

Consolidated Financial Statements
(Expressed in Canadian Dollars)

RISE LIFE SCIENCE CORP.

Years ended November 30, 2020 and 2019

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of RISE Life Science Corp.:

Opinion

We have audited the consolidated financial statements of RISE Life Science Corp. and its subsidiaries (together the "Company"), which comprise the consolidated statements of financial position as at November 30, 2020 and 2019 and the consolidated statements of net loss and comprehensive loss, consolidated statements of changes in shareholders' deficiency and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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(d) in the consolidated financial statements, which indicates that the Company incurred a comprehensive loss of \$3,133,088 during the year ended November 30, 2020 and has a deficit as at November 30, 2020 of \$48,206,529 and negative working capital of \$13,241,560. These conditions, along with other matters as set forth in Note 2(d), indicate a material uncertainty exists that may cast significant doubt on the ability of the Company 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 the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits and remain alert for indications that the other information 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 in this auditor's report. We have nothing to report in this regard.

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

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 John C. Sinclair.

Baker Tilly WM LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
March 30, 2021

RISE LIFE SCIENCE CORP.

Consolidated Statements of Financial Position

As at November 30, 2020 and 2019
Expressed in Canadian Dollars

	Note	2020	2019
Assets			
Current assets:			
Cash		\$ 69,063	\$ 254,170
Restricted cash	10b(iv)	-	1,925,000
Accounts receivable	4	98,819	74,251
Prepaid expenses		8,541	144,498
Inventory	5	3,136	58,375
Total current assets		179,559	2,456,294
Non-current assets:			
Property and equipment	6	77,875	115,840
Goodwill and intangible assets	7	-	592,100
		77,875	707,940
Total assets		\$ 257,434	\$ 3,164,234
Liabilities and Shareholders' Deficiency			
Current liabilities:			
Accounts payable and accrued liabilities	17, 18	\$ 2,787,952	\$ 2,152,742
Lease obligation		56,498	-
Secured promissory notes	10(a)	3,908,364	3,488,540
Convertible notes	10(b)	6,668,305	6,107,766
Total current liabilities		13,421,119	11,749,048
Non-current liabilities:			
Loan		40,000	-
Deferred charge		-	12,053
Convertible notes	10(b)	-	1,480,433
Total non-current liabilities		40,000	1,492,486
Shareholders' deficiency:			
Share capital	11	24,997,334	24,997,334
Contributed surplus		8,959,733	7,381,532
Warrants	11	1,019,370	2,592,546
Accumulated other comprehensive income (loss)		26,407	(44,788)
Accumulated deficit		(48,206,529)	(45,003,924)
Total shareholders' deficiency		(13,203,685)	(10,077,300)
Total liabilities and shareholders' deficiency		\$ 257,434	\$ 3,164,234
Going concern	2(d)		
Commitments and contingencies	16		
Subsequent events	19		

On behalf of the Board:

"Ashwath Mehra"
Director

"Scott Secord"
Director

RISE LIFE SCIENCE CORP.

Consolidated Statements of Net Loss and Comprehensive Loss

Years ended November 30, 2020 and 2019
Expressed in Canadian Dollars

	Note	2020	2019
Revenues			
Product sales and other income	12	\$ 31,791	\$ 974,269
Cost of sales			
Cost of sales	5	11,787	636,121
Gross Margin		20,004	338,148
Expenses			
Selling, general and administration	8	1,025,789	5,249,078
Finance	15	1,517,203	1,719,270
Foreign exchange loss (gain)		62,984	(5,682)
Stock based compensation	11(c)(d)	5,025	293,812
Write-off of equipment	6	8,321	26,653
Write-off of right-of-use asset	6	26,784	-
Impairment of intangible assets	7	-	181,793
Impairment of goodwill	7	578,181	-
		3,224,287	7,464,924
Net loss		\$ (3,204,283)	\$ (7,126,776)
Other comprehensive gain (loss)			
Currency translation differences		71,195	(29,120)
Comprehensive loss		\$ (3,133,088)	\$ (7,155,896)
Basic and diluted weighted average shares outstanding	11(e)	59,004,872	58,055,316
Basic and diluted loss per share		\$ (0.05)	\$ (0.12)

RISE LIFE SCIENCE CORP.

Consolidated Statements of Changes in Shareholders' Deficiency

Expressed in Canadian Dollars

	Note	Number of common shares	Share capital	Contributed surplus	Warrants	Other comprehensive Income (loss)	Accumulated deficit	Total deficiency
Balance, November 30, 2018		59,243,687	\$24,855,477	\$5,984,732	\$3,564,643	\$ (15,668)	\$(37,877,148)	\$ (3,487,964)
Net Loss							(7,126,776)	(7,126,776)
Other comprehensive (loss) income		-	-	-	-	(29,120)	-	(29,120)
Conversion of notes		1,066,665	141,857	-	-	-	-	141,857
Private placements		-	-	21,600	109,291	-	-	130,891
Expiry of warrants		-	-	1,081,388	(1,081,388)	-	-	-
Stock based compensation		-	-	293,812	-	-	-	293,812
Balance, November 30, 2019		60,310,352	\$24,997,334	\$7,381,532	\$2,592,546	\$ (44,788)	\$(45,003,924)	\$(10,077,300)
IFRS lease adoption							\$1,678	\$1,678
Adjusted balance, November 30, 2020		60,310,352	\$24,997,334	\$7,381,532	\$2,592,546	\$(44,788)	\$(45,002,246)	\$(10,075,622)
Net Loss							(3,204,283)	(3,204,283)
Other comprehensive (loss) income						71,195		71,195
Expiry of warrants		-	-	1,573,176	(1,573,176)	-	-	-
Stock based compensation		-	-	5,025	-	-	-	5,025
Balance, November 30, 2020		60,310,352	\$24,997,334	\$8,959,733	\$1,019,370	\$ 26,407	\$(48,206,529)	\$(13,203,685)

RISE LIFE SCIENCE CORP.

Consolidated Statements of Cash Flows

Years ended November 30, 2020 and 2019

Expressed in Canadian Dollars

	2020	2019
Operating activities:		
Net loss for the year	\$ (3,204,283)	\$ (7,126,776)
Items not involving cash:		
Amortization and depreciation	69,573	52,768
Finance expense	1,433,693	1,189,757
Loss (gain) from foreign exchange	73,112	(5,682)
Stock based compensation	5,025	293,812
Impairment of right-of-use asset	26,784	
Impairment of intangible assets	-	181,793
Impairment of property and equipment	8,321	26,653
Impairment of goodwill	578,181	-
Write-off of inventory	51,725	40,864
Loss on disposal of property and equipment	-	2,750
Change in non-cash working capital balances:		
Restricted cash	-	(1,925,000)
Accounts receivable	(24,678)	363,461
Prepaid expenses	136,376	71,150
Inventory	4,116	114,925
Accounts payable and accrued liabilities	646,340	(399,591)
Deferred charge	(11,773)	12,047
Cash used in operating activities	(207,488)	(7,107,249)
Investing activities:		
Property and equipment acquired	-	(68,380)
Cash used in investing activities	-	(68,380)
Financing activities:		
Proceeds from debt financing	-	3,686,142
Release of restricted cash	1,925,000	-
Repayment of debt financing	(1,931,099)	(134,198)
Lease liability repayment	(11,859)	-
Proceeds from loan	40,000	-
Cash provided by financing activities	22,042	3,551,944
Change in cash due to foreign exchange	335	(306)
Decrease in cash	185,107	(3,623,991)
Cash, beginning of the year	254,170	3,878,161
Cash, end of the year	\$ 69,063	\$ 254,170

RISE LIFE SCIENCE CORP.

Notes to the Consolidated Financial Statements

Years ended November 30, 2020 and 2019

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1. Reporting Entity:

RISE Life Science Corp. (the "Company") is a company domiciled and incorporated in Canada. The address of the Company's registered office is 120 Adelaide Street West, Suite 2210, Toronto, Ontario M5H 1T1. The Company's common shares are publicly traded on the Canadian Securities Exchange. The Company developed medical and adult hemp-based formulations to create general use health and well-being products for the emerging consumer category made possible by the legalization of hemp in the United States pursuant to the Agricultural Improvement Act of 2018.

2. Basis of Preparation of the Consolidated Financial Statements:

(a) Statement of compliance

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

The consolidated financial statements were authorized for issue by the Board of Directors on March 30, 2021.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its wholly-owned subsidiaries, Jamaica-Blu Ltd, Rise Research Inc., Scout Assessment Corp., Rise Life Science (Colorado), LLC, Brand Max Inc. (doing business as Cultivate Kind) and Life Bloom Organics, LLC (the "Group").

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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Notes to the Consolidated Financial Statements

Years ended November 30, 2020 and 2019

Expressed in Canadian Dollars

2. Basis of Preparation of the Consolidated Financial Statements (continued):

(b) Basis of consolidation (continued)

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive loss to profit or loss or retained accumulated deficit, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(c) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments (note 3(b)) which are measured at fair value.

(d) Going concern

These consolidated financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. There are material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. As at November 30, 2020, the Company incurred a comprehensive loss of \$3,133,088, had negative cash outflows from operations since incorporation and has accumulated a deficit of \$48,206,529. The Company also had negative working capital of \$13,241,560.

On March 11, 2020, the World Health Organization categorized Covid-19 as a pandemic. This pandemic began causing significant financial market declines and social dislocation. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. The spread of COVID-19 may have a material impact to the Company in a variety of ways including but not limited to being able to raise capital, close upon select transactions and limit access to locations and business units across borders. The pandemic may also impact the ability of the Company's suppliers both now and in the future to deliver components or raw materials on a timely basis or at all. As at November 30, 2020, the Company assessed the possible impacts of COVID-19 on its financial results including evaluating its financial assets, plant and equipment and goodwill for impairment. The Company cannot estimate the length and gravity of the COVID-19 pandemic. The Company is continually monitoring and assessing new information and recommendations from health and government authorities as it becomes available, and will continue to respond accordingly.

Management has forecast that expected expenditure levels and contracted commitments will exceed the Company's net cash inflows and working capital during the coming year unless further financing is obtained. The Company's future operations are dependent upon its ability to secure additional funds. While the Company is striving to achieve these plans, there is no assurance that these and other strategies will be achieved, or such sources of funds will be available or obtained on favorable terms or obtained at all. Historically, the Company has obtained funding via the issuance of shares, warrants and long-term and/or convertible debt. If the Company cannot secure additional financing on terms that would be acceptable to it or otherwise generate product sales, the Company will have to consider additional strategic alternatives which may include, among other strategies, cost curtailments, delays of additional product launch and exploring the monetization of certain intangible assets, as well as seeking to license and/or divest assets or a merger, sale or liquidation of the Company. Any divestiture of assets would be subject to the satisfaction of obligations under the security interests described in note 10. In conjunction with Covid-19, there can be no assurance that these mitigating factors can be implemented even partly or in whole.

The ability of the Company to continue as a going concern and to realize the carrying amount of its assets and discharge its liabilities and commitments when due is dependent on many factors, including, but not limited to the successful completion of the actions taken or planned, some of which are described above, which are intended to mitigate the adverse conditions and material uncertainties that cast significant doubt about the validity of the going concern assumption used in preparing these consolidated financial statements. There can be no assurance that the Company

RISE LIFE SCIENCE CORP.

Notes to the Consolidated Financial Statements

Years ended November 30, 2020 and 2019

Expressed in Canadian Dollars

2. Basis of Preparation of the Consolidated Financial Statements (continued):

(d) Going concern (continued)

will be able to obtain sufficient financing to meet future operational needs or that the above described and other strategies will be sufficient to permit the Company to continue as a going concern.

These consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. Such adjustments, if any could be material. If the going concern basis was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying amounts of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used.

(e) Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is the Company's Canadian operation's functional currency and the overall presentation currency. The Company's U.S. operations have a functional currency of United States dollars. All financial information presented has been rounded to the nearest dollar except where indicated otherwise.

(f) Use of significant estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Areas where management has made critical judgements in the process of applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include what constitutes consideration versus remuneration, allocation of consideration to identifiable assets and liabilities, the commencement of the period of use of acquired intellectual property and reportable segments.

The determination of fair values to the net identifiable assets acquired in business acquisitions often require management to make assumptions or estimates about future events. Changes in any of the assumptions or estimates used in determining fair value of acquired assets and liabilities could impact the amount assigned to assets, liabilities and goodwill in the purchase price allocation.

Goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The assessment of fair values includes estimates and assumptions, discount rates, future operating performance and capital requirements. These estimates and assumptions are based on industry and historical practices as well as future expectations. Changes to these estimates or assumptions could impact the impairment analysis of goodwill.

Information about key assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year are included in the following notes to the consolidated financial statements:

- Note 3g: The measurement and period of use of intangible assets including patents and trademarks.
- Note 3 (l): The assumptions used to value the right-of-use asset and associated lease obligation upon the adoption of the lease standard under IFRS 16, Leases.
- Note 3i(ii): The assumptions and valuation technique used to estimate the value of share-based payment transactions.
- Note 7: The assumptions used to estimate the carrying value of goodwill and intangible assets.
- Note 10: The assumptions used to fair value the debt component, the conversion feature and associated warrants on initial recognition.
- Note 11: The assumptions used to value options and warrants issued.

RISE LIFE SCIENCE CORP.

Notes to the Consolidated Financial Statements

Years ended November 30, 2020 and 2019

Expressed in Canadian Dollars

3. Significant Accounting Policies:

(a) Foreign currency translation

Foreign currency transactions are translated into the entity's functional currency using exchange rates prevailing at the date of the transactions. All foreign currency denominated monetary assets and liabilities are translated to the functional currency using the prevailing rate of exchange at the statement of financial position. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at reporting date exchange rates are recognized in the consolidated statements of net loss and comprehensive loss.

Assets and liabilities of Rise Life Science (Colorado), LLC, Brand Max Inc. and Life Bloom Organics, LLC, having functional currencies of the US dollar, are translated to the Canadian dollar at the rate of exchange at the reporting date. Revenues and expenses are translated at average rates for the periods, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. The resulting foreign currency translation adjustments are recognized in other comprehensive loss.

(b) Financial instruments

Financial assets

Non-derivative financial assets are classified as "financial assets at fair value" (either through FVOCI or through FVPL), and "financial assets at amortized cost" as appropriate. The Company determines the classification of its financial assets at initial recognition based on the Company's business model and contractual terms of cash flows.

All financial assets are recognized initially at fair value plus, in the case of investments not at FVPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Where the fair values of financial assets recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values.

Financial assets at FVPL

Financial assets measured at FVPL include financial assets management intends to sell and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVPL are carried at fair value in the consolidated statements of financial position with changes in fair value recognized in finance expense in the consolidated statements of net loss and comprehensive loss.

Financial assets at FVOCI

Financial assets measured at FVOCI are non-derivative financial assets that are not held for trading and the Company has made an irrevocable election at the time of initial recognition to measure the assets at FVOCI.

After initial measurement, investments measured at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in other comprehensive income or loss in the consolidated statements of net loss and comprehensive loss. When the investment is sold, the cumulative gain or loss remains in accumulated other comprehensive income or loss and is not reclassified to profit or loss.

De-recognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the asset.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gains or losses reported in finance expense in the consolidated statements of net loss and comprehensive loss.

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Notes to the Consolidated Financial Statements

Years ended November 30, 2020 and 2019

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3. Significant Accounting Policies (continued):

(b) Financial instruments (continued)

Impairment of financial assets

The impairment model is applicable to financial assets measured at amortized cost where any expected credit losses (ECL) are provided for, irrespective of whether a loss event has occurred as at the reporting date. The Company's only financial assets subject to ECL are accounts receivable which are measured at amortized cost. The Company applies the simplified approach to estimating ECL as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized. The Company has measured the lifetime expected credit losses taking into consideration historical credit loss experience and financial factors specific to debtors and other relevant factors.

Financial liabilities

Non-derivative financial liabilities are measured at amortized cost, unless they are required to be measured at FVPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVPL. The Company's financial liabilities include accounts payable and accrued liabilities, secured promissory notes and convertible notes which are each measured at amortized cost.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

Financial liabilities at amortized cost

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized cost using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are an integral part of the EIR. The EIR amortization is included in finance expense in the consolidated statements of net loss and comprehensive loss.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gains or losses reported in finance expense in the consolidated statements of net loss and comprehensive loss.

(c) Share capital

Common voting shares are classified as equity. Incremental costs directly attributable to the issue of common voting shares are recognized as a deduction from equity, net of any tax effects.

(d) Warrants

Warrants are classified as equity. Incremental costs directly attributable to the exercise of warrants and related issue of common voting shares are recognized as a deduction from equity, net of any tax effects.

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Notes to the Consolidated Financial Statements

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3. Significant Accounting Policies (continued):

(e) Revenue recognition

Revenue from the sales of product is recognized when the contract has commercial substance and when control has been transferred, which is considered to occur when products have been delivered to the location specified in the sales contract and accepted by the customer. Revenue is measured based on the consideration specified in contracts, when they are present by taking into account any variation that may result from rights of return. In the case of other revenue, recognition occurs when services have been delivered and collection is reasonably assured.

(f) Fair value recorded as a result of business combinations or asset acquisitions

The determination of fair values to the net identifiable assets acquired in business combinations or asset acquisitions often require management to make assumptions or estimates about future events. Changes in any of the assumptions or estimates used in determining fair value of acquired assets and liabilities could impact the amount assigned to assets, liabilities and goodwill in the purchase price allocation.

(g) Inventory

Inventories of finished goods and packing materials are valued initially at cost and subsequently at the lower of cost and net realizable value. 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. Cost is determined using the weighted average cost basis. The Company reviews inventory for obsolete and slow-moving goods and any such inventory are written down to net realizable value.

(h) Property and equipment

(i) Recognition and measurement

Items of equipment are measured at cost less accumulated amortization and accumulated impairment losses. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment. The costs of the day-to-day servicing of property and equipment are recognized in the statement of net loss and comprehensive loss in the period in which they are incurred.

(ii) Amortization

Amortization is recognized in profit or loss over the estimated useful lives of each part of an item of property and equipment in a manner which most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Asset	Basis	Years
Computers and equipment	Straight-line	2-7
Machinery	Straight-line	3-7
Right-of-use asset	Straight-line	Lease term

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Notes to the Consolidated Financial Statements

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3. Significant Accounting Policies (continued):

(i) Intangible assets

(i) Patents and trademarks

Costs incurred for patents and trademarks are capitalized. Patents are amortized from the date of issuance on a straight-line basis over their respective legal lives or economic life, if shorter. Trademarks have an indefinite life and therefore are not amortized. Costs incurred in successfully obtaining a patent or trademark are measured at cost less accumulated amortization and accumulated impairment losses. The cost of servicing the Company's patents and trademarks is expensed as incurred.

(ii) Licenses

The Company's licenses were recorded at cost and amortized over their estimated useful lives.

(iii) Other intangible assets

The Company's other intangible assets are recorded at cost and amortized over their estimated useful life.

(iv) Subsequent expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

(j) Impairment

(i) Financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss for financial assets carried at amortized cost. The loss is the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

(ii) Non-financial assets

The carrying amounts of non-financial assets, intangible assets and property and equipment, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets that have indefinite lives and intangible assets not yet put into use are evaluated for impairment at least annually.

An impairment exists when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. The fair value less costs to sell calculation is based on available data from observable market prices, less incremental costs. The value in use calculation is based on a discounted cash flow model. These calculations require the use of estimates and forecasts of future cash flows. Qualitative factors, including market size and market growth trends, strength of customer demand and degree of variability in cash flows, as well as other factors, are considered when making assumptions with regard to future cash flows and the appropriate discount rate. A change in any of the significant assumptions or estimates used to evaluate the underlying assets could result in a material change to the carrying amount of the asset and/or its recoverable amount.

RISE LIFE SCIENCE CORP.

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3. Significant Accounting Policies (continued):

(j) Impairment (continued)

(ii) Non-financial assets (continued)

The carrying amounts of non-financial assets, intangible assets and property and equipment, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Intangible assets that have indefinite lives and intangible assets not yet put into use are evaluated for impairment at least annually.

An impairment exists when the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell or its value in use. The fair value less costs to sell calculation is based on available data from observable market prices, less incremental costs. The value in use calculation is based on a discounted cash flow model. These calculations require the use of estimates and forecasts of future cash flows. Qualitative factors, including market size and market growth trends, strength of customer demand and degree of variability in cash flows, as well as other factors, are considered when making assumptions with regard to future cash flows and the appropriate discount rate. A change in any of the significant assumptions or estimates used to evaluate the underlying assets could result in a material change to the carrying amount of the asset and/or its recoverable amount.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment had been recognized. Write-downs as a result of impairment are recognized in the consolidated statements of net loss and comprehensive loss.

The Company's impairment tests for goodwill and intangible assets are based on the greater of value in use calculations that use a discounted cash flow model and estimated fair value less cost to sell. The value-in-use calculations employ the following key assumptions: future cash flows, growth projections including economic risk assumptions and estimates of achieving key operating metrics. The cash flows are derived from the Company's budget for the future and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset base of the cash-generating unit ("CGU") being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The estimated fair value less cost to sell is based on the amount obtainable from the sale of the asset in an arm's length transaction between knowledgeable and willing parties, less cost of disposal.

(k) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(ii) Share-based payment transactions

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

RISE LIFE SCIENCE CORP.

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3. Significant Accounting Policies (continued):

(ii) Share-based payment transactions (continued)

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions. In situations where equity instruments are issued and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

(I) Leases

The Company has initially applied IFRS 16 Leases effective December 1, 2019 using the modified retrospective approach under which the cumulative effect of initial application is recognized in deficit on December 1, 2019. Accordingly, the comparative information presented for 2019 is not restated but presented as previously reported under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in IFRS 16 Leases have not been applied to comparative information.

Previously, assets held by the Company under lease which were determined to transfer the Company substantially all of the risks and rewards of ownership were classified as finance leases. On initial recognition, the leased asset was measured at an amount equal to the lower of its fair value and present value of the minimum lease payments. Subsequent to initial recognition, the leased asset was accounted for in accordance with the accounting policy applicable to that asset.

However, assets held by the Company under lease which were determined to not transfer the Company substantially all of the risks and rewards of ownership were classified as operating leases. Payments made under operating leases were recognized in the consolidated statement of loss and comprehensive loss on a straight line basis as they were incurred.

The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained below.

On transition to IFRS 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease under IFRS 16. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after December 1, 2019.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

(i) As a lessee

As lessee, the Company may lease assets from time to time including property and/or equipment. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

RISE LIFE SCIENCE CORP.

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3. Significant Accounting Policies (continued):

(i) As a lessee (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) Impact on transition

On transition to IFRS 16, the Company recognised a right-of-use asset, a lease liability, recognising the difference in retained earnings. When measuring the lease liability for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate of 18%. The impact on transition is summarised below.

Right-of-use asset	\$	68,712
Lease liability		67,006
Adjustment for:		
Change in lease expense		(50,167)
Change in finance expense		12,411
Change in depreciation		<u>36,078</u>
Change in deficit	\$	<u>(1,678)</u>

The right-of-use asset is being amortized over the term of the lease.

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3. Significant Accounting Policies (continued):

(m) Finance income and finance costs

Finance income comprises interest income on funds invested which is recognized as it accrues in profit or loss, using the effective interest method. Finance costs comprise interest expense on borrowings which are recognized in profit or loss using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(n) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive (loss) income.

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

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

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. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Scientific research and experimental development tax credits, which are earned as a result of incurring qualifying research and development expenditures, are recorded as a reduction of the related expense or cost of the asset acquired when there is reasonable assurance that they will be realized.

(o) Earnings (loss) per share

The Company presents basic earnings (loss) per share ("EPS") data for its common voting shares. Basic EPS is calculated by dividing the profit or loss attributable to common voting shareholders of the Company by the weighted average number of common voting shares outstanding during the period, adjusted for own shares held. Common voting share equivalents have been excluded from the calculation of diluted loss per share as their effect is anti-dilutive.

(p) Segment reporting

The Company's strategic decision-making group, consisting of the executive chairman and chief financial officer examine performance of the Company on a geographical perspective, The Company has identified one reportable segment.

RISE LIFE SCIENCE CORP.

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3. Significant Accounting Policies (continued):

(q) Government grants and assistance

An unconditional government grant and or assistance is recognized in the consolidated statement of loss and comprehensive loss as a deduction from the related expenditure the grant or assistance pertained to. When conditions exist and is it probable that those conditions will be met, then a deduction from the related expenditure the grant or assistance pertained to will be recognized. If the grant or assistance is not specific to a related expenditure and conditions exist, only when it is probable that the conditions can be met will revenue be recognized.

(r) New standards adopted in the year

In the current period, the Company has applied the below amendments to IFRS standards and interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begin after January 1, 2019. The Company adopted IFRS 16, Leases which had a material affect on the Company's financial statements which have been outlined in detail in note 3(l). The other new standards and interpretations listed below that were effective did not have a material impact on the disclosures and amounts reported in these consolidated financial statements.

- IFRS 3 and IFRS 11 - Amendments resulting from Annual Improvements 2017-2017 Cycle (remeasurement of previously held interests)
- Amendments to IFRS 9 - Prepayment features with negative compensation and modifications of financial liabilities
- IAS 12 – Amendments resulting from Annual Improvements 2015-2017 Cycle (income tax consequences of dividends)
- IAS 19 – Amendments regarding plan amendments, curtailments or settlements
- IAS 23 – Amendments resulting from Annual Improvements 2015-2017 Cycle (borrowing costs eligible for capitalization)
- IAS 28 – Amendments regarding long-term interests in associates and joint ventures

(s) New standards and interpretations issued, not yet adopted

I. IAS 1 – Presentation of financial statements

The amendment to IAS 1 clarifies how to classify debt and other liabilities as either current or non-current. The amendment will be effective for annual periods beginning on or after January 1, 2023. The Company is currently evaluating the new guidance and impacts on its consolidated financial statements.

II. IAS 16 - Proceeds before intended use

The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the assets for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). It also clarifies that an entity is testing whether the asset is functioning properly when it assesses the technical and physical performance of the asset. The amendment also requires certain related disclosures. This amendment will be effective for annual periods beginning on or after January 1, 2022. The Company is currently evaluating the new guidance and impacts on its consolidated financial statements.

III. IAS 37 - Onerous contracts - Cost of fulfilling a contract

The amendment to IAS 37 clarifies the meaning of costs to fulfil a contract and that before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to the contract. This amendment will be effective for annual periods beginning on or after January 1, 2022. The Company is currently evaluating the new guidance and impacts on its consolidated financial statements.

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Notes to the Consolidated Financial Statements

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3. Significant Accounting Policies (continued):

(s) New standards and interpretations issued, not yet adopted (continued)

IV. Annual improvements to IFRS standards 2018-2020

The annual improvements process addresses issues in the 2018-2020 reporting cycles including changes to IFRS 9, Financial Instruments, IFRS 1, First Time adoption of IFRS, IFRS 16, Leases, and IAS 41, Biological Assets. i) The amendment to IFRS 9 addresses which fees should be included in the 10% test for derecognition of financial liabilities. ii) The amendment to IFRS 1 allows a subsidiary adopting IFRS at a later date than its parent to also measure cumulative translation differences using the amounts reported by the parent based on the parent's date of transition to IFRS. iii) The amendment to IFRS 16's illustrative example 13 removes the illustration of payments from the lessor related to leasehold improvements. These amendments will be effective for annual periods beginning on or after January 1, 2022. The Company is currently evaluating the new guidance and impacts on its consolidated financial statements.

4. Accounts receivable:

The following summarizes the Company's accounts receivable as at November 30, 2020 and 2019:

	2020		2019	
Gross trade accounts receivable	\$	6,760	\$	11,239
Less: allowance for doubtful accounts		-		-
Net trade accounts receivable		6,760		11,239
HST receivable		92,059		63,012
	\$	98,819	\$	74,251

5. Inventory:

The following summarizes the Company's inventory as at November 30, 2020 and 2019:

	2020		2019	
Raw materials	\$	-	\$	8,723
Work in process		-		-
Finished goods		3,136		49,652
	\$	3,136	\$	58,375

During the year, \$51,725 (November 30, 2019 -\$40,864) of inventory was written off due to quality assessment procedures. Material costs included in cost of sales for the year ended November 30, 2020 was \$10,372 (November 30, 2019 - \$487,659).

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6. Property and Equipment:

	Computers and equipment	Machinery	Right-of- use asset	Total
Cost				
Balance, November 30, 2018	\$ 79,069	\$ 87,627	\$ -	\$ 166,696
Additions	30,787	37,593	-	68,380
Disposals	(5,428)	-	-	(5,428)
Effects of movement in exchange rates	(102)	(1,070)	-	(1,172)
Written-off	(42,908)	-	-	(42,908)
Balance, November 30, 2019	\$ 61,418	\$ 124,150	\$ -	\$ 185,568
Additions	-	-	-	-
Additions upon adoption of IFRS 16	-	-	68,712	68,712
Disposals	-	-	-	-
Effects of movement in exchange rates	(140)	(1,619)	(240)	(1,999)
Written-off	(10,338)	-	(68,472)	(78,810)
Balance, November 30, 2020	\$ 50,940	\$ 122,531	\$ -	\$ 173,471
Depreciation and disposals				
Balance, November 30, 2018	\$ 44,427	\$ 5,938	-	\$ 50,365
Depreciation	15,528	22,767	-	38,295
Disposals	(2,677)	-	-	(2,677)
Written-off	(16,255)	-	-	(16,255)
Balance, November 30, 2019	\$ 41,023	\$ 28,705	-	\$ 69,728
Depreciation	3,438	24,447	41,688	79,573
Disposals	-	-	-	-
Written-off	(2,017)	-	(41,688)	(43,705)
Balance, November 30, 2020	\$ 42,444	\$ 53,152	\$ -	\$ 95,596
Carrying amounts				
Balance, November 30, 2019	\$ 20,935	\$ 95,445	\$ -	\$ 115,840
Balance, November 30 2020	\$ 8,496	\$ 69,379	\$ -	\$ 77,875

RISE LIFE SCIENCE CORP.

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7. Goodwill and Intangible Assets

		Intangible assets
Cost		
Balance, November 30, 2018	\$	196,266
Less amortization		(14,473)
Impairment		(181,793)
Balance, November 30, 2019 and 2020	\$	-

		Goodwill
Cost		
Balance, November 30, 2018	\$	592,660
Effects of movement in exchange rates		(560)
Balance, November 30, 2019	\$	592,100
Impairment		(578,181)
Effects of movement in exchange rates		(13,919)
Balance, November 30, 2020	\$	-

In 2020, management, as part of its annual assessment of impairment of intangible assets, determined that the goodwill associated with its investment in LBO was impaired. Management estimated its fair value less cost to sell for its LBO CGU and arrived at a carrying value of nil. In its assessment, management considered expected future cash flows, the availability of a market including results of past efforts to sell. Note that the fair value measurement arrived at by management is categorized as a Level 3 fair value (see note 17). As a result, management recorded an impairment charge of \$578,181 under the heading goodwill impairment in its consolidated statement of net loss and comprehensive income (loss). In 2019, management determined that the fair value of certain assets primarily consisting of patents was lower than carrying value. Management considered the nature of the patents with carrying amount of \$181,793 and its current and expected use if any. The assessment considered the fair market value less price to sell and the asset's value in use. The Company recorded a full impairment charge of \$181,793 based on the patents fair value less price to sell in the consolidated statement of loss and comprehensive loss under the heading impairment of intangible assets.

8. Selling, general and administrative expense:

Included in selling, general and administrative expense for the years ended November 30, 2020 and 2019 are the following:

	2020		2019	
Salaries and related costs	\$	14,636	\$	1,370,363
Amortization and depreciation		59,152		52,768
	\$	73,788	\$	1,423,131

RISE LIFE SCIENCE CORP.

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9. Capital Disclosures:

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue investments and opportunities which contribute to the success of the Company while providing shareholder returns. The company attempts to maximise returns to shareholders by also minimizing shareholder dilution and, when possible utilizing non-dilutive funding arrangements.

The Company includes equity comprised of share capital, contributed surplus, warrants and accumulated deficit in its definition of capital. The Company has financed its operations and capital requirements primarily through the issuance of shares and on some occasions, secured and convertible notes since inception.

The Company manages its capital structure and makes adjustments to it in light of economic conditions and risk characteristics of its underlying assets. The Company may issue new shares or raise debt. The Company is not subject to any externally imposed capital requirements and the overall strategy with respect to capital management remains unchanged from the preceding fiscal year.

10. Notes Payable:

(a) The following summarizes the Company's promissory notes payable as at November 30, 2020 and 2019:

	2020		2019
Secured promissory notes (i)	\$ 1,751,334	\$	1,751,334
Accrued interest	2,157,030		1,737,206
	\$ 3,908,364	\$	3,488,540
Current portion:			
Principal and accrued interest	\$ 3,908,364	\$	3,488,540

(i) On June 16, 2016, the Company entered into an amending agreement whereby it extended the terms and maturity of previously issued secured promissory notes together with accrued interest into new secured promissory notes. The notes continue to bear interest at 12% per annum, compounded quarterly, and were to be repaid as follows:

- \$300,000 due on December 31, 2018;
- \$400,000 due on December 31, 2019;
- \$600,000 due on December 31, 2020; and
- \$451,334 plus all accrued interest and any other amounts due on December 31, 2021.
- The principal and interest payments will be accelerated based on payments of ten percent (10%) of all gross sales on Scout Assessment Corp. Assets.
- As of November 30, 2020, no principal payments have been made.

The notes are secured by a general security interest in favor of the lender over all tangible and intangible assets of the Company's subsidiary Scout Assessment Corp., excluding the assets relating to the Scout DS®, which were acquired on July 31, 2013.

Interest expense of \$419,824 (November 30, 2019 – \$377,052) was recognized during the period in relation to these notes.

As a result of not paying the amount due on December 31, 2018, the notes are in default. Accordingly, the principal and all accrued interest have been shown as a current liability.

RISE LIFE SCIENCE CORP.

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10. Notes Payable (continued):

- (b) The following summarizes the Company's convertible notes and other loans payable as at November 30, 2020 and 2019:

	2020		2019
\$50,000 convertible promissory note (i)	\$ 50,000	\$	50,000
\$4,035,000 convertible notes (ii)	4,035,000		3,709,417
\$1,330,000 convertible notes (iii)	1,328,556		1,215,872
\$274,000 convertible notes (iv)	269,361		254,062
Escrowed funds (iv)	-		1,925,000
Loan	13,915		19,736
Accrued interest	971,473		414,112
	6,668,305		7,588,199
Less: Current portion	6,668,305		6,107,766
Non-current portion	\$ -	\$	1,480,433

The following reconciles the carrying value of the convertible notes and other loans payable to their face value:

	2020		2019
Discounted balance	\$ 6,668,305	\$	7,588,199
Add: Unaccreted portion of discount related to Deferred financing charges and debt discount (v)	6,083		459,649
	\$ 6,674,388	\$	8,047,848
Less: Current portion	6,674,388		6,433,349
Long term portion	\$ -	\$	1,614,499

- (i) On July 31, 2016, a private lender subscribed to a secured convertible note in the amount of \$50,000, bearing interest at 8% per annum and maturing on July 31, 2017. The note is convertible at \$0.20 per share. The net present value of future cash flows of the debt component was determined to be \$45,295 using a discount rate of 20% per annum, which was the interest rate of two promissory notes previously issued. Accordingly, the conversion feature was assigned a value of \$4,705. As of November 30, 2020, the note is still outstanding.
- (ii) On November 14, 2018, the Company completed a tranche of units (the "November 14th" units), raising \$4,035,000. The units were issued comprising of convertible notes and warrants. The notes bear interest at 12% per year, to be paid quarterly in cash to the holders of the notes. The maximum term of the notes is 24 months and the minimum is 12 months, after which time the Company can repay the principal amount of the notes and any accrued but unpaid interest without any penalty or bonus.

At any time prior to repayment of the notes by the Company, the outstanding principal amount of each note and any accrued and unpaid interest is convertible at the sole discretion of the noteholder into common shares of the Company at the conversion price of \$0.15 per share. In addition, the notes are convertible by the Company in its discretion into common shares at the conversion price of \$0.15 per share in the event that the Company's common shares trade at \$0.35 or more for 21 or more consecutive trading days on the Canadian Securities Exchange. The purchasers of the notes were also issued an aggregate of 26,897,310 common share purchase warrants of the Company where each warrant issued is exercisable for 24 months from the date of issue for \$0.15 per warrant, into (i) one common share, and (ii) one half of one common share purchase warrant (each whole such warrant a "Bonus Warrant"). Each Bonus Warrant shall be exercisable into one Common Share at an exercise price of C\$0.20 per share and shall expire 12 months from the date of its issuance.

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10. Notes Payable (continued):

(b) The following summarizes the Company's convertible notes payable as at November 30, 2020 and 2019 (continued):

- (iii) On December 4, 2018, the Company completed a second tranche of units (the "December 4th" units), raising an additional \$1,490,000. Units issued comprised of notes and warrants. The notes bear interest at 12% per year, to be paid quarterly in cash to the holders of the notes. The maximum term of the notes is 24 months and the minimum is 12 months, after which time the Company can repay the principal amount of the notes and any accrued but unpaid interest without any penalty or bonus.

At any time prior to repayment of notes by the Company, the outstanding principal amount of each note and any accrued and unpaid interest is convertible at the sole discretion of the noteholder into common shares of the Company at the conversion price of \$0.15 per share. In addition, the notes are convertible by the Company in its discretion into common shares at the conversion price of \$0.15 per share in the event that the Company's common shares trade at \$0.35 or more for 21 or more consecutive trading days on the Canadian Securities Exchange.

The purchasers of the notes in this second tranche closing were also issued an aggregate of 9,932,340 common share purchase warrants of the Company where each warrant issued is exercisable for 24 months from the date of issue for \$0.15 per warrant, into (i) one common share, and (ii) one half of one common share purchase warrant (each whole such warrant a "Bonus Warrant"). Each Bonus Warrant shall be exercisable into one Common Share at an exercise price of C\$0.20 per share and shall expire 12 months from the date of its issuance.

As of November 30, 2020, \$160,000 of the December 4th notes had been converted into shares.

- (iv) On April 1, 2019, the Company completed a tranche of units (the "April 1st" units), raising an additional \$274,000. Units issued comprised of convertible notes and warrants. The notes bear interest at 12% per year, to be paid quarterly in cash to the holders of the notes. The maximum term of the notes is 24 months and the minimum is 12 months, after which time the Company can repay the principle amount of the notes and any accrued but unpaid interest without any penalty or bonus.

At any time prior to repayment of notes by the Company, the outstanding principal amount of each note and any accrued and unpaid interest is convertible at the sole discretion of the noteholder into common shares of the Company at the conversion price of \$0.15 per share. In addition, the notes are convertible by the Company in its discretion into common shares at the conversion price of \$0.15 per share in the event that the Company's common shares trade at \$0.35 or more for 21 or more consecutive trading days on the Canadian Securities Exchange.

The purchasers of the notes in this tranche were also issued an aggregate of 1,826,484 common share purchase warrants of the Company. Each warrant issued is exercisable for 24 months from the date of issue for \$0.15 per warrant, into (i) one common share, and (ii) one half of one common share purchase warrant (each whole such warrant a "Bonus Warrant"). Each Bonus Warrant shall be exercisable into one Common Share at an exercise price of C\$0.20 per share and shall expire 12 months from the date of its issuance.

Also, on April 1, 2019, the Company raised an additional \$2,050,000 which was deposited with an escrow agent. The escrowed funds were to be released to the Company for the purchase of additional April 1st units providing the Company was successful in completing a CBD-related investment (the "Transaction") within the agreed upon time. Should the Company fail to complete the Transaction, then the escrowed funds would be returned to the subscribers. The additional \$2,050,000 had been recorded at face value and the funds held in escrow shown as restricted cash. As of November 30, 2020, all of the cash held in escrow has been returned to investors.

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10. Notes Payable (continued):

(b) The following summarizes the Company's convertible notes payable as at November 30, 2020 and 2019 (continued):

- (v) The November 14, 2018, December 4, 2019 and April 1, 2019 units issued were classified as a compound financial instrument in accordance with IAS 32. Using the residual method, fair value was first allocated to the convertible notes with the residual to equity. The fair value of the debt component was determined with reference to a comparable debt issued on a standalone basis with no conversion feature. Applying a discount of 18%, it was determined that the notes except for those held in escrow had a fair value of \$ 3,712,200, \$1,370,800 and \$252,080 respectively before transaction costs. The conversion features were allocated a fair value of \$32,400 and the warrants were allocated a fair value of \$312,000, \$108,400 and \$11,120 respectively before transaction costs. The difference between fair value and face value of the notes is being accreted into the statement of loss and comprehensive loss over the term of the debt. Upon conversion to common shares, any unaccreted differences between fair value and face value are applied to equity.

Interest expense of \$557,371 (November 30, 2019 – \$834,169) and accretion expense of \$453,566 (November 30, 2019 - \$390,850) were recognized during the period in relation to all these notes. \$971,473 of interest is past due as of November 30, 2020 and remains unpaid.

11. Share Capital:

(a) Authorized

The Company has authorized share capital of an unlimited number of common voting shares and an unlimited number of class A common voting shares. No class A common voting shares have been issued.

(b) Shares issued and outstanding

- (i) On April 17, 2019, \$75,000 of the December 4th notes were converted into 500,000 common shares.
(ii) On April 26, 2019, \$50,000 of the December 4th notes were converted into 333,333 common shares.
(iii) On May 24, 2019, \$10,000 of the December 4th notes were converted into 66,666 common shares.
(iv) On June 10, 2019, \$25,000 of the December 4th notes were converted to 166,666 common shares.

(c) Options

The Company has a stock option plan which is administered by the Board of Directors of the Company with stock options granted to directors, management, employees, management company employees and consultants as a form of compensation. The number of common shares reserved for issuance of stock options is limited to a maximum of 10% of the issued and outstanding shares of the Company at any one time.

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11. Share Capital (continued):

(c) Options (continued)

Changes in the number of options outstanding during the years ended November 30, 2020 and 2019 are as follows:

	2020		2019	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Balance, beginning of year	3,551,400	\$ 0.30	4,036,300	\$ 0.36
Granted	-	-	500,000	0.18
Forfeited, cancelled or expired	(1,300,000)	0.30	(984,900)	0.47
Balance, end of year	2,251,400	\$ 0.30	3,551,400	\$ 0.30
Options exercisable, end of year	2,251,400	\$ 0.30	3,529,202	\$ 0.30
Weighted average fair value of options granted during the year		\$ -		\$ 0.18

Range of exercise prices	Outstanding number	Weighted average remaining contractual life	Weighted average exercise price	Exercisable number
\$0.15	200,000	0.18 years	\$0.15	200,000
\$0.22	200,000	0.69 years	\$0.22	200,000
\$0.30	1,650,000	2.63 years	\$0.30	1,650,000
\$0.40	200,000	2.45 years	\$0.45	200,000
\$25.00	1,400	1.58 years	\$25.00	1,400
\$0.15 - \$25.00	2,251,400	2.22 years	\$0.30	2,251,400

For the year ended November 30, 2020, option compensation expense of \$5,025 (November 30, 2019 - \$77,213) was recognized for options granted and which had vested.

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11. Share Capital (continued):

(c) Options (continued)

The compensation expense was determined based on the fair value of the options at the date of measurement using the Black-Scholes option pricing model. Management judgementally determined the variables input into the model. The following are the weighted average assumptions:

	November 30, 2020	November 30, 2019
Expected option life	-	5 years
Market price	-	\$0.15
Strike price	-	\$0.18
Risk free interest rate	-	1.45%
Dividend yield	-	nil
Expected volatility	-	143%

(d) Warrants

Changes in the number of warrants outstanding during the years ended November 30, 2020 and November 30, 2019 are as follows

	2020			2019		
	Warrants	Amount	Weighted Average Exercise Price	Warrants	Amount	Weighted Average Exercise Price
Balance, beginning of year	51,360,740	\$ 2,592,546	\$ 0.22	50,860,483	\$ 3,564,643	\$ 0.22
Issued as compensation d(i)(ii)	-	-	-	1,000,000	-	0.15
Granted, pursuant to private placement	-	-	-	11,758,824	109,291	0.15
Expired	(34,643,962)	(1,573,176)	(0.22)	(12,258,567)	(1,081,388)	(0.27)
Balance end of year	16,716,778	\$ 1,019,370	\$ 0.14	51,360,740	\$ 2,592,546	\$ 0.19
Weighted average remaining contractual life (years)			.44			1.06

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11. Share Capital (continued):

(d) Warrants (continued)

- (i) On January 18, 2019, 1,000,000 warrants to purchase common shares of the Company were issued for services rendered. They were valued using the Black-Scholes pricing model. They have a strike price of \$0.15 and a fair value of \$145,800.
- (ii) On July 11, 2018 warrants to purchase 1,000,000 common shares of the Company were issued, each warrant having a five-year term and an exercise price of CDN\$0.45 per common share. The warrants vest as to one-third 12 months after closing, and additional one-third vest 24 months after closing, and the balance of one-third vest 36 months after closing. The compensation cost of the warrants is being recognized on a straight-line basis over the vesting period. The Company recognized \$nil in compensation expense (November 30, 2019-\$70,800) to recognize warrants granted and which had vested.
- (iii) On December 4, 2018 and April 1, 2019, the Company issued units in connection with private placements. Both warrants and notes were issued together as a unit (note 10). The fair value was determined using the residual method, first determining the fair value of the notes then the warrants by allocating the residual value, after consideration of the fair value of any conversion features.
- (iv) The Company has 5,879,412 (November 30, 2019 – 19,328,067) warrants contingently issuable upon the exercise of warrants issued in connection with private placements (note 10 (ii)(iii)(iv)).

During the year ending November 30, 2020, compensation expense of \$nil (November 30, 2019 - \$216,599) was recognized for warrants granted and vested.

The fair value of warrants was determined at the date of measurement using the Black-Scholes option pricing model with the following weighted average assumptions, judgementally determined by management:

	2020	2019
Expected option life	-	2 years
Market price	-	\$0.20
Strike price	-	\$0.15
Risk free interest rate	-	1.82%
Dividend yield	-	nil
Expected volatility	-	140%

(e) Per share amounts

The weighted average number of common shares outstanding for the year ended November 30, 2020 and 2019 was 59,004,872 and 58,055,316 respectively after considering shares held in escrow which are excluded from the weighted average number of common shares calculation. The dilution created by options, warrants and convertible notes has not been reflected in the per share amounts as the effect would be anti-dilutive.

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12. Revenue:

In the current year, the Company generates revenue from the sale of product which is either sold online, through the Company's business to business network or through distribution deals and or partnerships. In the prior year, in addition to the sale of product, certain revenues characterised as other were recognized which principally consisted of consulting revenue.

In the following table, revenue for the year ended November 30, 2020 and 2019 is disaggregated by channel of revenue and timing of revenue recognition.

	2020	2019
Revenue channel		
Online	\$ 31,791	\$ 171,231
Business to business	-	397,684
Distribution and partnerships	-	405,354
	\$ 31,791	\$ 974,269
Timing of revenue recognition		
Transfer of control	31,791	974,269
	\$ 31,791	\$ 974,269

13. Segment Information:

The Company's strategic decision-making group, consisting of the executive chairman, chief financial officer examine performance of the Company from a geographical perspective and has identified the United States as one reportable segment.

	2020			2019		
	United States	All Other	Consolidated	United States	All Other	Consolidated
Revenue from external customers (i)	\$ 31,791	\$ -	\$ 31,791	\$ 974,269	\$ -	\$ 974,269
Non-current assets	77,875	-	77,875	706,013	1,927	707,940
Comprehensive loss	691,680	2,441,408	3,133,089	2,966,883	4,189,013	7,155,896

(i) All revenues were generated within the United States

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14. Income Taxes:

The reconciliation of the 2020 combined Canadian federal and provincial statutory income tax rate of 26.5% (2019 – 26.5%) to the effective tax rate is as follows:

	2020	2019
Loss for the year before income taxes	(3,204,283)	(7,126,776)
Expected income tax recovery	\$ (849,135)	\$ (1,898,831)
Tax rate changes and other adjustments	37,095	162,242
Permanent differences	1,764	105,172
Change in tax benefits not recognized	810,276	1,631,417
Income tax expense	\$ -	\$ -

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences because it is not probable that future taxable profit will be available against which the Company can utilize these benefits:

As at November 30, 2020, the following deductible temporary differences have not been recognized:

	2020	2019
Non-capital loss carry-forwards	\$ 23,934,000	\$ 22,477,000
Non-capital loss carry-forwards - US	4,123,400	4,201,000
Scientific research and experimental development expenditures	2,272,000	2,272,000
Scientific research and experimental development tax credits	470,000	470,000
Share issue costs	464,000	406,000
Property and equipment	1,798,600	1,797,000

Non-capital losses carried forward expire between 2026 and 2040. The U.S. net operating loss carry forwards expire in 2038. Scientific research and experimental development tax credits can be applied against income taxes otherwise payable and expire by 2031. Share issue and financing costs will be fully amortized in 2022. The remaining temporary differences may be carried forward indefinitely.

The Company's non-capital income tax losses expire as follows:

2026	\$ 477,000
2027	729,000
2028	820,000
2029	721,000
2030	832,000
2031	1,134,000
2032	2,194,000
2033	2,756,000
2034	2,211,000
2035	2,264,000
2036	842,000
2037	1,677,000
2038	2,111,000
2039	3,709,000
2040	1,457,000
Total	\$ 23,934,000

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15. Finance Expense:

During the years ended November 30, 2020 and 2019 the Company incurred finance expense as follows:

	2020	2019
Interest and accretion on notes payable (note 10)	\$ 1,430,750	\$ 1,060,081
Bank charges and other interest	86,453	113,189
	1,517,203	1,719,270

During the years ended November 30, 2020 and 2019, the Company paid finance expense as follows:

	2020	2019
Interest and accretion on notes payable (note 10)	\$ -	\$ 468,700
Bank charges and other interest paid	1,568	7,862
	1,568	476,562

16. Commitments and Contingencies:

(a) Acquisitions

The payment of cash as part of the purchase price for Brand Max Inc. was staggered with \$50,000 USD paid upon signing, \$37,500 USD paid June 1, 2019 and \$37,500 to be paid June 1, 2020. The future cash payments were discounted to present value using a discount rate of 18%. The difference between the face value and fair value of the payment due will be recognized as interest expense over the contractual term.

The payment of cash as part of the purchase price of Life Bloom Organics, LLC is staggered with \$125,000 USD paid upon signing, \$121,875 USD paid June 1, 2019 and \$125,000 USD scheduled to be paid June 1, 2020. The future cash payments were discounted to present value using a discount rate of 18%. The difference between the face value and fair value of the payment will be recognized as interest expense over the contractual term.

(b) Lease

The Company has a lease commitment of \$3,000 per month which extends from the year end to the end of the lease arrangement which is July 31, 2021.

(c) Contingencies

From time to time the Company can become subject to legal proceedings, claims, and litigation arising in the ordinary course of business. While the final outcome of these matters is currently not determinable, the Company does not expect that the ultimate costs to resolve these matters will have a material adverse effect on its consolidated financial position, results of operations, or cash flow.

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17. Financial Instruments and Risk Management:

Fair values of financial assets and financial liabilities

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The carrying amounts of cash, restricted cash, accounts receivable, accounts payable and accrued liabilities, and secured promissory and convertible notes approximate fair value.

The Company's activities expose it to a variety of financial risks including foreign currency risk, interest rate risk, credit risk, and liquidity risk. These financial instrument risks are actively managed by the Company's management under the policies approved by the Board of Directors. The principal financial risks are managed by the Company's finance department who work hand in hand with the Board and other key management personnel.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate or ensuring terms in place cover risk of loss as a means of mitigating the risk of financial loss from defaults. The Company may use information supplied by independent rating agencies where available, and if not available, the Company may use other publicly available financial information and its own records to rate its customers.

Credit risk arises from cash and deposits with banks as well as credit exposure to outstanding receivables, the carrying amounts represent the Company's maximum exposure to credit risk.

The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to liquidity risk with respect to its contractual obligations and financial liabilities. The Company manages liquidity risk by forecasting its cash needs on a regular basis and seeking additional financing from operations and other sources including debt and equity markets as required.

	Payment due by Period			
	< 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	\$ 2,787,952	\$ -	\$ -	\$ 2,787,952
Secured promissory notes	3,908,364	-	-	3,908,364
Convertible notes	6,668,305	-	-	8,668,305
Lease obligation	56,498	-	-	56,498
Loan	-	40,000	-	40,000
	\$ 13,421,119	\$ 40,000	\$ -	\$ 13,461,119

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17. Financial Instruments and Risk Management (Continued):

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to fair value risk with respect to secured notes and convertible notes which bear interest at fixed rates.

18. Related Party Transactions:

(a) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors, Interim Chief Executive Officer and Chief Financial Officer are key management personnel.

In addition to their salaries, the Company also provides non-cash benefits and participation in the Stock Option Plan (note 8(c)). Compensation for key management personnel for the periods ended November 30, 2020 and 2019 is as follows:

	2020	2019
Salaries, fees and short-term employee benefits	\$ 540,000	\$ 1,099,223
Stock-based compensation	-	221,548
	\$ 540,000	\$ 1,320,771

(b) Key management personnel and shareholder transactions

Included in accounts payable and accrued liabilities is \$829,347 (2019- \$369,573) due to key management.

19. Subsequent Events:

The Company made additional applications for the Canada Emergency Business Account ("CEBA") loan program. Under the program, the Company received an additional \$20,000 of funding.

On January 21, 2021, the Company entered into an agreement with Britannia Bud Canada Holdings Inc., DBA Britannia Life Sciences (Britannia) to amend and confirm a letter of intent previously agreed to by the parties (the "Agreement"), pursuant to which RISE and Britannia have agreed to complete a business combination transaction (the "Proposed Transaction"). If completed, the Proposed Transaction will constitute a "fundamental change" of RISE pursuant to the policies of the Canadian Securities Exchange (the "CSE").

Pursuant to the terms of the Agreement, RISE and Britannia shall negotiate the terms and structure of a Proposed Transaction and enter into a definitive agreement for the Proposed Transaction following receipt of tax, corporate and securities law advice. The Proposed Transaction will not constitute a non-arm's length transaction or related party transaction under the relevant securities legislation or CSE policies. RISE and Britannia have mutually agreed to an appropriate break fee in the event either party elects to pursue an alternative transaction.

The completion of the Proposed Transaction is subject to a number of conditions, including but not limited to the following:

- Approval of the Proposed Transaction by the shareholders of RISE and Britannia, if applicable
- All required regulatory approvals of the Proposed Transaction, including by the CSE
- Conversion of all outstanding RISE convertible debentures

On March 4, 2021, the Company completed a non-brokered private placement offering raising gross proceeds of \$710,000 USD. The gross proceeds of the offering are being held in escrow with an escrow agent in contemplation of a definitive agreement with respect to the Britannia arrangement noted above.