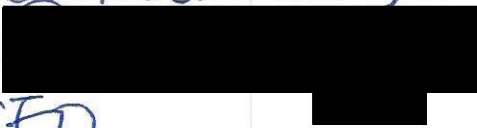
**8.0 Competency.** Section 75

**9.0 Hygiene.** Sections 76 to 81

Company BLENDER BITES

Date MARCH 19 / 2021

Signature



Title

CEO

## Next steps...

We are eager to work collaboratively with our supplier partners. Supplier, distributor and broker all have shared goals – to build the sales and profile of our brands and develop long-term, effective relationships amongst each other and with our valued customers. In order to carry this out, all parties need to establish common goals.

**Please bear in mind that supplier shorts will have a negative impact on sales targets and retail relationships. We strive to provide a consistent 96% or better in stock rate to our valued retail partners.**

All information including but not limited to pricing, margins, promotional activity, purchasing, sales and marketing activity that is exchanged or discussed between distributor and supplier shall remain confidential and may not be shared with other parties without prior written consent.

Thank you for listing your line with us. We look forward to building your brand.

### New Product Samples agreement: (please choose one option)

1. The supplier authorizes 60 units per SKU to be pulled from each facility's opening order and billed back at 100% landed cost via a deduction from each distribution facility's first payment to the supplier.
  2. The supplier will provide 60 units per SKU at no charge to each distribution facility by adding them to the opening order.
  3. The supplier will send 60 units per SKU directly to each distribution facility, apart from the initial order, at no cost to us. If this option is chosen, we require the samples to arrive **before** the arrival date of the opening order.
- If none of the above options are ticked, 60 units per SKU will be pulled automatically from the opening order and billed back to the supplier at landed cost via debit memo from first invoice payment.

### Payment Terms (please check one)

Terms must be equivalent to any and all other distributors who list your brand.

2% net 10

net 30

### Agreement

I, CHELIE HODGE, representing BLUENOSE BITES of BLUENOSE BRAND,  
certify that I have read, understood and agree to appoint Horizon Grocery + Wellness, ONFC Grocery + Wellness and/or PSC (please circle all that apply) as a distributor of my brand for distribution within all classes of trade. I understand, agree and will abide by the policies noted in this document.

**Schedule “J”**

**Blender Manufacturing Certificates – Original Foods**

(SQF Certificate, SFCR License, Organic Certificate, Approval of Labeling)

(see attached)



NSF Certification, LLC  
 789 Dixboro Rd.  
 Ann Arbor, MI 48105

# Certificate Of Registration

## Original Foods Ltd - Dunnville

701 Broad Street  
 Dunnville Ontario N1A 1H2 Canada

is registered as meeting the requirements of the:

## SQF Food Safety Code for Manufacturing Edition 8.1

<b>Certification Details:</b>	
Date of Decision: Sep 30, 2020	Date of Expiry: Oct 10, 2021
Date of Audit: Aug 20, 2020	Date of Next Audit: Jul 27, 2021
Certificate Number: 639741	Certification Type: Recertification

### Registration Schedule:

Scope of Registration (*Food Sector Categories*): 17 Confectionary Manufacturing

Certified Products: confectionery (cotton candy, caramel, kisses, hard candy, and marshmallows)

Scope of Registration (*Food Sector Categories*): 18 Preserved Foods Manufacture

Certified Products: Syrups, beverage bases, toppings, spreads, glaze, fondant, pie filling, confit, and Condiments (Ketchup, Mayonnaise, Sauces)



*Tom Chestnut*

Tom Chestnut  
 Vice President & Chief Operating Officer

Authorized by

*Sarah Krol*

Sarah Krol  
 Senior Managing Director, Global Supply Chain

Issuing Officer



**SAFE FOOD FOR CANADIANS ACT  
RECORD OF LICENCE**

**LOI SUR LA SALUBRITÉ DES ALIMENTS AU CANADA  
REGISTRE DE LICENCE**

Licence Holder: Original Foods Limited  
701 BROAD STREET EAST, DUNNVILLE,  
ONTARIO, N1A1H2, CANADA

Titulaire de licence : Original Foods Limited  
701 BROAD STREET EAST, DUNNVILLE,  
ONTARIO, N1A1H2, CANADA

Licence number: **6NV3GDYP**

Numéro de licence : **6NV3GDYP**

Date of issuance  
or renewal: **2019-02-27**

Date de délivrance  
ou renouvellement : **2019-02-27**

Date of expiry: **2023-02-27**

Date d'expiration : **2023-02-27**

This licence is limited to the activities, foods and establishment locations for which it was issued, renewed or amended.

Cette licence est limitée aux activités, aux aliments et aux emplacements des établissements pour lesquels elle a été délivrée, renouvelée ou modifiée.

Information on the activities, foods, establishment locations and status of the licence can be provided by the licence holder.

Des renseignements sur les activités, les aliments, les emplacements des établissements et l'état de la licence peuvent être fournis par le titulaire de la licence.



# Certificate

ORGANIC PRODUCTS N° CA-196964-Z-215379-2021

Ecocert Canada hereby confirms that :

## ORIGINAL FOODS LIMITED

701 Broad Street East, Dunnville, Ontario, N1A 1H2, CANADA

has been audited and certified according to the certification scheme:

**Canada Organic Regime (COR) \***



For production steps / activities:  
PROCESSOR

Certificate issued on June 23, 2021

**Ecocert Canada**  
4060 Boulevard Guillaume Couture, LOCAL 201, Levis, Quebec,  
G6W 6N2, Canada  
[www.ecocertcanada.com](http://www.ecocertcanada.com)

A handwritten signature in black ink that reads 'S. Houle'.

**Anniversary date : November 26, 2021**  
when the certified operation must request another annual inspection

Initial certification date : March 6, 2020  
The last audit took place on February 26, 2021



# Annex to the certificate

ORGANIC PRODUCTS N° CA-196964-Z-215379-2021



## ORIGINAL FOODS LIMITED

### Canada Organic Regime (COR) \*

Products certified for the trademark : **Blender Bites**

PRODUCT(S)	DEFINED AS	ADDITIONAL EQUIVALENCES ( [X] : in compliance )		
		CARTV (1)	CAN-US (2)	CAN-UE (3)
> Superfood pucks for smoothies - Green D-Tox	Organic		X	X
> Superfood pucks for smoothies - Greens and Berries	Organic		X	X
> Superfood pucks for smoothies - Greens and Tropicals	Organic		X	X
> Superfood pucks for smoothies - Power Berries	Organic		X	X
> Superfood pucks for smoothies - Vita Smoothie - Peach Raspberry Banana	Organic		X	X
> Superfood pucks for smoothies - Vita Smoothie - Peach Raspberry	Organic		X	X

- (1) Québec Organic Designation Specification Manual (CARTV).
- (2) Certified in compliance with the terms of the U.S.-Canada Organic Equivalency Arrangement (USCOEA).
- (3) European Union - Canada Organic Equivalency Arrangement (EUCOEA).

Certificate issued on June 23, 2021

#### Ecocert Canada

4060 Boulevard Guillaume Couture, LOCAL 201, Levis, Quebec, G6W 6N2, Canada

[www.ecocertcanada.com](http://www.ecocertcanada.com)

Z001(COR)v02en

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\* pursuant to Part 13 of the Safe Food for Canadians Regulations (SFCR), the standards CAN/CSGB 32.310 - General Principles and Management Standards and the CAN/CSGB 32.311- Permitted Substances Lists and/or CAN/CSGB 32.312 Organic Production Systems Aquaculture General principles, management standards and permitted substances lists.

This certification remains valid unless suspended or cancelled by ECOCERT CANADA pursuant to Part 13 of the SFCR.

This document authorizes the use of the ECOCERT CANACA reference on the labels of the certified products.



SCAN ME

Access this up-to-date official certificate



# Annex to the certificate

ORGANIC PRODUCTS N° CA-196964-Z-215379-2021



## ORIGINAL FOODS LIMITED

### Canada Organic Regime (COR) \*

Products certified for the trademark : Broya

PRODUCT(S)	DEFINED AS	ADDITIONAL EQUIVALENCES ( [X] : in compliance )		
		CARTV (1)	CAN-US (2)	CAN-UE (3)
> Beef bone broth: Parsley & cumin	Organic		X	X
> Beef bone broth: Tomato & smoked paprika	Organic		X	X
> Chicken bone broth: Classic chicken	Organic		X	X
> Chicken bone broth: Sriracha & chili	Organic		X	X
> Chicken bone broth: Turmeric & ginger	Organic		X	X

- (1) Québec Organic Designation Specification Manual (CARTV).
- (2) Certified in compliance with the terms of the U.S.-Canada Organic Equivalency Arrangement (USCOEA).
- (3) European Union - Canada Organic Equivalency Arrangement (EUCOEA).

Certificate issued on June 23, 2021

#### Ecocert Canada

4060 Boulevard Guillaume Couture, LOCAL 201, Levis, Quebec, G6W 6N2, Canada

[www.ecocertcanada.com](http://www.ecocertcanada.com)

Z001(COR)v02en

Page 3/5

\* pursuant to Part 13 of the Safe Food for Canadians Regulations (SFCR), the standards CAN/CSGB 32.310 - General Principles and Management Standards and the CAN/CSGB 32.311- Permitted Substances Lists and/or CAN/CSGB 32.312 Organic Production Systems Aquaculture General principles, management standards and permitted substances lists.

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This document authorizes the use of the ECOCERT CANACA reference on the labels of the certified products.



SCAN ME

Access this up-to-date official certificate

# Annex to the certificate

ORGANIC PRODUCTS N° CA-196964-Z-215379-2021



## ORIGINAL FOODS LIMITED

### Canada Organic Regime (COR) \*

Products certified for the trademark : **Good Food For Good**

PRODUCT(S)	DEFINED AS	ADDITIONAL EQUIVALENCES ( [X] : in compliance )		
		CARTV (1)	CAN-US (2)	CAN-UE (3)
> BBQ Sauce - Classic	Organic		X	X
> BBQ Sauce - Sweet & Spicy	Organic		X	X
> Ketchup	Organic		X	X
> Sauce - Butter Chicken	Organic		X	X
> Sauce - Coconut Curry	Organic		X	X
> Sauce - Spicy Taco	Organic		X	X
> Sauce - Taco	Organic		X	X
> Sauce - Tikka Masala	Organic		X	X
> Spicy Ketchup	Organic		X	X

- (1) Québec Organic Designation Specification Manual (CARTV).
- (2) Certified in compliance with the terms of the U.S.-Canada Organic Equivalency Arrangement (USCOEA).
- (3) European Union - Canada Organic Equivalency Arrangement (EUCOEA).

Certificate issued on June 23, 2021

#### Ecocert Canada

4060 Boulevard Guillaume Couture, LOCAL 201, Levis, Quebec, G6W 6N2, Canada

[www.ecocertcanada.com](http://www.ecocertcanada.com)



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Access this up-to-date official certificate

# Annex to the certificate

ORGANIC PRODUCTS N° CA-196964-Z-215379-2021



## ORIGINAL FOODS LIMITED

### Canada Organic Regime (COR) \*

Covered production site(s) :

> 701 Broad Street East, Dunnville, Ontario, N1A 1H2, CANADA

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Certificate issued on June 23, 2021

#### Ecocert Canada

4060 Boulevard Guillaume Couture, LOCAL 201, Levis, Quebec, G6W 6N2, Canada

[www.ecocertcanada.com](http://www.ecocertcanada.com)

Z001(COR)v02en

Page 5/5

\* pursuant to Part 13 of the Safe Food for Canadians Regulations (SFCR), the standards CAN/CSGB 32.310 - General Principles and Management Standards and the CAN/CSGB 32.311- Permitted Substances Lists and/or CAN/CSGB 32.312 Organic Production Systems Aquaculture General principles, management standards and permitted substances lists.

This certification remains valid unless suspended or cancelled by ECOCERT CANADA pursuant to Part 13 of the SFCR.

This document authorizes the use of the ECOCERT CANACA reference on the labels of the certified products.



SCAN ME

Access this up-to-date official certificate

Original Foods Limited  
 701 Broad Street East  
 Dunnville N1A 1H2 Ontario  
 CANADA

Done on 23.06.2021

ECOCERT CANADA hereby confirms that the following label(s) are approved under the scope described in the table.

Product name	Brand Name	Characteristics	Country of Product Destination	Condition / Comments
Smoothie pucks: - Green D-Tox - Vita Smoothie - Peach Raspberry Banana - Power Berries	Blender Bites	<u>SCOPE OF USE:</u> <input checked="" type="checkbox"/> Organic <input type="checkbox"/> 70-95% organic  <u>USE OF THE CANADA ORGANIC LOGO:</u> <input type="checkbox"/> Imported Product <input checked="" type="checkbox"/> Product of Canada or processed in Canada <input type="checkbox"/> N/A (logo not used)	Canada	

**Note:**

- This validation is not related to the verification of other provincial or federal (CFIA) government criteria that could apply (ex. nutritional fact, lot #...) nor other claims added to the label (ex. gluten free, 100 % pure, no GMO...).
- This validation does not guarantee the verification of the translation and the spelling.
- Approved labels can only be used if the applicant holds an organic certificate issued by Ecocert Canada for the product mentioned on the application.
- This document belongs to ECOCERT CANADA and has to be returned on request.

Thierry Quevillon  
 Product and label approval technician

Form's number	Last update
LT033v03	2019-10-31

no added sugar | gluten free | organic | soy free | plant based  
 sans sucre ajouté | sans gluten | biologique | sans soya | à base de plantes

tear to open  
 déchirer pour ouvrir

no inner plastic  
 pas d' plastique à l'intérieur



**green d•tox™**

**mango + coconut + banana**  
 with greens, fiber & source of vitamins

**mangue + noix de coco + banane**  
 avec légumes verts, fibre et source de vitamines

**one step smoothie puck**  
**rondelle de smoothie**  
**en une étape**



**540 g**


product enlarged to show texture  
 produit agrandi pour montrer la texture


**keep frozen**  
**garder congelé**

Form's number	Last update
LT033v03	2019-10-31

**green d•tox™** one step smoothie puck  
rondelle de smoothie en une étape

no inner plastic | pre portioned | no stevia pas de plastique à l'intérieur | pré-portionné | sans stevia





DATE STAMP  
GOES HERE

**Nutritional Facts  
Valeur nutritive**


Per 2 Pucks (180 g)  
pour 2 rondelles (180 g)  
Servings Per Container 3  
Portions par contenant 3

	% Daily Value*
<b>Calories 200</b>	
<b>Fat / Lipides 6 g</b>	8%
Saturated / saturés 4 g	20%
+ Trans / trans 0 g	
Omega-3 / oméga-3 0.5 g	
<b>Carbohydrate / Glucides 33 g</b>	
Fibre / Fibres 4 g	14%
Sugars / Sucres 27 g	27%
<b>Protein / Protéines 3 g</b>	
<b>Cholesterol / Cholestérol 0 g</b>	
<b>Sodium 15 g</b>	1%
<b>Potassium 350 mg</b>	7%
<b>Calcium 50 mg</b>	4%
<b>Iron / Fer 3.5 mg</b>	19%
<b>Vitamin A / Vitamine A 300 mcg</b>	33%
<b>Vitamin C / Vitamine C 72 mg</b>	80%
<b>Vitamin D / Vitamine D 6 mcg</b>	30%
<b>Vitamin E / Vitamine E 4.5 mg</b>	30%
<b>Vitamin K 44 mcg</b>	37%
<b>Thiamine 0.5 mg</b>	42%
<b>Riboflavin / Riboflavine 0.65 mg</b>	50%
<b>Niacin / Niacine 5 mg</b>	31%
<b>Vitamin B<sub>6</sub> / Vitamine B<sub>6</sub> 0.75 mg</b>	44%
<b>Folate 120 mcg DFE / EFA</b>	30%
<b>Biotin / Biotine 9.5 mcg</b>	32%
<b>Pantothenate / Pantothénate 2 mg</b>	40%
<b>Magnesium / Magnésium 15 mg</b>	4%
<b>Zinc 0.1 mg</b>	1%
<b>Manganese / Manganèse 0 mg</b>	0%

\* % Daily Value is based on a diet of other people's secrets.  
\* % au moins c'est pas, 10% ou plus c'est beaucoup


**simplify your smoothie!**

snack / collation




+  
1/2 cup / 160 ml  
water / eau\*

meal / repas



+  
1 1/2 cup / 320 ml  
water / eau\*

optional / optionnel



\*or liquid of choice / liquide au choix


**blender bites™ smoothie recipe / recette de smoothie**

<p><b>green protein smoothie</b> 2 pucks 1 scoop protein powder 320 ml milk alternative blend and enjoy!</p>	<p><b>smoothie green d•tox</b> 2 rondelles 1 cuillère de poudre de protéine 320 ml d'alternative au lait mélangez et savourez!</p>
--	--


\* for other recipe ideas and how to use without a blender check out our website  
pour d'autres idées de recettes et comment utiliser sans mélangeur, consultez notre site Web

**Ingredients:** (Organic\*) Mango\*, Banana\*, Apple\*, Coconut Milk\* (Coconut\*, Water), Filtered Water, Dates, Black Chia Seed\*, Greens Blend\* (Barley Grass\*, Spirulina\*, Wheatgrass\*, Broccoli\*, Chlorella\*, Kale\*, Spinach\*), Whole Food Nutrients Derived From (spinach, broccoli, carrot, beet, tomato, shiitake mushroom, apple, cranberry, cherry, orange, blueberry, strawberry). Made In A Peanut Free Facility.

**Ingrédients:** (Biologique\*) Mangue\*, Banane\*, Pomme\*, Lait De Coco\* (Coco\*, Eau), Eau Filtrée, Dattes\*, Graines De Chia Noires\*, Mélange De Verdures\* (Herb D'orge\*, Spiruline\*, Herbe De Bœuf\*, Brocoli\*, Chlorella\*, Chou Frisé\*, Épinard\*), Nutriments Alimentaires Entières Dérivés De (épinards, brocoli, carotte, betterave, tomate, champignon shiitake, pomme, canneberge, cerise, orange, bleuet, fraise). Fabriqué Dans Un Établissement Sans Arachides.



6 28504 94645 9



@blenderbites

Blender Bites  
Vancouver, BC V6C 3R3  
www.blenderbites.com

Made in Canada with domestic and imported ingredients /  
Fabriqué au Canada à partir d'ingrédients canadiens et importés  
Certified Organic by / Certifié biologique par: Ecocert Canada 196984

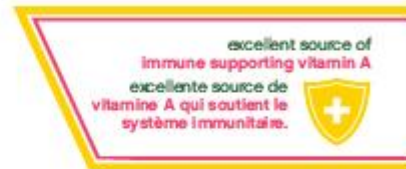
Form's number LT033v03	Last update 2019-10-31
---------------------------	---------------------------



**no added sugar** | **gluten free** | **organic** | **soy free** | **plant based**  
**sans sucre ajouté** | **sans gluten** | **biologique** | **sans soya** | **à base de plantes**

tear to open  
déchirer pour ouvrir

no inner plastic  
pas de plastique à l'intérieur



## vita • smoothie™



**peach + raspberry + banana**  
contains 15 essential vitamins and minerals

**pêche + framboise + banane**  
avec 15 vitamines et minéraux essentiels

one step **smoothie puck**  
**rondelle de smoothie**  
en une étape



**540 g**

product enlarged to show texture  
produit agrandi pour montrer la texture

keep frozen  
garder congelé

Form's number	Last update
LT033v03	2019-10-31

**vita • smoothie™** one step smoothie puck  
rondelle de smoothie en une étape

no inner plastic | pre-portioned | no stevia pas de plastique à l'intérieur | pré-portionné | sans stevia

DATE STAMP  
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**simplify your smoothie!**

**snack / collation**

**1/2 cup / 160 ml  
water / eau\***

**meal / repas**

**1 1/2 cup / 320 ml  
water / eau\***

**optional / optionnel**

**\*or liquid of choice / liquide au choix**

**blender bites™ smoothie recipe / recette de smoothie**

<p style="text-align: center; color: #e91e63;"><b>vita-smoothie for kids</b></p> <p style="text-align: center; font-size: x-small;">1 puck 1/2 banana 160 ml orange juice blend and enjoy!</p>	<p style="text-align: center; color: #e91e63;"><b>vita-smoothie pour les enfants</b></p> <p style="text-align: center; font-size: x-small;">1 rondelle 1/2 banane 160 ml du jus d'orange mélangez et savourez!</p>
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\* for other recipe ideas and how to use without a blender check out our website  
pour d'autres idées de recettes et comment utiliser sans mélangeur, consultez notre site Web

**Ingredients: (Organic)\*** Peach\*, Banana\*, Apple\*, Strawberry\*, Raspberry\*, Black Chia Seed\*, Whole Food Nutrients Derived From (spinach, broccoli, carrots, beets, tomato, shiitake mushroom, apple, cranberry, cherry, orange, blueberry, strawberry), Acerola Powder\*, Natural Flavours, Beet Juice Powder\*. Made in A Peanut Free Facility

**Ingrédients: (Biologique)\*** Pêche\*, Banane\*, Pomme\*, Fraises\*, Framboises\*, graines De Chia Noire\*, Nutriments Alimentaires Entiers Dérivés De (épinards, brocoli, carotte, betterave, tomate, champignon shiitake, pomme, canneberge, cerise, orange, bleuets, fraise), Poudre d'acérola\*, Savour Naturel, Poudre de jus de betterave\*. Fabriqué Dans Un Établissement Sans Arachides.

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**@blenderbites**

Blender Bites  
Vancouver, BC V6C 3R3  
www.blenderbites.com

Made in Canada with domestic and imported ingredients /  
Fabriqué au Canada à partir d'ingrédients canadiens et importés  
Certified Organic by / Certifié biologique par: Ecocert Canada 196984

<b>Nutritional Facts Valeur nutritive</b>	
Per 2 Pucks (180 g) pour 2 rondelles (180 g)	
Servings Per Container 3 Portions par contenant 3	
Calories 140	
<b>Fat / Lipides</b> 03 g	<b>% Daily Value*</b>
Saturated / saturés 0 g	1 %
+ Trans / trans 0 g	0 %
<b>Carbohydrate / Glucides</b> 32 g	
Fibre / Fibres 2 g	7 %
Sugars / Sucres 27 g	27 %
<b>Protein / Protéines</b> 2 g	
<b>Cholesterol / Cholestérol</b> 0 g	
<b>Sodium</b> 15 g	1 %
<b>Potassium</b> 500 mg	11 %
<b>Calcium</b> 30 mg	2 %
<b>Iron / Fer</b> 1.75 mg	10 %
<b>Vitamin A / Vitamine A</b> 700 mcg	78 %
<b>Vitamin C / Vitamine C</b> 114 mg	127 %
<b>Vitamin D / Vitamine D</b> 15 mcg	75 %
<b>Vitamin E / Vitamine E</b> 11.5 mg	77 %
<b>Vitamin K</b> 103 mcg	85 %
<b>Thiamine</b> 1.1 mg	92 %
<b>Riboflavin / Riboflavine</b> 1.35 mg	104 %
<b>Niacin / Niacine</b> 12 mg	75 %
<b>Vitamin B<sub>6</sub> / Vitamine B<sub>6</sub></b> 1.65 mg	97 %
<b>Folate</b> 310 mcg DFE / ÉFA	78 %
<b>Biotin / Biotine</b> 23.5 mcg	78 %
<b>Pantothenate / Pantothénate</b> 4.5 mg	80 %
<b>Magnesium / Magnésium</b> 15 mg	4 %
<b>Manganese / Manganèse</b> 3.45 mg	150 %

\* % Daily Value is based on a diet of other people's secrets.  
\* % de valeur quotidienne est basé sur un régime de secrets d'autres personnes.

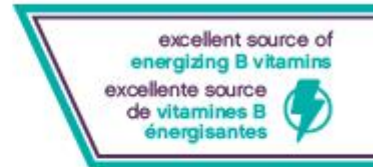
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no added sugar | gluten free | organic | soy free | plant based  
 sans sucre ajouté | sans gluten | biologique | sans soya | à base de plantes

tear to open  
déchirer pour ouvrir

no inner plastic  
pas de plastique à l'intérieur



**power•berry™**

strawberry + blueberry + blackberry  
with antioxidants, greens & source of vitamins

fraise + myrtille + mûre  
avec antioxydants, légumes verts  
et source de vitamines

one step smoothie puck  
rondelle de smoothie  
en une étape



**540 g**  
product enlarged to show texture  
produit agrandi pour montrer la texture

**keep frozen**  
garder congelé

Form's number	Last update
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# power•berry

one step smoothie puck  
rondelle de smoothie en une étape

no inner plastic | pre portioned | no stevia    pas de plastique à l'intérieur | pré-portionné | sans stevia

blender  
bites

DATE STAMP  
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## simplify your smoothie!

snack / collation

+  
2/3 cup / 160 ml  
water / eau\*

meal / repas

+  
1 1/2 cup / 320 ml  
water / eau\*

optional / optionnel

\*or liquid of choice / liquide au choix

blender bites\* smoothie recipe / recette de smoothie

power protein smoothie

2 pucks  
1 scoop protein powder  
320 ml milk alternative  
blend and enjoy!

smoothie protéiné puissant

2 rondelles  
1 cuillère à soupe de poudre de protéine  
320 ml d'alternative au lait  
mélangez et savourez!

• for other recipe ideas and how to use without a blender check out our website •  
 pour d'autres idées de recettes et comment utiliser sans mélangeur, consultez notre site Web

**Ingredients:** (Organic) Strawberry\*, Apple\*, Banana\*, Blueberry\*, Blackberry\*, Date\*, Filtered Water, Lemon Juice\*, Greens Blend\* (Barley Grass\*, Spirulina\*, Wheatgrass\*, Broccoli\*, Chlorella\*, Kale\*, Spinach\*), Natural Flavours, Whole food nutrients derived from (spinach, broccoli, carrots, beets, tomato, shiitake mushroom, apple, cranberry, cherry, orange, blueberry, strawberry), Acaiola Powder\*. Made in A Peanut Free Facility.

**Ingrédients:** (Biologique) Fraises\*, Pommes\*, Banane\*, Bleuets\*, Mûres\*, Dattes\*, Eau Filtrée, Jus de Citron\*, Mélange de Verdures\* (Herb D'orge\*, Spiruline\*, Herbe de Blé\*, Brocoli\*, Chlorella\*, Chou Frisé\*, Epinard\*), Saveurs Naturelles, Nutriments alimentaires entiers dérivés de (épinards, brocoli, carottes, betteraves, tomates, champignon shiitake, pomme, cranberry, cerise, orange bleuet, Fraises), Poudre d'açaïola\*. Fabriqué Dans Un Établissement Sans Arachides.

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f i t

**@blenderbites**

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Made in Canada with domestic and imported ingredients /  
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Certified Organic by / Certifié biologique par: Ecocert Canada 196984

**Nutritional Facts  
Valeur nutritive**

Per 2 Pucks (180 g)  
pour 2 rondelles (180 g)  
Servings Per Container 3  
Portions par contenant 3

Calories 150	% Daily Value*
<b>Fat / Lipides</b> 02 g	1%
Saturated / saturés 0 g	0%
+ Trans / trans 0 g	
<b>Carbohydrate / Glucides</b> 37 g	
Fibre / Fibres 1 g	4%
Sugars / Sucres 30 g	30%
<b>Protein / Protéines</b> 2 g	
<b>Cholesterol / Cholestérol</b> 0 g	
<b>Sodium</b> 15 g	1%
<b>Potassium</b> 450 mg	10%
<b>Calcium</b> 30 mg	2%
<b>Iron / Fer</b> 2.25 mg	13%
<b>Vitamin A / Vitamine A</b> 300 mcg	33%
<b>Vitamin C / Vitamine C</b> 42 mg	47%
<b>Vitamin D / Vitamine D</b> 6 mcg	30%
<b>Vitamin E / Vitamine E</b> 4.5 mg	30%
<b>Vitamin K</b> 48.5 mcg	40%
<b>Thiamine</b> 0.55 mg	46%
<b>Riboflavin / Riboflavine</b> 0.8 mg	62%
<b>Niacin / Niacine</b> 5 mg	31%
<b>Vitamin B<sub>6</sub> / Vitamine B<sub>6</sub></b> 0.9 mg	53%
<b>Folate</b> 120 mcg DFE / ÉFA	30%
<b>Biotin / Biotine</b> 10 mcg	33%
<b>Pantothenate / Pantothénate</b> 2.3 mg	46%
<b>Magnesium / Magnésium</b> 10 mg	2%
<b>Manganese / Manganèse</b> 5.7 mg	248%

\*5% or less is a little, 15% or more is a lot  
\*5% ou moins c'est peu, 15% ou plus c'est beaucoup

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