BRITANNIA LIFE SCIENCES INC.

LISTING STATEMENT

IN CONNECTION WITH THE REVERSE TAKEOVER TRANSACTION INVOLVING RISE LIFE SCIENCE CORP., 2830026 ONTARIO INC. AND BRITANNIA BUD CANADA HOLDINGS INC.

October 29, 2021

NOTICE TO READER

Neither the Canadian Securities Exchange (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Reverse Takeover described in this Listing Statement.

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GENERAL INFORMATION

This Listing Statement is furnished in accordance with Policy 8 of the Exchange and Form 2A – *Listing Statement* in connection with, among other things, the reverse takeover of RISE Life Science Corp. ("**RISE**") which will constitute as a "fundamental change" of RISE under the policies of the Exchange. The following is a summary of RISE and Britannia Bud Canada Holdings' ("**Britannia**") business and operations, as well as the Resulting Issuer and its expected business and operations, which should be read together with the more detailed information and financial data and statements contained elsewhere in this Listing Statement and attached Schedules.

Unless otherwise indicated, any information concerning the Resulting Issuer in this Listing Statement is a reference to RISE following the completion of the RTO Transaction, as defined hereinafter (assuming the RTO Transaction is completed).

All capitalized terms used in this Listing Statement (including the Schedules, unless otherwise stated) but not otherwise defined herein have the meanings set forth under *"Glossary"* of the management information circular of RISE dated August 10, 2021 (the "**Circular**"). The information contained in this Listing Statement is given as of October 29, 2021, unless otherwise specifically stated.

FORWARD LOOKING STATEMENTS

The information provided in this Listing Statement and the information incorporated by reference herein, may contain Forward-Looking Information within the meaning of applicable Canadian Securities Laws concerning the business, operations, plans and financial performance and condition of each of RISE, Britannia and the Resulting Issuer. All statements, other than statements of historical fact, that address activities, events or developments that are expected or anticipated to occur in the future are Forward-Looking Information, including, but not limited to, statements preceded by, followed by or that include words such as "*pro forma*", "plans", "expects", "may", "should", "could", "will", "would", "budget", "scheduled", "estimates", "projects", "potential", "expects", "plans", "forecasts", "intends", "anticipates", "believes", or variations including negative variations thereof of such words and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved.

Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance or business developments. These statements speak only as at the date they are made and are based on information currently available and on the then current expectations of the party making the statement and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward looking statements, including, but not limited to, risks and uncertainties related to the timing, closing or non-completion of the RTO Transaction, including due to the parties failing to receive, in a timely manner and on satisfactory terms, the necessary securityholder, stock exchange and regulatory approvals or the inability of the parties to satisfy or waive in a timely manner the other conditions to the closing or the conditions precedent, as applicable, of the RTO Transaction; actual operating cash flows, operating costs, free cash flows, total cash, transaction costs, and administrative costs of RISE, Britannia or the Resulting Issuer differing materially from those anticipated; the anticipated nature, performance and development of the business and operations of RISE, Britannia and the Resulting Issuer, expectations regarding the ability to raise capital; delays to or inability in obtaining governmental approvals or financing; development, market and technological risks related to RISE, Britannia or the Resulting Issuer; capital requirements and operating risks associated with the operations or an expansion of the operations of RISE, Britannia or the Resulting Issuer; dilution due to future equity financings; fluctuations in currency exchange rates; uncertainty relating to future production and cash resources; inability to successfully complete planned expansions or other projects within the timelines anticipated; adverse changes to market, political and general economic conditions or laws, rules and regulations applicable to RISE, Britannia or the Resulting Issuer; impact of the COVID-19 pandemic on the RTO Transaction, RISE, Britannia or the Resulting Issuer; the possibility of unanticipated costs and expenses; failure of laboratory, equipment or processes to operate as anticipated; risk of product liability claims; factors discussed under the heading *"Risk Factors"*; and other risks, including those risks set out in the continuous disclosure documents of RISE, including the Circular, which are available on SEDAR (www.sedar.com) under RISE's issuer profile.

In addition, Forward-Looking Information herein is based on certain assumptions and involves risks related to the consummation or non-consummation of the RTO Transaction, and the respective businesses and operations of RISE, Britannia and the Resulting Issuer. Forward-Looking Information contained herein is based on certain assumptions, including that that all other conditions to the RTO Transaction will be satisfied or waived and that the RTO Transaction will be completed. Other assumptions include, but are not limited to, interest and exchange rates; synergies, if any, created by the formation of the Resulting Issuer; financing and funding requirements and the ability to access capital; general economic, political and market conditions; and changes in laws, rules and regulations applicable to RISE, Britannia and the Resulting Issuer.

Although RISE and Britannia believe that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct.

Although RISE and Britannia have attempted to identify important factors that could cause plans, actions, events or results to differ materially from those described in Forward-Looking Information in this Listing Statement, and the documents incorporated by reference herein, there may be other factors that cause plans, actions, events or results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate as actual plans, results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on Forward-Looking Information in this Listing Statement, nor in the documents incorporated by reference herein. All of the Forward-Looking Information in this Listing Statement, including all documents incorporated by reference herein, are qualified by these cautionary statements.

Readers should consider the risk factors described under *"Risk Factors"* and other risks described elsewhere in this Listing Statement and in the documents incorporated by reference herein. Additional information on RISE may be accessed on RISE's profile through SEDAR (www.sedar.com). Such documents, unless expressly incorporated by reference herein, and websites, although referenced, do not form part of this Listing Statement.

RISE Shareholders are cautioned not to place undue reliance on Forward-Looking Information. Neither of RISE nor Britannia undertake any obligation to update any of the Forward-Looking Information in this Listing Statement or incorporated by reference herein, except as required by law.

FINANCIAL AND EXCHANGE RATE INFORMATION

The financial statements included in this Listing Statement have been prepared in accordance with IFRS and the audit of such financial statements is subject to Canadian auditing and auditor independence standards. These financial statements may not be comparable to financial statements of United States companies. RISE's annual and interim financial statements and Britannia's annual and interim financial statements have been prepared in Canadian dollars. Advanced Development and Safety Laboratories' (United Kingdom) ("**ADSL**") annual and interim financial statements are prepared in Pounds Sterling.

Unless otherwise indicated, references to "$", "CDN$", "Canadian dollars" or "dollars" are to Canadian dollars, and references to "US$" or "U.S. dollars" are to United States dollars. As of October 28, 2021, the daily rate of exchange between the United States dollar and Canadian dollar, as quoted by the Bank of Canada, was US$1.00 = CDN$1.2349 (or CDN$1.00 = US$0.8098). References to "Pounds Sterling", "GBP", "British Pound", or "£" are to UK pounds sterling. As of October 28, the daily rate of exchange between the British pound sterling and Canadian dollar, as quoted by the Bank of Canada, was GBP£1.00 = CDN$1.7025 (or CDN$1.00 = GBP£0.5874).

1. GLOSSARY OF TERMS

"**ADSL**" means Advanced Development and Safety Laboratories (United Kingdom), a subsidiary of Britannia;

"**ADSL Annual Financial Statements**" means the audited annual financial statements of ADSL for the years ended May 31, 2020 and 2019, together with the notes thereto, presented in Pounds Sterling;

"**ADSL Interim Financial Statements**" means the unaudited annual financial statements of ADSL for the three and six-month period ended November 30, 2020, together with the notes thereto, presented in Pounds Sterling;

"**Amalco**" means the entity which will result from the completion of the Amalgamation;

"**Amalgamation**" means the amalgamation of RISE Subco and Britannia under the provisions of the OBCA and on the terms and conditions set forth in the Definitive Agreement;

"**Amended LOI**" means the amended letter of intent entered into on January 21, 2021 to amend and confirm the intention of the Parties to pursue the RTO Transaction;

"**Applicable Laws**" means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decision, rulings or awards, including general principles of common and civil law, and the terms and conditions of any grant of approval, permission, authority or licence of any Government Authority, that, in a context that refers to one or more persons apply to the person or persons, or its or their business, undertaking, property or shares, and emanate from a Government Authority having jurisdiction over the person or persons or its or their business, undertaking, property or shares;

"**Audit Committee**" means the Audit Committee of the Resulting Issuer;

"**Britannia**" means Britannia Bud Canada Holdings Inc., a corporation incorporated under the OBCA;

"**Britannia Annual Financial Statements**" means the audited financial statements of Britannia for the years ended March 31, 2021 and 2020 together with the notes thereto, presented in Canadian dollars;

"**BBCL**" means Britannia Bud Company Limited (United Kingdom), a wholly owned subsidiary of Britannia;

"**Britannia Concurrent Financing**" means the private placement of Britannia Debentures and Britannia Warrants for minimum aggregate gross proceeds of $5 million with the principal amount and all accrued interest of the Britannia Debentures convertible into Britannia Shares at a price of US$1.55;

"**Britannia Convertible Debenture Unit**" means the convertible debenture units of Britannia issued pursuant to the Britannia Convertible Debenture Financing;

"**Britannia Debentures**" has the meaning given to this term in section 3.1;

"**Britannia Debenture Shares**" means the Britannia Shares resulting from a conversion of the Britannia Debentures;

"**Britannia Interim Financial Statements**" means the unaudited interim financial statements of Britannia for the three-month period ended June 30, 2021, together with the notes thereto, presented in Canadian dollars;

"**Britannia Option Plan**" means the current option plan of Britannia;

"**Britannia Options**" means the options to purchase Britannia Shares issued pursuant to the Britannia Option Plan;

"**Britannia Shareholders**" means the holders of Britannia Shares;

"**Britannia Shares**" means the common shares in the capital of Britannia;

"**Britannia Warrants**" means common share purchase warrants of Britannia, each entitling the holder to purchase one Britannia Share for US$2.00 until the date that is 24 months from the issuance date thereof, subject to adjustment and acceleration in certain circumstances;

"**Britannia Warrant Share**" has the meaning given to this term in section 10.1;

"**Business Combination**" has the meaning given to this term in section 3.2.2;

"**Canadian Securities Exchange**", "**CSE**" or the "**Exchange**" means the Canadian Securities Exchange;

"**Canadian Securities Laws**" means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder and the policies and rules of the CSE, as the foregoing may be amended or re-enacted from time to time prior;

"**CBCA**" means the *Canadian Business Corporations Act*, R.S.C., 1985, c. C-44, as may be amended or re-enacted from time to time, including all regulations promulgated thereunder;

"**Circular**" means the management information circular of RISE dated August 10, 2021, in connection with an annual and special meeting of RISE Shareholders to be held on September 8, 2021;

"**Compensation Committee**" means the Compensation Committee of the Resulting Issuer;

"**Consolidation**" means the consolidation of the Resulting Issuer Shares on a 10:1 basis;

"**Corporate Governance and Nominating Committee**" means the Corporate Governance and Nominating Committee of the Resulting Issuer;

"**CPG**" means consumer packaged goods;

"**CSE Escrow Agreement**" means the escrow agreement entered into between certain Britannia Shareholders, the Resulting Issuer and the Escrow Agent pursuant to which certain Britannia Shares held by various Britannia Shareholders will be subject to escrow in accordance with applicable CSE policies;

"**Definitive Agreement**" has the meaning given to this term in section 3.2.2 and the full text of which is appended hereto as Schedule "I" – "*Definitive Agreement*";

"**Director Nominees**" means the individuals nominated to be directors of the Resulting Issuer, namely, Peter Shippen, Scott Secord, and Greg Taylor;

"**Escrow Agent**" means TSX Trust Company;

"**Exchange Ratio**" has the meaning ascribed to such term in section 3.2.2;

"**Exercise Period**" has the meaning ascribed to such term in section 9;

"**Liquidity Event**" means, with respect to the Britannia Debentures, (i) the listing of the Britannia Shares on the CSE or TSX Venture Exchange; (ii) a transaction with a capital pool company or other entity that is a reporting issuer in at least one jurisdiction in Canada by way of plan of arrangement, amalgamation, reverse take-over, qualifying transaction, or any other business combination or other similar transaction pursuant to which the Britannia Shares (or the Resulting Issuer Shares) are listed on the CSE or TSX Venture Exchange; (iii) a sale of all or substantially all of the assets of Britannia to a person other than an affiliate of Britannia, or (iv) a transfer of the Britannia Shares, a reorganization, amalgamation or merger or a plan of arrangement involving Britannia, other than solely involving

Britannia and one or more of its affiliates, as a result of which the persons who were the beneficial owners of the Britannia Shares immediately prior to such transaction do not, following such transaction, beneficially own, directly or indirectly, more than 50% of the resulting voting shares on a fully-diluted basis;

"**Liquidity Event Conversion**" has the meaning given to this term in section 3.1;

"**Listing Statement**", "**this Listing Statement**", "**hereinafter**" and similar expressions mean and refer to this Listing Statement (including the schedules hereto), as the same may be amended, modified, or supplemented from time to time, and not to any particular Article, Section, Subsection, Schedule or other portion of this Listing Statement;

"**LOI**" means the letter of intent dated September 14, 2020 between RISE and Britannia pursuant to which both parties agreed to complete a business combination transaction;

"**Material Adverse Change**" means in respect of a Party or its Subsidiary (if any), any one or more changes, events or occurrences, and "**Material Adverse Effect**" means in respect of a Party or its Subsidiary (if any), an effect, which, in either case, either individually or in the aggregate with all other fact, changes, circumstances, effects, event or occurrences is, or would reasonably be expected to: (i) be material and adverse to the business, operations, results of operations, assets, capital, liabilities (contingent or otherwise), prospects or financial condition of that Party or a its Subsidiary (if any); or (ii) prevent a Party from performing its obligations under the Definitive Agreement in any material respect, other than any change, event, occurrence or effect: (a) relating to the global economy or financial, securities or commodities markets in general, including without limitation, changes in currency exchange rates or interest rates; (b) relating to any generally applicable change in Applicable Laws (other than orders, judgments or decrees made against the Party or a Subsidiary (if any)); or (c) any natural disaster or the commencement, occurrence or continuation of any war, armed hostility or act of terrorism, provided, however that such matter referred to in clause (a), (b), or (c) above does not have a materially disproportionate effect to the Party or a Subsidiary (if any) compared to other companies of similar size operating in the same industry as that Party;

"**MD&A**" means management's discussion and analysis;

"**Name Change**" means the proposed change of RISE's name from "RISE Life Science Corp." to "Britannia Life Sciences Inc.";

"**Named Executive Officer**" or "**NEO**" means each of the following individuals:

(a) each individual who, during any part of a financial year, served as the chief executive officer, including an individual performing functions similar to a chief executive officer (the "**CEO**");

(b) each individual who, during any part of a financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer (the "**CFO**");

(c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the relevant period in question whose total compensation was, individually, more than CDN$150,000; and

(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that period.

"**OBCA**" means the *Business Corporations Act (Ontario)*, RSO 1990, c B.16, as may be amended or re-enacted from time to time, including all regulations promulgated thereunder;

"**Omnibus Plan**" means the omnibus incentive plan to be adopted by the Resulting Issuer upon the completion of the RTO Transaction, the full text of which is appended hereto as Schedule "G" – *"Omnibus Incentive Plan"*.

"**Party**" means each of RISE, Britannia, and RISE Subco, and "**Parties**" means all of them, collectively;

"**Regulatory Approval**" means any approval, consent, waiver, permit, order or exemption from any Government Authority having jurisdiction or authority over any Party or the subsidiary of any Party which is required or advisable to be obtained in order to permit the RTO Transaction to be effected, including, without limitation, approval of the CSE and "**Regulatory Approvals**" means all such approvals, consents, waivers, permits, orders or exemptions;

"**Related Persons**" has the meaning ascribed to it in policies of the CSE, as may be amended or restated from time to time;

"**Resulting Issuer**" means RISE, as it will exist immediately following the closing of the RTO Transaction;

"**Resulting Issuer Board**" means the board of directors of the Resulting Issuer;

"**Resulting Issuer Options**" means options to purchase Resulting Issuer Shares outstanding after giving effect to the RTO Transaction;

"**Resulting Issuer Shareholders**" means the shareholders of the Resulting Issuer;

"**Resulting Issuer Shares**" means the common shares in the capital of the Resulting Issuer, and, for greater certainty, includes the RISE Shares to be issued in exchange for Britannia Shares at closing of the RTO Transaction;

"**Resulting Issuer Warrants**" means the common share purchase warrants of the Resulting Issuer outstanding after giving effect to the RTO Transaction, each entitling the holder thereof to acquire one Resulting Issuer Share in accordance with the terms thereof;

"**Resulting Issuer Pro Forma Financial Statements**" means the (i) unaudited pro forma statement of financial position as at June 30, 2021 reflecting consolidated financial position of Britannia (together with ADSL) and RISE, together with the notes thereto, and (ii) unaudited statements of loss for the year ended June 30, 2021, reflecting the consolidated statement of profit and loss for Britannia, ADSL and RISE;

"**RISE**" means RISE Life Science Corp., a corporation incorporated pursuant to the CBCA;

"**RISE Annual Financial Statement**" means the audited and annual consolidated financial statements of RISE and its subsidiaries for the years ended November 30, 2020, and 2019, together with the notes thereto;

"**RISE Board**" means the board of directors of RISE;

"**RISE Convertible Debenture**" means the convertible debentures of RISE, the principal amount of which shall be convertible into RISE Shares at $0.065 per RISE Share and the aggregate accrued and unpaid interest on such RISE Convertible Debentures shall be convertible to RISE Shares at $0.05 per RISE Share;

"**RISE Interim Financial Statement**" means the unaudited interim financial statements of RISE and its subsidiaries for the three-month and six-month period ended May 31, 2021, together with the notes thereto;

"**RISE Notes**" has the meaning given to this term in section 3.1;

"**RISE Options**" means and refers to options to purchase RISE Shares outstanding as of the date hereof;

"**RISE Option Plan**" means the current option plan of RISE;

"**RISE Parties**" means RISE and the RISE Subsidiaries;

"**RISE Shareholders**" means the holders of RISE Shares;

"**RISE Shares**" means the common shares in the capital of RISE;

"**RISE Subco**" means 2830026 Ontario Inc., a wholly-owned subsidiary of RISE incorporated under the OBCA for the purposes of completing the RTO Transaction;

"**RISE Subscription Receipt Financing**" means the private placement of the RISE Subscription Receipts for aggregate gross proceeds to RISE of US$1,331,000;

"**RISE Subscription Receipts**" means the subscription receipts of RISE issued under the Subscription Receipt Financing pursuant to the Subscription Receipt Agreement, each of which is convertible to 77,400 RISE Shares and 77,400 RISE Subscription Receipt Warrants;

"**RISE Subscription Receipt Warrants**" means the common share purchase warrants of RISE, each entitling the holder thereof to acquire one RISE Share at a price of $0.021 per RISE Share for a period of 24 months from the date of issuance;

"**RISE Subsidiaries**" means Jamaica-Blu Ltd, Rise Research Inc., Scout Assessment Corp., Rise Life Science (Colorado), LLC, Brand Max Inc. (doing business as Cultivate Kind), Life Bloom Organics, LLC and RISE Subco (each, a "**RISE Subsidiary**");

"**RISE Warrant Share**" has the meaning given to this term in section 10.1;

"**RISE Warrants**" means the common share purchase warrants of RISE outstanding as of the date hereof, each entitling the holder thereof to acquire one RISE Share in accordance with the terms thereof;

"**RTO Transaction**" means the transactions described in the Definitive Agreement, pursuant to which, among other things, a reverse takeover of RISE by Britannia will be implemented by way of a triangular amalgamation involving RISE, Britannia, and RISE Subco;

"**Sellers' Note Agreement**" has the meaning ascribed to such term in section 3.2.1;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators;

"**Subsidiary**" has the meaning ascribed thereto in the CBCA; and

"**10% Maximum**" has the meaning ascribed to such term in section 9.

2. CORPORATE STRUCTURE AND INCORPORATION

2.1 Corporate Name and Address

Britannia Bud Canada Holdings Inc.

Britannia was incorporated on April 30, 2019 under the *Business Corporations Act* (Ontario) ("**OBCA**"). The registered and records office of Britannia is located at 120 Adelaide Street West Suite 2400, Toronto, Ontario, Canada, M5H 1T1.

As at the date of this Listing Statement, Britannia has two subsidiaries:

- Advanced Development and Safety Laboratories (United Kingdom) ("**ADSL**"), which Britannia acquired on February 9, 2021 and maintained a 60% equity interest. ADSL was incorporated on May 29, 2008 under The Companies Act 1985 for England and Wales. The registered and head office of ADSL is located at 37 Shiphay Lane, Torquay, TQ2 7DU 0803520048.

- Britannia Bud Company Limited ("**BBCL**"), which is a wholly-owned subsidiary of Britannia. BBCL was incorporated on March 23, 2019 under The Companies Act 2006 for England and Wales. The registered head office is located at Savoy Hill House, Savoy Hill, London, England, WC2R 0BU.

See "*Corporate Structure and Incorporation – Intercorporate Relationships*".

RISE

RISE was incorporated under the name "Magellan Biotech Inc." on November 16, 2000 under the *Canada Business Corporations Act* ("**CBCA**"). RISE went through a number of name changes since incorporation to present: it first changed its name from "Magellan Biotech Inc." to "Miraculins Inc." on October 10, 2002, further changed its name from "Miraculins Inc." to "Luminor Medical Technologies Inc." on March 24, 2016, and last changed its name from "Luminor Medical Technologies Inc." to "Rise Life Science Corp" on March 7, 2018.

RISE is a reporting issuer in British Columbia, Alberta, Manitoba and Ontario and the RISE Shares have been listed under the symbol "RLSC" on the CSE since December 1, 2017.

RISE's principal address is 120 Adelaide Street West, Suite 2210, Toronto, Ontario M5H 1H1. RISE has seven (7) direct and indirect wholly-owned material subsidiaries: Amalco, Jamaica-Blu Ltd, Rise Research Inc., Scout Assessment Corp., Rise Life Science (Colorado), LLC, Brand Max Inc. (dba Cultivate Kind), and Life Bloom.

See "*Corporate Structure and Incorporation – Intercorporate Relationships*".

The Resulting Issuer

As a condition to the RTO Transaction, RISE (the Resulting Issuer upon completion of the RTO Transaction), will have changed its name to "Britannia Life Sciences Inc.". The Resulting Issuer will have its head and registered office at 120 Adelaide Street West Suite 2400, Toronto, Ontario, Canada, M5H 1T1.

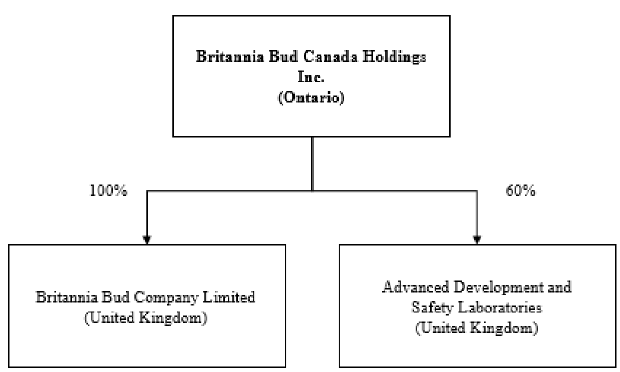
It is anticipated that the Resulting Issuer Board will be comprised of Peter Shippen, Scott Secord, and Greg Taylor.

2.2 Pre-RTO Intercorporate Relationships

Prior to the RTO Transaction, the following are the corporate structures of each of RISE and Britannia:

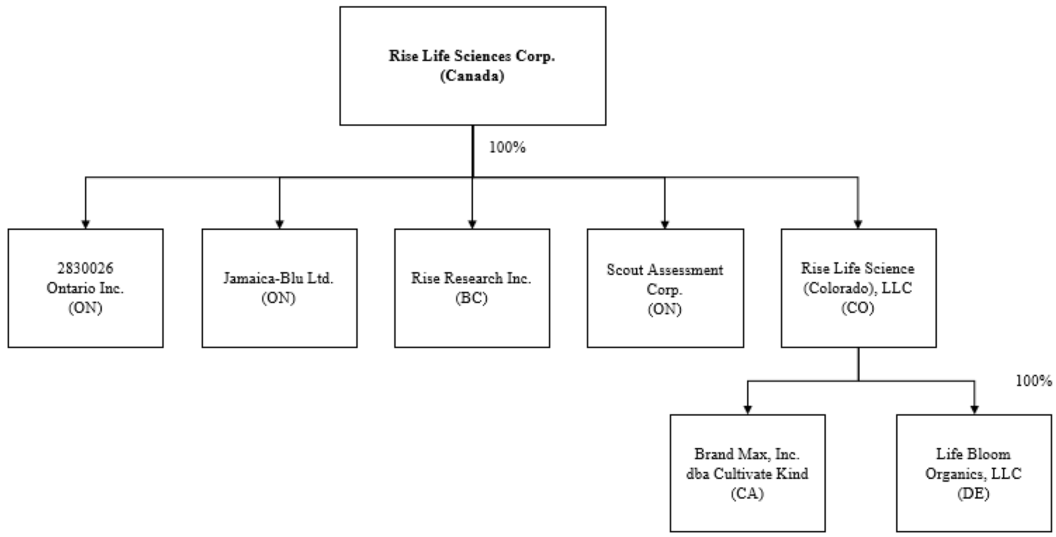
Britannia

The following is the corporate structure of Britannia, prior to the RTO Transaction:



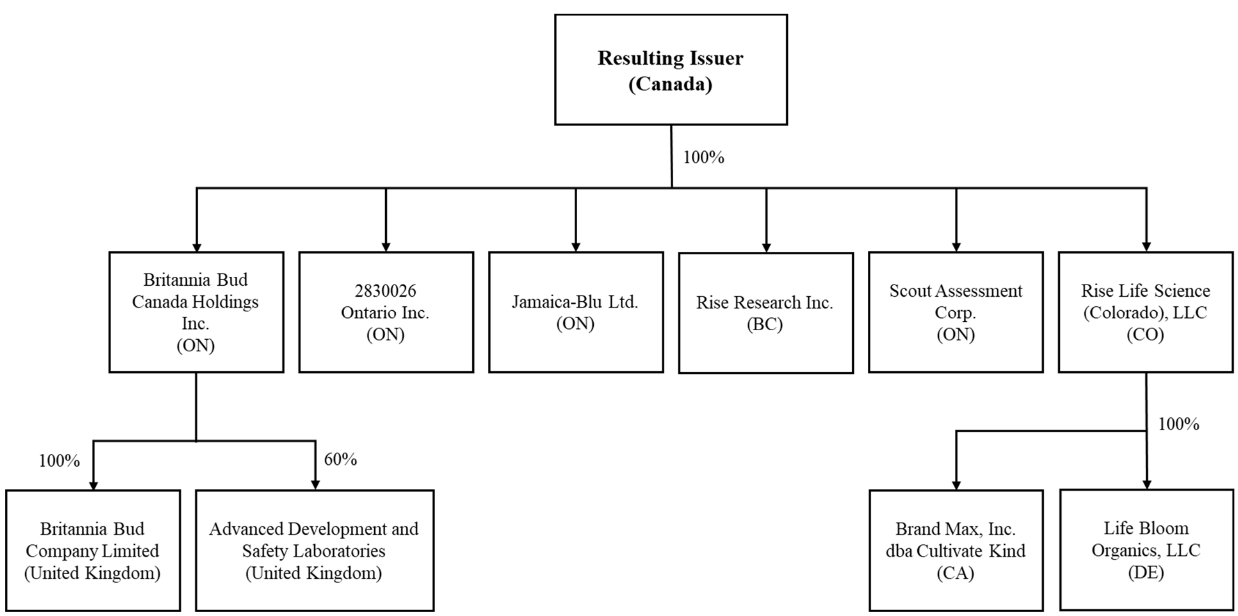
RISE

The following is the corporate structure of RISE, prior to the RTO Transaction:



2.3 Post-RTO Intercorporate Relationships

Following the completion of the RTO Transaction, the Resulting Issuer will have the following structure:



3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development and History

RISE Life Science Corp.

RISE has been focused on developing and evolving 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*. RISE has developed 15 SKUs resulting in 20 products and sells these products both online and in various retail locations in California. The products were developed using unique nanotech technology for higher bioavailability upon consumption. Products are available in spray, tablets and topicals that assist with sleep, muscle recovery, intimacy and PMS. RISE has developed its products with ingredients that are malleable to match over the counter regulations of country of import, thus ensuring compliance and flexibility in sales destinations.

Over the past few years, RISE had been actively growing by way of acquisitions of strategic targets and engaging in various equity financings for the purpose of exploring a transformational acquisition.

Acquisitions and Dispositions

On February 2, 2018, RISE acquired 100% of the issued and outstanding shares of Rise Research Inc. ("**Rise Research**"). In consideration for the acquisition of all of the issued and outstanding shares of Rise Research, RISE issued 9,500,000 common shares and 3,957,954 common share purchase warrants to the shareholders of Rise Research.

On July 11, 2018, RISE acquired 100% of the issued and outstanding shares of Life Bloom Organics, LLC ("**Life Bloom**") and 100% of the issued and outstanding shares of Cultivate Kind ("**Cultivate Kind**"). In consideration for the acquisition of all of the issued and outstanding shares of Life Bloom and Cultivate Kind, RISE issued 2,000,000 RISE Shares and 1,000,000 warrants to purchase RISE Shares ("**Life Bloom and Cultivate Kind Consideration Warrants**") to the Life Bloom and Cultivate Kind vendors. The RISE Shares issued as part of the acquisition were subject to contractual lockup provisions and the Life Bloom and Cultivate Kind Consideration Warrants were subject to vesting provisions. RISE also paid cash consideration of US$500,000 to the Life Bloom and Cultivate Kind vendors with US$175,000 paid at closing, US$162,500 paid on June 1, 2019 and US$162,500 paid on June 1, 2020. Life Bloom produces and markets nanotized, hemp-based CBD wellness, sleep, sport recovery and PMS targeted oral sprays with non-GMO, lactose free all-natural ingredients. Cultivate Kind is a brand strategy agency specializing in full-service brand development, go-to-market strategy, and retail marketing. Life Bloom and Cultivate Kind are currently wholly owned subsidiaries of RISE.

Financings

On April 19, 2018, RISE completed a non-brokered private placement through the issuance of an aggregate of 7,366,166 units at a price of CDN$0.30 per unit for gross proceeds of CDN$2,209,849.80.

On July 3, 2018, RISE completed a non-brokered private placement through the issuance of an aggregate of 4,824,399 units at a price of CDN$0.30 per unit for gross proceeds of CDN$1,447,319.70.

On August 1, 2018, RISE completed a non-brokered private placement through the issuance of an aggregate of 766,666 units at a price of CDN$0.30 per unit for gross proceeds of CDN$230,000.

On November 14, 2018, RISE completed a financing tranche of units, raising $4,035,000. The units issued were comprised of convertible notes ("**RISE Notes**") and warrants. The RISE Notes bear interest at 12% per year, to be paid quarterly in cash to the holders of the RISE Notes. The maximum term of the RISE Notes is 24 months and the minimum is 12 months, after which time RISE can repay the principal amount of the RISE Notes and any accrued but unpaid interest without any penalty or bonus.

At any time prior to repayment of the RISE Notes by RISE, the outstanding principal amount of each RISE Note and any accrued and unpaid interest is convertible at the sole discretion of the noteholder into RISE Shares at the conversion price of $0.15 per share. In addition, the RISE Notes are convertible by RISE in its discretion into RISE Shares at the conversion price of $0.15 per share in the event that the RISE Shares trade at $0.35 or more for 21 or more consecutive trading days on the Canadian Securities Exchange. The purchasers of the RISE Notes were also issued an aggregate of 26,897,310 common share purchase warrants of RISE 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 "**November 2018 Bonus Warrant**"). Each November 2018 Bonus Warrant would be exercisable into one RISE Share at an exercise price of $0.20 per share and shall expire 12 months from the date of its issuance.

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

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

The purchasers of the RISE Notes in this second tranche closing were also issued an aggregate of 9,932,340 common share purchase warrants of RISE 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 "**December 2018 Bonus Warrant**"). Each December 2018 Bonus Warrant shall be exercisable into one RISE Share at an exercise price of $0.20 per share and shall expire 12 months from the date of its issuance. $160,000 of the RISE Notes comprising the December 4th Units have been converted into shares.

On April 1, 2019, RISE completed a tranche of units (the "**April 1st Units**"), raising an additional $274,000. April 1st Units issued comprised of convertible notes and warrants. The RISE 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 RISE can repay the principle amount of the RISE Notes and any accrued but unpaid interest without any penalty or bonus.

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

The purchasers of the RISE Notes in this tranche were also issued an aggregate of 1,826,484 common share purchase warrants of RISE. 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 "**2019 Bonus Warrant**"). Each 2019 Bonus Warrant shall be exercisable into one RISE Share at an exercise price of CDN$0.20 per share and shall expire 12 months from the date of its issuance.

On April 1, 2019, the RISE raised an additional $2,050,000 which was deposited with an escrow agent. The escrowed funds were to be released to RISE for the purchase of additional April 1st Units providing RISE was successful in completing a CBD-related investment within the agreed upon time. As of November 30, 2020, all of the cash held in escrow had been returned to investors.

Subscription Receipt Financing

On March 5, 2021, RISE announced that it has closed a non-brokered private placement offering (the "**RISE March 2021 Offering**") of gross proceeds of subscription receipts for gross proceeds of US$710,000 through this issuance of 710 subscription receipts of RISE (the "**RISE Subscription Receipts**") at a price of US$1,000 per RISE Subscription Receipt. Further on April 15, 2021, RISE announced that it closed another tranche of a non-brokered private placement offering of 621 RISE Subscription Receipts for gross proceeds of US$621,000 (the "**RISE April 2021 Offering**", together with the RISE March 2021 Offering, the "**RISE Concurrent Financing**").

The gross proceeds of the RISE Concurrent Financing were held in escrow on behalf of the subscribers of the RISE Subscription Receipts by an escrow agent. Upon the signing of the Definitive Agreement (as defined herein), the escrow release conditions governing the conversion of the RISE Subscription Receipts have been satisfied. Accordingly, the RISE Subscription Receipts automatically converted into an aggregate of 103,019,400 common shares of RISE (each, a "**RISE Share**"), and 103,019,400 common share purchase warrant of RISE (each, a "**RISE Warrant**"), based on the Exchange Ratio. Each RISE Warrant entitles the holder thereof to acquire one RISE Share at a price of $0.021 per RISE Share for a period of 24 months from the date of issuance. See "*General Development of the Business – The RTO Transaction and the Definitive Agreement*" below. Completion of the RTO is subject to a number of conditions, including receipt of all necessary shareholder and regulatory approvals, and the conditional approval of the CSE for the listing of the Resulting Issuer Shares following completion of the RTO**.**

Debt Settlement

On June 6, 2021, RISE announced it had converted $4,389,000 principal amount of unsecured convertible debentures and all accrued and unpaid interest into 82,433,917 RISE Shares in the capital of RISE at an average price of $0.062 per RISE Share.

Also on June 6, 2021, RISE announced it has settled an aggregate of $1,981,238 of indebtedness to certain arm's-length and non-arm's-length creditors of RISE through the issuance of 33,898,936 RISE Shares at an average price of $0.06 per RISE Share. The RISE Shares issued pursuant to the debt settlement and RISE Shares issued for any accrued and unpaid interest are subject to a four-month hold period and completion of the transaction remains subject to final acceptance by the Canadian Securities Exchange.

Certain amounts of the debt settlement constituted a related party transaction as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as insiders of RISE acquired 22,265,877 RISE Shares. RISE is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 as the fair market value of the participation in the debt settlement by insiders does not exceed 25 per cent of the market capitalization of RISE, as determined in accordance with MI 61-101. RISE did not file a material change report more than 21 days before the closing of the debt settlement RISE wished to close the debt settlement on an expedited basis for sound business reasons, which includes the cleanup of the balance sheet of RISE in connection with the previously announced business combination transaction involving Britannia.

Britannia Bud Canada Holdings Inc.

Britannia was founded on April 30, 2019 to pursue opportunities in the emerging medical cannabis market in United Kingdom. After reviewing the regulatory, legal, and health care environment in the United Kingdom, Britannia determined that the framework for a commercially viable medical cannabis market did not exist at that time. As a result, Britannia shifted its focus to identifying and investing in opportunities in the cannabidiol (CBD) market in the United Kingdom. Britannia noted that while there was a proliferation of consumer products containing CBD available on the market in the United Kingdom, there were no standards as to product quality, purity or origin. Britannia determined that transparency around CBD quality and origin would become a key differentiator as the consumer market for CBD products continued to grow and evolve. In order to exploit the commercial opportunity associated with this increasing focus on quality, Britannia entered into a strategic partnership with ADSL, which operates a state-of-the-art, ISO 17025 and GMP compliant formulation and laboratory testing facility in the United Kingdom and provides product testing, safety assessment and compliance services to the cosmetic, consumer packaged goods and nutraceutical industries in the United Kingdom and globally. The objective of the partnership was to establish and operate a fully equipped testing laboratory to serve the United Kingdom and European CBD markets. As discussions on the structure, roles and commercial terms of the partnership evolved, Britannia and ADSL determined that the acquisition by Britannia of a majority interest in ADSL would be in the best interest of both parties.

Acquisition of ADSL

On March 10, 2020, Britannia and Mark Richard Bowes-Cavanagh, Claire Suzanne Bowes-Cavanagh, Jonathan Bird Sumner and Robert Sumner (each a "**Seller**", collectively the "**Sellers**") entered into share purchase agreement, wherein Britannia acquired 60% of the issued share capital of ADSL. The remaining 40% of equity interest in ADSL is retained by the Sellers as of the date of this Listing Statement. On February 9, 2021, Britannia exercised its option to acquire an additional 10% of equity interest in ADSL, which is scheduled to close on or before a date that is 180 days from the completion of the RTO Transaction.

See "*Significant Acquisitions and Dispositions – ADSL*".

Financings

On June 21, 2019, Britannia completed a non-brokered private placement through the issuance of an aggregate of 448,860 Britannia Shares at a price of CDN$1.35 per Britannia Share for gross proceeds of CDN$605,961.

Britannia Concurrent Financing

Between January to April 2021, Britannia completed a few tranches of non-brokered private placements of 6,127 convertible debenture units of Britannia ("**Britannia Convertible Debenture Units**") were issued at a price of US$1,000 or CDN$1,270, at the option of the subscriber thereof, per Britannia Convertible Debenture Unit for aggregate proceeds of US$6,127,000 (or the Canadian dollar equivalent) (the "**Britannia Concurrent Financing**"). Each Britannia Convertible Debenture Unit was comprised of US$1,000 principal amount of 10% 2-year convertible senior unsecured debentures ("**Britannia Debentures**") of Britannia and 645 share purchase warrants of Britannia ("**Britannia Warrants**"). Each Britannia Debenture is convertible at any time prior to the close of business on the last business day immediately preceding six months of the closing date, into that number of shares computed on the basis of the principal amount of the Britannia Debentures divided by the conversion price of US$1.55 per Britannia Debenture Share (the "**Britannia Debenture Conversion Price**"). Each convertible debenture will be deemed to automatically convert, without any further action on the part of the holder and immediately prior to any Liquidity Event, such as the RTO Transaction, and will automatically convert into 474,348,387 Resulting Issuer Shares, based on the Britannia Debenture Conversion Price and after giving effect to the Exchange Ratio (the "**Liquidity Event Conversion**"). Each Britannia Warrant entitles the holder thereof to purchase one Britannia Share at a price of US$2.00 for a period of 24 months from the date of issuance. See "*Prior Sales*".

Corporate Developments

On September 16, 2020, Britannia, through ADSL, partnered with a UK membership organization for businesses committed to a safe, legal and flourishing commercial cannabis extract market in the UK and Europe. The company has been working in partnership with member companies in response to all regulatory matters related to CBD and novel foods applications in the United Kingdom.

The RTO Transaction and Concurrent Financings by RISE and Britannia

On September 14, 2020, RISE entered into the LOI with Britannia whereby RISE and Britannia agreed to complete a business combination transaction. The Amended LOI was entered into on January 21, 2021 to amend and confirm their intention to complete a business combination transaction.

During March and April 2021, RISE completed the RISE Concurrent Financing raising aggregate gross proceeds of US$1,331,000. Between January and April 2021, Britannia completed the Britannia Concurrent Financing raising aggregate gross proceeds of approximately US$6,127,000. See "*Prior Sales*", "*Description of the Securities*", "*General Development of the Business – Subscription Receipt Financing*" and "*General Development of the Business – The RTO Transaction and the Definitive Agreement*".

On April 30, 2021, RISE, RISE Subco and Britannia entered into the Definitive Agreement (as defined below in section 3.2.2– *Definitive Agreement* and as amended on August 31, 2021 and further amended and restated on October 29, 2021) pursuant to which Britannia agreed to amalgamate with RISE Subco to form "Amalco", which will result in a reverse takeover of RISE. For a summary of the terms of the Definitive Agreement, see "*General Development of the Business – The RTO Transaction and the Definitive Agreement*".

On completion of the RTO Transaction, the Resulting Issuer will carry on the business and operations of Britannia and RISE with a focus on product development and laboratory testing within the food, cosmetics, nutraceutical and wellness sectors.

See "*Narrative Description of the Business*".

3.2 Significant Acquisitions and Dispositions

3.2.1 ADSL

Britannia and Mark Richard Bowes-Cavanagh, Claire Suzanne Bowes-Cavanagh, Jonathan Bird Sumner and Robert Sumner (each a "**Seller**", collectively the "**Sellers**") entered into share purchase agreement dated March 10, 2020, wherein Britannia acquired 60% of the issued share capital of ADSL, which includes optionality to purchase the remaining 40% interest in ADSL (the "**ADSL Purchase Agreement**") from the Sellers who have retained ownership of the 40% interest. Completion payments in relation to this agreement were made on February 9, 2021. Upon completion of the transaction and in connection to this agreement, the Sellers entered into a sellers' note agreement on February 9, 2021, as amended on June 15, 2021 (the "**Sellers' Note Agreement**") pursuant to which the Sellers agreed to loan the sum of £4,456,812.58 to Britannia, at an initial interest rate of 6% per annum, which increased to 10% from June 1, 2021, in connection with the amendment on June 15, 2021. The loan is due on December 31, 2021.

Due to challenging capital market dynamics and delays associated with the COVID-19 pandemic, the Sellers agreed to defer a portion of the purchase price pursuant to the Sellers' Note Agreement. On June 4, 2021, the Sellers agreed to accept an extension of the term of the agreement in accordance with the penalties stipulated in the original agreement. Britannia agreed to pay a penalty fee of £200,000, as well as increasing the interest rate to 10% on the outstanding balance. On February 9, 2021, Britannia additionally agreed to purchase an additional 10% of the ADSL, in accordance with a portion of the optionality rights established in the original ADSL Purchase Agreement. The outside date on the completion of the exercise of the option and payment of the purchase price is 180 days following the completion of the RTO Transaction.

3.2.2 Definitive Agreement

The business combination transaction involving RISE and Britannia (the "**Business Combination**") was effected in accordance with the business combination agreement (renamed amalgamation agreement) dated April 30, 2021, as amended on August 31, 2021 and further amended and restated on October 29, 2021, entered into between RISE, Britannia and 2830026 Ontario Inc., a wholly-owned subsidiary of RISE (the "**Definitive Agreement**"), and will result in a reverse takeover of RISE (the "**RTO Transaction**") and will constitute a "fundamental change" of RISE pursuant to the policies of the CSE. Details on the Business Combination, including the reasons for, conditions to and effect of the Business Combination are set forth in this Listing Statement and the Schedules hereto.

The principal feature of the Business Combination may be summarized as set forth below:

(a) Britannia and RISE Subco will amalgamate under the OBCA to form "Britannia Bud Canada Holdings Inc.", the amalgamated corporation existing under the OBCA;

(b) in exchange of their Britannia Shares, Britannia Shareholders will receive Resulting Issuer Shares at an exchange ratio of 120 Resulting Issuer Shares for each one Britannia Share (the "**Exchange Ratio**"), subject to applicable adjustment in connection with the Consolidation;

(c) the Resulting Issuer will exist as a corporation under the laws of Canada;

(d) the Resulting Issuer Board will be set at three (3) directors and will be reconstituted to include (i) Mr. Peter Shippen, (ii) Mr. Scott Secord, and (iii) Mr. Greg Taylor.

In addition, the Definitive Agreement provided for a potential consolidation and name change of RISE in connection with the RTO Transaction, at the option of Britannia.

Following the Business Combination, Amalco will be a wholly-owned subsidiary of the Resulting Issuer.

Reasons for the Business Combination

The Definitive Agreement was negotiated by RISE and Britannia on the basis that it will create long-term value for RISE Shareholders and Britannia Shareholders. Recognizing the potential benefit such a transaction would bring to their respective shareholders, RISE and Britannia entered into the Definitive Agreement on April 30, 2021, as amended on August 31, 2021 and further amended and restated on October 29, 2021.

Britannia and RISE believe the RTO Transaction to be an important next step in their business development and has identified attractive and complementary assets through the transaction, which will accelerate the Resulting Issuer's growth and strategic development. The board of directors of both RISE and Britannia believe the below business considerations to be principal value drivers for the RTO transaction:

- **Global Footprint**. It is anticipated that the RTO Transaction will provide the Resulting Issuer with global footprint, congregating RISE's assets in the United States with Britannia's presence and operations in the UK. This footprint will further allow the Resulting Issuer to expand the breadth of its full-service product development and testing platform for current and existing clients in the US cosmetic, food and nutraceutical industries.

- **Go-to-market.** RISE has a suite of existing products and formulations which have been market-validated through historic sales success. These formulations cover a broad range of flavours and functional uses, as well as an advanced market nanotech process to improve the bioavailability of CBD. Britannia's operations will diversify the revenue streams for the Resulting Issuer and provides a broad range of distribution channels. Britannia's management team brings significant experience in the global cannabinoid industry, with regulatory and product management expertise, improving the competitive positioning of the Resulting Issuer. These products will accelerate the Resulting Issuer's planned application for Novel Foods Authorization in the UK and EU, and consequently, its time to market. A master supply agreement Britannia signed with a large US distributor of ingredients for UK distribution also creates a significant arbitrage opportunity.

- **Liquidity/Access to capital.** If the RTO Transaction is completed, the Resulting Issuer may benefit from enhanced capital markets presence and a broader shareholder group, with strengthened access to growth capital in the form of both debt and equity.

- **Improve visibility**. With Britannia's resources and expertise, the Resulting Issuer will have stronger financial performance, strategic relationships, and overall economic potential will be viewed more favorably in the context of public markets. The added credibility and visibility will benefit the Resulting Issuer, particularly through its extensive growth initiatives, as well as the nascent industry in which it participates currently under way by improving visibility when coupled with its growth initiatives.

- **Growth in product development and testing services.** Britannia's current operations and vision for future growth aligns well with the growing market for product development and lab testing services in the cannabis sector. Britannia and RISE believe that by leveraging their combined product development and testing expertise, the Resulting Issuer can cross sell products and services within a broader market, including the United Kingdom.

- **ISO 17025 License**. Britannia has an ISO 17025 license to test and approve CBD products in the UK under the Novel Foods Act.

- **Partnerships**. Britannia's partnerships provide increased opportunities for the Resulting Issuer. These partnerships include (i) the partnership with Association for Cannabinoid Industry and their 23 member novel foods syndicate, creates high margin annuity in the cannabis sector and (ii) Knowledge Transfer Partnership granted in association with University of Plymouth focused on CBD research.

The RTO Transaction will be carried out pursuant to the Definitive Agreement. The following is a summary of the principal terms of the Definitive Agreement. This summary does not purport to be complete and is qualified in its entirety by reference to the Definitive Agreement, which has been filed on SEDAR (www.sedar.com) under RISE's issuer profile and which is appended hereto as Schedule "I" – *"Definitive Agreement"*.

Representations, Warranties and Covenants

The Definitive Agreement contains customary representations and warranties made by each of the parties in respect of the respective assets, liabilities, financial position, business and operations of RISE, RISE Subco and Britannia. Both RISE and Britannia also provided covenants in favour of each other in the Definitive Agreement, which govern the conduct of the operations and affairs of each respective party prior to the Effective Date.

The Definitive Agreement contained mutual non-solicitation provisions in favour of both RISE and Britannia. Both RISE and Britannia and their respective officers, directors, employees, agents or affiliates covenant not to, directly or indirectly, (i) solicit, initiate, knowingly encourage, cooperate with or facilitate the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction, or propose any activities or solicitations in opposition to or in competition with the RTO Transaction; (ii) sell any of its material assets or its business or induce, or attempt to induce, any other person to initiate any shareholder proposal or "takeover bid," exempt or otherwise, within the meaning of the *Securities Act* (Ontario), for securities of the Party or the Parties' assets; nor (iii) undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the RTO Transaction from any person (other than the Parties), nor with respect to the RISE Parties only result in the issuance or sale of any securities of a Party, and including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations.

Conditions to the Business Combination Becoming Effective

The Definitive Agreement contains certain conditions precedent to the obligations of RISE, RISE Subco, and Britannia to complete the Business Combination. Unless all of such conditions are satisfied or waived by the party or parties for whose benefit such conditions exist, the Business Combination will not be completed. The following is a summary of the significant conditions contained in the Definitive Agreement:

(a) the representations and warranties of RISE, RISE Subco, and Britannia set forth in the Definitive Agreement, qualified as to materiality, being true and correct, and the representations and warranties not so qualified being true and correct in all material respects as of the date of the Definitive Agreement and on the Effective Date as if made on the Effective Date, except for such representations and warranties made expressly as of a specified date which shall be true and correct in all material respects as of such date;

(b) each of RISE, RISE Subco, and Britannia having performed and complied in all material respects with all covenants and agreements required by the Definitive Agreement to be performed or complied with by it prior to or on the Effective Date;

(c) between the Effective Date of the Definitive Agreement and the Closing Time, there will not have occurred any Material Adverse Change with respect to any Parties;

(d) all third party consents, waivers, permits, orders and approvals required in connection with the RTO Transaction being provided or obtained on terms and conditions acceptable to the Parties, acting reasonably, at or before the Closing Time, except where failure to provide or obtain such would not have a Material Adverse Effect, would not materially adversely affect any Parties, or would not prevent or materially impede the completion of the RTO Transaction;

(e) the Britannia securityholders entering into the CSE Escrow Agreement and Britannia providing RISE with a copy of such agreement executed by the Britannia securityholders in the form required under CSE policies;

(f) RISE entering into the CSE Escrow Agreement and providing Britannia with a copy of such agreement in the form required under CSE policies;

(g) RISE receiving consents from Peter Shippen, Scott Secord, and Greg Taylor, or such other proposed directors of the Resulting Issuer that Britannia in its sole discretion may determine (the "**Director Nominees**") to act as directors of RISE with effect as of the Closing Time;

(h) Britannia conditionally appointing the Director Nominees to the Resulting Issuer Board without objection from the CSE;

(i) RISE receiving written resignations and releases from each director and officer of RISE with effect from the Closing Time;

(j) no cease trade, enjoinment, prohibition or imposition (i) on material conditions on the RTO Transaction; (ii) on the rights of RISE to own or exercise full rights of ownership of Amalco upon the completion of the RTO Transaction or conduct the business conducted by Britannia; (iii) on the completion of the RTO Transaction in accordance with the terms of the Definitive Agreement; or (iv) that would have a Material Adverse Effect or would materially adversely affect any of the Parties;

(k) the representations and warranties provided by RISE with respect to share capital shall be true and correct as of the Closing Time and no issuance of securities shall be made other than in accordance with the Definitive Agreement;

(l) payments being made in accordance with the Definitive Agreement;

(m) RISE Debenture holders agreeing in writing with RISE to amend the terms of the RISE Convertible Debentures in accordance with the Definitive Agreement;

(n) RISE Shareholders approving the Name Change, if applicable;

(o) shareholder approval of the Business Combination by both Parties is obtained;

(p) no Order or decree restraining or enjoining the consummation of the RTO Transaction;

(q) the Definitive Agreement not being terminated pursuant to its terms and conditions;

(r) Subscription Receipts being converted into RISE Shares and RISE Warrants in accordance with the Subscription Receipt Agreement;

(s) distribution of the Resulting Issuer Shares being exempt from the prospectus and registration requirements of Applicable Securities Laws;

(t) the CSE conditionally accepting the RTO Transaction, the listing of the Resulting Issuer Shares issuable pursuant to the RTO Transaction, the Name Change (if applicable) and the Consolidation;

(u) all Regulatory Approvals being obtained; and

(v) both Parties completing such acts and delivering all items required as closing conditions.

3.3 Trends, Commitments, Events or Uncertainties

The most significant trends and uncertainties which management expects could impact its business and financial condition are: (i) changes in laws, regulations and guidelines in its evolving industry, including in major geographical locations such as the UK; (ii) reliance on certain partnerships; (iii) the ability of companies to raise adequate capital to carry out their business objectives; (iv) general market trends in the CBD market, including any shifts in consumer preferences to purchasing CBD products through online portals; (v) unfavorable publicity or consumer perception; (vi) impact of outbreak of epidemics, pandemics or other health crises, including the recent outbreak of COVID-19 on consumption patterns; and (vii) product liability. See "*Risk Factors*".

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General Business of the Resulting Issuer

Following the completion of the RTO Transaction, the business of Britannia will become the business of the Resulting Issuer. In addition, it is expected that the Resulting Issuer will also take advantage and utilize the intellectual property RISE possesses to further their product development and offerings.

Below is an overview of the general business of Britannia, which will be the Resulting Issuer's business upon completion of the RTO Transaction.

Britannia is a diversified product testing, quality assurance, consumer safety and regulatory compliance company, offering a broad range of complementary services to both blue-chip and small medium enterprises, concentrated in the cosmetic, consumer goods, and CBD industries. Britannia partners with its clients to develop, test, validate, and distribute market-leading products.

Based in the UK, Britannia's service offering helps brand owners take their product ideas from concept to shelf, including formulations, testing, safety assessments and regulatory requirements. Britannia serves a diverse customer base that includes multinational companies, retailers and brands.

Britannia's experienced management team and technology platform provide competitive advantages that are adaptable across a multitude of services and industries. Britannia's strategy is to use the technical expertise and platform it possesses, along with its relationships with clients, suppliers, industry groups and regulators to continue to grow its platform through organic expansion and accretive acquisitions. Most recently, this strategy has led to Britannia entering the cannabidiol industry, where it has assumed a prominent role in helping companies navigate the nuances of the UK's Novel Foods legislation and consumer preferences.

ADSL is the cornerstone of the Britannia Life Sciences platform. Founded in 2008, ADSL is a provider of testing, safety assessment and compliance services to a multinational client base across the consumer packaged goods, cosmetics, pharmaceutical, cosmetic, and nutraceutical industries. Leveraging its specialized multidisciplinary expertise and cutting-edge proprietary technology, ADSL offers a comprehensive range of solutions on time-efficient and cost-effective basis. ADSL is committed to nurturing a safe, legal and flourishing commercial cannabis extract market and is providing testing, guidance and advisory services for all matters related to CBD and novel foods applications. ADSL's ISO 17025 and GMP compliant formulation and lab facility is located in Devon, United Kingdom.

ADSL has historically serviced the cosmetics sector in the areas of global compliance and safety reports, microbiology testing, consumer evaluations, and formulations, and serves as a one-stop-shop for customers seeking a full-service partnership. On February 9, 2021, Britannia completed an acquisition for 60% interest in ADSL, with an option to acquire the remaining interest.

4.1.1 Business Objectives

Integrate and Expand ADSL

Britannia has entered into an agreement pursuant to which Britannia exercised its option to acquire an additional 10% interest in ADSL, as provided for under the ADSL Purchase Agreement, following the completion of the RTO. Britannia intends to continue leveraging ADSL's services and expertise as part of its growth including the expansion of the ADSL team. Britannia has prepared an extensive sales and marketing plan, with early initiatives underway. The Resulting Issuer aims to increase demand and maximize utility of ADSL's existing lab facilities, which will involve a refinement of pricing strategy through service bundling and cross-selling services to Britannia's existing clients, attracting new clients to its platform both domestically and abroad.

Consolidation in Lab Market

Despite Britannia's short history, it has experienced significant growth and aims for the Resulting Issuer to continue this growth trajectory by leveraging ever-expanding expertise and infrastructure to make accretive acquisitions. Britannia is pursuing a consolidation strategy as well as seeking collaborations and joint venture projects, while continuing to develop its customer base organically. Through this collaborative consolidation strategy, Britannia (and the Resulting Issuer) aims to be a long-term partner and investor for high-potential companies. As a leader in process automation, it will leverage its licenses and intellectual property to ensure margin expansion, while deepening customer relationships across key market segments.

Commercialize Novel Foods Finished Goods

The Resulting Issuer will continue offering Novel Foods certification for finished goods and services to new market participants for the Novel Foods certification of their finished goods. Britannia contractually established service agreements with 20 domestic and international companies to provide validation services for ingredients and processes and coordination and advice relating to all details with respect to their Novel Foods Application Submissions. As these companies navigate these new Novel Foods regulations, the Resulting Issuer will continue to leverage its services to consult on and provide services both existing clients and new market entrants who possess extensive products offerings in North America, UK, and EU. ADSL provides ongoing compliance validation for such new products, in accordance with regulatory requirements.

The Resulting Issuer plans to capitalize on the significant demand for high-quality raw materials, which have undergone testing and validation by its state-of-the-art quality assurance lab, and has developed a global supply chain platform. Given the capability to import/export CBD, Britannia can capitalize on the global market and support clients through its validation and testing services to ensure the quality of CBD products that would be brought to market. With an increasingly globalized nature of the market, the Resulting Issuer intends to continue expanding its allows Britannia to cater to global supply/demand imbalances and ensure the Resulting Issuer's clients are able to confidently bring the highest quality CBD products to market. In the future, this will extend to licensed production facilities in strategic global geographies, allowing the Resulting Issuer to provide quality raw materials that are validated from "seed to sale".

4.1.2 Significant Events and Milestones

To accomplish Resulting Issuer's stated business objectives, the Resulting Issuer will work towards the following milestones in accordance with the timelines at the anticipated costs set out below:

Objective	Milestone	Timeline	Estimated Cost
Conclude proposed transaction and consolidation	Complete integration of Britannia and RISE	2021 Q4	$500,000
Integrate and expand ADSL	Partial Repayment of Sellers' Note	2021 Q4 – 2022	$2,204,203(1)
Lab Market Consolidation	Complete an acquisition	2022 – 2023(2)	Uncertain at this time(2)

Notes:

(1) As of the date of this Listing Statement the total amount due under the Sellers' Note Agreement is approximately $7,631,400. Additional funds available to the Resulting Issuer arising from the exercises of outstanding warrants, which is anticipated at $12 million as detailed in "*4.1.3 – Total Funds Available*" and "4.1.4 – *Purpose of Funds*", will be utilized for full repayment of the Sellers' Note Agreement and the acquisition of a further 10% of ADSL.

(2) The timing and extent of lab market consolidation and the size of any additional acquisition(s) will depend on the availability of such funds and any additional financings obtained by the Resulting Issuer and market conditions.

The actual time required to complete any of the proposed objectives of the Resulting Issuer, if completed at all, could differ from the projected timeline in the table above. The execution of these items will depend on a number of factors including the availability of capital and other resources. The foregoing list is also not exhaustive of the steps that Resulting Issuer needs to take to be successful going forward and achievement of the foregoing milestones shall not guarantee success. Accordingly, management will retain broad discretion to implement its project development program in a manner that is consistent with sound business and operational practices.

4.1.3 Total Funds Available

The Resulting Issuer has funds available to it as set forth below:

Source	Funds Available
Estimated working capital on hand, ongoing cash reserve	
Cash in RISE (as of June 30, 2021)	$1,123,499(1)
Cash in Britannia (as of September 30, 2021)	$2,866,280
Other current assets in Britannia (as of September 30, 2021)	$2,155,440
Less Current Liabilities (as of September 30, 2021)(2)	$1,941,016
Total	**$4,204,203(3)**

Notes:

(1) Cash in RISE includes the restricted cash from RISE that becomes unrestricted on completion of the RTO Transaction.

(2) The current liabilities does not include the payment required in connection with the Sellers' Note Agreement of approximately $7,631,400 as of September 30, 2021.

(3) Britannia anticipates receiving an additional $12.0 million from warrant exercises in the near term, of: (a) 3,951,915 Britannia Warrants and 74,425 compensation warrants, each exercisable at US$2.00 per Britannia Share (subject to currency conversion and the Exchange Ratio), and (b) 103,019,400 RISE Subscription Receipt Warrants each of which is exercisable at CDN$0.021 per RISE Share on a pre-Consolidation basis. Both Britannia Warrants and the RISE Subscription Receipt Warrants are expected to be exercised shortly after the Resulting Issuer resumes trading.

4.1.4 Purpose of Funds

The primary purposes of the Business Combination are to obtain additional equity capital for the Resulting Issuer, create a public market for the Resulting Issuer Shares, and facilitate future access by the Resulting Issuer to financing opportunities in new markets. The Resulting Issuer plans to leverage the success of Britannia and RISE to further expand its product development and laboratory testing capability in Europe and the United Kingdom, focusing on services relating to safety and regulatory compliance, quality control, testing and validation.

It is expected that the Resulting Issuer will use the total funds available as set forth below:

Principal Use of Funds	Funds
Costs related to closing the RTO Transaction	$500,000
Completion payment related to the ADSL transaction	$2,204,203(1)
Resulting Issuer G&A expenses for 12 months	$1,500,000(2)
Total	**$4,204,203**

Notes:

(1) This is for the partial repayment of the Sellers' Note Agreement of approximately $7,631,400.

(2) The Resulting Issuer expects that the major components of its G&A expenses totaling $1,500,000 over the next 12 months will be comprised primarily of: (a) salary expenses of $700,000), (b) legal, audit and other professional fees incurred by the Resulting Issuer of $500,000, and (c) business development and other related expenses of $300,000.

The Resulting Issuer intends to spend the funds available to it as stated in this Listing Statement. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary.

In addition, the Resulting Issuer has reasonable expectations of additional cash proceeds of approximately $12 million from the exercises of: (i) the outstanding 4,026,340 Britannia Warrants (inclusive of the compensation warrants) which are exercisable at US$2.00 per Britannia Share (subject to currency conversion and the Exchange Ratio), and (ii) 103,019,400 RISE Subscription Receipt Warrants each of which is exercisable at CDN$0.021 per RISE Share on a pre-Consolidation basis. Should the outstanding warrants be exercised, the Resulting Issuer anticipates the additional proceeds and available funds to be used to acquire a further 10% interest in ADSL as well as full repayment of the Sellers' Note. See "*4.1.3– Total Funds Available*" for more details.

There may be circumstances where, for sound business reasons, a reallocation of the net proceeds may be necessary. In the event of an increase in the funds available to Britannia, those amounts allocated above may be increased in the discretion of Britannia. The actual amount that Britannia spends in connection with each of the intended uses of proceeds may vary significantly from the amounts specified above, and will depend on a number of factors, including the foregoing and those referred to under "*Risk Factors*" below. However, it is anticipated that the available funds will be sufficient to satisfy Britannia's objectives over the next 12 months.

4.2 Principal Products and Services

The Resulting Issuer, through its subsidiary, will offer product development, quality assurance and safety and regulatory compliance in the consumer packaged goods, cosmetics, household goods and nutraceutical industries. It will serve a diverse customer base including multinational companies, retailers and brands, and develop, test and validate products for its clients using its laboratory and technology platform.

Specifically, the Resulting Issuer's principal products and services will include: (a) cosmetic product safety reports, (b) global compliance & registration, (c) microbiological & laboratory testing, (d) consumer & clinical evaluation and (e) novel foods dossiers / agreements.

A breakdown of Britannia's sales in its principal products and services is provided below:

Product/Service	Percentage of Sales in the last 12 months
Cosmetic Product Safety Reports	19%
Global Compliance & Registration	28%
Microbiological & Laboratory Testing	19%
Consumer & Clinical Evaluation	21%
Novel Foods Agreements	13%

Cosmetic Product Safety Reports

Description and Background

Cosmetics are regulated in the United Kingdom and European Union by Regulation (EC) No 1223/2009. The main objectives of this regulation are to create a set of rules that all cosmetics comply with and to ensure a high level of protection for human health. A fundamental requirement of the regulation is that a safety assessment is carried out prior to placing the product on the retail market. The regulation specifies that these assessments should be in the form of a cosmetic product safety report. It is the responsibility of a designated responsible person to ensure the report's completion, as well as ensuring ongoing compliance by keeping the report up to date once the product is in market.

Principal Offering and Services

ADSL's technical compliance team offers full toxicological reviews, meeting all regulatory requirements and ensuring products and raw materials are correctly analyzed to meet the Cosmetic Product Safety Report (CPSR) standards. Detailed raw materials evaluation is undertaken using in-house NOAEL (No Observed Adverse Effect Level) and SED (systemic exposure dose) databases to ensure accurate margin of safety calculations with supporting evidence.

The cosmetic safety assessor is required to consider the safety of the ingredients in the formulation and the safety of the finished product. The assessor must scrutinize and ensure all the relevant information is received, as their report requires thorough justification of their conclusion. On an ongoing basis, Britannia reviews and updates these reports based on new scientific findings and toxicological data which could modify the result of the existing report; changes in formulation or specification; changes in use case; any trends of unwanted effects. The cosmetic safety assessor can accept, reject, or accept under specific conditions that a formulation is safe in terms of human health.

Labelling and warnings/instruction of use labelling of cosmetics is covered in article 19 of Regulation (EC) No 1223/2009, as well as various other global regulations, which require that labels display instruction of use and warnings. Britannia's database-driven process ensures that ingredients and formulations in scope adhere to all relevant warnings and any precautionary information. Once the process is complete, Britannia advises and supports its clients to place products on relevant regulatory portals (e.g. the Cosmetic Product Notification Portal (CPNP) (EC 1223/2009)).

Global Compliance & Registration

Description and Background

Similar to cosmetics, many consumer and household good companies are required to comply with varying product regulations and certification standards, which cover material content, supply chain, packaging and labelling. Many countries also require certain products to be registered if they are to be accredited or certified to a specific standard, such as Fairtrade or Organic. This enables both producers and regulators to ensure non-medical product claims are validated, prior to making them available for sale. Label verification and product warning verification services can be used as stand-alone, one-off services or can be incorporated into a longer, more-strategic program that forms part of companies' risk management procedures, while certification consultation can help a company build a strategy.

Principal Offering and Services

Britannia's consultants provide advice and guidance on (i) devising new consumer goods labels and (ii) reviewing labels that have already been developed. Britannia offers a complete verification package to ensure that the information clients are providing about a product is sufficient for their customers to understand the safe and optimal use. Britannia works with clients to help them meet supply chain and manufacturing requirements, including Risk Assessments and Hazard Analysis Critical Control Points (HACCP). These reports enable clients to deliver products to the market effectively and safely.

Britannia provides global regulatory advice in formulating, labelling, claims and ingredient legislation for the EU, FDA, ASEAN, Canada and Oriental markets. Britannia can verify label compliance and support label development for desired markets, as well as help registering an upstream or downstream user for EU REACH Regulation (EC) No 1907/2006 compliance. Britannia also services clients who seek Organic and Natural Standards (such as all grades of ECOCERT, BDIH, Soil Association, EU Flower or other accreditation), as well as Fairtrade Standards.

Microbiological & Laboratory Testing

Description and Background

Microbiological analysis covers the use of biological, biochemical or chemical methods for the detection, identification or enumeration of microorganisms. It is often applied to disease causing and spoilage microorganisms. Microbiological attributes of ingredients in cosmetics, consumer products, and biocides are often critical to final product quality. Regulators expect manufacturers to measure shelf stability, provide storage requirements and characterize the microbial quality of their ingredients and finished goods.

Principal Offering and Services

Through Britannia's ISO 17025 accredited laboratory facility, it is able to provide the testing required for formulation analysis adhering to the required protocols, including BP, EP, USP and EU Pharmacopeia. Based on initial and ongoing batch testing for Total Viable Count (TVC), Britannia provides ongoing testing and advises on risk mitigation related to potential supply chain issues. Britannia's provides support with items such as preservative choices, warehousing and manufacturing safety. Britannia provides clients optional manufacturing hygiene inspections to mitigate contamination concern, as well as full stability & compatibility testing to meet accepted protocols for potential changes in appearance, leakage, colour, smell or any other unforeseen issue. During testing of non-sterile products for specified microorganisms, Britannia employs direct transfer or membrane filtration methods, based on the nature of the product and desired results of suitability for each specific product. Each of Britannia's tests are evaluated with consideration of factors like product use, nature and route of administration, and typically exceed the minimum requirements of acceptance criteria for the desired pharmacopeia standard.

Consumer & Clinical Evaluation

Description and Background

User Trial Reports ("**UTRs**") demonstrate the safety, efficacy and user perception of a product and justify and enhance the claims being made. UTRs also offer statistical overviews of results that enable a better understanding of optimum product positioning and likely success. Fundamentally, and within the EU, UTRs form part of addressing Commission Regulation (EU) No 655/2013, which lays down the common criteria for the justification of claims used in relation to cosmetic products. The product must also conform to the requirements under EU Regulation (EC) No. 1223/2009 Article 10, Annex 10 providing a statement on the safety of the cosmetic product taking into account the intended use of the product and the anticipated systemic exposure to individual ingredients in the final formulation.

Principal Offering and Services

First Beauty is Britannia's consumer evaluations platform through which it brings beauty products to panellists for trial and feedback. First Beauty has access to a total of 40,000 panellists. This platform's architecture is designed around the need for clients to have close involvement with the questionnaire design and user trial operation, enabling a real-time view of UTR status and data as well as advanced access controls between colleagues within an organization. Britannia focuses on working with clients to build strategies to meet consumer expectations based on data, and tailoring product strategy by extrapolating buying habits.

General Data Protection Regulation (GDPR) compliant anonymised feedback data is used to generate necessary regulatory reports and inform client strategies. Clinical studies are performed in accordance with the principles of Good Clinical Research Practice (CGP) and in consideration of the Helsinki Declaration relating to ethical principles for research involving human subjects. Britannia works with clients to identify critical testing parameters, and tailors the eligible panellist body to meet such specifications.

At its UK DermaCentre, ADSL measures a range of parameters in a clinical environment under the medical control of ADSL's resident dermatologists. Through this relationship consultation, ADSL shares insights surrounding consumer's opinion and reaction to organoleptic claims (touch, smell, visual, etc.) and perception of products relative to one another to gauge in-market success through consumer goods benchmarking.

Novel Foods Agreements

Description and Background

Manufacturers of food products containing CBD and derivatives must submit a novel food application in line with Regulation (EU) 2015/2283. Operators can place a novel food on the European Union market only after the Commission has processed the application for the authorization of a novel food and detailed and ongoing QA/QC compliance is required throughout its supply chain. Manufacturers of food products containing CBD and associated derivatives must receive regulatory authorization and corresponding labelling to remain on shelves.

Business Integration

While the CBD novel foods regulatory services is a newly developed business line for Britannia and ADSL, it is objectively and procedurally similar to the production of safety and risk assessments for cosmetics products, resulting in a natural progression for the business. The principal components of the incumbent cosmetic safety assessments (ADSL's principal business) include toxicology studies of materials, as well as critical control parameters, to assess the risk of use or consumption amongst broad demographics. Given the transferability and process overlap, this new business line has been introduced at the ADSL laboratory in Devon, UK.

Principal Offering and Services

The services provided by Britannia include:

1. **Provisional Product Setup** – Britannia works with clients to capture the relevant product information concerning their desired product(s) in scope, and each is assigned a unique dossier identifier.

2. **Product Dossier & Gap Analysis** – After creating a provisional dossier, Britannia ascertains analytical & compliance gaps, as well as any potential consumer safety or product quality risks, in accordance with regulatory requirements.

3. **Data Capture** – After identifying data gaps, Britannia undertakes the required analytical, stability, and toxicological testing process at its ISO 17025 laboratories to ensure thorough completion of regulatory & compliance assessments. Further testing is conducted for animal safety studies through Britannia's partners, when required by regulators. Britannia endeavours to avoid animal testing when permissible, particularly surrounding cosmetics.

4. **Product Dossier Finalization** – Toxicological & analytical data is combined with the relevant regulatory & compliance assessments to generate a full product dossier for submission as per Regulation (EU) 2015/2283.

5. **EFSA Risk Assessment** – Britannia supports the application throughout the EFSA risk assessment process, including additional information requests or queries.

4.3 Production and Sales

4.3.1 Cyclical or Seasonality of Business

The business of cosmetic safety and analytical lab services is marginally cyclical as it follows typical product development life cycles. Demand is based on where a brand is positioned, the extent of services required, and the prevailing consumer market dynamics. The Resulting Issuer will mitigate cyclicality by offering ongoing batch release testing and compliance testing, as is required by some regulators, to reduce product risk.

4.3.2 Renegotiations or Termination of Contracts

The Resulting Issuer does not expect any aspect of business to be affected in the current financial year or in the 12 months following the date of this Listing Statement by renegotiation or termination of contracts.

4.3.3 Specialized Skill and Knowledge

The nature of the Resulting Issuer's business requires specialized skills and knowledge. Such skills and knowledge currently include the areas of product testing, product formulations, quality assurance, safety assessment, regulatory compliance and the need to service clients across multiple jurisdictions. The Resulting Issuer has retained quality staff in order to conduct its business in accordance with industry standard, including a highly trained team of technical lab managers which possess the skills and sufficient commercial experience required by the Resulting Issuer to conduct its business. The Resulting Issuer is satisfied that the required skills and knowledge are available to the Resulting Issuer through its current employees and management.

4.3.4 Intellectual Property

Licenses and certificates are critical to the regulated operations of the Resulting Issuer and its subsidiaries.

Memberships, Licenses and Intangible Assets, Including Effect and Duration

Britannia's international standard certifications, memberships, and intangible assets qualify it to provide a variety of services and analyses globally through ADSL, in compliance with global regulatory standards, consisting of:

- ISO 17025 / Certifies the general requirements for the competence of testing and calibration laboratories, and is the main ISO standard used by testing and calibration laboratories globally. Through this, ADSL is able to conduct microbiological, biocidal and analytical testing for all products within our scope, including CBD extracts.

- ISO 9001 / Certifies the total business compliance of quality management systems, and inherently certifies that BLS is compliant with the Good Manufacturing Practice and Good Laboratory Practice guidelines. The certifications are subject to annual review, and qualifies ADSL to conduct the below business functions:

    - Studies in respect of cleaning verification, biocides, virucides and environmental fates;
    - GMP analysis in support of materials batch testing, elemental impurities (ICH Q3D) & absence of nitrosamines;
    - HPLC-PDA for British and European Pharmacopoeia quantitation of Cannabinoids & Terpenes.
    - ICP-MS system for heavy metals identification (e.g. Lead, Cadmium, Arsenic, Mercury etc).
    - GC-MS for residual solvents determination (inc. terpenes synergistic effects with cannabinoids).

Analysis in support of materials batch testing, elemental impurities (ICH Q3D) & absence of nitrosamines. As with Like all ISO certificates, the ISO 17025 and ISO 9001 certificates must be renewed every 3 years to ensure compliance. Recertification is a less complex process than initial certification, given annual surveillance audits, however it can take 2 months to ensure documents are up to date. As a regulatory specialist, ADSL provides and receives periodic surveillance audits, ensuring ongoing compliance to the highest standard.

- Vegan Certified for microbiological protocols in our testing, to ensure no products within our analytical testing are non-vegan. ADSL pays an annual fee for compliance and maintain registration of the Vegan certification.

- GDPR Compliance enables ADSL to conduct its consumer evaluations business, where personal information of panelists is input and retained through an SSL database for regulatory compliance. All panelists register via GDPR and aware of their rights.

- State of the art internal management and technological systems enable ADSL to process its Cosmetic Product Safety Reports, as well as regulatory compliance material faster and more accurately than its competitors, who predominantly use manual processes. Databases are actively updated to ensure accuracy of toxicological safety data and regulatory requirements. Internal management systems are reviewed and updated on an ongoing basis to maximize operating efficiencies as the business develops, and to maintain competitive advantage.

- On-site analytical equipment enable ADSL to conduct its investigative testing, including forensic assay to aid in New Product Development

4.3.5 Risks of Foreign Operations

Britannia's principal business operations, which will become the business operations of the Resulting Issuer, are currently located in the foreign jurisdiction of the United Kingdom. As the business of the Resulting Issuer further develops, it is anticipated that the Resulting Issuer may eventually expand its business operations into the United States and Europe through satellite operations, however there are currently no concrete plans in respect of such expansion, other than as outlined in this Listing Statement. For greater details on the risk of foreign operations, see "*Risk Factors – Risk Factors Relating to the Resulting Issuer*".

4.3.6 Employees

The Resulting Issuer's staff consists of 28 employees, as follows:

Entity	Count	Fiscal Year
RISE	0[(1)]	November 30, 2020
Britannia	6	March 31, 2021
ADSL	22	May 31, 2020
Total	28	

Notes:

(1) As of the fiscal year end 2020, RISE had 2 contracted consultants.

4.4 Competitive Conditions and Market

The Resulting Issuer will mainly operate in two major industries: (1) Cosmetics & Testing, and (2) CBD markets.

Cosmetics & Testing

In the cosmetics lab testing and regulatory services industry, it is difficult to compete without a unique service offering, or strong, reputable licenses and certifications. One of the most significant competitive characteristics is the reliance on reciprocity. Participants in the cosmetics and testing industry tend to specialize in servicing a specific segment, or a specific vertical of testing. There are a number of large aggregators who are observed to lead the space, providing a full suite of services and covering a large number of industries, however these organizations are often less nimble, providing slower services, or have pricing thresholds that are uneconomical for smaller brands. A common trend in the industry is reciprocity, where large scale businesses often work contract services to highly specialized participants, and vice versa, allowing medium and niche market participants to contract services only available through a large-scale lab. The barriers to entry at a base level are not significant, however skill, efficiency, and proper resource management are required to sustain economic viability. The ability to minimize cost will be the main competitive advantage to stay in the industry.

Many of these large companies prioritize large scale contracts, however, many consumers are now demanding value offerings that are more targeted and tailored to their needs. This results in a multitude of niches that are simply not of sufficient scale for large producer pricing to accommodate. This shift in consumer demand influences retailers to invest more on private label, especially in improving the quality of the packaging.

An important trend in the industry is the growth in accredited or certified niche such as organic, vegan, halal, or sustainably-formulated products. These demands require brands to adhere to very strict protocols throughout their supply chain, including testing methodology.

Britannia's Competitive Position

ADSL is a United Kingdom leader in consumer evaluations for mid-sized companies. The lab services and testing industry has a number of significant, large-cap participants including Eurofins Scientific, SGA S.A. and Intertek Group PLC. Industry nascence and investor or stock market restrictions typically limits the ability of these companies to participate in the CBD and cannabis industry.

Britannia's competitive advantage derives from (i) its accreditations, including the ISO17025 accreditation, (ii) its service offering across multiple verticals, (iii) technology and process automation and (iv) ease of familiarity.

As Britannia's service offering expands, there are many points of integration to the value chain of a client, including testing methodology and consistency.

CBD Market

The Novel Foods regulatory process that has been initiated by the FSA sets the standard on quality control processes and traceability that companies must adhere to.

Another major barrier to entry is price competitiveness. In the United Kingdom and European Union, there are significant restrictions on the cannabis and hemp farming practice due to a brief growing season and limited set of approved strains.

Britannia's Competitive Position

Britannia has commissioned the first ISO 17025 accredited testing laboratory for cannabis products in the United Kingdom and is working in partnership with a membership organization in the UK championing regulation in the industry and supporting their current consortium with CBD novel food dossiers/applications. The Business Combination positions the Resulting Issuer as a trusted advisor and service provider at the intersection of CPG companies, retailers and brands addressing the rapidly growing cannabidiol formulation and compliance testing space. ADSL's established national chain and current distribution relationships provide immediate sales channels to scale into new markets and existing cash flows provide a strong hedge against market and regulatory uncertainties.

Britannia also maintains an evaluations platform providing GDPR-compliant anonymized feedback data to assist with regulatory compliance and product development. Advanced formulation capabilities coupled with customer evaluation capabilities are differentiators for the Resulting Issuer's planned commercialization of Novel Foods finished goods, which will be provided to white label customers. A background in cosmetics and safety compliance testing ensures that Britannia meets the quality controls required for regulators and white label clients, while enhancing credibility with large CPG clients.

The Resulting Issuer is positioning itself as a vertically integrated business at the forefront of the emerging United Kingdom legal cannabis market and has a business plan that addresses all stages of the value chain.

4.5 Investment Policies and Restrictions

This section is not applicable to RISE, Britannia or the Resulting Issuer.

4.6 Bankruptcy and Similar Proceedings

There are no bankruptcies, receivership or similar proceedings against RISE, Britannia, or the Resulting Issuer, nor is RISE, Britannia, or the Resulting Issuer aware of any such pending or threatened proceedings. There has not been any voluntary bankruptcy, receivership or similar proceedings by RISE since its incorporation on November 16, 2000.

4.7 Asset Backed Securities

This section is not applicable to RISE, Britannia or the Resulting Issuer.

4.8 Companies with Mineral Projects

This section is not applicable to RISE, Britannia or the Resulting Issuer.

4.9 Companies with Oil and Gas Operations

This section is not applicable to RISE, Britannia or the Resulting Issuer.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

Britannia

The following table sets out the selected annual financial information for each of the last two completed financial years ending on March 31, 2021 and for the period of incorporation to March 31, 2020, and should be read in conjunction with the financial statements of Britannia and ADSL which are appended to hereto as Schedule "A" – *"Britannia Financial Statements"* and Schedule "C" – *"ADSL Financial Statements"*, respectively.

	Year Ended March 31, 2021	Period Ended March 31, 2020
Net Sales or Total Revenues	$1,424,615	Nil
Income from Continuing Operations		
Total	$114,828	$(581,889)
Per Share Basis	$0.02	$(0.09)
Fully Diluted Per Share Basis	$0.02	$(0.09)
Net Income or Loss		
Total	$142,976	$(5,581,889)
Per Share Basis	$0.02	$(0.09)
Fully Diluted Per Share Basis	$0.02	$(0.09)
Total Assets	$21,451,501	$158,218
Total Long-Term Financial Liabilities	$8,824,627	Nil
Cash Dividends Per Share	Nil	Nil

RISE

The following table sets out the selected annual financial information for each of the last three completed financial years ending on November 30, 2020, 2019 and 2018, and should be read in conjunction with the financial statements of RISE which are appended hereto as Schedule "B" – *"RISE Financial Statements"*.

	Year Ended November 30, 2020	**Year Ended November 30, 2019**	**Year Ended November 30, 2018**
Net Sales or Total Revenues	$31,791	$974,269	$186,025
Comprehensive Loss from Continuing Operations			
Total	$3,204,283	$7,126,776	$11,856,173
Basic and Fully Diluted Per Share Basis	$0.05	$0.12	$0.24
Comprehensive Loss			
Total	$3,204,283	$7,126,776	$11,856,173
Basic and Fully Diluted Per Share Basis	$0.05	$0.12	$0.24
Total Assets	$257,434	$3,164,234	$5,650,917
Total Long-Term Financial Liabilities	$40,000	$1,492,486	$6,423,276
Cash Dividends Declared Per Share for Each Class of Share			
Common	Nil	Nil	Nil

Resulting Issuer

The following table provides a brief summary of the available *pro forma* financial information for the Resulting Issuer as of June 30, 2021, assuming the completion of the RTO Transaction and should be read in conjunction with the unaudited pro-forma financial statements of the Resulting Issuer attached hereto as Schedule "G" – *"Unaudited Pro Forma Financial Statement of the Resulting Issuer"*.

***Pro Forma* Balance Sheet Data:**	**As of June 30, 2021**
Total Assets	$24,210,387
Total Liabilities	$14,527,860
Shareholders' Equity	$9,682,527
Accumulated Deficit	$(5,361,607)

In addition, the following table summarizes selected *pro forma* consolidated financial information for the Resulting Issuer as at June 30, 2021 and should be read in conjunction with the financial statements of Britannia, RISE and ADSL Financial Statements which are appended hereto as Schedule "A" – *"Britannia Financial Statements"*, Schedule "B" – *"RISE Financial Statements"* and Schedule "C" – *"ADSL Financial Statements"*, respectively.

Pro Forma Balance Sheet Data:	RISE (unaudited) as at May 31, 2021	Britannia (unaudited) as at June 30, 2021	*Pro Forma* Adjustments	Resulting Issuer *Pro Forma* as at June 30, 2021
Total Assets	$1,202,022	$23,035,074	$(26,709)	$24,210,387
Total Liabilities	$6,451,587	$20,167,925	$(12,091,652)	$14,527,860
Shareholders' Equity	$(5,249,565)	$2,867,149	$12,064,943	$9,682,527
Accumulated Deficit	$(43,340,655)	$(116,042)	$38,095,090	$(5,361,607)

5.2 Quarterly Information

The following tables set out selected quarterly financial information for each of the eight most recently completed quarters ending at the most recently completed financial year and should be read in conjunction with the financial statements of Britannia, RISE and ADSL Financial Statements which are appended hereto Schedule "A" – *"Britannia Financial Statements"*, Schedule "B" – *"RISE Financial Statements"* and Schedule "C" – *"ADSL Financial Statements"*, respectively.

Britannia

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Net Sales or Total Revenues	$1,424,615	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Income from Continuing Operations								
Total	$360,461	$84,641	$(142,988)	$(18,004)	$(288,618)	$(110,931)	$(102,323)	$(88,706)
Per Share Basis	$0.06	$(0.01)	$(0.02)	$(0.00)	$(0.05)	$(0.02)	$(0.01)	$(0.01)
Fully Diluted Per Share Basis	$0.06	$(0.01)	$(0.02)	$(0.00)	$(0.05)	$(0.02)	$(0.01)	$(0.01)
Net Income or Loss								
Total	$388,787	$(84,824)	$(143,013)	$(17,974)	$(278,989)	$(111,824)	$(102,751)	$(88,325)
Per Share Basis	$0.06	$(0.01)	$(0.02)	$(0.00)	$(0.05)	$(0.02)	$(0.01)	$(0.01)
Fully Diluted Per Share Basis	$0.06	$(0.01)	$(0.02)	$(0.00)	$(0.05)	$(0.02)	$(0.01)	$(0.01)

RISE

	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Net Sales or Total Revenues	Nil	Nil	1,480	3,384	10,049	16,878	72,449	201,137
(Income) Loss from Continuing Operations								
Total	5,123,902	152,968	1,058,082	624,568	729,123	721,315	1,331,535	2,153,942
Per Share Basis	0.06	0.00	0.02	0.01	0.01	0.01	0.02	0.04
Fully Diluted Per Share Basis	0.06	0.00	0.02	0.01	0.01	0.01	0.02	0.04
Comprehensive (Income) Loss								
Total	5,123,902	152,968	1,058,082	624,568	729,123	721,315	1,331,535	2,153,942
Per Share Basis	0.06	0.00	0.02	0.01	0.01	0.01	0.02	0.04
Fully Diluted Per Share Basis	0.06	0.00	0.02	0.01	0.01	0.01	0.02	0.04

5.3 Dividends

The Resulting Issuer Shares carry the right to a dividend. There are no restrictions in the Resulting Issuer's articles or by-laws or pursuant to any agreement or understanding which could prevent the Resulting Issuer from paying dividends. The Resulting Issuer does not intend to declare or pay any dividends on any class of securities. The Resulting Issuer currently intends to retain future earnings, if any, to fund the development and growth of its business and does not intend to pay and cash dividends on the Resulting Issuer Shares for the foreseeable future. Any future decision to pay dividends on the Resulting Issuer Shares will be made by the Resulting Issuer Board on the basis of earnings, financial requirements and other conditions which the Resulting Issuer Board, in its sole discretion, may consider appropriate at the time and in the best interests of the Resulting Issuer.

Under the CBCA, the Resulting Issuer is prohibited from declaring or paying dividends if there are reasonable grounds for believing that the Resulting Issuer is insolvent or the payment of dividends would render it insolvent.

Neither Britannia nor RISE has previously declared dividends.

5.4 Foreign GAAP

This section is not applicable to the Resulting Issuer.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Certain MD&As of RISE and Britannia have been attached to this Listing Statement, as follows.

- RISE's MD&A for: (i) the year ended November 30, 2020, and (ii) three and six-month period ended May 31, 2021 appended hereto as Schedule "E" – *"RISE MD&A"*, and should be read in conjunction with RISE's Financial Statements for the same period as appended hereto as Schedule "B" – *"RISE Financial Statements"*.

- Britannia's MD&A for the year ended March 31, 2021, appended hereto as Schedule "D" – *"Britannia MD&A"*, and should be read in conjunction with the Britannia Financial Statements for the same periods, appended hereto as Schedule "A" – *"Britannia Financial Statements"*.

- Britannia's MD&A for the three month period ended June 30, 2021, appended hereto as Schedule "D" – *"Britannia MD&A"*, and should be read in conjunction with the Britannia Interim Financial Statements for the same period, appended hereto as Schedule "A" – *"Britannia Financial Statements"*.

Other than as disclosed under *"General Development of the Business"* or elsewhere in this Listing Statement, each of RISE and Britannia has not entered into any other definitive agreements for the proposed acquisition or disposition of an asset or business that would be expected to have a material effect on the financial condition, results of operations and cash flows of the Resulting Issuer.

7. MARKET FOR SECURITIES

RISE is a reporting issuer in Ontario, British Columbia, Alberta, and Manitoba, with common shares that are publicly traded on the Canadian Securities Exchange, under the symbol "RLSC". Trading of RISE shares was halted on the CSE on January 22, 2021 on the announcement of a proposed transaction with Britannia. Trading of RISE Shares was previously halted on April 13, 2020, in anticipation of a proposed transaction with Scientus Pharma.

The closing price of the outstanding RISE Shares on the CSE on January 22, 2021, being the last trading day prior to the halt, was $0.04 per RISE Share.

Upon completion of the RTO Transaction, the Resulting Issuer Shares will be listed and posted for trading on the CSE under the symbol "BLAB".

See "*Stock Exchange Price*".

8. CONSOLIDATED CAPITALIZATION

The following table sets forth *pro forma* consolidated capitalization of the Resulting Issuer as at the date hereof, both before and after giving effect to the RTO Transaction:

Designation of Security	Authorized	Before Giving Effect to the RTO Transaction	After Giving Effect to the RTO Transaction	Amount Outstanding After Giving Effect to the RTO Transaction and Consolidation
Common Shares	Unlimited	279,662,605(1)	1,553,631,109(2)	155,363,111
Britannia Convertible Debentures	Unlimited	6,127	Nil(3)	Nil
Warrants	591,138,154	107,977,354(4)	591,138,154(5)	59,113,815
Options	10%	1,650,000	136,496,977(6)	13,649,698
Fully-Diluted		**389,296,086**	**2,281,226,240**	**228,126,624**

Notes:

(1) As of the date hereof, prior to giving effect to the RTO Transaction and the Consolidation, 279,662,605 RISE Shares outstanding, which is comprised of 176,643,205 RISE Shares, as well as 103,019,400 RISE Shares issued pursuant to the conversion of RISE Subscription Receipts.

(2) Upon giving effect to the RTO transaction, RISE will issue an additional 776,263,320 RISE Shares in exchange for 6,468,861 Britannia Shares, and the Resulting Issuer anticipates to issue (i) 23,356,797 Resulting Issuer Shares for RISE convertible notes and accompanying interest of $1,540,326 and (ii) 474,348,387 Resulting Issuer Shares in exchange for the 6,127 convertible debentures converted upon the RTO Transaction (see note 3 below).

(3) As of the date hereof, 6,127 Britannia Debentures are issued and outstanding, each Britannia Debenture will be deemed to automatically convert, without any further action on the part of the holder and immediately prior to any Liquidity Event, such as the RTO Transaction, and will automatically convert into 474,348,387 Resulting Issuer Shares.

(4) RISE has 103,019,400 RISE Warrants outstanding which are tied to the previously exercised RISE Subscription Receipts, with a strike price of $0.021 (on a pre-Consolidation basis). In addition, 4,957,954 RISE Shares are reserved for issuance

pursuant to warrants issued, each entitling the holder thereof to acquire one RISE Share at a price of $0.12 to $0.15 per RISE Share.

(5) Upon giving effect to the RTO transaction the Resulting Issuer will have the existing 591,138,154 Resulting Issuer Warrants outstanding, comprising of: (i) 107,977,354 RISE Warrants, (ii) 474,348,387 Resulting Issuer Warrants, upon conversion of the Britannia Warrants (being, 3,951,915 Britannia Warrants issued pursuant to the Britannia Concurrent Financing and 74,425 compensation warrants, which are convertible to the Resulting Issuer Warrants at the Exchange Ratio).

(6) RISE currently has 1,650,000 management options, and upon giving effect to the RTO transaction an additional 134,846,977 management options due to Britannia. The Resulting Issuer will have 10% rolling "evergreen" omnibus plan. For more details on the breakdown of fully diluted capitalization, please see below table under "*Fully Diluted Share Capital*".

Fully-Diluted Share Capital

The following table sets forth the proposed pro forma capitalization of the Resulting Issuer after giving effect to the RTO Transaction, and including any Resulting Issuer Shares reserved for issuance under the proposed Omnibus Plan:

Designation of Security	Authorized to be Issued Breakdown(1)	Issued and Outstanding	Percentage
Resulting Issuer Shares	Unlimited	1,553,631,109	68%
Resulting Issuer Warrants	591,138,154	591,138,154	26%
Resulting Issuer Options	155,363,111(1)	136,496,977(2)	6%(2)
Total Fully-Diluted	**N/A**	**2,281,226,240 (pre-Consolidation)** **228,112,624 (post-Consolidation)**	**100%**

Notes:

(1) These numbers represent the maximum number of Resulting Issuer Shares reserved for issuance under the proposed Omnibus Plan based on the *pro forma* issued and outstanding Resulting Issuer Shares; provided, however that the aggregate number of Resulting Issuer Shares eligible to be issued under the Omnibus Plan may not exceed 10% of the total issued and outstanding Resulting Issuer Shares at the time of grant. As at the closing of the RTO Transaction and after giving effect to the Consolidation, it is estimated that an aggregate of 155,363,111 Resulting Issuer Shares are eligible to be issued pursuant to the options governed by the Omnibus Plan, of which 136,496,977 will be issued and outstanding, representing approximately 8.7% of the Resulting Issuer Shares expected to be outstanding at the time (or approximately 6% on a fully-diluted basis).

(2) The number of Resulting Issuer Shares reserved for issuance under the proposed Omnibus Plan will be subject to a restriction such that the aggregate number of Resulting Issuer Shares eligible to be issued under the proposed Omnibus Plan may not exceed 10% of the total issued and outstanding Resulting Issuer Shares at the time of grant.

Consolidation

The following table sets forth the proposed pro forma capitalization of the Resulting Issuer as at the date hereof, on a fully-diluted basis, after giving effect to the RTO Transaction and the Consolidation:

Designation of Security	Number (Pre-Consolidation)	Number (Post-Consolidation)	Percentage
Resulting Issuer Shares	1,553,631,109	155,363,111	68%
Resulting Issuer Warrants	591,138,154	59,113,815	26%
Resulting Issuer Options	136,496,977	13,649,698	6%
Total Fully-Diluted	**2,281,226,240**	**228,126,624**	100%

9. OPTIONS TO PURCHASE SECURITIES

Britannia Options

Britannia does not have a formal option plan. As of the date of this Listing Statement, Britannia Options exercisable for up to 1,123,724 Britannia Shares have been granted and not exercised, representing approximately 10% of the outstanding Britannia Shares.

RISE Options

Capitalized terms used but not otherwise defined in this section shall having the meanings given to them in the RISE Option Plan.

The RISE Board may grant RISE Options to purchase RISE Shares to NEOs, directors and employees of RISE or affiliated corporations and to Consultants retained by RISE. At RISE's previous annual and special Meeting held on May 15, 2019, the RISE Shareholders re-approved the RISE Option Plan.

Under the RISE Option Plan, the maximum number of RISE Shares reserved for issuance, including RISE Options currently outstanding, is equal to ten percent (10%) of the RISE Shares outstanding (the "**10% Maximum**"). The 10% Maximum is an "evergreen" provision, meaning that, following the exercise, termination, cancellation or expiration of any RISE Options, a number of RISE Shares equivalent to the number of options so exercised, terminated, cancelled or expired would automatically become reserved and available for issuance in respect of future grants of RISE Option.

The number of RISE Shares which may be the subject of RISE Options on a yearly basis to any one person (other than a Consultant or a person employed in Investor Relations Activities) cannot exceed five percent (5%) of the issued and outstanding RISE Shares at the time of the grant. RISE Options may be granted to any employee, officer, director, Consultant, Affiliate or subsidiary of RISE exercisable at a price which is not less than the Discounted Market Price of the RISE Shares on the date of the grant. The directors of RISE may, by resolution, determine the time period during which any option may be exercised (the "**Exercise Period**"), provided that the Exercise Period does not contravene any rule or regulation of such exchange on which the RISE Shares may be listed.

If any Participant shall cease to be a member of the RISE Board, senior officer, Employee, Management Company Employee or Consultant of RISE or any subsidiary of RISE for any reason other than death or permanent disability, his or her RISE Option will terminate at 5:00 p.m. (Winnipeg time) on the earlier of the date of the expiration of the Option Period and:

(a) for Participants other than those employed in Investor Relations Activities, a maximum of six (6) months after the date such Participant ceases to be a member of the Board, senior officer, Employee, Management Company Employee or Consultant of RISE, or any subsidiary of RISE; and

(b) for Participants employed in Investor Relations Activities, 30 days after the date such Participant ceases to be employed in Investor Relations Activities.

If such cessation or termination is by reason of substantial breach or cause on the part of the Participant, the Options shall be automatically terminated forthwith and shall be of no further force or effect.

RISE Options are non-assignable and are subject to early termination in the event of the death of a Participant or in the event a Participant ceases to be a NEO, director, employee, Consultant, Affiliate, or subsidiary of RISE, as the case may be.

As of August 10, 2021, 1,650,000 RISE Options are outstanding under the RISE Option Plan, 30% of which are held by NEOs or directors of RISE.

Resulting Issuer Options

The Resulting Issuer will adopt the Omnibus Plan in connection with the RTO Transaction. Upon the completion of the RTO Transaction, the Omnibus Plan will replace the RISE Option Plan. A summary of the Omnibus Plan is provided in the Circular and is appended hereto as Schedule "G" – *"Omnibus Incentive Plan"*.

The following table indicates the groups which will hold options to purchase Resulting Issuer Shares immediately following the completion of the RTO Transaction, on a pre-Consolidation basis.

Group	Number of Resulting Issuer Shares under Option	Exercise Price and Expiry Dates	Market Value Per Share on Date of Grant	Market Value Per Share
Officers of Resulting Issuer	65,246,977	CDN$0.021	CDN$0.016	CDN$0.028
Directors (who are not also officers) of Resulting Issuer	12,000,000	CDN$0.021	CDN$0.016	CDN$0.028
Employees of Resulting Issuer	57,600,000	CDN$0.021	CDN$0.016	CDN$0.028
Consultants of Resulting Issuer	Nil	Nil	Nil	Nil
Former Officers & Directors of RISE	1,650,000	CDN$0.31	CDN$0.31	CDN$0.02
Employees of RISE	Nil	Nil	Nil	Nil
Consultants of RISE	Nil	Nil	Nil	Nil
TOTAL	**136,496,977**			

10. DESCRIPTION OF THE SECURITIES

10.1 General

Resulting Issuer

Neither Britannia nor RISE has granted any agreement, warrant, option, right or privilege capable of becoming an agreement for the purchase, subscription, or issuance of any shares or securities convertible into or exchangeable for shares other than the following.

Common Shares

The authorized and issued capital of the Resulting Issuer consists of an unlimited number of Resulting Issuer Shares, of which 1,553,631,109 Resulting Issuer Shares will be issued and outstanding as of the date of completion of the RTO Transaction (including, for greater certainty, 474,348,387 Resulting Issuer Shares are expected to be issued pursuant to the conversion of convertible debentures upon completion of the RTO Transaction), on a pre-Consolidation basis. In addition, the Resulting Issuer will have the following convertible and exchangeable securities outstanding immediately following the completion of the RTO Transaction: (i) 591,138,154 Resulting Issuer Shares are reserved for issuance pursuant to warrants issued, and (ii) 136,496,977 Resulting Issuer Shares are reserved for issuance upon exercise of stock options.

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.

All Resulting Issuer Shares are of the same class and, once issued, rank equally as to entitlement to dividends, voting powers and participation in assets upon dissolution or winding-up. The Resulting Issuer Shares contain no pre-emptive or conversion rights and have no provisions for redemption or purchase for cancellation, surrender, or sinking or purchase funds. Each Resulting Issuer Share entitles the holder of record thereof to one vote at all meetings of the Resulting Issuer Shareholders and to receive such dividends as the board of directors of the Resulting Issuer, in their discretion, shall declare.

As of the date of this Listing Statement, 4,957,954 RISE Shares are reserved for issuance pursuant to warrants issued, each entitling the holder thereof to acquire one RISE Share at a price of $0.12 to $0.15 per RISE Share in accordance with the terms thereof; 1,650,000 RISE Shares are reserved for issuance upon exercise of stock options granted pursuant to the RISE Option Plan, each entitling the holder thereof to acquire one RISE Share at a price of $0.30 to $0.40 per RISE Share; and 103,019,400 RISE Shares are reserved pursuant to RISE Subscription Receipt Warrants, each entitling the holder thereof to acquire one RISE Share at a price of $0.021 per RISE Share for a period of 24 months from the date of issuance.

The authorized capital of RISE Subco consists of an unlimited number of common shares without par value, of which one common share is issued and outstanding as fully paid and non-assessable as of the date of the Definitive Agreement.

Warrants

In conjunction with Britannia's Convertible Debenture Financing, as defined in section 3.1, each convertible debenture unit entitles the holder upon conversion, to into that number of common shares computed on the basis of the principal amount of the Britannia Debentures divided by the conversion price of US$1.55 per share, with the equivalent number of warrants being made available.

Each Britannia Warrant entitles the holder thereof to purchase one Britannia Share (each a "**Britannia Warrant Share**") for a period of 24 months from the closing date at a price of US$2.00 per Britannia Warrant Share, subject to adjustment in certain circumstances and provided that if the closing price of the Britannia Shares on the Canadian Securities Exchange, or such other securities exchanges as the Britannia Shares may be listed from time to time, is equal to or greater than US$2.50 per Britannia Share, as adjusted for any Liquidity Event, for a period of 20 consecutive trading days, Britannia may accelerate the expiry date of the Britannia Warrants by giving notice to the holders thereof and in such case the Britannia Warrants will expire on the 30th day after the date on which such notice is given by Britannia.

In conjunction with the RISE Subscription Receipt Financing, each RISE Subscription Receipt entitles the holder to 77,400 RISE Shares and 77,400 common share purchase warrants of RISE (the "**RISE Subscription Receipt Warrants**"). As at the date of this Listing Statement, 103,019,400 RISE Subscription Receipt Warrants are outstanding.

Each RISE Subscription Receipt Warrant entitles the holder thereof to purchase one RISE Share (each a "**RISE Warrant Share**") for a period of 24 months from the closing date at a price of CDN$0.021 per RISE Warrant Share, subject to adjustment in certain circumstances and provided that if the closing price of the RISE Shares on the Canadian Securities Exchange, or such other securities exchanges as the RISE Shares may be listed from time to time, is equal to or greater than CDN$0.026 per RISE Share for a period of 20 consecutive trading days, RISE may accelerate the expiry date of the RISE Subscription Receipt Warrants by giving notice to the holders thereof and in such case the RISE Subscription Receipt Warrants will expire on the 30th day after the date on which such notice is given by RISE to the warrant holder.

10.2 Debt securities

The Resulting Issuer will have no outstanding debt securities upon giving effect to the RTO Transaction.

10.3 Other Securities

This section is not applicable to Britannia, RISE and the Resulting Issuer.

10.4 Modification of Terms

This section is not applicable to Britannia, RISE and the Resulting Issuer.

10.5 Other Attributes

This section is not applicable to Britannia, RISE and the Resulting Issuer.

10.6 Prior Sales

Britannia

During the 12 months preceding the date of this Listing Statement, Britannia issued the following Britannia Shares and securities convertible or exchangeable for Britannia Shares.

Date of Issuance	Description	Number of Securities Issued	Price Per Security ($)	Total Gross Consideration ($)
January 29, 2021	Convertible debenture issuance	2,272 Britannia Debentures(1)	US$1,000 per Britannia Convertible Debenture Unit(2)	US$2,272,000
January 29, 2021	Warrant issuance	1,465,440 Britannia Warrants		
February 1, 2021	Convertible debenture issuance	380 Britannia Debentures(1)	US$1,000 per Britannia Convertible Debenture Unit(2)	US$380,000
February 1, 2021	Warrant issuance	245,100 Britannia Warrants		
February 2, 2021	Convertible debenture issuance	1,553 Britannia Debentures(1)	US$1,000 per Britannia Convertible Debenture Unit(2)	US$1,553,000
February 2, 2021	Warrant issuance	1,001,685 Britannia Warrants		
February 3, 2021	Convertible debenture issuance	631 Britannia Debentures(1)	US$1,000 per Britannia Convertible Debenture Unit(2)	US$631,000
February 3, 2021	Warrant issuance	406,995 Britannia Warrants		
April 7, 2021	Convertible debenture issuance	1,291 Britannia Debentures(1)	US$1,000 per Britannia Convertible Debenture Unit(2)	US$1,291,000
April 7, 2021	Warrant issuance	832,695 Britannia Warrants		
August 9, 2021	Warrant issuance	74,495 Britannia Warrants	N/A(3)	N/A(3)

Notes:

(1) Upon the Liquidity Event Conversion, the outstanding 6,127 Britannia Debentures will automatically convert into 474,348,387 Resulting Issuer Shares, based on the Britannia Debenture Conversion Price and after giving effect to the Exchange Ratio. See "*3.1– General Development and History – Britannia Bud Canada Holdings Inc. – Britannia Concurrent Financing*".

(2) Between January to April 2021, Britannia issued 6,127 Britannia Convertible Debenture Units at a price of US$1,000 or CDN$1,270, at the option of the subscriber thereof, per Britannia Convertible Debenture Unit for aggregate proceeds of US$6,127,000 (or the Canadian dollar equivalent).

(3) These are compensation warrants issued to service providers in connection with service agreements.

RISE

During the 12 months preceding the date of this Listing Statement, RISE issued the following RISE Shares and securities convertible or exchangeable for RISE Shares.

Date of Issuance	Description	Number of Securities Issued	Price Per Security ($)	Total Gross Consideration ($)
March 5, 2021	Subscription Receipts(1)	710	US$1,000	US$710,000
April 15, 2021	Subscription Receipts(1)	621	US$1,000	US$621,000
May 3, 2021	Escrow Release of Subscription Receipts(1)	103,019,400 RISE Shares	N/A	N/A
		103,019,400 RISE Warrants	N/A	N/A
June 10, 2021	Convertible Debentures and Interest Converted to Common Shares	82,433,917	$0.06	$5,134,541.63
June 10, 2021	Debt Settlement for Shares(2)	33,898,936	$0.06	$1,981,238.00

Notes:

(1) On March 5, 2021 and April 15, 2021, RISE completed the RISE Concurrent Financing of 1,331 RISE Subscription Receipts for aggregate proceeds of US$1,331,000. On May 3, 2021, following the execution of the Definitive Agreement, the escrow release conditions governing the conversion of the RISE Subscription Receipts have been satisfied. Accordingly, the RISE Subscription Receipts automatically converted into an aggregate of 103,019,400 RISE Shares and 103,019,400 RISE Warrants, based on the Exchange Ratio. Each RISE Warrant entitles the holder thereof to acquire one RISE Share at a price of $0.021 per RISE Share (on a pre-Consolidation basis) for a period of 24 months from the date of issuance. See "*3.1- General Development and History – Britannia Bud Canada Holdings Inc. - Subscription Receipt Financing*".

(2) Upon giving effect to the RTO Transaction, the Resulting Issuer anticipates to issue an additional 23,356,797 Resulting Issuer Shares for RISE convertible notes and accompanying interest of $1,540,326.

10.7 Stock Exchange Price

The RISE Shares are listed and posted for trading on the CSE under the symbol "RSLC". Trading of RISE Shares was halted on the CSE on January 22, 2021, on the announcement of a proposed transaction with Britannia. Trading of RISE Shares was previously halted on April 13, 2020 in anticipation of a proposed transaction with Scientus Pharma. The closing price of the outstanding RISE Shares on the Exchange on January 22, 2021, being the last trading day prior to the halt, was $0.04 per RISE Share with a trading volume of 7,000.

Monthly Trading

Date	High ($)	Low ($)	Trading Volume
January 1- 22, 2021	0.04	0.04	7,000
April 2020	0.02	0.005	536,000
March 2020	0.01	0.005	3,015,694
February 2020	0.01	0.005	832,552
January 2020	0.02	0.005	1,635,010

Quarterly Trading

Date	High ($)	Low ($)	Trading Volume
June 30, 2020	0.02	0.005	536,000
March 31, 2020	0.02	0.005	5,483,256
December 31, 2019	0.085	0.005	5,079,202
September 30, 2019	0.195	0.045	1,556,864
June 28, 2019	0.245	0.105	4,154,433
March 29, 2019	0.29	0.175	4,194,342
December 31, 2018	0.28	0.045	4,874,014
September 28, 2018	0.365	0.17	2,256,446

11. ESCROWED SECURITIES AND SECURITIES SUBJECT TO RESTRICTION ON TRANSFER

11.1 Escrowed Securities

There are no securities of Britannia, RISE, or the Resulting Issuer held in escrow or subject to restriction on transfer as of the date of this Listing Statement.

Upon listing of the Resulting Issuer Shares on the Exchange, the Resulting Issuer Shares held by "Related Persons" (as such term is defined pursuant to the policies of the Exchange) of the Resulting Issuer will be held in escrow, pursuant to National Policy 46-201 – *Escrow for Initial Public Offerings* ("**NP 46-201**"). The form of the CSE Escrow Agreement is as provided in NP 46-201.

The Resulting Issuer is classified as an emerging issuer pursuant to NP 46-201, and as such the securities listed above will be released from escrow in stages over a 36 month period from the date the Resulting Issuer Shares are first posted and listed for trading on the Exchange following completion of the RTO Transaction, with 10% released on this initial listing date and an additional 15% of such escrowed shares to be released on the 6, 12, 18, 24, 30 and 36 month anniversaries of the listing date on the Exchange. TSX Trust Company will be acting as escrow agent with respect to these escrowed securities.

The following table includes the details of the escrowed securities that will be held, directly or indirectly, by "principals" of the Resulting Issuer, which are subject to escrow under NP 46-201:

Name and Municipality of Residence of Securityholder	Designation of Class	Number to be held in escrow (Post-Consolidation)	Percentage of Class Securities
Peter Shippen Toronto, ON, Canada	Resulting Issuer Shares	36,648,411	23.6%
	Resulting Issuer Warrants	4,667,220	7.9%
Scott Secord Etobicoke, ON, Canada	Resulting Issuer Shares	4,020,555	2.6%
Boris Novansky Mississauga, ON, Canada	Resulting Issuer Shares	5,100,000	3.3%
Sarah Zilik London, England	Resulting Issuer Shares	5,100,000	3.3%
Mark Bowes-Cavanagh Devon, England	Resulting Issuer Shares	15,600,000	10%

See "*14 – Capitalization*" and "*13.1.1– Directors and Officers of the Resulting Issuer*".

12. PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of RISE and Britannia, at the completion of the RTO Transaction, other than as disclosed herein, no shareholders will beneficially own, directly or indirectly, or exercise control or direction over Resulting Issuer Shares carrying more than 10% of voting rights attached to such Resulting Issuer Shares.

Name and Jurisdiction of Residence	Number of Resulting Issuer Shares Owned or Controlled	Percentage of Outstanding Resulting Issuer Shares (Basic)	Percentage of Outstanding Resulting Issuer Shares (Fully Diluted)
Peter Shippen *Toronto, Ontario*	36,648,411(1)(2)	23.59%	18.1%(2)

Note:

(1) Represents the number of Resulting Issuer Shares after giving effect to the Consolidation at the Exchange Ratio. Prior to the Consolidation, Mr. Shippen held 366,484,111 shares.

(2) In addition to the 36,648,411 Resulting Issuer Shares, Mr. Shippen will hold 46,672,200 Resulting Issuer Warrants (on a pre-Consolidation basis).

13. DIRECTORS AND OFFICERS

13.1 Directors and Officers

13.1.1 Directors and Officers of the Resulting Issuer

The following table sets out the names of the directors and officers of the Resulting Issuer, the municipality and province of residence, their position with the Resulting Issuer, their principal occupation during the past five years, and the number and percentage of Resulting Issuer Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by each of the Resulting Issuer's directors and officers.

Name and Municipality of Residence	Age	Office with Resulting Issuer	Full Time / Part Time	Director and/or Officer Since	Principal Occupation in Past Five Years	From	To	Number and Percentage of Resulting Issuer Shares Owned or Controlled Following the RTO Transaction(1)
Peter Shippen, Toronto, Ontario, Canada	41	Director and Chief Executive Officer	Full time	2019	*Chief Executive Officer*, Britannia	2019	Present	36,648,411(1) (23.6%)
					Consultant, Extra Medium Inc.	2010	Present	
					Vice President, Purpose Investments	2018	2019	
					President and CEO, Redwood Asset Management	2009	2019	

Name and Municipality of Residence	Age	Office with Resulting Issuer	Full Time / Part Time	Director and/or Officer Since	Principal Occupation in Past Five Years	From	To	Number and Percentage of Resulting Issuer Shares Owned or Controlled Following the RTO Transaction(1)
Scott Secord, Etobicoke, Ontario, Canada	50	Director	Part time(7)	2018	*Executive Chairman, Director*, RISE	2018	Present	4,020,555(2) (2.6%)
					CEO, Gaming Nation	2015	2017	
					CEO, Pointstreak Sports Technologies	2009	2015	
Greg Taylor, Caldeon, Ontario, Canada	46	Director	Part time(8)	2021	*Chief Investment Officer*, Purpose Investments	2017	Present	Nil(3)
Boris Novansky, Mississauga, Ontario, Canada	56	President	Full time.	2019	*President*, Britannia	2019	Present	5,100,000(4) Resulting Issuer Shares (3.3%)
					Partner & Head of M&A, Valitas Capital Partners	2018	2019	
					Managing Director, Kirchner Private Capital	2014	2018	
Sarah Zilik, London, England	42	Secretary and Chief Financial Officer	Full time.	2019	*Chief Financial Officer*, Britannia	2019	Present	5,100,000(5) Resulting Issuer Shares (3.3%)
					Chief Financial Officer, Natoora Group Limited	2016	2019	
					Finance Director, Viapath Group LLP	2012	2016	

Name and Municipality of Residence	Age	Office with Resulting Issuer	Full Time / Part Time	Director and/or Officer Since	Principal Occupation in Past Five Years	From	To	Number and Percentage of Resulting Issuer Shares Owned or Controlled Following the RTO Transaction(1)
Mark Bowes-Cavanagh Devon, England	49	Chief Technical Officer	Full time, including his role at ADSL.	2019	*Chief Technical Officer*, Britannia Bud (UK South West and London)	2019	Present	15,600,000(6) Resulting Issuer Shares (10%)
					Managing Director, ADSL	2007	Present	

Notes:

(1) Represents the number of Resulting Issuer Shares after giving effect to the Consolidation at the Exchange Ratio. Prior to the Consolidation, Mr. Shippen held 366,484,111 shares. In addition, Mr. Shippen will hold 46,672,200 Resulting Issuer Warrants.

(2) Represents the number of Resulting Issuer Shares after giving effect to the Consolidation at the Exchange Ratio. Prior to the Consolidation, Mr. Secord held 40,205,550 shares.

(3) Represents the number of Resulting Issuer Shares after giving effect to the Consolidation at the Exchange Ratio. Prior to the Consolidation, Mr. Taylor held 0 shares.

(4) Represents the number of Resulting Issuer Shares after giving effect to the Consolidation at the Exchange Ratio. Prior to the Consolidation, Mr. Novansky held 51,000,000 shares.

(5) Represents the number of Resulting Issuer Shares after giving effect to the Consolidation at the Exchange Ratio. Prior to the Consolidation, Ms. Zilik held 51,000,000 shares.

(6) Represents the number of Resulting Issuer Shares after giving effect to the Consolidation at the Exchange Ratio. Prior to the Consolidation, Mr. Bowes-Cavanagh held 156,000,000 shares.

(7) In addition to Mr. Secord's role as director of the Resulting Issuer, Mr. Secord is the Managing Partner of Shore Capital Sports & Entertainment. Mr. Secord will devote as much time as necessary to fulfill his obligations and duties as director of the Resulting Issuer, which is currently estimated at approximately 5%.

(8) In addition to Mr. Taylor's role as director of the Resulting Issuer, Mr. Taylor is the Chief Investment Officer of Purpose Investments and on the investment committee for MS Society Canada. Mr. Taylor will devote as much time as necessary to fulfill his obligations and duties as director of the Resulting Issuer, which is currently estimated at approximately 5%.

Immediately following the completion of the RTO Transaction, the directors and officers of the Resulting Issuer, as a group, are expected to own or control, directly or indirectly, 664,689,660 Resulting Issuer Shares on a pre-Consolidation basis or 66,468,966 Resulting Issuer Shares on a post-Consolidation basis (representing approximately 42.8% of the Resulting Issuer Shares). See "*13.3– Securities Owned by Directors and Officers*" below for more details.

None of the above listed directors and officers of the Resulting Issuer has entered into a non-competition or non-disclosure agreements with the Resulting Issuer at this time. However, the proposed management of the Resulting Issuer will enter into employment, consulting and/or service agreements with the Resulting Issuer in connection with the completion of the RTO, which shall include customary non-competition and non-disclosure obligations.

Ms. Sarah Zilik, Secretary and Chief Financial Officer of the Resulting Issuer, resides outside of Canada and has appointed Bennett Jones LLP, 3400 One First Canadian Place, P.O. Box 130, Toronto, ON, M5X 1A4, Canada as agent for service of process.

13.2 Director Term of Office

The term of office of each director will expire prior to the first annual meeting of shareholders of the Resulting Issuer following completion of the RTO Transaction or until their successors are elected or appointed.

13.3 Securities Owned by Directors and Officers

As of the date of this Listing Statement, the directors and officers of the Resulting Issuer, as a group, is expected to beneficially own, directly or indirectly, an aggregate of 664,692,110 Resulting Issuer Shares on a pre-Consolidation basis or 66,469,211 Resulting Issuer Shares on a post-Consolidation basis (representing approximately 42.8% of the *pro forma* issued and outstanding Resulting Issuer Shares (on a non-diluted basis)) and an aggregate 136,496,977 Resulting Issuer Options.

Immediately following the completion of the RTO Transaction, the directors and officers of the Resulting Issuer, as a group, are expected to own or control, directly or indirectly, 664,689,660 Resulting Issuer Shares on a pre-Consolidation basis or 66,468,966 Resulting Issuer Shares on a post-Consolidation basis (representing approximately 42.8% of the *pro forma* issued and outstanding Resulting Issuer Shares).

13.4 Committee Composition

The Resulting Issuer will have three board committees, being the Audit Committee, Corporate Governance and Nominating Committee and Compensation Committee.

Audit Committee

The purpose of the Audit Committee is to assist the Resulting Issuer Board in its oversight by reviewing (i) the Resulting Issuer's financial statements, its financial and internal controls and its accounting, audit and reporting activities; (ii) the Resulting Issuer's compliance with legal and regulatory requirements; (iii) the external auditors' qualifications and independence; and (iv) the scope, results and findings of the Resulting Issuer's external auditors' audit and non-audit services. The Resulting Issuer has adopted an audit committee charter which sets out the Audit Committee mandate, composition, operations, powers, and responsibilities, the full text of which is appended hereto as Schedule "H" – *"Audit Committee Charter"*.

The Audit Committee will be comprised of three directors, as follows: Greg Taylor (Chair), Peter Shippen, and Scott Secord, a majority of whom will not be executive officers, employees or control persons of the Resulting Issuer as require under Part 6 of NI 52-110. As a venture issuer, the Resulting Issuer can and is relying on the exemption in Section 6.1 of NI 52-110. Each proposed member of the Audit Committee is also "financially literate", as such term is defined within the meaning of NI 52-110, and possesses education or experience that is relevant for the performance of their responsibilities as Audit Committee members.

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Resulting Issuer Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

Corporate Governance and Nominating Committee

The purpose of the Corporate Governance and Nominating Committee is to assist the Resulting Issuer Board in fulfilling its corporate governance responsibilities under applicable law and to promote a culture of integrity. The Corporate Governance and Nominating Committee will be guided by the following principles: (a) establishing sound corporate governance practices that are in the interest of shareholders and contribute to effective and efficient decision-making; and (b) acting in the interests of the Resulting Issuer and its shareholders by being fiscally responsible.

The Corporate Governance and Nominating Committee will be comprised of three directors, as follows: Greg Taylor (Chair), Peter Shippen, and Scott Secord.

Compensation Committee

The purpose of the Compensation Committee is to assess and review the development of human resource strategy, policies and programs and compensation to ensure that the Resulting Issuer attracts, retains and motivates the very best qualified executives that will enable the Resulting Issuer to meet its goals; while acting in the interests of the Resulting Issuer and its stakeholders, including but not limited to its shareholders.

The Corporate Governance and Nominating Committee will be comprised of three directors, as follows: Greg Taylor (Chair), Peter Shippen, and Scott Secord.

13.5 Director and Officer Occupations

See the table in Section 13 – *"Directors and Officers"* for a description of the directors' and officers' occupations.

13.6 Corporate Cease Trade Orders or Bankruptcies

Other than as set out below, no individual set forth in the above table of proposed directors and officers of the Resulting Issuer is, as at the date hereof, or was, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Resulting Issuer) that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Peter Shippen was director of Jenex Corporation ("**Jenex**") (currently named Therma Bright Inc.), a TSX Venture Exchange listed company, from October 2009 to February 2016. In December 2009, Jenex was subject to a cease trade order for the late filing of its financial statements and MD&A. The cease trade order was revoked in January 2014.

13.7 Penalties and Sanctions

None of the proposed directors have, within the 10 years before the date of this Listing Statement, been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

13.8 Settlement Agreement

There are no settlement agreement entered into before December 31, 2000, that would likely be important to a reasonable investor making an investment decision.

13.9 Personal Bankruptcies

None of the proposed directors have, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

13.10 Conflicts of Interest

The directors of the Resulting Issuer will be required by law to act honestly and in good faith with a view to the best interests of the Resulting Issuer and to disclose any interests which they may have in any project or opportunity of the Resulting Issuer. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Resulting Issuer will participate in any project or opportunity, that director will primarily consider the degree of risk to which the Resulting Issuer may be exposed and its financial position at that time.

Except as disclosed in this Listing Statement, to the best of RISE/Britannia's knowledge, there are no known existing or potential conflicts of interest among the Resulting Issuer and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

13.11 Resulting Issuer Board and Management

The following biographies provide certain selected information in respect of persons who will be serving as directors and/or officers of the Resulting Issuer.

Peter Shippen, Chief Executive Officer

Mr. Peter Shippen is an entrepreneur, investor and capital markets professional with 20 years of experience. Mr. Shippen offers consulting services through his firm Extra Medium Inc. Most recently, Mr. Shippen was a senior executive at Purpose Investments, following Purpose Investments' acquisitions of Redwood Asset Management. Mr. Shippen was President and CEO of Redwood until its amalgamation with Purpose Investments in March 2018. Prior to this, Mr. Shippen had held increasingly senior positions in the investment fund research group at a bank owned investment dealer. He has an extensive background in the research and analysis of mutual funds, hedge funds and structured products. Mr. Shippen has been a Director of Seven Aces Limited (formerly known as Quantum International Income Corp.) since March 16, 2016. Prior to founding Ark Fund Management in 2007, Mr. Shippen worked in investment research roles at BMO Nesbitt Burns and TD Waterhouse Canada Inc. He holds a CFA designation, a CAIA designation and earned BA, Economics from Wilfrid Laurier University.

Scott Secord, Executive Chairman

A lifelong entrepreneur, Mr. Secord has been a founder, executive, advisor and board member of multiple successful startups leading to various liquidity events. Mr. Secord's leadership as President/CEO of Pointstreak Sports Technologies from 2009 to 2015 resulted in a number of accolades including winning Deloitte's Technology Fast 50 and Fast 500 awards. He led the corporation's successful public spin-out of its gaming business (*Gaming Nation*), while also selling the core sports data/content business to Providence Equities and Blue Star Sports. In his subsequent role as President/CEO of publicly listed Gaming Nation, he made several successful strategic acquisitions before selling the corporation to Orange Capital Partners in 2018. Today, Mr. Secord serves as Managing Partner of Shore Capital Sports & Entertainment, an advisory firm focused on the sports gaming, data and media verticals. He also continues to serve as a director on a number of public and private company boards. He earned a BA, Business Administration and Management from the University of Windsor.

Greg Taylor, Director

Mr. Taylor is the Chief Investment Officer of Purpose Investments. A data-driven manager with a focus on managing risk through active-trading strategies, Mr. Taylor specializes in finding and exploiting pockets of volatility in the market to drive returns. He spent more than 15 years managing pension and mutual fund assets at Aurion Capital Management. He also held a role of senior portfolio manager at Front Street Capital and LOGiQ Asset Management before coming to Purpose Investments.

Mr. Taylor serves on the investment committee for the MS Society of Canada and advises the finance program's portfolio management course at Bishop's University. He has won numerous Brendan Wood International "TopGun" awards and is a regular host and guest on BNN Bloomberg and Toronto's all-news radio station, 680News. Mr. Taylor is a CFA Charterholder and has a BBA in Finance from Bishop's University.

Boris Novansky, President

Mr. Novansky is the President of Britannia. He has more than 25 years of experience as an investment banker in Canada and the UK, focusing on mergers, acquisitions, and corporate transactions across a broad range of industries. Most recently, Mr. Novansky was a partner at Valitas Capital Partners, a boutique mergers and acquisitions advisory firm serving mid-market Canadian companies. Prior to Valitas, Mr. Novansky held senior roles at a number of Canadian bank-owned and independent investment dealers, including CIBC World Markets, Cormark Securities, TD Securities, and Newcrest Capital. Mr. Novansky started his career at BMO Capital Markets, where he worked both in Toronto and in London, England. Mr. Novansky holds an MBA from the Richard Ivey School of Business at the University of Western Ontario and a Bachelor of Commerce from the Haskayne School of Business at the University of Calgary.

Sarah Zilik, Chief Financial Officer and Secretary

Ms. Zilik is the Chief Financial Officer of Britannia. She has more than 18 years of experience working across a variety of sectors including CPG, retail and healthcare with a focus on finance and administration, legal, human resources and corporate structuring.

Ms. Zilik is a Chartered Professional Accountant with over 20 years of progressive and diverse financial experience in the United Kingdom and Canada. Ms. Zilik has board and audit committee experience developed in a range of sectors including consumer packaged goods, infrastructure, food service and healthcare. She has a demonstrated history in financial reporting, compliance and risk management, planning and analysis, acquisition integration, due diligence, cash management and treasury. Most recently, Ms. Zilik was the Chief Financial Officer at Natoora Group Limited in London, UK where she led projects including business restructuring, capital raising and the sale process to a private equity/buyout investor. Prior to this, she held she held senior finance and treasury roles within private equity and large corporates. Ms. Zilik holds a Bachelor of Business Administration from Wilfrid Laurier University.

Mark Bowes-Cavanagh, Chief Technical Officer

Mr. Mark Bowes-Cavanagh has over 25 years of experience in testing, compliance and formulations and serves as Chief Technical Officer at Britannia Life Sciences. Mr. Bowes-Cavanagh is the founder of ADSL. He is a Chartered Fellow of the Royal Society of Chemists, Member of the British Toxicology Society and a Chartered Chemist and Scientist. Mark attended the University of Plymouth.

14. CAPITALIZATION

14.1 Issued Capital

The following tables set forth the pro forma capitalization of the Resulting Issuer as at the date of this Listing Statement. All references are to Resulting Issuer Shares on a post-Consolidation basis, subject to rounding as applicable, unless otherwise noted.

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully-diluted)
Public Float				
Total outstanding (A)	155,363,111	228,126,624	100%	100%
Held by Related Persons or employees of the Resulting Issuer or Related Person of the Resulting Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Resulting Issuer upon exercise or conversion of other securities held) (B)	78,126,373	78,126,373	50%	34%
Total Public Float (A-B)	77,236,738	150,000,251	50%	66%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	66,468,966	71,136,186	43%	31%
Total Tradeable Float (A-C)	88,894,145	156,990,438	57%	69%

Public Securityholders (Registered)

Class of Security Size of Holding	Number of holders (post-Consolidation)	Total number of securities (post-Consolidation)
1 – 99 securities	1	83
100 – 499 securities	4	1,164
500 – 999 securities	3	2,033
1,000 – 1,999 securities	4	5,489
2,000 – 2,999 securities	5	11,288
3,000 – 3,999 securities	3	11,459
4,000 – 4,999 securities	—	—
5,000 or more securities	124	60,228,818
TOTAL	**144**	**60,260,334**

Public Securityholders (Beneficial)

Class of Security Size of Holding	Number of holders (post-Consolidation)	Total number of securities (post-Consolidation)
1 – 99 securities	377	13,620
100 – 499 securities	282	57,138

Class of Security Size of Holding	Number of holders (post-Consolidation)	Total number of securities (post-Consolidation)
500 – 999 securities	74	46,085
1,000 – 1,999 securities	433	2,930,744
2,000 – 2,999 securities		
3,000 – 3,999 securities		
4,000 – 4,999 securities		
5,000 or more securities	171	74,189,151
TOTAL	**1,337**	**77,236,738**

Non-Public Securityholders (Registered)

Class of Security Size of Holding	Number of holders (post-Consolidation)	Total number of securities (post-Consolidation)
1 – 99 securities	—	—
100 – 499 securities	—	—
500 – 999 securities	—	—
1,000 – 1,999 securities	—	—
2,000 – 2,999 securities	—	—
3,000 – 3,999 securities	—	—
4,000 – 4,999 securities	—	—
5,000 or more securities	11	78,126,373
TOTAL	**11**	**78,126,373**

14.2 Securities Convertible or Exchangeable for Resulting Issuer Shares

The following tables set forth the securities convertible or exchangeable for Resulting Issuer Shares as at the date of this Listing Statement.

Entity	Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise on a post-Consolidation basis
Resulting Issuer	Warrants	591,138,154(1)	59,113,815
	Options	136,496,977(2)	13,649,697

Note:

(1) Upon giving effect to the RTO Transaction, the Resulting Issuer will have an aggregate 591,138,154 warrants outstanding, comprised of: (a) 107,977,354 RISE warrants, entitling the holder thereof to acquire on RISE Share at a price of $0.021 (on a pre-Consolidation basis) for a period of 24 months following the date of issuance, (b) 4,348,387 warrants outstanding associated with Britannia's convertible debentures entitling the holder thereof to acquire one Britannia Share at a price of US$2.00 per Britannia Share (subject to currency conversion and the Exchange Ratio) for a period of 24 months following the date of issuance, and (c) 8,931,000 warrants which Britannia had issued in the form of compensation to its advisors entitling the holder thereof to acquire on Britannia Share at a price of $0.021 for a period of 24 months following the date of issuance.

(2) Upon giving effect to the RTO Transaction, the Resulting issuer will have an aggregate 136,496,977 options outstanding, comprised of: (a) 1,650,000 RISE Options issued pursuant to the RISE Option Plan, and (b) 134,846,977 Britannia Options, issued in accordance with the Britannia Option Plan.

15. EXECUTIVE COMPENSATION

The executive compensation information for RISE, in accordance with Form 51-102F6V – *Statement of Executive Compensation*, can be found in the Circular.

The statement of executive compensation contained in this section relates only to the proposed executive compensation of the Resulting Issuer assuming completion of the RTO Transaction and should be read and interpreted as though the RTO Transaction has been completed.

15.1 Director and Named Executive Officer Compensation

Pursuant to applicable Canadian Securities Laws, the Resulting Issuer must disclose the compensation expected to be paid to its NEOs. Assuming the completion of the proposed RTO Transaction, it is expected that the Resulting Issuer will have 4 NEOs, Peter Shippen (CEO), Sarah Zilik (CFO), Boris Novansky (President) and Mark Bowes-Cavanagh (Chief Technical Officer).

The following table sets forth the proposed compensation for the Resulting Issuer's NEOs for the 12-month period following completion of the RTO Transaction:

Name and Principal Position	Salary ($)	Share-based Awards ($)	Option-based Awards ($)[(1)]	Annual Incentive Plan	Long Term Incentive Plans	Pension Value ($)	All other Compensation ($)	Total Compensation ($)
Peter James Shippen CEO	$200,000	nil	nil	nil	nil	nil	nil	$200,000
Sarah Zilik, CFO	$125,000	nil	nil	nil	nil	nil	nil	$125,000
Boris Novansky President	$75,000	nil	nil	nil	nil	nil	nil	$75,000
Mark Bowes-Cavanagh Chief Technical Officer	$250,000	nil	nil	nil	nil	nil	nil	$250,000

Notes:

(1) Represents awards issued pursuant to the Omnibus Plan, which allows the Resulting Issuer to distribute up to 10% of the total issued and outstanding Resulting Issuer Shares at the time of grant, subject to allocation and approval by the Audit Committee of the Resulting Issuer.

The expected compensation described in the foregoing table is being provided for illustrative purposes only and has been presented on the basis of the current compensation levels of each such NEO with Britannia and RISE as applicable and assuming a 100% satisfaction of annual and long-term incentive plan milestones. The compensation arrangements for the Resulting Issuer's NEOs will be determined following the completion of the RTO Transaction, in the discretion of the Resulting Issuer Board, once the Resulting Issuer Board has been constituted and the Compensation Committee has been established.

Compensation Discussion and Analysis

As of the date hereof, there are no formal employment, consulting or management agreements. The NEO's and the directors operate under informal arrangements. The Resulting Issuer anticipates entering into an employment agreement with the NEOs and directors as of the closing of the RTO Transaction. The Resulting Issuer, which is expected to be comprised of three directors, has not yet formed a separate Compensation Committee to oversee compensation matters. The Compensation Committee is expected to assess NEO compensation in due course and will consider many factors, including industry peers and the performance of the reporting issuer.

Director Compensation

During the 12-month period after giving effect to the RTO Transaction, it is anticipated that the directors of the Resulting Issuer will receive cash compensation and/or awards pursuant to the Omnibus Plan for their services in their capacity as directors, and for committee participation, involvement in special assignments or for services as consultants or experts. The compensation arrangements for the directors of the Resulting Issuer will be determined following the completion of the RTO Transaction once the Resulting Issuer Board has been constituted.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

16.1 Aggregate Indebtedness

As of the date of this Listing Statement, no directors or executive officers are indebted to RISE and Britannia.

16.2 Indebtedness of Directors and Executive Officers

No director, executive officer, employee or former director, executive officer or employee of RISE was indebted to RISE as at the date hereof or at any time during the most recently completed financial year of RISE. None of the proposed nominees for election as a director of RISE, or any associated or affiliate of any director, executive officer or proposed nominee, was indebted to RISE as at the date hereof or at any time during the most recently completed financial year.

RISE has not provided any guarantees, support agreements, letters of credit or other similar arrangement or understanding for any indebtedness of any of RISE's directors, executive officers, proposed nominees for election as a director, or associates or affiliates of any of the foregoing individuals as at the date hereof or at any time during the most recently completed financial year of RISE.

17. RISK FACTORS

Overview

If the RTO Transaction proceeds, the Resulting Issuer will be subject to a number of risks. An investment in the Resulting Issuer should be considered highly speculative due to the nature of its activities and the present stage of its development. There are numerous factors which may affect the success of Resulting Issuer's business, many of which are beyond Resulting Issuer's control, including local, national and international economic and political conditions. The Resulting Issuer's business will involve a high degree of risk which a combination of experience, knowledge and careful evaluation may not overcome.

The risks and uncertainties discussed herein are not the only ones facing the Resulting Issuer. In evaluating the RTO Transaction and the Resulting Issuer, the risks and uncertainties described below, in addition to the other information contained in this Listing Statement, should be carefully considered. If any such risks actually occur, the business, financial condition and/or liquidity and results of operations of the Resulting Issuer could be materially adversely affected. In this event, the value of the Resulting Issuer Shares could decline after the completion of the RTO Transaction and the Resulting Issuer Shareholders could lose all or part of their investment.

The risks and uncertainties described in this Listing Statement are not the only ones the Resulting Issuer may face. Additional risks and uncertainties that management of the Resulting Issuer is unaware of, or currently deems not to be material, may also become important factors that affect the Resulting Issuer.

Risk Factors Relating to the RTO Transaction

Failure to Complete the Transaction

The RTO Transaction is subject to certain conditions that may be outside the control of RISE, including, without limitation, the CSE approval of the RTO Transaction. There can be no certainty, nor can RISE provide any assurance, that these conditions will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived. If the RTO Transaction is not completed, the market price of RISE Shares may decline. If the RTO Transaction is not completed and the RISE Board decides to seek another merger or business combination, there can be no assurance that RISE will be able to undertake a business combination on equivalent or more attractive terms than those under the Definitive Agreement.

Termination of the Definitive Agreement by Britannia

Each of the parties to the Definitive Agreement has the right to terminate the Definitive Agreement and not complete the RTO Transaction in certain circumstances. Accordingly, there is no certainty, nor can RISE provide any assurance, that the Definitive Agreement will not be terminated by Britannia before the completion of the RTO Transaction.

In addition, completion of the RTO Transaction is subject to a number of conditions precedent, certain of which are outside the control of the Parties. There is no certainty, nor can any Party provide any assurance, that these conditions will be satisfied or waived.

Receipt of Exchange Approval

Completion of the RTO Transaction is subject to the acceptance for listing by the CSE of the Resulting Issuer Shares to be issued to holders of Britannia Shares upon the Amalgamation. There can be no assurance that RISE will be able to satisfy the requirements of the CSE with respect to the listing of the Resulting Issuer Shares. If such conditional listing approval of the CSE is not obtained, Britannia is not required to complete the Amalgamation and there can be no guarantee that the RTO Transaction will be completed.

RISE will incur significant costs.

Certain costs related to the RTO Transaction, such as legal, accounting and certain financial advisor fees, must be paid by RISE even if the RTO Transaction is not completed. RISE Subco and Britannia are each liable for their own costs incurred in connection with the RTO Transaction.

Risks Factors Relating to the Resulting Issuer

Reliability and Accuracy of the Resulting Issuer Pro Forma Financial Statements

The Resulting Issuer Pro Forma Financial Statements contained in this Listing Statement are presented for illustrative purposes only as of their respective dates and may not be an indication of the financial condition or results of operations of the combined business of Britannia and RISE following the RTO Transaction for several reasons. For example, the Resulting Issuer Pro Forma Financial Statements have been derived from the respective historical financial statements of Britannia, ADSL and RISE, and certain adjustments and assumptions made as of the dates indicated therein have been made to give effect to the RTO Transaction and the other respective relevant transactions. The information upon which these adjustments and assumptions have been made is preliminary, and these kinds of adjustments and assumptions are difficult to make with complete accuracy.

Volatility of Stock Markets

Securities markets experience a high level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of the Resulting Issuer include macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries.

These fluctuations may affect the ability of holders of the Resulting Issuer's securities to sell their securities at an advantageous price. The market price of such securities may decline even if the Resulting Issuer's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Resulting Issuer's operations could be adversely impacted, and the trading price of the Resulting Issuer Shares or other securities of the Resulting Issuer may be materially adversely affected.

As a result of any of these factors, the market price of the securities of the Resulting Issuer at any given point in time may not accurately reflect the long-term value of the Resulting Issuer.

Dilution

The Resulting Issuer may issue additional securities in the future, which may dilute a shareholder's holdings in the Resulting Issuer. The Resulting Issuer's constating documents permit the issuance of an unlimited number of Resulting Issuer Shares. The Resulting Issuer's shareholders do not have pre-emptive rights in connection with any future issuances of securities by the Resulting Issuer. The directors of the Resulting Issuer have discretion to determine the price and the terms of further issuances. Moreover, additional Resulting Issuer Shares will be issued by the Resulting Issuer on the exercise of options under its stock option plan and upon the exercise of outstanding convertible securities.

Additional Financing

The continued development of the Resulting Issuer will require additional financing. There is no guarantee that the Resulting Issuer will be able to achieve its business objectives. The Resulting Issuer intends to fund its future business activities by way of additional offerings of equity and/or debt financing as well as through anticipated positive cash flow from operations in the future. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Resulting Issuer. If additional funds are raised by offering equity securities, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve the granting of security against assets of the Resulting Issuer and also contain restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Resulting Issuer to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Resulting Issuer will require additional financing to fund its operations until positive cash flow is achieved.

Dividends

The Resulting Issuer does not anticipate paying any dividends on the Resulting Issuer Shares in the foreseeable future.

Any decision to declare and pay dividends in the future will be made at the discretion of the Resulting Issuer's board of directors and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the Resulting Issuer's board of directors may deem relevant.

Dividends paid by the Resulting Issuer will be subject to tax and, potentially, withholdings.

Forward-Looking Information May Prove Inaccurate

Readers are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. See "*Forward-Looking Information*".

Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Resulting Issuer's income or the value of its holdings or financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Foreign Currency Risk

Exchange rate fluctuations may adversely affect the Resulting Issuer's financial position and results. It is anticipated that substantially all the Resulting Issuer's business will be conducted in various currencies and geographic markets, principally in the United Kingdom and European Union. The Resulting Issuer's financial results are reported in Canadian dollars and revenues and costs are incurred primarily in GBP. The depreciation of the Canadian dollar against the British Pound could increase the actual capital and operating costs of the Resulting Issuer's UK operations and materially adversely affect the results presented in the Resulting Issuer's financial statements. Currency exchange fluctuations may also materially adversely affect the Resulting Issuer's future cash flow from operations, its results of operations, financial condition and prospects.

Risk of Foreign Operations

The Resulting Issuer's operations are primarily located in the foreign jurisdiction of the United Kingdom. As a result, the Resulting Issuer operations may be directly or indirectly impacted by political, economic and other uncertainties, including, but not limited to changes in policies and legislation or the personnel administering them, cancellation or modification of contractual risks, foreign exchange restriction, currency fluctuations, royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which the Resulting Issuer's operations are conducted.

Difficulty in Enforcement of Judgments

The Resulting Issuer has certain subsidiaries, directors and officers reside outside of Canada and substantially all of the assets of these persons are located outside of Canada. It may not be possible for shareholders to effect service of process against such directors, officers and subsidiaries who are not resident or located in Canada. In the event a judgment is obtained in a Canadian court against one or more of the Resulting Issuer's directors or officers for violations of Canadian Securities Laws or otherwise, it may not be possible to enforce such judgment against those directors and officers not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian Securities Law claims or otherwise in original actions instituted in the jurisdictions where the Resulting Issuer's subsidiaries are located. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian Securities Laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Resulting Issuer. The Resulting Issuer 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 Resulting Issuer may use information supplied by independent rating agencies where available, and if not available, the Resulting Issuer 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 Resulting Issuer's maximum exposure to credit risk.

Risks Relating to COVID-19

The outbreak of COVID-19 (Coronavirus) within the Resulting Issuer's operations could materially impact the Resulting Issuer's operations by negatively impacting supply chains, creating shortages of qualified staff, reducing consumption of product, reducing the availability of both equity and/or debt in the marketplace, limit travel to office locations in other countries, and have other effects not even contemplated. Such an outbreak, could have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and our ability to raise capital either through equity or debt.

Risks Relating to the Industry in which the Resulting Issuer Operates

Change in Laws, Regulations and Guidelines

The Resulting Issuer's operations are subject to a variety of laws, regulations and guidelines relating to the analysis testing, compliance, responsible persons, as well as the testing, transportation, manufacturing and storage of CBD and other related cannabis products, including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Achievement of the Resulting Issuer's business objectives are contingent, in part, upon compliance with applicable regulatory requirements and obtaining all requisite regulatory approvals and licenses. To its knowledge, the Resulting Issuer is currently in compliance with such laws in all material respects. Changes to such laws, regulations, and guidelines due to matters beyond the control of the Resulting Issuer may cause adverse effects to the Resulting Issuer's operations.

While the impact of the changes are uncertain and are highly dependent on which specific laws, regulations or guidelines are changed and on the outcome of any such court actions, it is not expected that any such changes would have an effect on the Resulting Issuer's operations that is materially different than the effect on similar-sized companies in the same business as the Resulting Issuer.

As the Resulting Issuer eventually plans to market its products and services in Canada, the United Kingdom and Europe through licensing and partnerships with Canadian-licensed producer operators, the Canadian, the United Kingdom and European cannabis regulations could potentially impact the size and profitability of the market for the Resulting Issuer's business, and potentially materially and adversely affect the Resulting Issuer's business, results of operations, and financial condition. Hemp-derived cannabinoids such as CBD are subject to numerous governmental regulations, and it can be costly to comply with these regulations and to develop compliant products and processes.

Regulatory Risk

The activities of the Resulting Issuer are subject to regulation by governmental authorities. Achievement of the Resulting Issuer's business objectives are contingent, in part, upon compliance with regulatory requirements, including those imposed by Health Canada, where applicable, and UK and European laws. In addition, the Resulting Issuer is required to obtain all regulatory approvals, permits and licenses for its contemplated operations. Obtaining, amending or renewing the necessary governmental permits and licenses can be a time-consuming process potentially involving numerous regulatory agencies, involving public hearings and costly undertakings on the part of the Resulting Issuer. The Resulting Issuer may not be able to obtain, amend or renew permits or licenses that are necessary to its operations or to achieve the growth of its business in a timely manner in the future. Any unexpected delays or costs associated with the permitting and licensing process could impede the ongoing or proposed operations of the Resulting Issuer. To the extent necessary permits or licenses are not obtained, amended or renewed, or are subsequently suspended or revoked, the Resulting Issuer may be curtailed or prohibited from proceeding with its ongoing operations or planned development and commercialization activities or may incur unexpected costs associated with the licensing renewal process. Such curtailment, prohibition or unexpected costs may result in a material adverse effect the Resulting Issuer's business, financial condition, results of operations or prospects.

Moreover, the Resulting Issuer may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Resulting Issuer's reputation, require the Resulting Issuer to take, or refrain from taking, actions that could harm its operations or require it to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources or have a material adverse impact on the Resulting Issuer's business, financial condition, results of operations or prospects.

Regulatory Costs and Litigation

The Resulting Issuer operates in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements.

The Resulting Issuer incurs ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties, or restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer. Further, the Resulting Issuer may be subject to a variety of claims and lawsuits. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect its ability to conduct business. Litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future.

The industry is subject to extensive control and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Resulting Issuer and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Resulting Issuer's earnings and could make future capital investments or the Resulting Issuer's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

Risk of Heightened Scrutiny by Regulatory Authorities

For the reasons set forth above, the Resulting Issuer's existing investments in the United Kingdom, and any future investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Resulting Issuer may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Resulting Issuer's ability to invest in the United Kingdom or any other jurisdiction, in addition to those described herein.

Unfavourable Publicity, Consumer Perception or Public Policies

The Resulting Issuer believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical cannabis produced. Consumer perception of cannabis products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical cannabis products. Cannabis is a controversial substance, and there can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the medical cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Resulting Issuer's products and the business, results of operations, financial condition and cash flows of the Resulting Issuer.

In addition, government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in the United Kingdom and Canada or elsewhere. A negative shift in the public's perception of medical cannabis in these jurisdictions or any other applicable jurisdiction could negatively affect future legislation or regulation. Among other things, such a shift could cause jurisdictions to abandon initiatives or proposals to legalize medical cannabis, thereby limiting the markets into which the Resulting Issuer could expand. The approach to the enforcement of cannabis laws may be subject to change or may not proceed as previously outlined. Any hindrance to the full implementation of the Resulting Issuer's expansion strategy may have a material adverse effect on the Resulting Issuer's business, financial condition, and results of operations.

The Resulting Issuer's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Resulting Issuer, the demand for medical cannabis products, and the business, results of operations, financial condition and cash flows of the Resulting Issuer. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical cannabis in general, or the Resulting Issuer's products specifically, or associating the consumption of medical cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Risks Concerning Banking

Banking restrictions could be imposed due to the Resulting Issuer's banking institutions not accepting payments and deposits. The Resulting Issuer is at risk that any bank accounts it has could be closed at any time. Such risks increase costs to the Resulting Issuer. Additionally, similar risks are associated with large amounts of cash at its business locations. These locations require heavy security with respect to holding and transport of cash.

In the event financial service providers do not accept accounts or transactions related to the cannabis/CBD industry, it is possible that the Resulting Issuer may seek alternative payment solutions, including but not limited to crypto currencies such as Bitcoin. There are risks inherent in crypto currencies, most notably its volatility and security issues. If the industry was to move towards alternative payment solutions and accept payments in crypto currency the Resulting Issuer would have to adopt policies and protocols to manage its volatility and exchange rate risk exposures. The Resulting Issuer's inability to manage such risks may adversely affect the Resulting Issuer's operations and financial performance.

Risks Concerning Investment Accessibility

While the *UK Proceeds of Crime Act 2002* (POCA) was not designed to criminalize businesses who trade within the Canadian, there is currently very little guidance for UK businesses with regards to cannabis-related activity that is the production, distribution, research, or handling of cannabis containing THC. POCA prohibits receiving, dealing with, or being concerned in a transaction which facilitates (by whatever means) the retention or movement of the "proceeds of crime". Under POCA, "proceeds of crime" means any known or suspected benefit arising from criminal conduct. The offences are broadly drawn and there are few useful exceptions to them. There is a carve out for criminal conduct which is illegal in the UK but legal in the country in which it occurs (the so-called "Spanish Bullfighter" exception), however this exemption only applies to offences which in the UK would result in a maximum custodial sentence of 12 months or less, whereas the maximum sentence in the UK for supplying or being concerned in the production of cannabis is 14 years.

UK companies and financial institutions could potentially be penalized for entering into commercial transactions with cannabis businesses (for example insuring or investing in a cannabis-related business or receiving funds from a cannabis-related business for services or goods provided). Those within the UK regulated sector (including banks, accountants, insurers, and lawyers acting on transactions) could also face sanctions for failing to report suspicions of money laundering related to dealings with cannabis-related businesses by means of a suspicious activity report. FCA and PRA regulated firms and individuals may also need to consider their broader regulatory obligations.

Due to the principle of fungibility, this may result in a relatively small amount of "criminal property" tainting a whole account or the whole of the asset. As a result, UK firms could also be in breach of POCA if they profit from an investment in a group company which has a cannabis-related business as this profit would arguably be tainted.

To mitigate against any potential breach of POCA, the Resulting Issuer will conduct thorough due diligence and review any customer or investment to evaluate any potential links at any level of the firm's organizational structure. If that due diligence is inconclusive, or if it is not sustainable to conduct this level of due diligence, the Resulting Issuer will not engage the potential client or potential investment, until such time that an exemption is given by the FCA. At the time of this Listing Statement, there are no customers, subsidiaries or investments that present the Resulting Issuer with any concern as to the recognition of legality of their sources of funds being derived from the production of cannabis or any other federally legal activity that would result in conflict with the POCA.

Product Liability, Operational Risk

As a manufacturer and distributor of products designed to be ingested by humans, the Resulting Issuer faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of CBD infused products based on the Resulting Issuer's formulations and brands involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Resulting Issuer's products alone or in combination with other medications or substances could occur. The Resulting Issuer may be subject to various product liability claims, including, among others, that the Resulting Issuer's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Resulting Issuer could result in increased costs, could adversely affect the Resulting Issuer's reputation with its clients and consumers generally, and could have a material adverse effect on the Resulting Issuer's results of operations and financial condition of the Resulting Issuer.

Product Recall Risks

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the products developed by the Resulting Issuer and sold by it or by licensed producers are recalled due to an alleged product defect or for any other reason, the Resulting Issuer could be required to incur the unexpected expense relating to the recall and any legal proceedings that might arise in connection with the recall. The Resulting Issuer may lose a significant amount of revenue due to a loss of and may not be able to replace that revenue at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Resulting Issuer has established procedures to test finished products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Resulting Issuer's significant brands were subject to recall, the image of that brand and the Resulting Issuer could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Resulting Issuer's products and could have an adverse effect on the results of operations and financial condition of the Resulting Issuer. Additionally, product recalls may lead to increased scrutiny of the Resulting Issuer's operations by the regulatory agencies, requiring further management attention and potential legal fees and other expenses.

The Resulting Issuer's operations can also be substantially affected by adverse publicity resulting from quality, illness, injury, health concerns, public opinion, or operating issues. The Resulting Issuer will attempt to manage these factors, but the occurrence of any one or more of these factors could materially and adversely affect the Resulting Issuer's business, financial condition and results of operations.

Reliance on Management

The success of the Resulting Issuer is currently dependent on the performance of its Chief Executive Officer, Chief Technical Officer, technical experts and Board of Directors. The loss of the services of these persons would have a material adverse effect on the Resulting Issuer's business and prospects in the short term. There is no assurance that the Resulting Issuer can maintain the services of its officers or other qualified personnel required to operate its business.

See "*Production and Sales – Specialized Skills and Knowledge*"

Success of Quality Control Systems

The accuracy, quality, and safety of the Resulting Issuer's products and services are critical to the success of its business and operations. As such, it is imperative that the Resulting Issuer's (and its service provider's) quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although the Resulting Issuer strives to ensure that all its service providers have implemented and adhere to high caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on the Resulting Issuer's business and operating results.

Factors Which May Prevent Realization of Growth Targets

The Resulting Issuer is currently in the early growth stage and, as a result, may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems, and to expand, train, and manage its employee base. There is a risk that the additional resources will be needed and milestones will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including some that are discussed elsewhere in these risk factors and the following as it relates to the Resulting Issuer:

- maintaining, or conditions imposed by, regulatory approvals;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms.

The inability of the Resulting Issuer to deal with this growth may have a Material Adverse Effect on the Resulting Issuer's business, financial conditions, results of operations, and prospects.

Competitive Risks

The cannabinoid industry is highly competitive. The Resulting Issuer will compete with numerous other businesses in the cosmetics testing and compliance industry, as well as the CBD and general wellness industry. The Resulting Issuer expects significant competition from other companies, some of which may have significantly greater financial, technical, marketing and other resources, which may be able to devote greater resources to the development, promotion, sale and support of their products and services, and may have more extensive customer bases and broader customer relationships.

Competition from other competitors may also affect the Resulting Issuer's ability to: (i) pursue and complete acquisition and/or investment opportunities (or increase the cost of the same); (ii) pursue commercial opportunities with partners, manufacturers, suppliers or distributors in a particular country due to competition; and (iii) the ability of the Resulting Issuer to hire and/or retain key individuals.

Should the size of the cosmetics and CBD increase as projected the demand for products will increase as well, and in order for the Resulting Issuer to be competitive it will need to invest significantly in research and development, marketing, production expansion, new client identification, and client support. If the Resulting Issuer is not successful in achieving sufficient resources to invest in these areas, the Resulting Issuer's ability to compete in the market may be adversely affected, which could materially and adversely affect the Resulting Issuer's business, its financial conditions and operations.

Environmental and Employee Health and Safety Regulations

The Resulting Issuer's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air, and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. The Resulting Issuer will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Resulting Issuer's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Difficulties in Forecasting

The Resulting Issuer must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabidiol industry in the Europe. A failure in the demand for its products to materialize because of competition, technological change, market acceptance or other factors could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

Holding Company

The Resulting Issuer is a holding company with no material assets other than its operating subsidiaries, and intellectual property. Nearly all of the Resulting Issuer's funds generated from operations will be generated by the Resulting Issuer's operating subsidiaries. The Resulting Issuer's subsidiaries are subject to requirements of various regulatory bodies, both domestically and internationally, specifically in the United Kingdom and Europe. Accordingly, if the Resulting Issuer's operating subsidiaries are unable, due to regulatory restrictions or otherwise, to pay the Resulting Issuer's dividends and make other payments to the Resulting Issuer when needed, the Resulting Issuer may be unable to satisfy the Resulting Issuer's obligations when they arise.

Enforcement of Legal Rights

In the event of a dispute arising from the Resulting Issuer's operations outside Canada, including the United Kingdom and Europe, the Resulting Issuer may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of Canadian courts. Similarly, to the extent that the Resulting Issuer's assets are located outside of Canada, investors may have difficulty collecting from the Resulting Issuer any judgments obtained in the Canadian courts and predicated on the civil liability provisions of securities provisions. The Resulting Issuer may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.

Global Financial and Economic Conditions

Current global financial and economic conditions remain extremely volatile which negatively impact access to public and private capital and financing. Such factors may impact the Resulting Issuer's ability to obtain debt and equity financing in the future on favorable terms or obtain any financing at all. Additionally, global economic conditions may cause a long-term decrease in asset values. If such global volatility, market turmoil and the global recession continue, the Resulting Issuer's operations and financial condition could be adversely impacted.

Conflicts of Interest

Certain officers and directors of the Resulting Issuer are or may also be officers and/or directors of other entities engaged in the cannabis industry generally. As a result, situations may arise where the interest of such directors and officers conflict with their interests as directors and officers of other companies. The resolution of such conflicts is governed by applicable corporate laws, which require that directors act honestly, in good faith and with a view to the best interests of the Resulting Issuer. Conflicts, if any, will be handled in a manner consistent with the procedures and remedies set forth in the CBCA. The CBCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the CBCA.

In addition, the directors and officers are required to act honestly and in good faith with a view to the Resulting Issuer's best interests. However, in conflict of interest situations, the Resulting Issuer's directors and officers may owe the same duty to another Resulting Issuer and will need to balance their competing interests with their duties to the Resulting Issuer. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Resulting Issuer.

Inability to Renew Material Leases

The Resulting Issuer may be unable to renew or maintain its leases (commercial or real property) on commercially acceptable terms or at all. An inability to renew its leases, or a renewal of its leases with a rental rate higher than the prevailing rate under the applicable lease prior to expiration, may have an adverse impact on the Resulting Issuer's operations, including disruption of its operations or an increase in its cost of operations. In addition, in the event of non-renewal of any of the Resulting Issuer's leases, the Resulting Issuer may be unable to locate suitable replacement properties for its facilities or it may experience delays in relocation that could lead to a disruption in its operations. Any disruption in the Resulting Issuer's operations could have an adverse effect on its financial condition and results of operations.

Obtaining Insurance

Due to the Resulting Issuer's involvement in the cannabis industry, it may have a difficult time obtaining the various insurances that are desired to operate its business, which may expose the Resulting Issuer to additional risk and financial liability. Insurance that is otherwise readily available, such as general liability, and directors and officer's insurance, may be more difficult to find, and more expensive, because of the regulatory regime applicable to the industry. There are no guarantees that the Resulting Issuer will be able to find such insurance coverage in the future, or that the cost will be affordable. If the Resulting Issuer is forced to go without such insurance coverage, it may prevent it from entering certain business sectors, may inhibit growth, and may expose the Resulting Issuer to additional risk and financial liabilities.

Inability to Protect Intellectual Property

The Resulting Issuer's success is heavily dependent upon its intangible property and technology. The Resulting Issuer relies upon copyrights, patents, trade secrets, unpatented proprietary know-how and continuing innovation to protect the intangible property, technology and information that is considered important to the development of the business. The Resulting Issuer relies on various methods to protect its proprietary rights, including confidentiality agreements with consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of confidential information. However, despite efforts to protect intangible property rights, unauthorized parties may attempt to copy or replicate intangible property, technology or processes. There can be no assurances that the steps taken by the Resulting Issuer to protect its intangible property, technology and information will be adequate to prevent misappropriation or independent third-party development of the Resulting Issuer's intangible property, technology or processes. It is likely that other companies can duplicate a production process similar to the Resulting Issuer's. Other companies may also be able to materially duplicate the Resulting Issuer's proprietary plant strains. To the extent that any of the above would occur, revenue could be negatively affected, and in the future, the Resulting Issuer may have to litigate to enforce its intangible property rights, which could result in substantial costs and divert management's attention and other resources.

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

In particular, the Resulting Issuer's reliance on third parties requires the Resulting Issuer to share its trade secrets, which increases the possibility that a competitor will discover them. Because the Resulting Issuer is likely to rely on third parties to develop its products/compounds, it will be required to share trade secrets and other confidential information with them. The Resulting Issuer will seek to protect its proprietary technology in part by entering into confidentiality or non-disclosure agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with its collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements will typically restrict the ability of its collaborators, advisors, employees and consultants to publish data potentially relating to its trade secrets and confidential information. The Resulting Issuer's academic and clinical collaborators will typically have rights to publish data, provided that the Resulting Issuer is notified in advance and may delay publication for a specified time in order to secure is intellectual property rights arising from the collaboration. In other cases, publication rights will be controlled exclusively by the Resulting Issuer, although in some cases the Resulting Issuer may share these rights with other parties. The Resulting Issuer may also conduct joint research and development programs which may require the Resulting Issuer to share trade secrets and confidential information under the terms of research and development collaborations or similar agreements.

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

Despite efforts to protect its trade secrets and confidential information, the Resulting Issuer's competitors may discover its trade secrets or confidential information, either through breach of these agreements, independent development or publication of information including its trade secrets or confidential information in cases where the Resulting Issuer does not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of the Resulting Issuer's trade secrets or confidential information may impair its competitive position and could have a material adverse effect on its business and financial condition.

Risk Factors Relating to RISE

Whether or not the RTO Transaction is completed, RISE will continue to face many of the risks that it currently faces with respect to its business and affairs. This includes risk factors outlined above under *"Risks Relating to the Industry in which the Resulting Issuer Operates"*. In addition, RISE has mainly relied on equity and debt financing to support operations and will continue to need significant amounts of additional capital. RISE intends to raise additional financing, as required, through research, partnering and licensing arrangements, the exercise of warrants and options, and through equity and/or debt financing. However, there can be no assurance that these financing efforts will be successful or that RISE will continue to be able to meet ongoing cash requirements. It is possible that financing will not be available or, if available, may not be on favourable terms. RISE may fail to obtain additional financing and be unable to fund operations and commercialize its product candidates. The availability of financing will be affected by RISE's ability to attain regulatory approvals where required, the market acceptance of RISE's products, the state of the capital markets generally (with particular reference hemp companies), the status of strategic alliance agreements, and other relevant commercial considerations. Any future equity financing could result in significant dilution to existing shareholders.

RISE had commenced earning revenue in 2018 on its commercial market development of Life Bloom and Karreza hemp-based CBD products but, in light of the length of time and expense associated with bringing new products through commercialization and bringing products to market, operating losses are expected to continue unless and until RISE is able to generate sufficient revenues from the commercial product sales.

RISE must meet its debt repayment obligations and/or renegotiate the terms and/or obtain an additional extension to the maturity date of the secured and unsecured debt and failure to do so could cause the lender to demand on its security on RISE's long-term debt. There can be no assurance that RISE will continue to meet its debt repayment obligations and/or renegotiate the terms and/or obtain an additional extension to the maturity date of its debt.

Product Liability and Operational Risks

Hemp-derived cannabinoids such as CBD are subject to numerous governmental regulations and it can be costly to comply with these regulations and to develop compliant products and processes.

Naturally-occurring compounds, which may be used in the manufacture of various food or dietary supplement products intended for human or animal consumption, topicals and drugs may be subject to rigorous regulation by numerous international, supranational, federal and state authorities. The process of obtaining regulatory approvals to market such products can be costly and time-consuming, and approvals might not be granted for future products, or additional indications or uses of existing products, on a timely basis, if at all. Delays in the receipt of, or failure to obtain approvals for, future products, or new indications and uses, could result in delayed realization of product revenues, reduction in revenues, and in substantial additional costs. In addition, no assurance can be given that we will remain in compliance with applicable regulatory requirements. These requirements may include, among other things, regulations regarding manufacturing practices, product labeling and advertising.

Risk Factors Relating to Britannia

Management of Growth

Britannia may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of Britannia to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Britannia to deal with this growth may have a material adverse effect on Britannia's business, financial condition, results of operations and prospects.

In Operations – While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, Britannia may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for Britannia's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, Britannia will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. Britannia will periodically review and manage its systems, processes and processes through introduction of necessary enterprise resource planning solutions, as well as human resource functions, however there can be no assurance that Britannia will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support Britannia's operations or that Britannia will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

In Acquisitions – In addition, contemplated acquisitions and collaborations involve numerous risks, including, but not limited to: substantial cash expenditures; technology development risks; potentially dilutive issuances of equity securities; incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition; difficulties in assimilating the operations of the acquired companies; potential disputes regarding contingent consideration; diverting Britannia's management's attention away from other business concerns; entering markets in which Britannia has limited or no direct experience; and potential loss of Britannia's key employees or key employees of the acquired companies or businesses. Britannia's management has experience in making acquisitions and entering collaborations; however, Britannia cannot provide assurance that any acquisition or collaboration will result in short-term or long-term benefits to it. Britannia may incorrectly judge the value or worth of an acquired company or business. In addition, Britannia's future success would depend in part on its ability to manage the rapid growth associated with some of these acquisitions and collaborations. Britannia cannot provide assurance that it would be able to successfully combine its business with that of acquired businesses or manage a collaboration. Furthermore, the development or expansion of Britannia's business may require a substantial capital investment by Britannia.

Cyber-Attacks and Information Technology Systems

Britannia's operations depend, in part, on how well it protects its information technology systems, networks, equipment and software from damages from a number of threats. While Britannia implements protective measures to reduce the risk of and detect cyber incidents, cyberattacks are becoming more sophisticated and frequent, and the techniques used in such attacks change rapidly; the development of Britannia's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by regulatory bodies in the event of a data breach.

Britannia may enter into agreements with third parties for hardware, software, telecommunications and other information technology ("**IT**") services in connection with its operations, as a result of which, Britannia's operations would depend, in part, on how well it and its contractors and consultants protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. Britannia's operations would also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses.

The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact Britannia's reputation and results of operations. There can be no assurance that Britannia will not incur material losses relating to cyber-attacks or other information security breaches in the future. Britannia's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, Britannia may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Success of Quality Control Systems

The accuracy, quality, and safety of Britannia's products and services are critical to the success of its business and operations. As such, it is imperative that Britannia's quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although Britannia strives to ensure that all of its service providers have implemented and adhere to high caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on Britannia's business and operating results.

Consumer/Clinical Trial Results and Adverse Safety Events

From time to time, studies and consumer or clinical evaluations on various products including CBD may be conducted by Britannia, academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the marketability of the substance that is the subject of the study. The publication of negative results of studies or clinical trials, or the occurrence of adverse safety events related to CBD could adversely affect Britannia and its clients by impacting the marketability of products, share price and ability to finance future operations.

Confidentiality of Personal and Health Information

Britannia and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information of clients of Britannia and specifically their medical histories. Britannia endeavors to maintain General Data Protection Regulation (GDPR) compliance in its data collection, however there can be no guarantee that these existing policies, procedures, and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of Britannia's employees or arm's length third parties. If a client's privacy is violated, or if Britannia is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

18. PROMOTERS

Neither the Resulting Issuer, nor the predecessor companies Rise/Britannia engaged any Promoters (as such term is described under Canadian Securities Laws) within the last two years. For clarity, other than as disclosed in this section and under *"Executive Compensation"* or elsewhere in this Listing Statement, no person who was a promoter of RISE/Britannia/Resulting Issuer within the last two years:

(a) received anything of value directly or indirectly from the Resulting Issuer or a subsidiary;

(b) sold or otherwise transferred any asset to the Resulting Issuer or a subsidiary within the last 2 years;

(c) has been a director, officer or promoter of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;

(d) has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;

(e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or

(f) has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

19. LEGAL PROCEEDINGS

19.1 Legal Proceedings

There are no legal proceedings material to the Resulting Issuer to which the Resulting Issuer or a subsidiary of the Resulting Issuer is a party or of which any of their respective property is the subject matter, and no such proceedings are known to the Resulting Issuer to be contemplated.

19.2 Regulatory Actions

During the three most recently completed financial years: (i) no penalties or sanctions were imposed against RISE/Britannia by a court relating to securities legislation or by a securities regulatory authority (other than the BCSC Orders); (ii) no other penalties or sanctions were imposed by a court or regulatory body against RISE/Britannia that would likely be considered important to a reasonable investor in making an investment decision; and (iii) RISE or

Britannia did not enter into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than transactions carried out in the ordinary course of business of RISE and Britannia, as applicable or disclosed herein, no (i) director or executive officer of RISE or Britannia, (ii) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the outstanding voting securities of RISE or Britannia, as applicable, or (iii) associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b), has, during any of the most recently completed financial year of RISE or Britannia had any material interest in any transactions or any proposed transactions which has materially affected RISE or Britannia, as applicable or will materially affect the Resulting Issuer or a subsidiary of the Resulting Issuer.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 Auditors

The auditor of RISE is Baker Tilly WM LLP, located at 1500 – 401 Bay St. Toronto, Ontario, Canada, M5H 2Y4.

The auditor of Britannia is Zeifmans LLP, located at 201 Bridgeland Ave, North York, Ontario, Canada, M6A 1Y7.

The auditor of the Resulting Issuer will be Zeifmans LLP, located at 201 Bridgeland Ave, North York, Ontario, Canada, M6A 1Y7.

21.2 Transfer Agent and Registrar

The transfer agent and registrar for the Resulting Issuer will be TSX Trust Company, at its principal offices in 1 Toronto St, Suite 1200, Toronto, Ontario, Canada, M5C 2V6.

22. MATERIAL CONTRACTS

The following are the material contracts entered into by the Resulting Issuer, other than in the ordinary course of business, within the two years before the date of this Listing Statement:

- the Definitive Agreement, see section "*3.2.2 – Significant Acquisitions and Dispositions-Definitive Agreement*". A copy of the Definitive Agreement is available under the Resulting Issuer's SEDAR profile located at www.sedar.com.
- the ADSL Purchase Agreement, see section "*3.2.1– Significant Acquisitions and Dispositions – ADSL*".
- the Sellers Note Agreement, see section "*3.2.1– Significant Acquisitions and Dispositions – ADSL*".
- the CSE Escrow Agreement, see section "*11.1– Escrowed Securities*". A copy of the CSE Escrow Agreement will be made available under the Resulting Issuer's SEDAR profile located at www.sedar.com.

23. INTEREST OF EXPERTS

Baker Tilly WM LLP, Chartered Professional Accountants, RISE's auditors, are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Zeifmans LLP, Britannia's auditors, are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Other than as set forth below, the aforementioned firms held no securities of RISE, Britannia or the Resulting Issuer, when they prepared the reports or information referred to, or following the preparation of such reports or information.

24. OTHER MATERIAL FACTS

To the knowledge of RISE/Britannia directors and officers, there are no material facts about the Resulting Issuer and its securities that are not disclosed under the preceding items and are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Resulting Issuer and its securities.

25. FINANCIAL STATEMENTS

Certain financial statements of RISE and Britannia have been attached to this Listing Statement, as follows.

(a) Britannia Annual Financial Statements and Britannia Interim Financial Statements, appended hereto as Schedule "A" – *"Britannia Financial Statements"*.

(b) RISE Interim Financial Statements, RISE Annual Financial Statements and RISE annual financial statements for the year ended November 30, 2020 and 2019, with note thereto, appended hereto as Schedule "B" – *"RISE Financial Statements"*.

(c) ADSL Annual Financial Statements and ADSL Interim Financial Statements, appended hereto as Schedule "C" – *"ADSL Financial Statements"*.

CERTIFICATE OF THE ISSUER

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

Dated at Toronto, Ontario

this 29th day of October, 2021.

(signed) "*Scott Secord*"	(signed) "*Robert Lelovic*"
Scott Secord **Chief Executive Officer**	**Robert Lelovic** **Chief Financial Officer**
(signed) "*Ashwath Mehra*"	(signed) "*Greg Taylor*"
Ashwath Mehra **Director**	**Greg Taylor** **Director**

CERTIFICATE OF THE TARGET

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

Dated at Toronto Ontario

this 29th day of October, 2021.

(signed) "*Peter Shippen*"	(signed) "*Sarah Zilik*"
Peter Shippen	**Sarah Zilik**
Chief Executive Officer and Sole Director	**Chief Financial Officer**

SCHEDULE "A"
BRITANNIA FINANCIAL STATEMENTS

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Consolidated Financial Statements
(Expressed in Canadian Dollars)

Britannia Bud Canada Holdings Inc.

March 31, 2021 and 2020

Zeifmans

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Britannia Bud Canada Holdings Inc.

Opinion on the Consolidated Financial Statements

We have audited the consolidated financial statements of Britannia Bud Canada Holdings Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2021 and 2020, and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of changes in shareholders' equity (deficiency) and consolidated statements of cash flows for the year ended March 31, 2021 and for the period from incorporation April 30, 2019 to March 31, 2020, 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 March 31, 2021 and 2020 and its consolidated financial performance and its consolidated cash flows for the year ended March 31, 2021 and for the period from incorporation April 30, 2019 to March 31, 2020 in accordance with International Financial Reporting Standards ("IFRSs").

Basis of Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits 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 is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis ("MD&A"), but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

We obtained the MD&A prior to the date of this auditor's report. If based on the work we have performed on this other information, 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 IFRSs, 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.

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T: 416.256.4000

Zeifmans

Auditor's Responsibilities for the Audits 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 GAAS 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 GAAS, we exercise professional judgment and maintain professional skepticism throughout the audits.

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.

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

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.

Zeifmans LLP

Toronto, Ontario
October 1, 2021

Chartered Professional Accountants
Licensed Public Accountants

Britannia Bud Canada Holdings Inc.

Consolidated Statements of Financial Position

As at March 31, 2021 and 2020
Expressed in Canadian Dollars

	Note	2021	2020
		$	**$**
Assets			
Current assets:			
Cash		828,321	140,894
Accounts receivable		1,686,152	17,324
Total current assets		2,514,473	158,218
Non-current assets:			
Property and equipment	4	702,684	-
Goodwill and intangible assets	5, 6	18,234,344	-
Total non-current assets		18,937,028	-
Total assets		**21,451,501**	**158,218**
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities		2,031,506	153,232
Interest payable	6, 8	163,076	-
Current portion of lease liability	7	42,906	-
Director's loan	9	225,000	-
Sellers' loan agreement	6, 9	7,726,776	-
Total current liabilities		10,189,264	153,232
Non-current liabilities:			
Lease liability	7	188,173	-
Convertible debentures	8	2,363,154	-
Embedded derivative	8	2,982,172	-
Warrant liability	8	543,124	-
Put option liability	6	2,435,100	-
Deferred income taxes	10	87,904	-
Total non-current liabilities		8,599,627	-
Total liabilities		18,788,891	153,232
Shareholders' equity:			
Share capital	11	441,204	441,981
Contributed surplus	11	157,101	157,101
Non-controlling interest	6	2,864,935	-
Accumulated OCI		(61,579)	(12,207)
Deficit		(739,051)	(581,889)
Total shareholders' equity		2,662,610	4,986
Total liabilities and shareholders' equity		**21,451,501**	**158,218**

Subsequent events (note 18)

These consolidated financial statements were approved for issued on October 1, 2021 by the sole director:

"Peter Shippen"
Director

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

Britannia Bud Canada Holdings Inc.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

Expressed in Canadian Dollars

	Note	For the year ended March 31, 2021	For the period from incorporation April 30, 2019 to March 31, 2020
		$	$
Revenues			
Product sales and other income	13	1,424,615	-
Cost of sales			
Cost of sales	14	253,031	-
Gross Margin		1,171,584	-
Expenses			
Selling, general and administration	15	889,020	581,889
Finance		167,736	-
		1,056,756	581,889
Income (loss) from operations		114,828	(581,889)
Other income and expense			
Change in fair value of embedded derivative	8	250,820	-
Foreign currency translation gain		186,615	-
Change in fair value of put option liability	6	29,215	-
Change in fair value of warrant liability	8	9,724	-
Accretion expense	8	(190,564)	-
		285,810	-
Income (loss) before income tax		400,638	(581,889)
Current income tax	10	209,670	-
Deferred income tax	10	47,992	-
Total income tax		257,662	-
Net income (loss)		142,976	(581,889)
Other comprehensive income (loss)			
Currency translation differences		(73,919)	(12,207)
Comprehensive income (loss) for the period		69,057	(594,096)
Net income (loss) attributable to:			
Non-controlling interest		300,138	-
Equity shareholders of the Company		(157,162)	(581,889)
Net income (loss)		142,976	(581,889)
Other comprehensive income (loss) attributable to:			
Non-controlling interest		(24,547)	-
Equity shareholders of the Company		(49,372)	(12,207)
Other comprehensive income (loss)		(73,919)	(12,207)
Basic and diluted weighted average shares outstanding	11	6,318,861	6,269,970
Basic and diluted earnings (loss) per share		(0.02)	(0.09)

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

Britannia Bud Canada Holdings Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the year ended March 31, 2021 and for the period from incorporation April 30, 2019 to March 31, 2020

Expressed in Canadian Dollars

	Number of common shares	Share capital	Contributed Surplus	Accumulated deficit	Other comprehensive income (loss)	Deficiency attributable to shareholders of the company	Non-controlling interest	Total
		$	$	$	$	$	$	$
Balance at April 30, 2019	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Shares issued for cash - founders' round	6,020,001	7	**-**	-	-	7	-	7
Shares issued for cash net of issuance costs - private placement	448,860	441,974	157,101	-	-	599,075	-	599,075
Net loss for the period	-	-	-	(581,889)	-	(581,889)	-	(581,889)
Other comprehensive loss for the period	-	-	-	-	(12,207)	(12,207)	-	(12,207)
Balance at March 31 2020	**6,468,861**	**441,981**	**157,101**	**(581,889)**	**(12,207)**	**4,986**	**-**	**4,986**
Share issuance fees	-	(777)	-	-	-	(777)	-	(777)
Business combination	-	-	-	-	-	-	2,589,344	2,589,344
Net income (loss) for the period	-	-	-	(157,162)	-	(157,162)	300,138	142,976
Other comprehensive loss for the period	-	-	-	-	(49,372)	(49,372)	(24,547)	(73,919)
Balance at March 31 2021	**6,468,861**	**441,204**	**157,101**	**(739,051)**	**(61,579)**	**(202,325)**	**2,864,935**	**2,662,610**

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

Britannia Bud Canada Holdings Inc.

Consolidated Statements of Cash Flows

Expressed in Canadian Dollars

	Note	For the year ended March 31, 2021	For the period from incorporation April 30, 2019 to March 31, 2020
		$	$
OPERATING ACTIVITIES			
Net income (loss) for the period		**142,976**	(581,889)
Adjustments for items not involving cash			
Depreciation and amortization	**4, 5**	**35,454**	-
Interest on lease liability	**7**	**4,660**	-
Foreign currency translation gain		**(220,506)**	(12,207)
Change in fair value of embedded derivative	**8**	**(250,820)**	-
Change in fair value of put liability	**6**	**(29,215)**	-
Change in fair value of warrant liability	**8**	**(9,724)**	-
Accretion expense	**8**	**190,564**	-
Deferred income tax	**10**	**47,992**	-
Allocation to non-controlling interest		**275,591**	
Net Income for the year adjusted for non-cash items		**186,972**	(594,096)
Changes in non-cash working capital items			
Accounts receivable		**(236,417)**	(17,324)
Accounts payable and accrued liabilities		**(450,963)**	153,232
Total changes in non-cash working capital items		**(687,380)**	135,908
NET CASH FLOWS FROM OPERATING ACTIVITIES		**(500,408)**	**(458,188)**
INVESTING ACTIVITIES			
Purchase of property and equipment		**(43,084))**	-
Acquisition of subsidiary	**6**	**(4,956,200)**	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(4,999,284)**	**-**
FINANCING ACTIVITIES			
Proceeds on issuance of convertible debentures	**8**	**5,997,048**	-
Director's loan	**9**	**225,000**	-
Shares issued for cash - founders' round	**11**	**-**	7
Shares issued for cash - private placements, net of share issue costs	**11**	**(777)**	599,075
Lease payments	**7**	**(19,148)**	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		**6,202,123**	**599,082**
Effect of exchange rate changes on cash and cash equivalents		**(15,004)**	-
Increase in cash and cash equivalents		**687,427**	140,894
Cash and cash equivalents at beginning of period		**140,894**	-
Cash and cash equivalents at end of period		**828,321**	140,894

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

1. Reporting Entity:

Britannia Bud Canada Holdings Inc. ("BBCH", with its subsidiaries the "Company") is a company domiciled and incorporated in Canada under the laws of the Province of Ontario. The address of the Company'sregistered office is 120 Adelaide Street West, Suite 2400, Toronto, Ontario M5H 1T1. The Company provides product testing, safety assessment and compliance services to the cosmetic, consumer packaged goods and nutraceutical industries in the United Kingdom and globally.

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 policies applied to these consolidated financial statements are based on IFRS, which have been applied consistently to all periods presented. The consolidated financial statements were approved and authorized for issue by the sole director on October 1, 2021.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of BBCH and its wholly owned subsidiary Britannia Bud Company Limited ("BBCL") and Advanced Development and Safety Laboratories Ltd. ("ADSL") of which the Company owns 60%. BBCL and ADSL operate in the United Kingdom and have a functional currency of UK pounds sterling.

All intercompany transactions and balances between BBCH and its subsidiaries have been eliminated on consolidation. Where necessary, adjustments are made to assets, liabilities, and results of subsidiaries and associates to bring their accounting policies into line with those used by the Company.

Subsidiaries are entities controlled by BBCH. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. BBCH controls an entity if it has power to direct the activities of the entity that significantly affects its returns ("the relevant activities"), has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of BBCH 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 andcash flows relating to transactions between members of the Company 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.

(b) COVID-19

In March 2020, the outbreak of the novel strain of corona virus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

(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) 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.K. operations have a functional currency of UK pounds sterling. All financial information presented has been rounded to the nearest dollar except where indicated otherwise.

(e) 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.

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. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. Management carefully manages its cash flows and, as necessary, will undertake efforts to raise additional capital. These consolidated statements do not reflect the adjustments or reclassifications of assets and liabilities which would be necessary if the Company were unable to continue as a going concern and therefore be required to realized its assets and liquidate its liabilities and commitments in the normal course of business operations and at amounts different from those in the accompany consolidated financial statements.

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.

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 3(j): The assessment of a cash-generating unit to which goodwill is allocated.
- Note 3(l): The measurement and period of use of intangible assets including patents and trademarks.
- Note 3(k): The measurement and period of use of property and equipment
- Note 3 (n): 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 3 (n): The assumptions used to determine the incremental borrowing rate
- Note 5: 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 10: The assumptions used to value options and warrants issued.

3. Significant Accounting Policies:

a. Foreign currency translation

Transactions in foreign currencies that are not hedged are translated to the respective functional currencies of the Company's subsidiaries at the exchange rate in effect on the date of the transaction. The monetary assets and liabilities denominated in currencies other than the functional currency of a subsidiary are translated at the exchange rates prevailing at the statement of financial position date and translation gains and losses are included in the consolidated statement of income (loss) and comprehensive income (loss). Non-monetary items denominated in foreign currencies other than the functional currency are translated at historical rates.

The assets and liabilities of foreign operations, whose functional currency is not the Canadian dollar, are translated into Canadian dollars at the exchange rates in effect at the statement of financial position date. Revenue and expenses that are not hedged are translated at the exchange rate in effect on the date of the transaction. Differences arising from the exchange rate changes are included in other comprehensive income (loss) in the cumulative translation account.

b. Financial instruments

Financial assets

Non-derivative financial assets are classified as "financial assets at fair value" either through fair value through other comprehensive income (FVOCI) or through fair value through profit and loss (FVTPL),and "financial assets at amortized cost" as appropriate. The Company determines the classification of its financial assetsat 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 instruments not at FVTPL, 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.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectation about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of the Company's stated objective for managing the financial asset is achieved and how cash flows are realized.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical rest of interest rates

Reclassifications

The Company would reclassify a financial asset when the Company changes its business model for managing the financial asset. All reclassifications are recorded at fair value at the date of the reclassification, which becomes the new carrying value.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Financial assets at FVTPL

Financial assets measured at FVTPL include financial assets held-for-trading and any derivative financial instrument that is not designated as a hedging instrument in a hedge relationship. Financial assets measured at FVTPL 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 income (loss) and comprehensive income 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, instruments 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 income (loss) and comprehensive income (loss). When the instrument is sold, the cumulative gain or loss remains in accumulated other comprehensive income (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.

Impairment

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized costs and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default of past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Recognition of allowance of expected credit losses ("ECL") in the consolidated statement of financial position

The Company recognizes a loss allowance for ECL on trade receivables that are measured at amortized cost. The Company's applied the simplified approach for trade receivables and recognizes the lifetime ECL for these assets. The ECL on trade receivables is estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the customers, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets measured at amortized cost or FVOCI, the Company recognizes lifetime ECL only when there has been a significant increase in credit risk since initial recognition. If the credit risk on such financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance on those financial instruments at an amount equal to 12-months ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that are possible within 12 months after the reporting date. In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial asset at the reporting date with the risk of default occurring at the initial recognition. The Company considers both quantitative and qualitative factors that are supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 60 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Company presumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management purposes, the Company considers a financial asset not recoverable if the customer balance owing is 180 days past due and information obtained from the customer and other external factors indicate that the customer is unlikely to pay its creditors in full.

Write-off

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could general sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial liabilities

Non-derivative financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL. 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 income (loss) and comprehensive income (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 income (loss) and comprehensive income (loss).

Derivative financial instruments

The Corporation has issued liability-classified derivatives over its own equity and has a put liability on the non-controlling interest of a subsidiary. Embedded derivative is separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives and separable embedded derivatives are recognized initially at fair value; attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives and separable embedded derivatives are measured at fair value, and all changes in their fair value are recognized immediately in profit or 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

The common share purchase warrants are denominated in US dollars, while convertible in Canadian dollars. As the exercise price for the common share purchase warrants is denominated in US dollars, their exercise would represent a variable number of common shares. As a result, the common share purchase warrants do not meet the fixed-for-fixed criteria under IFRS to be classified as equity and are treated as a financial liability under IFRS.

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. The Company follows the relative fair value method with respect to the measurement of convertible notes and warrants issued as units. The proceeds from the issuance of units are allocated between convertible notes and warrants. Unit proceeds are allocated to warrants using the Black-Scholes model and the share price at the time of financing. If and when the warrants are exercised, consideration paid by the warrant holder, together with the amount previously recognized in warrant reserve, is recorded as an increase to share capital. A forfeiture rate is estimated on the grant date and is adjusted to reflect the actual number of warrants that vest. When warrants are cancelled, they are treated as if they have vested on the date of collation and any cost not yet recognized in profit or loss is immediately expensed. Upon expiration of warrants, the amount applicable to expired warrants is moved to contributed surplus.

e. Revenue recognition

Revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer by applying the following five steps:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognize revenue when (or as) the Company satisfies a performance obligation.

Revenue excludes sales taxes and other amounts that are collected on behalf of third parties and is recorded when control of a product or service is transferred to a customer.

For laboratory testing and safety and other compliance reports, an assessment is made at the execution of each contract to determine whether: i) the performance obligations are satisfied over time, or ii) the performance obligations are satisfied at a point in time. Performance obligations are satisfied over time during the laboratory testing when the customer can exert control over the testing process. Revenue is recognized using the percentage-of-completion method when performance obligations are satisfied over time. The percentage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Revenue is only recognized to the extent of recoverable expenses when the outcome of the contract cannot be estimated reliably. Performance obligations not satisfied over time are satisfied at a point in time, which generally occurs when service reports are completed and available to the customer. When performance obligations are satisfied at a point in time, revenue is recognized when all of the aforementioned recognition criteria are met.

f. Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit held in reputable Canadian and UK financial institutions and highly liquid short-term interest-bearing variable rate investments with an original maturity of three months or less, or which are readily convertible into a known amount of cash with no significant changes. As at March 31, 2021 and 2020 there were no cash equivalents.

g. Embedded derivative

The Company has convertible note payables whereby balances can be converted into equity. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met. Derivatives are initially measured at fair value; any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognized in net income (loss) and comprehensive income (loss).

h. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. All related party transactions are disclosed in the consolidated financial statements at their fair value.

i. Government assistance

Government grants, consisting of grants, subsidies and investment tax credits, are recorded as a reduction of the related expense or cost of the asset acquired. Government grants are recognized when there is reasonable assurance that the Company has met or will meet the requirements of the approved grant program and there is reasonable assurance that the grant will be received.

Grants that compensate the Company for expenses incurred are recognized in profit or loss in reduction thereof on a systematic basis in the same years in which the expenses are recognized. Grants that compensate the Corporation for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

j. Business combinations and related goodwill

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets given, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date where the Company obtains control of the acquiree. The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Restructuring, transaction costs other than those associated with the issue of debt or equity securities, and other direct costs of a business combination are not considered part of the business acquisition transaction and are expensed as incurred. The Company measures goodwill as the fair value for the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date. If this consideration is lower than the fair value of the net assets of the business acquired, the difference is recognized immediately in the consolidated statement of income (loss) and comprehensive income (loss) as a gain from a bargain purchase.

Non-controlling interest in the acquiree, if any, is recognized either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets, determined on an acquisition-by-acquisition basis. For each acquisition, the excess of total consideration, the fair value of previously held equity interest prior to obtaining control and the non-controlling interest in the acquiree, over the fair value of the identifiable net asset acquired, is recorded as goodwill.

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. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. The measurement period is the period from the acquisition date to the date complete information about facts and circumstances that existed as of the acquisition date is received. However, the measurement period does not exceed one year from the acquisition date.

Acquisitions that do not meet the definition of a business combination are accounted for as an asset acquisition. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized but tested for impairment at least annually and upon occurrence of an indication of impairment. The impairment testing process is described in the appropriate section of these accounting policies.

k. Property and equipment

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 income (loss) and comprehensive income (loss) in the period in which they are incurred.

Depreciation

Depreciation is recognized when the asset is determined to be ready for use, 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**
Fixtures and Fittings	25% reducing balance.
Computer equipment	25% reducing balance.
Right-of-use asset	Straight-line over the lease term

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated statements of income (loss) and comprehensive income (loss) in the year the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively if appropriate.

Subsequent expenditures

Subsequent expenditures are recognized as part of an existing asset's carrying value or as a separate asset, as appropriate, only when it is probable that future economic benefits embodied in the specific asset to which they relate will flow to the Company and the cost of the items can be measured reliably. All other expenditures are recognized in profit or loss as incurred.

l. Intangible assets

(i) Other intangible assets

The Company's other intangible assets are comprised of an online portal that is recorded at cost less accumulated amortization and accumulated impairment losses, if any. Amortization of the online portal is recorded on a straight-line basis over the estimated useful life of 10 years.

(ii) 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.

m. Impairment of long-lived assets

The carrying amounts of long-lived assets, including property and equipment and intangible assets, are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. If any such indication exists, then the asset’s recoverable amount is estimated. Where the carrying value of an asset exceeds its recoverable amount, which is higher of the value in use and fair value less costs to sell, the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset’s cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separate cash inflows that are largely independent of the cash inflows from other assets. Intangible assets that have indefinite lives and intangible assets not yet put into use are evaluated for impairment at least annually. Write-downs as a result of impairment are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

An impairment exists when the carrying amount of an asset exceeds its recoverable amount, which is the higherof 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 ona 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 about 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 ofthe asset and/or its recoverable amount.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that theloss 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 income (loss) and comprehensive income (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.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. The Company defines its CGUs based on the way it internally monitors and derives economic benefits from the acquired goodwill. Impairment losses for a CGU is first allocated to reduce goodwill. An impairment loss in respect of goodwill is not reversed in future periods.

n. Leases

Prior to the acquisition of ADSL, the Company did not have any operating or capital leases.

The Company and its subsidiaries assess whether a contract is or contains a lease based on the definition of a lease, as explained below.

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.

As lessee, the Company may lease assets from time to time including property and/or equipment and recognizes right-of-use ("ROU") assets and lease liabilities.

The Company recognizes a ROU asset and a lease liability at the lease commencement date. The ROU 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.

The ROU 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 ROU asset reflects that the Company will exercise a purchase option. In that case the ROU 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 ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements 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 amortized cost using the effective interest method. It is re-measured 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 re-measured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

o. Finance income and finance costs

Finance costs comprise interest expense on borrowings which are recognized in profit or loss using the effective interest method.

p. 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 assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.
A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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.

r. 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. The diluted earnings (loss) per share reflects potential dilution of common voting share equivalents, such as outstanding warrants and convertible debentures. Common votingshare equivalents have been excluded from the calculation of the diluted loss per share as their effect is anti-dilutive.

s. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective at March 31, 2021, and have not been applied in preparing these consolidated financial statements. Management has determined that none of these will have a significant effect on the consolidated financial statements of the Company.

(Expressed in Canadian Dollars, except share and per share amounts)

4. Property and Equipment:

	Fixtures & Fittings	Computer Equipment	ROU Asset	Total
Cost	$	$	$	$
Balance April 30, 2019	-	-	-	-
Additions	-	-	-	-
Balance March 31, 2020	**-**	**-**	**-**	**-**
Additions	505,925	18,148	225,504	749,577
Effect of foreign exchange	(5,988)	(215)	(6,027)	(12,230)
Balance March 31, 2021	**499,937**	**17,933**	**219,477**	**737,347**
Depreciation				
Balance April 30, 2019	-	-	-	-
Depreciation	-	-	-	-
As at March 31, 2020	**-**	**-**	**-**	**-**
Depreciation	27,726	870	6,399	34,995
Effect of foreign exchange	(261)	(8)	(63)	(332)
As at March 31, 2021	**27,465**	**862**	**6,336**	**34,663**
Net Book Value March 31, 2020	**-**	**-**	**-**	**-**
Net Book Value March 31, 2021	**472,472**	**17,071**	**213,141**	**702,684**

(Expressed in Canadian Dollars, except share and per share amounts)

5. Goodwill and intangible assets:

	Website	Goodwill	Total
	$	$	$
Cost			
Balance April 30, 2019	-	-	-
Additions	-	-	-
Balance March 31, 2020	**-**	**-**	**-**
Additions	5,012	18,229,845	18,234,857
Effect of foreign exchange	(59)	-	(59)
Balance March 31, 2021	**4,953**	**18,229,845**	**18,234,798**
Depreciation			
Balance April 30, 2019	-	-	-
Depreciation	-	-	-
As at March 31, 2020	**-**	**-**	**-**
Depreciation	459	-	459
Effect of foreign exchange	(5)	-	(5)
As at March 31, 2021	**454**	**-**	**454**
Net Book Value March 31, 2020	**-**	**-**	**-**
Net Book Value March 31, 2021	**4,499**	**18,229,845**	**18,234,344**

6. Acquisition

BBCH and Mark Richard Bowes-Cavanagh, Claire Suzanne Bowes-Cavanagh, Jonathan Bird Sumner and Robert Sumner (the "Sellers") entered into share purchase agreement dated March 10, 2020, wherein BBCH acquired 60% of the issued Class A and Class B share capital of ADSL. Completion payments in relation to this agreement were made on February 9, 2021 (the "Completion Date"). The transaction consideration included a cash payment of $5,278,445 (GBP 3,008,819), a loan payable to the Sellers of $7,819,478 (GBP 4,456,813), and a loan payable to ADSL of $6,551,624 (GBP 3,734,183). Transaction costs of $20,611 (GBP 12,049) are included in the consolidated statement of income (loss) and comprehensive income (loss).

As part of its annual assessment of impairment of intangible assets and goodwill, management has not identified any impairment.

Pursuant to the terms of the agreement, on the first three anniversaries of the Completion Date, BBCH has the right to acquire from the Sellers up to an additional 40% of the share capital for an additional consideration. In circumstances where on expiry of the third anniversary of the Completion Date BBCH has not acquired all the shares, the Sellers shall have the right to require BBCH to purchase all of the shares it does not yet own (the "Put Liability"). The total consideration payable for the additional shares (the "Put Shares") upon exercise of the Put Liability and the closing of BBCH's acquisition of the Put Shares would be equal to the total equity value of the Put Shares, which would be based upon the applicable percentage acquired by BBCH of the total enterprise value for ADSL.

At the close of the transaction, the value of the Put Liability was determined to be $2,464,315 (GBP 1,404,568), representing the difference between the market price and the contract value of the Put Liability, discounted at a rate of 0.23% and assuming the transaction would take place on February 9, 2024. The market price was established using a multiple of 8x EBITDA, based on the share purchase agreement. As at March 31, 2021, the fair value of the Put Liability was re-measured to $2,435,100 (GBP 1,404,568), generating a gain on the change in fair value of the Put Liability of $29,215.

(Expressed in Canadian Dollars, except share and per share amounts)

The acquisition has been accounted for using the acquisition method with the results of the operations of ADSL being included in the consolidated financial statements since the date of acquisition. The following table summarizes the purchase price of the acquisition, the fair value of the identifiable assets acquired and liabilities assumed as of the acquisition date:

	Fair value recognized on acquisition
	$
Assets acquired	
Cash and cash equivalents	322,245
Accounts receivable	1,432,411
Prepaid expenses	7,618
Property and equipment	534,477
Intangible assets	5,013
Loan receivable from BBCH	6,551,624
	8,853,388
Liabilities assumed	
Accounts payable and accrued liabilities	2,329,237
Deferred tax liability	50,790
	2,380,027
Total identifiable net assets at fair value	6,473,361
Non-controlling interest measured at fair value (40%)	(2,589,344)
Goodwill arising on acquisition	18,229,845
Put Liability	(2,464,315)
Purchase price	19,649,547
Consists of:	
Cash	5,278,445
Loans payable	14,371,102
Total consideration	19,649,547

From the date of acquisition, ADSL has contributed $1,424,615 to the total revenues from sales and services and a net income of $750,344 to the consolidated income from operating activities. Had this business acquisition been in effect as at April 1, 2020, management estimates that the Company's total revenues from sales and services for the year ended March 31, 2021 would have been approximately $5,902,569 and the consolidated income from operating activities for the year ended March 31, 2021 would have been approximately $3,152,078.

(Expressed in Canadian Dollars, except share and per share amounts)

7. Lease Liability

	$
Balance as at April 30, 2019	-
New leases	-
Lease payments	-
Lease interest	-
Balance as at March 31, 2020	-
New leases	246,286
Lease payments	(19,148)
Lease interest	4,660
Effect of foreign exchange	(719)
Balance as at March 31, 2021	**231,079**
Current	-
Non-current	-
Balance as at March 31, 2020	-
Current	42,906
Non-current	188,173
Balance as at March 31, 2021	**231,079**

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%.

8. Convertible Debentures

The Company raised US$4,836,000 ($6,190,151) through the issuance of 4,836 convertible debentures units (each a " Convertible Debenture Unit"). Each unit, issued for US$1,000 consists of a convertible debenture (each a “Debenture”) and 645 share purchase warrants. The financing was completed in two tranches, on January 29, 2021 and February 2, 2021 (together, the “Closing Date”).

The Debentures bear interest at 10% per annum, are payable annually on the last date of December, and mature two years from the Closing Date. Each Debenture is convertible, at the option of the holder, at any time prior to the close of business on the last business day immediately preceding six months of the Closing Date, into that number of shares computed on the basis of the principal amount of the Debenture divided by the conversion price of US$1.55 per share (the "Debenture Conversion Price"). In the event that the Company does not complete a Liquidity Event (as defined in the subscription agreement) on or before the date which is 18 months from the Closing Date, the holders of the Debentures shall have the right for a period of 30 days after the Closing Date to require the Company to redeem the Debentures at a price equal to US$1,500 per Debenture then outstanding.

Each common share purchase warrant has a two-year term and an exercise price of US$2.00 per common share. The Company in its discretion may accelerate the expiration date of the warrants in the event the Company’s common shares trade at US$2.50 or more for 20 or more consecutive trading days on the Canadian Securities Exchange.

On January 29, 2021, the Company completed a tranche of Convertible Debenture Units (the “January 29 Units”), raising US$2,272,000 ($2,903,616). The Debentures have a maturity date of January 29, 2023. 1,465,440 common share purchase warrants were issued.

On February 2, 2021, the Company completed a tranche of Convertible Debenture Units (the “February 2 units”), raising US$2,564,000 ($3,286,535). The Debentures have a maturity date of February 2, 2023. 1,653,780 common share purchase warrants were issued.

In the event that the Company completes a Liquidity Event, the Debentures would automatically convert, without any further action on the part of the holder and immediately prior to such Liquidity Event, into common shares ("Liquidity Event Conversion"). Upon a Liquidity Event Conversion, any accrued and unpaid interest (calculated daily on the basis of a year of 365 days and pro-rated in the event the Debentures are converted during a given year) with respect to the Debentures is to be paid to the holder by the entity that results from the Liquidity Event (the "Resulting Issuer") and at the option of the Resulting Issuer, in cash or in shares of the Resulting Issuer at a deemed price per share equal to the Debenture Conversion Price (as such price may be adjusted in accordance with the exchange ratio applicable to the Liquidity Event transaction).

The Debentures and common share purchase warrants are denominated in US dollars, while convertible in Canadian dollars. As the conversion price in a different currency requires a variable number of shares to settle the Debentures, the Debentures are treated as having an embedded derivative that is treated as a financial liability under IFRS. Furthermore, the exercise price for the common share purchase warrants is denominated in US dollars and therefore their exercise would represent a variable number of common shares, As a result, the common share purchase warrants do not meet the fixed-for-fixed criteria under IFRS to be classified as equity and are also treated as a financial liability under IFRS. The fair value of the embedded derivative was $2,982,182 as at March 31, 2021 ($nil as at March 31, 2020). The fair value of the warrant derivative liability was $543,124 as at March 31, 2021 ($nil as at March 31, 2020).

On February 2, 2021, the Company recognized $193,103 in transaction costs relating to the issuance of the Debentures. The costs were allocated in a pro-rata manner to the embedded derivative and the Debentures, with the amount of $nil for the derivative component being included as part of the transaction costs in the consolidated statements of income (loss) and comprehensive income (loss) for the year ended March 31, 2021 and $193,103 being allocated to the debt.

For the year ended March 31, 2021, the embedded derivative decreased by $250,820 and the warrant derivative liability decreased by $9,721.

For the year ended March 31, 2021, the Company incurred interest expense of $98,987 (US$78,011). The current portion of interest accrued is included as part of accounts payable and accrued liabilities in the consolidated financial statements.

The Company recorded accretion expense of $190,564 and foreign currency translation gain of $38,618 for the year ended March 31, 2021.

During the year ended March 31, 2021, $9,037 of interest was paid to related parties. The outstanding interest payable was $98,987 as at March 31, 2021 ($nil as at March 31, 2020).

The fair value at March 31, 2021 of the embedded derivative related to the January 29 Units was determined using the Black Scholes valuation model using the following assumptions: stock price of $1.35; expected life of 1.83 years; $nil dividends; 80% volatility; risk-free interest of 1.57%; foreign currency translation rate of 1.2575; and the exercise price of $1.23.

The fair value at March 31, 2021 of the embedded derivative related to the February 2 Units was determined using the Black Scholes valuation model using the following assumptions: stock price of $1.35; expected life of 1.84 years; $nil dividends; 80% volatility; risk-free interest of 1.57%; foreign currency translation rate of 1.2575; and the exercise price of $1.23.

The fair value of the warrant liability as at March 31, 2021 is $543,124. The fair value was determined at the date of measurement using the Black-Scholes option pricing model with the following weighted average assumptions, judgmentally determined by management:

	January 29, 2021 Issuance	**February 2, 2021 Issuance**
Expected life in years	2.00	2.00
Market price	$1.21	$1.21
Strike price	US$2.00	US$2.00
Risk free interest rate	0.15%	0.16%
Dividend yield	nil	nil
Expected volatility	80%	80%
Forfeiture rate	75%	75%

(Expressed in Canadian Dollars, except share and per share amounts)

Changes in the number of warrants outstanding for the period from incorporation to March 31, 2021 are as follows:

	Warrants	Amount	Weighted Average Exercise Price
Balance, beginning of period	-	$ -	$ -
Granted, pursuant to private placement	3,119,220	543,124	2.00
Balance, end of period	3,119,220	$ 543,124	$ 2.00
Weighted average remaining contractual life (years)			**1.84**

The continuity of the convertible debentures, embedded derivative and warrant liability are as follows:

	Convertible Debentures	Embedded Derivative	Warrant Liability
Balance as at April 30, 2019	$ -	$ -	$ -
Additions	-	-	-
Balance as at March 31, 2020	-	-	-
Additions	5,997,048	-	-
Allocation of additions to embedded derivative	(3,232,992)	3,232,992	-
Allocation of additions to warrant liability	(552,848)	-	552,848
Interest accretion	190,564	-	-
Change in fair value	-	(250,820)	(9,724)
Effect of foreign exchange	(38,618)	-	-
Balance as at March 31, 2021	**$ 2,363,154**	**$ 2,982,172**	**$ 543,124**

9. Related Party Transactions and Balances:

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 sole director, Chief Executive Officer, President, Chief Technical Officer and Chief Financial Officer are key management personnel.

	2021	2020
Salaries, fees and short-term employee benefits	**$ 120,625**	$ -
Interest expense	**73,126**	
	$ 193,751	$ -

Director's loan

During the year, the sole director of BBCH extended a loan of $225,000 to BBCH to cover expenses related to working capital and growth needs of the Company. The loan is without interest, unsecured and is repayable on demand. On April 7, 2021 this loan was settled through issuance of 175 Convertible Debenture Units (see note 18).

(Expressed in Canadian Dollars, except share and per share amounts)

Sellers' loan

On February 9, 2021, the Sellers loaned £4,456,813 ($7,726,776) to BBCH, at an interest rate of 6% per annum and initial repayment date of April 30, 2021. On June 15, 2021, the terms of this loan were amended to extend the repayment date to December 31, 2021 and increase the interest rate to 10% per annum effective June 1, 2021. Claire Suzanne Bowes-Cavanagh is the spouse of Mark Richard Bowes-Cavanagh, who is the Chief Technical Officer of the Company. Jonathan Sumner is the brother of Robert Sumner, who is a director ADSL.

10. Income Taxes:

The reconciliation of the 2021 combined Canadian federal and provincial statutory income tax rate of 26.5% (2020 – 26.5%) to the effective tax rate is as follows:

		2021		**2020**
Income (loss) before income taxes for the period	**$**	**400,638**	$	(581,889)
Expected income tax expense (recovery)		**106,169**		(154,201)
Accretion on convertible debt		**50,499**		-
Non-deductible expenses		**18,428**		-
Change in fair value of warrant liability		**(2,577)**		-
Change in fair value of put liability		**(7,742)**		-
Change in fair value of embedded derivative		**(66,467)**		-
Difference between corporate statutory rates		**(68,238)**		8,194
Change in tax benefits not recognized		**227,590**		146,007
Income tax expense (recovery)	**$**	**257,662**	$	-

The Company's income tax expense is allocated as follows:

		2021		2020
Current income tax	**$**	**209,670**	$	-
Deferred income tax		**47,992**		-
Income tax expense	**$**	**257,662**	$	-

The significant components of the Company's temporary differences, unused tax credit and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

		2021		2020
Non-capital loss carryforwards	$	325,605	$	146,007
Intangible assets		(855)		-
Property and equipment, net of lease liability		(87,049)		-
		237,701		146,007
Valuation allowance		(325,605)		(146,007)
	$	(87,904)	$	-

Deferred income taxes have not been recognized in respect of the loss carryforwards because it is not probable that future taxable profit will be available against which the Company will be able to use these benefits.

Non-capital loss carryforwards

As at March 31, 2021, the Company has non-capital losses in Canada, which under certain circumstances can be used to reduce taxable income of future years, that expire as follows:

Year of expiration	$
2040	469,990
2041	607,343
	1,077,333

As at March 31, 2021, the Company has non-capital losses in the United Kingdom, stated in Canadian dollars, which under certain circumstances can be used to reduce taxable income of future years, that expire as follows:

Year of expiration	$
2040	8,457
2041	98,170
	106,627

11. Share Capital:

(a) Authorized

The Company has authorized share capital of an unlimited number of common voting shares ("Common Shares").

(b) Shares issued and outstanding

(i) On April 30, 2019 BBCH issued an aggregate of 6,020,000 common shares for gross proceeds of $7.

(ii) Between May 1, 2019 and June 30, 2019, BBCH completed a non-brokered private placement through the issuance of an aggregate of 448,860 common shares at a price of $1.35 per common share for gross proceeds of $605,961. Accordingly, $777 (2020 - $6,886) of share issuance costs were recorded against the proceeds of the share issuance.

12. 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 maximize 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 it operations and capital requirements primarily through the issuance of shares and recently on secured and convertible notes since inception.

The Company manages its capital structure and adjusts 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 toany externally imposed capital requirements.

(Expressed in Canadian Dollars, except share and per share amounts)

13. Revenue

The Company generates revenue from the sale to businesses of services related to product formulation and development, safety and compliance reporting and laboratory testing of products in the cosmetic and household goods industries.

In the following table, revenue for the periods ended March 31, 2021 and 2020 is disaggregated by the most relevant channels of revenue:

	2021	2020
	$	$
Laboratory testing	**722,125**	-
Safety and other compliance	**702,490**	-
	1,424,615	-

14. Government Assistance:

In the current year, the Company received £1,700 ($2,976) under the UK governments Coronavirus Job Retention Scheme. This amount has been classified as a reduction to cost of sales in the financial statements and is not repayable.

15. Selling, general and administrative expense:

Included in selling, general, and administrative expense for the year ended March 31, 2021 and for the period from incorporation April 30, 2019 to March 31, 2020 are the following:

		2021		2020
Professional fees	**$**	263,484	$	323,253
Pay, consulting and benefits		292,147		86,547
Office and general		197,513		92,474
Stamp duty		100,000		-
Amortization and depreciation		35,454		-
Travel and other		422		79,615
	$	889,020	$	581,889

16. 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.

(Expressed in Canadian Dollars, except share and per share amounts)

17. Financial Instruments and Risk Management:

The Company has classified its financial instruments as follows:

	2021	2020
	$	$
FVTPL, measured at fair value:		
Cash	**828,321**	140,894
Warrant liability	**543,124**	-
Embedded derivative	**2,982,172**	-
Put option liability	**2,435,100**	-
Financial assets, measured at amortized cost:		
Accounts receivable	**1,686,152**	-
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	**1,192,902**	153,232
Interest payable	**163.076**	-
Sellers' loan agreement	**7,726,776**	-
Director's loan	**225,000**	-
Lease liability	**231,079**	-
Convertible debentures	**2,363,154**	-

The carrying value of the Company's financial instruments approximate their fair value.

<u>Fair values of financial assets and financial liabilities</u>

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.

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial assets				
Cash	828,321	-	-	**828,321**
As at March 31, 2021	828,321	-	-	**828,321**
Financial liabilities				
Warrant liability	-	543,124	-	**543,124**
Embedded derivative	-	2,982,172	-	**2,982,172**
Put option liability	-	2,435,100	-	**2,435,100**
As at March 31, 2021	**-**	**5,960,396**	**-**	**5,960,396**

A 10% increase/decrease in the price per share of the Company's embedded derivative classified as Level 2 would increase/decrease the Company's change in fair value of the embedded derivative by $605,575.

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 sole director. 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.

There were no transfers between level levels 1 and 2 for recurring fair value measurements during the year ended March 31, 2021. Further there was no transfer out of level 3 measurements.

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 is mainly exposed to credit risk from credit sales and manages this risk by endeavouring only to deal with customers which are demonstrably credit worthy and through the continuous monitoring of financial exposure by 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.

The following table summarizes the maturities of the Company's non-derivative financial liabilities as at March 31, 2021 based on undiscounted contractual cash flows:

	Payment due by Period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Accounts payable and accrued liabilities	$ 1,192,902	$ -	$ -	$ 1,192,902
Lease liability	77,366	155,166	94,703	327,235
Director's loan	225,000	-	-	225,000
Sellers' loan agreement	7,829,385	-	-	7,829,385
	$ 9,324,653	$ 155,166	$ 94,703	$ 9,574,522

The following table summarizes the maturities of the Company's derivative financial liabilities as at March 31, 2021 based on undiscounted contractual cash flows:

	Payment due by Period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Convertible debentures	$ 709,420	$ 6,593,605	$ -	$ 7,303,025
Put option liability	-	-	22,734,146	22,734,146
	$ 709,420	$ 6,593,605	$ 22,734,146	$ 30,037,171

Currency risk

The Company is exposed to currency risk to the extent that monetary operational expenses, financial assets and financial liabilities are denominated in US dollar and UK Pounds sterling while the functional currency of Canadian dollar is used for reporting. The Company has not entered into any foreign currency contracts to mitigate this risk.

(Expressed in Canadian Dollars, except share and per share amounts)

As at March 31, 2021, the Company had the following financial instruments denominated in foreign currencies:

Denominated in:	USD	GBP
Accounts payable and accrued liabilities	-	55,939
Due to related party	-	4,456,813
Convertible note	1,879,247	-
Warrant liability	431,908	-
Put liability	-	1,404,568
Embedded derivative	2,371,509	-
Interest payable	78,011	36,631
	4,760,675	5,953,951
Foreign currency rate	1.2575	1.7337
Equivalent to Canadian dollars	5,986,549	10,322,365

Based on the about net exposure and assuming that all other variables remain constant, a 10% change in the US dollar against the Canadian dollar would impact net income (loss) and comprehensive income (loss) by $598,655 and a 10% change in the British Pound against the Canadian dollar would impact net income (loss) and comprehensive income (loss) by $1,032,237.

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 convertible notes which bear interest at fixed rates.

18. Subsequent Events:

Business Combination Agreement

On January 21, 2021, the Company entered into an agreement with Rise Life Science Corp. (“Rise”) to amend and confirm a letter of intent previously agreed to by the parties, pursuant to which Rise and the Company 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 CanadianSecurities Exchange (the "CSE").

On April 30, 2021, BBCH, Rise and a subsidiary of Rise (“Subco”) entered into a Business Combination Agreement pursuant to which BBCH agreed to amalgamate with Subco to form "Amalco", which is to result in a reverse takeover of Rise. On completion of the Proposed Transaction, the resulting issuer will carry on the business and operations of the Company and Rise with a focus on product development and laboratory testing within the food, cosmetics, nutraceutical and wellness sectors.

The Proposed Transaction is not a non-arm's length transaction or related party transaction under the relevant securities legislation or CSE policies. Rise and the Company 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 the Company, if applicable;
- All required regulatory approvals of the Proposed Transaction, including by the CSE; and
- Conversion of all outstanding Rise convertible debentures.

Convertible Debentures

On April 7, 2021 BBCH, together with its subsidiary, completed the Convertible Debenture Financing of USD $1,291,000 (CAD $1,628,855) through convertible debentures instrument pursuant to which convertible debenture units of Britannia (each a "Britannia Convertible Debenture Unit") are convertible into one common share and one common share purchase warrant of Britannia. Each Britannia Convertible Debenture Unit sold at a price of US$1,000. The convertible senior unsecured debentures of Britannia ("Britannia Debentures") bear interest at 10% per annum, are payable annually on the last date of December, and mature two years from the issuance of the Britannia Convertible Debenture Units. Each Britannia Debenture is convertible, at the option of the holder, at any time prior to the close of business on the last business day immediately preceding six months of the Closing Date, into that number of shares computed on the basis of the principal amount of the Britannia Debenture, US$1,000, divided by the conversion price of US$1.55 per Britannia Share (the "Britannia Conversion Price"). In the event that Britannia does not complete a Liquidity Event (as defined in the subscription agreement) on or before the date which is 18 months from the date of issuance, the holder of the Britannia Debentures shall have the right for a period of 30 days after such date to require Britannia to redeem the Britannia Debentures at a price equal to US$1,500 per each Britannia Debenture then outstanding.

(i) On April 7, 2021 832,695 warrants to purchase common shares of the Company were issued, each warrant having a two-year term and an exercise price of USD $2.00 per common share.

Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

Britannia Bud Canada Holdings Inc.

For the three months ended June 30, 2021 and June 30, 2020
(Unaudited)

To our Shareholders

The accompanying unaudited condensed interim consolidated financial statements of Britannia Bud Canada Holdings Inc. ("BBCH") have been prepared by and are the responsibility of BBCH's management in accordance with International Accounting Standards ("IAS") 34, *Interim Financing Reporting* as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements do not include all the information and notes required by International Financial Reporting Standards ("IFRS") for annual financial statements and should be read in conjunction with BBCH's annual financial statements and notes for the year ended March 31, 2021.

Britannia Bud Canada Holdings Inc.

Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian Dollars

(Unaudited)

As at	Note	June 30, 2021	March 31, 2021
		$	$
Assets			
Current assets:			
Cash		3,060,361	828,321
Accounts receivable		1,834,988	1,686,152
Total current assets		4,895,349	2,514,473
Non-current assets:			
Property and equipment	3	669,947	702,684
Goodwill and intangible assets	4	17,469,778	18,234,344
Total non-current assets		18,139,725	18,937,028
Total assets		**23,035,074**	**21,451,501**
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	9	2,231,274	2,031,506
Interest payable	7	511,710	163,076
Current portion of lease liability	6	46,130	42,906
Director's loan	8	-	225,000
Sellers' loan agreement	8	7,632,737	7,726,776
Total current liabilities		10,421,851	10,189,264
Non-current liabilities:			
Lease liability	6	174,043	188,173
Convertible notes	7	3,370,215	2,363,154
Embedded derivative	7	3,407,610	2,982,172
Warrant liability	7	600,190	543,124
Put option liability	5	2,107,374	2,435,100
Deferred income taxes	9	86,642	87,904
Total non-current liabilities		9,746,074	8,599,627
Total liabilities		20,167,925	18,788,891
Shareholders' equity:			
Share capital	10	441,204	441,204
Contributed surplus	10	157,101	157,101
Non-controlling interest		3,281,280	2,864,935
Accumulated OCI		(896,394)	(61,579)
Deficit		(116,042)	(739,051)
Total shareholders' equity		2,867,149	2,662,610
Total liabilities and shareholders' equity		**23,035,074**	**21,451,501**

Commitments (note 16)
Subsequent events (note 17)

These consolidated financial statements were approved for issued on October 1, 2021 by the sole director:

"Peter Shippen"

Director

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

Britannia Bud Canada Holdings Inc.

Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

Expressed in Canadian Dollars

(Unaudited)

	Note	For the three months ended June 30, 2021	For the three months ended June 30, 2020
		$	$
Revenues			
Product sales and other income		1,974,849	-
Cost of sales			
Cost of sales	12	424,901	-
Gross Margin		1,549,948	-
Expenses			
Selling, general and administration	13	538,931	17,228
Finance		358,412	-
		897,343	17,228
Income (loss) from operations		652,605	(17,228)
Other income (expense)			
Change in fair value of embedded derivative	7	392,039	-
Foreign currency translation gain		229,784	-
Change in fair value of put option liability	5	327,726	-
Change in fair value of warrant liability	7	88,420	-
Accretion expense	7	(386,385)	-
		651,584	-
Income (loss) before income taxes		1,304,189	(17,228)
Provision for (recovery of) income taxes			
Current income taxes	9	263,627	-
Deferred income taxes	9	(1,262)	-
Total income taxes		262,365	-
Net income (loss)		1,041,824	(17,228)
Other comprehensive income (loss)			
Currency translation differences		(837,285)	1,109
Comprehensive income (loss) for the period		204,539	(16,119)
Net income (loss) for the period attributable to:			
Non-controlling interest		418,815	-
Equity shareholders of the Company		623,009	(17,228)
Total		1,041,824	(17,228)
Other comprehensive income (loss) for the period attributable to:			
Non-controlling interest		(2,470)	-
Equity shareholders of the Company		(834,815)	1,109
Total		(837,285)	1,109
Basic and diluted weighted average shares outstanding	10	6,318,861	6,318,861
Basic and diluted earnings income (loss) per share		0.10	(0.00)

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

Britannia Bud Canada Holdings Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

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

Expressed in Canadian Dollars

(Unaudited)

	Number of common shares	Share capital	Contributed Surplus	Accumulated deficit	Other comprehensive income (loss)	Deficiency attributable to shareholders of the company	Non-controlling interest	Total
		$	$	$	$	$	$	$
Balance at March 31, 2020	6,468,861	441,981	157,101	(581,889)	(12,207)	4,986	-	4,986
Share issuance costs	-	(777)	-	-	-	(777)	-	(777)
Net loss for the period	-	-	-	(17,228)	-	(17,228)	-	(17,228)
Other comprehensive income for the period	-	-	-	-	1,109	1,109	-	1,109
Balance at June 30, 2020	**6,468,861**	**441,204**	**157,101**	**(599,117)**	**(11,098)**	**(11,910)**	**-**	**(11,910)**
Balance at March 31, 2021	6,468,861	441,204	157,101	(739,051)	(61,579)	(202,325)	2,864,935	2,662,610
Net income for the period	-	-	-	623,009	-	623,009	418,815	1,041,824
Other comprehensive loss for the period	-	-	-	-	(834,815)	(834,815)	(2,470)	(837,285)
Balance at June 30, 2021	**6,468,861**	**441,204**	**157,101**	**(116,042)**	**(896,394)**	**(414,131)**	**3,281,280**	**2,867,149**

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

Britannia Bud Canada Holdings Inc.

Condensed Interim Consolidated Statements of Cash Flows

Expressed in Canadian Dollars

(Unaudited)

	Note	For the three months ended June 30, 2021	For the three months ended June 30, 2020
		$	$
OPERATING ACTIVITIES			
Net Income (loss)		**1,041,824**	(17,228)
Adjustments for items not involving cash			
Depreciation and amortization	3, 4	**54,771**	-
Interest on lease liability	6	**9,778**	-
Foreign currency translation loss (gain)		**(476,051)**	1,109
Change in fair value of embedded derivative	7	**(392,039)**	-
Change in fair value of put liability	5	**(327,726)**	-
Change in fair of warrant liability	7	**(88,420)**	-
Accretion expense	7	**386,385**	-
Deferred income tax	9	**(1,262)**	-
Allocation to non-controlling interest		**416,345**	-
		623,605	(16,119)
Changes in non-cash working capital items			
Accounts receivable		**(148,836)**	(2,901)
Accounts payable and accrued liabilities		**199,768**	(35,000)
Total changes in non-cash working capital items		**50,932**	(37,901)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**674,537**	(54,020)
INVESTING ACTIVITIES			
Purchase of equipment	3	**(45,792)**	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(45,792)**	**-**
FINANCING ACTIVITIES			
Proceeds on issuance of convertible debt	7	**1,628,855**	-
Share issuance costs	10	**-**	(777)
Lease payments	6	**(19,013)**	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		**1,609,842**	(777)
Effect of exchange rate changes on cash and cash equivalents		**(6,547)**	-
Increase (decrease) in cash and cash equivalents		**2,232,040**	(54,797)
Cash and cash equivalents at beginning of period		**828,321**	140,894
Cash and cash equivalents at end of period		**3,060,361**	86,097

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

1. Reporting Entity:

Britannia Bud Canada Holdings Inc. ("BBCH") (together with its subsidiaries, the "Company") is a company domiciled and incorporated in Canada under the laws of the Province of Ontario. The address of the Company'sregistered office is 120 Adelaide Street West, Suite 2400, Toronto, Ontario M5H 1T1. The Company provides product testing, safety assessment and compliance services to the cosmetic, consumer packaged goods and nutraceutical industries in the United Kingdom and globally.

2. Basis of Preparation:

(a) Statement of compliance

These condensed interim consolidated financial statements for the three months ended June 30, 2021 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed.

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those set out in note 3 *Significant Accounting Policies* of the Company's annual consolidated financial statements for the year ended March 31, 2021. These condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended March 31, 2021.

The condensed interim consolidated financial statements were approved and authorized by the sole director on October 1, 2021.

(b) Basis of consolidation

The condensed interim consolidated financial statements comprise the financial statements of BBCH, its wholly owned subsidiary Britannia Bud Company Limited ("BBCL") and Advanced Development and Safety Laboratories Ltd. ("ADSL") of which the Company owns 60%. BBCL and ADSL operate in the United Kingdom and have a functional currency of UK pounds sterling.

All intercompany transactions and balances between and among BBCH and its subsidiaries have been eliminated on consolidation. Where necessary, adjustments are made to assets, liabilities, and results of subsidiaries and associates to bring their accounting policies into line with those used by the Company.

Subsidiaries are entities controlled by BBCH. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The Company controls an entity if it has power to direct the activities of the entity that significantly affects its returns ("the relevant activities"), has exposure or rights to variable returns from its involvement with the entity and has the ability to use its power to affect those returns.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of BBCH 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 Company's accounting policies. All intra-group assets and liabilities, equity, income, expenses andcash flows relating to transactions between members of the Company are eliminated in full on consolidation. A change in theownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

(c) COVID-19

In March 2020, the outbreak of the novel strain of corona virus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

(d) Basis of measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value.

(e) Functional and presentation currency

The condensed interim consolidated financial statements are presented in Canadian dollars, which is BBCH's functional currency and the overall presentation currency. The Company's U.K. operations have a functional currency of UK pounds sterling. 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 condensed interim 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.

These condensed interim 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. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. Management carefully manages its cash flows and, as necessary, will undertake efforts to raise additional capital. These condensed interim consolidated statements do not reflect the adjustments or reclassifications of assets and liabilities which would be necessary if the Company were unable to continue as a going concern and therefore be required to realized its assets and liquidate its liabilities and commitments in the normal course of business operations and at amounts different from those in the accompany condensed interim consolidated financial statements.

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.

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 annual consolidated financial statements:

- The measurement and period of use of intangible assets including patents and trademarks.
- The measurement and period of use of property and equipment
- The assumptions used to value the right-of-use asset and associated lease obligation upon the adoptionof the lease standard under IFRS 16, Leases.
- The assumptions used to determine the incremental borrowing rate.
- The assumptions used to fair value the debt component, the conversion feature and associated warrants on initial recognition.
- The assumptions used to value options and warrants issued.

(Expressed in Canadian Dollars, except per share amounts)

(g) Significant accounting policies

These condensed interim consolidated financial statements have been prepared using the same accounting policies and methods as those used in the Company's annual consolidated financial statements as at and for the year ended March 31, 2021.

(h) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective at June 30, 2021, and have not been applied in preparing these condensed interim consolidated financial statements. Management has determined that none of these will have a significant effect on these condensed interim consolidated financial statements of the Company.

3. Property and Equipment

	Fixtures & Fittings	Computer Equipment	Right-of-Use Asset	Total
	$	$	$	$
Cost				
Balance, March 31, 2021	499,937	17,933	219,477	737,347
Additions	43,356	2,436	-	45,792
Effect of foreign exchange	(6,084)	(218)	(17,793)	(24,095)
Balance, June 30, 2021	**537,209**	**20,151**	**201,684**	**759,044**
Depreciation				
Balance, March 31, 2021	27,465	862	6,336	34,663
Depreciation	40,327	1,648	12,114	54,089
Effect of foreign exchange	(938)	631	652	345
Balance, June 30, 2021	**66,854**	**3,141**	**19,102**	**89,097**
Net book value, June 30, 2021	**470,355**	**17,010**	**182,582**	**669,947**

4. Goodwill and intangibles

	Website	Goodwill	Total
	$	$	$
Cost			
Balance March 31, 2021	4,953	18,229,845	18,234,798
Effect of foreign exchange	(60)	(763,830)	(763,890)
Balance, June 30, 2021	**4,893**	**17,466,015**	**17,470,908**
Amortization			
Balance, March 31, 2021	454	-	459
Amortization	682	-	682
Effect of foreign exchange	(6)	-	(6)
Balance, June 30, 2021	**1,130**	**-**	**1,135**
Net book value, June 30, 2021	**3,763**	**17,466,015**	**17,469,778**

(Expressed in Canadian Dollars, except per share amounts)

5. Acquisition

Mark Richard Bowes-Cavanagh, Claire Suzanne Bowes-Cavanagh, Jonathan Bird Sumner and Robert Sumner (the "Sellers") and BBCH entered into share purchase agreement dated March 10, 2020, wherein BBCH acquired 60% of the issued share capital of ADSL. Completion payments in relation to this agreement were made on February 9, 2021 (the “Completion Date”). The transaction consideration included a cash payment of $5,278,445 (GBP 3,008,819), a loan payable to the Sellers of $7,819,478 (GBP 4,456,813), and a loan payable to ADSL of $6,551,624 (GBP 3,734,183).

As part of its annual assessment of impairment of intangible assets and goodwill, management has not identified any impairment.

Pursuant to the terms of the agreement, on the first three (3) anniversaries of the Completion Date, BBCH has the right to acquire from the Sellers up to an additional 40% of the share capital for an additional consideration. In circumstances where on expiry of the third anniversary of the Completion Date BBCH has not acquired all the shares, the Sellers shall have the right to require the BBCH to purchase all of the shares it does not yet own (the “put liability”). The total consideration payable for the additional shares (“Put Shares”) upon exercise of the put liability and the closing of BBCH’s acquisition of the Put Shares would be equal to the total equity value of the Put Shares, which would be based upon the applicable percentage acquired by BBCH of the total enterprise value for ADSL.

At the close of the transaction, the value of the liability related to the put option was determined to be $2,464,315 (GBP 1,404,568), representing the difference between the market price and the contract value of the put liability, discounted at a rate of 0.23% and assuming the transaction would take place on February 9, 2024. As at June 30, 2021, the fair value of the put liability was remeasured to $2,107,374 (GBP 1,230,511), generating a gain on the change in fair value of the put liability of $327,726.

6. Lease liability

	$
Balance as at March 31, 2021	231,079
Lease payments	(19,013)
Lease interest	9,778
Effect of foreign exchange	(1,671)
Balance as at June 30, 2021	**220,173**
Current	46,130
Non-current	174,043
Balance as at June 30, 2021	**220,173**

7. Convertible Debentures:

The following summarizes the Company’s convertible notes payable as at June 30, 2021 and March 31, 2021:

The Britannia Debentures
The Company raised USD $6,127,000 (CAD $7,819,006) through the issuance of 6,127 convertible debentures units (each a "Convertible Debenture Unit"). Each unit, issued for US$1,000 consists of a convertible debenture (each a “Debenture”) and 645 share purchase warrants. The financing was completed in three tranches on January 29, 2021, February 2, 2021 and April 7, 2021 (together, the “Closing Dates”).

The Debentures bear interest at 10% per annum, are payable annually on the last date of December, and mature two years from the respective Closing Dates. Each Debenture is convertible, at the option of the holder, at any time prior to the close of business on the last business day immediately preceding six months of the Closing Date, into that number of shares computed on the basis of the principal amount of the Debenture divided by the conversion price of US$1.55 per share (the "Debenture Conversion Price").

As defined in the subscription agreement, a Liquidity Event would occur upon (i) the listing of the Company's common shares on a stock exchange, (ii) the completion of a transaction with a capital pool company or other Canadian reporting issuer by way of business combination or other similar transaction pursuant to which the Company's common shares are listed on a stock exchange, (iii) the sale of all or substantially all of the assets of the Company to a person other than an affiliate of the Company, or (iv) a transfer of the shares of the Company, reorganization, amalgamation or merger, as a result of which the shareholders of the Company immediately prior to such transaction would no longer beneficially own, directly or indirectly, more than 50% of the resulting voting shares on a fully-diluted basis. In the event that the Company does not complete a Liquidity Event on or before the date which is 18 months from the Closing Date, the holders of the Debentures shall have the right for a period of 30 days after the Closing Date to require the Company to redeem the Debentures at a price equal to US$1,500 per Debenture then outstanding.

Each common share purchase warrant has a two-year term and an exercise price of US$2.00 per common share. The Company in its discretion may accelerate the expiration date of the warrants in the event the Company's common shares trade at US$2.50 or more for 20 or more consecutive trading days on the Canadian Securities Exchange.

On January 29, 2021, the Company completed a tranche of Convertible Debenture Units (the "January 29 Units"), raising US$2,272,000 ($2,903,616). The Debentures have a maturity date of January 29, 2023. 1,465,440 common share purchase warrants were issued.

On February 2, 2021, the Company completed a tranche of Convertible Debenture Units (the "February 2 Units"), raising US$2,564,000 ($3,286,535). The Debentures have a maturity date of February 2, 2023. 1,653,780 common share purchase warrants were issued.

On April 7, 2021, the Company completed a tranche of Convertible Debenture Units (the "April 7 Units"), raising US$1,291,000 ($1,628,855). The Debentures have a maturity date of April 7, 2023. 832,695 common share purchase warrants were issued.

In the event that Britannia completes a Liquidity Event, the Debentures shall be deemed to automatically convert, without any further action on the part of the holder and immediately prior to such Liquidity Event, into Britannia Debenture Shares ("Liquidity Event Conversion"). Upon a Liquidity Event Conversion, any accrued and unpaid interest (calculated daily on the basis of a year of 365 days and pro-rated in the event Debentures are converted during a given year) with respect to the Debentures are to, within 30 days of the completion of the Liquidity Event, be paid to the holder by the entity that results from the Liquidity Event (the "Resulting Issuer") and at the option of the Resulting Issuer, in cash or in shares of the Resulting Issuer at a deemed price per share equal to the Debenture Conversion Price (as such price may be adjusted in accordance with the exchange ratio applicable to the Liquidity Event transaction).

The Debentures and common share purchase warrants are denominated in US dollars, while convertible in Canadian dollars. As the conversion price in a different currency requires a variable number of shares to settle the Debentures, the Debentures are treated as having an embedded derivative that is treated as a financial liability under IFRS. Furthermore, the exercise price for the common share purchase warrants is denominated in US dollars and therefore their exercise would represent a variable number of common shares. As a result, the common share purchase warrants do not meet the fixed-for-fixed criteria under IFRS to be classified as equity and are also treated as a financial liability under IFRS. The fair value of the embedded derivative was $3,407,610 as at June 30, 2021 ($2,982,182 as at March 31, 2021). The fair value of the warrant derivative liability was $600,190 as at June 30, 2021 ($543,124 as at March 31, 2021).

The value of the convertible notes payable was $3,370,215 as at June 30, 2021 ($2,363,154 as at March 31, 2021).

For the three-month period ended June 30, 2021, the Company incurred interest expense of $180,523 (USD$142,144) (2020 – $nil). The current portion of interest accrued is included as part of accounts payable and accrued liabilities in the condensed interim consolidated financial statements.

The Company recorded accretion expense of $386,385 and foreign exchange gain $45,216 for the period ended June 30, 2021.

During the three months ended June 30, 2021, $17,988 ($nil – 2020) of interest was paid to related parties. The outstanding interest payable was $279,510 as at June 30, 2021 ($98,987 as at March 31, 2021).

(Expressed in Canadian Dollars, except per share amounts)

The fair value at June 30, 2021of the embedded derivative related to the January 29, 2021 Units was determined using the Black Scholes valuation model using the following assumptions: stock price of $1.35; expected life of 1.58 years; $nil dividends; 80% volatility; risk-free interest of 0.45%; foreign exchange rate of 1.2394; and the exercise price of $1.25.

The fair value at June 30, 2021of the embedded derivative related to the February 2, 2021 Units was determined using the Black Scholes valuation model using the following assumptions: stock price of $1.35; expected life of 1.59 years; $nil dividends; 80% volatility; risk-free interest of 0.45%; foreign exchange rate of 1.2394; and the exercise price of $1.25.

The fair value on issuance of the embedded derivative related to the April 7, 2021 Units was determined using the Black Scholes valuation model using the following assumptions: stock price of $1.35; expected life of 2.00 years; $nil dividends; 80% volatility; risk-free interest of 0.23%; foreign exchange rate of 1.2617; and the exercise price of $1.23. The fair value at June 30, 2021of this embedded derivative was determined using the Black Scholes valuation model using the following assumptions: stock price $1.35; expected life of 1.77 years; $nil dividends; 80% volatility; risk-free interest of 0.45%; foreign exchange rate of 1.2394; and the exercise price of $1.25.

The fair value of the warrant liability at June 30, 2021 of $600,190 was determined using the Black-Scholes option pricing model with the following weighted average assumptions, judgmentally determined by management:

		Jan 29, 2021 Issuance		Feb 2, 2021 Issuance		Apr 7, 2021 Issuance
Expected life in years		1.58		1.59		1.77
Market price	$	1.25	$	1.25	$	1.25
Strike price	USD	2.00	USD	2.00	USD	2.00
Risk free interest rate		0.45%		0.45%		0.45%
Dividend yield		0%		0%		0%
Expected volatility		80%		80%		80%
Forfeiture rate		75%		75%		75%

Changes in the number of warrants outstanding during the three-month period ended June 30, 2021 are as follows:

	Warrants		Amount		Weighted Average Exercise Price
Balance, March 31, 2021	3,119,220	$	543,124	$	2.00
Granted	832,695		145,486		2.00
Change in fair value			(88,420)		
Balance, June 30, 2021	3,951,915	$	600,190	$	2.00
Weighted average remaining contractual life (years)					1.63

(Expressed in Canadian Dollars, except per share amounts)

The continuity of the convertible debentures, embedded derivative and warrant liability are as follows:

		Convertible Debentures		Embedded Derivative		Warrant Liability
Balance as at March 31, 2021	**$**	2,363,154	**$**	2,982,172	**$**	543,124
Additions		1,628,855		-		-
Allocation of additions to embedded derivative		(817,477)		817,477		-
Allocation of additions to warrant liability		(145,486)		-		145,486
Interest accretion		386,385		-		-
Change in fair value		-		(392,039)		(88,420)
Effect of foreign exchange		(45,216)		-		-
Balance as at June 30, 2021	**$**	**3,370,215**	**$**	**3,407,610**	**$**	**600,190**

8. Related Party Transactions and Balances:

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controllingthe activities of the Company. The sole director, Chief Executive Officer, President, Chief Technical Officer and Chief Financial Officer are key management personnel.

		2021		2020
Salaries, fees and short-term employee benefits	**$**	**41,029**	$	-
Interest expense		**181,217**		
	$	**222,246**	$	-

Director's loan

During the year ended March 31, 2021 the sole director of BBCH extended a loan of $225,000 to BBCH to cover expenses related to working capital and growth needs of the Company. The loan is without interest, unsecured and is repayable on demand. On April 7, 2021 this loan was settled through issuance of 175 Convertible Debenture Units (see note 7). This non-cash transaction has been excluded from the condensed interim consolidated statement of cash flows.

Sellers Loan Agreement

On February 9, 2021, the Company and the Sellers entered into a Seller Loan Agreement. In connection to this agreement, the Sellers loaned £4,456,813 ($7,632,737) to Britannia, at an interest rate of 6% per annum and initial repayment date of April 30, 2021. On June 15, 2021, the terms of this loan were amended to extend the repayment date to December 31, 2021 and increase the interest rate to 10% per annum subsequent to June 1, 2021.

(Expressed in Canadian Dollars, except per share amounts)

9. Income Taxes:

The reconciliation of the 2021 combined Canadian federal and provincial statutory income tax rate of 26.5% (2020 – 26.5%) to the effective tax rate is as follows:

	For the three-months ended June 30, 2021	For the three-months ended June 30, 2020
Income (loss) before income taxes for the period	**$ 1,304,189**	$ (17,228)
Expected income tax expense (recovery)	**345,610**	(4,565)
Accretion on convertible debt	**102,392**	-
Non-deductible expenses	**13,578**	-
Change in fair value of warrant liability	**(23,431)**	-
Change in fair value of put liability	**(86,847)**	-
Difference between corporate statutory rates	**(96,891)**	384
Change in fair value of embedded derivative	**(103,890)**	-
Change in tax benefits not recognized	**111,844**	4,181
Income tax expense (recovery)	**$ 262,365**	$ -

The Company's income tax expense is allocated as follows:

	For the three-months ended June 30, 2021	For the three-months ended June 30, 2020
Current income tax	**$ 263,627**	$ -
Deferred income tax (recovery)	**(1,262)**	-
Income tax expense	**$ 262,365**	$ -

The significant components of the Company's temporary differences, unused tax credit and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	June 30, 2021	March 31, 2020
Non-capital loss carryforwards	$ 437,449	$ 146,007
Intangible assets	(715)	-
Property and equipment, net of lease liability	(85,927)	-
	350,807	146,007
Valuation allowance	(437,449)	(146,007)
	$ (86,642)	$ -

Deferred income taxes have not been recognized in respect of the loss carryforwards because it is not probable that future taxable profit will be available against which the Company will be able to use these benefits.

Non-capital loss carryforwards

As at June 30, 2021, the Company has non-capital losses in Canada, which under certain circumstances can be used to reduce taxable income of future years,that expire as follows:

Year of expiration	$
2040	469,990
2041	607,343
2042	409,480
	1,486,813

As at June 30, 2021, the Company has non-capital losses in the United Kingdom, stated in Canadian dollars, which, under certain circumstances, can be used to reduce taxable income of future years,,that expire as follows:

Year of expiration	$
2040	8,457
2041	98,170
2042	17,533
	124,160

10. Share Capital:

The Company has an unlimited number of authorized voting common shares (the “Common Shares”).

11. 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 maximize 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 it operations and capital requirements primarily through the issuance of shares and recently on secured and convertible notes since inception.

The Company manages its capital structure and adjusts 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 toany externally imposed capital requirements.

12. Government Assistance:

For the three months ended June 30, 2021, the Company received £2,550 ($4,379) (£nil – 2020) under the UK Government’s Coronavirus Job Retention Scheme. This amount has been classified as a reduction to cost of sales in the condensed interim consolidated statement of income (loss) and comprehensive income (loss) and is not repayable.

13. Selling, general and administrative expense:

Included in selling, general, and administrative expense for the three months ended June 30, 2021 and 2020 are the following:

		2021		2020
Professional fees	**$**	278,020	$	3,425
Office and general		134,007		4,503
Pay, consulting and benefits		69,964		9,300
Amortization and depreciation		54,771		-
Travel and other		2,169		-
	$	538,931	$	17,228

(Expressed in Canadian Dollars, except per share amounts)

14. Contingencies:

From time to time the Company may 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 expectthat the ultimate costs to resolve these matters will have a material adverse effect on its consolidated financial position, results of operations, or cash flow.

15. Financial Instruments and Risk Management:

The Company has classified its financial instruments as follows:

	June 30, 2021	March 31, 2020
	$	$
FVTPL, measured at fair value:		
Cash	**3,060,361**	828,321
Warrant liability	**600,190**	543,124
Embedded derivative	**3,407,610**	2,982,172
Put option liability	**2,107,374**	2,435,100
Financial assets, measured at amortized cost:		
Accounts receivable	**1,834,988**	1,686,152
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	**850,504**	1,190,386
Interest payable	**511,710**	163,076
Sellers' loan agreement	**7,632,737**	7,726,776
Director's loan	**-**	225,000
Lease liability	**220,173**	231,079
Convertible notes	**3,370,215**	2,363,154

The carrying value of the Company's financial instruments approximate their fair value.

<u>Fair values of financial assets and financial liabilities</u>

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.

	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial assets				
Cash	3,060,361	-	-	**3,060,361**
As at June 30, 2021	3,060,361	-	-	**3,060,361**
Financial liabilities				
Warrant liability	-	600,190	-	**600,190**
Embedded derivative	-	3,407,610	-	**3,407,610**
Put option liability	-	2,107,374	-	**2,107,374**
As at June 30, 2021	**-**	**6,115,174**	**-**	**6,115,174**

A 10% increase/decrease in the price per share of the Company's embedded derivative classified as Level 2 would increase/decrease the Company's change in fair value of the embedded derivative by $605,584.

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 sole director. 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.

There were no transfers between level levels 1 and 2 for recurring fair value measurements during the year ended March 31, 2021. Further there was no transfer out of level 3 measurements.

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 is mainly exposed to credit risk from credit sales and manages this risk by endeavouring only to deal with customers which are demonstrably credit worthy and through the continuous monitoring of financial exposure by 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.

The following table summarizes the maturities of the Company's non-derivative financial liabilities as at June 30, 2021 based on undiscounted contractual cash flows:

	Payment due by Period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Accounts payable and accrued liabilities	$ 850,504	$ -	$ -	$ 850,504
Lease liability	77,067	147,070	79,958	304,095
Sellers' loan agreement	8,247,057	-	-	8,247,057
	$ 9,174,628	$ 147,070	$ 79,958	$ 9,401,656

The following table summarizes the maturities of the Company's derivative financial liabilities as at June 30, 2021 based on undiscounted contractual cash flows:

	Payment due by Period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Convertible debentures	$ 1,032,682	$ 8,065,797	$ -	$ 9,098,479
Put liability	-	-	22,457,460	22,457,460
	$ 1,032,685	$ 8,065,797	$ 22,457,460	$ 31,555,939

Currency risk

The Company is exposed to currency risk to the extent that monetary operational expenses are denominated in US dollar and UK Pounds sterling while the functional currency of Canadian dollar is used for reporting. The Company has not entered into any foreign currency contracts to mitigate this risk.

(Expressed in Canadian Dollars, except per share amounts)

As at June 30, 2021, the Company had the following financial instruments denominated in foreign currencies:

Denominated in:	USD	GBP
Due to related party	-	4,456,813
Convertible note	2,719,231	-
Warrant liability	484,258	-
Put liability	-	1,230,511
Embedded derivative	2,749,403	-
Interest payable	220,155	134,792
	6,173,047	5,818,464
Foreign currency rate	1.2394	1.7126
Equivalent to Canadian dollars	7,650,874	9,964,701

Based on the about net exposure and assuming that all other variables remain constant, a 10% change in the USD against the CDN would impact net loss and comprehensive loss by $765,087 and a 10% change in the GBP against the CDN would impact net loss and comprehensive loss by $996,470.

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 convertible notes whichbear interest at fixed rates.

16. Commitments:

Business Combination Agreement

On January 21, 2021, the Company entered into an agreement with Rise Life Science Corp. (“RISE”) to amend and confirm a letter of intent previously agreed to by the parties (the "Agreement"), pursuant to which RISE and BBCH 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 CanadianSecurities Exchange (the "CSE").

On April 30, 2021, BBCH, RISE and a subsidiary of RISE (“Subco”) entered into a Business Combination Agreement pursuant to which BBCH agreed to amalgamate with Subco, which will result in a reverse takeover (“RTO”) of RISE. On completion of the RTO Transaction, the resulting issuer will carry on the business and operations of the Company and RISE with a focus on product development and laboratory testing within the food, cosmetics, nutraceutical and wellness sectors.

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 BBCH 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 BBCH, if applicable;
- All required regulatory approvals of the Proposed Transaction, including by the CSE; and
- Conversion of all outstanding RISE convertible debentures.

17. Subsequent Events:

The shareholders of RISE have approved the completion of the Proposed Transaction at their annual general meeting held on September 8, 2021 subject to subsequent approvals from the CSE being obtained.

SCHEDULE "B"
RISE FINANCIAL STATEMENTS

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Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

RISE LIFE SCIENCE CORP.

Three and Six Months Ended May 31, 2021 and 2020
(Unaudited)

As at	Note		May 31, 2021		November 30, 2020
Assets					
Current assets:					
Cash		$	1,448	$	69,063
Restricted cash			1,122,051		-
Accounts receivable			43,841		98,819
Prepaid expenses			7,973		8,541
Inventory			-		3,136
Total current assets			1,175,313		179,559
Non-current assets:					
Equipment			26,709		77,875
			26,709		77,875
Total assets		**$**	**1,202,022**	**$**	**257,434**
Liabilities and Shareholders' Deficiency					
Current liabilities:					
Accounts payable and accrued liabilities	13, 14	$	715,318	$	2,787,952
Lease obligation			-		56,498
Secured promissory notes	6(a)		4,135,943		3,908,364
Convertible notes	6(b)		1,540,326		6,668,305
Total current liabilities			6,391,587		13,421,119
Non-current liabilities:					
Loan			60,000		40,000
Total non-current liabilities			60,000		40,000
Shareholders' deficiency:					
Share capital	7		26,555,043		24,997,334
Shares to be issued			395,440		-
Contributed surplus			9,069,024		8,959,733
Warrants	7		1,634,178		1,019,370
Other comprehensive loss			437,405		26,407
Accumulated deficit			(43,340,655)		(48,206,685)
Total shareholders' deficiency			(5,249,565)		(13,203,685)
Total liabilities and shareholders' deficiency		**$**	**1,202,022**	**$**	**257,434**

Going concern	2(d)
Commitments and contingencies	11
Subsequent events	14

On behalf of the Board:

"Ashwath Mehra"
Director

"Scott Secord"
Director

		Three months		Six months	
Periods ended May 31,	**Note**	**2021**	**2020**	**2021**	**2020**
Revenues					
Product sales and other income		$ -	$ 10,049	$ -	$ 26,927
Cost of sales					
Cost of sales		-	(3,651)	-	(9,032)
Gross Margin		-	6,398	-	17,895
Expense					
Selling, general and administration		355,436	326,623	374,693	644,256
Finance expense		20,857	405,594	153,650	817,240
Foreign exchange loss (gain)		241,020	(88,362)	401,115	(162,457)
Stock based compensation		-	2,173	-	5,025
Impairment of equipment		28,490	43	28,490	1,380
Settlement of debt		(5,529,843)	-	(5,823,822)	-
		(4,884,040)	646,071	(4,865,874)	1,305,444
Net income (loss)		4,884,040	(639,673)	4,865,874	(1,287,549)
Other Comprehensive income (loss)					
Currency translation differences		239,862	(89,450)	410,998	(162,887)
Comprehensive income (loss)		$ 5,123,902	$ (729,123)	$ 5,276,872	$(1,450,436)
Basic and diluted weighted average shares outstanding	7(e)	81,918,897	58,810,352	71,124,543	58,810,352
Basic and diluted earnings (loss) per share		$ 0.06	$ (0.01)	$ 0.07	$ (0.02)

	Note	Number of shares	Share capital	Shares to be issued	Contributed surplus	Warrants	Other comprehensive loss	Accumulated deficit	Total deficiency
Balance, November 30, 2019		60,310,352	$24,997,334	$ -	$7,381,532	$2,592,546	$ (44,788)	$(45,003,924)	$(10,077,300)
Net loss		-	-	-	-	-	-	(1,287,549)	(1,287,549)
Other comprehensive loss		-	-	-	-	-	(162,887)	-	(162,887)
IFRS 16 leases adoption		-	-	-	-	-	-	1,687	1,687
Stock based compensation		-	-	-	5,025	-	-	-	5,025
Expiry of warrants		-	-	-	709,500	(709,500)	-	-	-
Balance, May 31, 2020		60,310,352	$24,997,334	$ -	$8,096,057	$1,883,046	$ (207,675)	$(46,289,795)	$ (11,521,033)
Balance, November 30, 2020		60,310,352	$24,997,334	$ -	$8,959,733	$1,019,370	$ 26,407	$(48,206,529)	$(13,203,685)
Net income		-	-	-	-	-	-	4,865,874	4,865,874
Other comprehensive income		-	-	-	-	-	410,998	-	410,998
Private placement		103,019,400	789,821	-	-	724,099	-	-	1,513,920
Debt settlement		76,788,834	767,888	395,440	-	-	-	-	1,163,328
Expiration of warrants		-	-	-	109,291	(109,291)	-	-	-
Balance, May 31, 2021		240,118,568	$26,555,043	$395,440	$9,069,024	$1,634,178	$437,405	$(43,340,655)	$(5,249,565)

		May 31, 2021		May 31, 2020
Operating activities:				
Net income (loss) for the period	$	4,865,874	$	(1,287,549)
Items not involving cash:				
Amortization and depreciation		4,414		35,965
Finance expense		98,101		816,437
Stock based compensation		-		5,025
Impairment of equipment		28,490		1,380
Unrealized foreign exchange loss (gain)		409,190		(162,457)
Deferred charge		-		(11,773)
Gain on settlement of debt		(5,823,822)		-
Change in non-cash working capital balances:				
Accounts receivable		54,864		(19,072)
Prepaid expenses		568		106,988
Inventory		3,081		3,522
Accounts payable and accrued liabilities		240,190		340,595
Cash used in operating activities		(119,050)		(170,939)
Financing activities:				
Proceeds from loan		20,000		40,000
Private placement		1,153,592		-
Increase (decrease) of restricted cash		(1,122,051)		1,925,000
Repayment of debt financing		-		(1,929,811)
Payment of lease obligation		-		(11,859)
Cash provided by financing activities		51,541		23,330
Change in cash due to foreign exchange		(106)		734
Decrease in cash		(67,615)		(146,875)
Cash, beginning of the period		69,063		254,170
Cash, end of the period	$	1,448	$	107,295

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 Condensed Interim Consolidated Financial Statements:

(a) Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and do not include all of the information required for full annual financial statements.

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on July 29, 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, 2830026 Ontario Inc, 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 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.

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 May 31, 2021, the Company has had negative cash outflows from operations since incorporation and has accumulated a deficit of $43,340,655. The Company also had negative working capital of $5,216,274.

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 May 31, 2021, 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 6. 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

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 the commencement of the period of use of acquired intellectual property and equipment 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 a purchase price allocation.

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:

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- Note 6: The assumptions used to fair value the debt component, the conversion feature and associated warrants on initial recognition and the subsequent gain on settlement.
- Note 7: The assumptions used to value units, options and warrants issued.

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 income (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.

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.

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

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 are 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

3. Significant Accounting Policies (continued):

(j) Impairment (continued)

(ii) Non-financial assets (continued)

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.

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.

3. Significant Accounting Policies (continued):

(l) Leases

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

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.

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.

3. Significant Accounting Policies (continued):

(i) As a lessee (continued)

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.

(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.

3. Significant Accounting Policies (continued):

(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.

(q) Government grants and assistance

An unconditional government grant and or assistance is recognized in profit or 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 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.

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. Selling, General and Administrative Expense:

Included in selling, general and administrative expense for the periods ended May 31, 2021 and May 31, 2020 are the following:

		2021		2020
Salaries and related costs	**$**	-	$	15,883
Amortization and depreciation		4,414		35,965
	$	4,414	$	51,848

5. 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 it 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.

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6. Notes Payable:

(a) The following summarizes the Company's promissory notes payable as at May 31, 2021 and November 30, 2020:

		2021		2020
Secured promissory notes (i)	**$**	1,751,334	$	1,751,334
Accrued interest		2,384,609		2,157,030
	$	4,135,943	$	3,908,364
Current portion:				
Principal and accrued interest	**$**	4,135,943	$	3,908,364

(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 May 31, 2021, 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 $227,579 (May 31, 2020 – $202,225) was recognized during the period in relation to these notes.

As a result of not paying the amounts when due, the notes are in default. Accordingly, the principal and all accrued interest have been shown as a current liability.

6. **Notes Payable (continued):**

(b) The following summarizes the Company's convertible notes and other loans payable as at May 31, 2021 and November 30, 2020:

		2021		2020
$50,000 convertible promissory note (i)	**$**	50,000	$	50,000
$4,035,000 convertible notes (ii)		1,250,000		4,035,000
$1,330,000 convertible notes (iii)		-		1,328,556
$274,000 convertible notes (iv)		-		269,361
Loan		-		13,915
Accrued interest		240,326		971,473
		1,540,326		6,668,305
Less: Current portion		1,540,326		6,668,305
Non-current portion	**$**	-	$	-

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

		2021		2020
Discounted balance	**$**	1,540,326	$	6,668,305
Add: Unaccreted portion of discount related to				
Deferred financing charges and debt discount (v)		-		6,083
	$	1,540,326	$	6,674,388
Less: Current portion		1,540,326		6,674,388
Long term portion	**$**	-	$	-

(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 May 31, 2021, 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.

6. Notes Payable (continued):

(b) The following summarizes the Company's convertible notes payable as at May 31, 2021 and November 30, 2020 (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.

$160,000 of convertible notes were converted into common shares of the Company during the fiscal year ended November 30, 2020.

(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.

6. **Notes Payable (continued):**

(b) The following summarizes the Company's convertible notes payable as at May 31, 2021 and November 30, 2020 (continued):

(v) The November 14th, December 4th and April 1st 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 $12,212 (May 31, 2020 – $344,971) and accretion expense of $6,083 (May 31, 2020 - $255,311) were recognized during the period in relation to all these notes.

During the second quarter of 2021, the Company successfully negotiated with convertible note holders who had yet to convert their convertible notes into common shares of the Company. Unpaid principal would now be converted at $0.065 cents per common share and unpaid interest would be converted at $0.05 per common share. The Company has treated this transaction as a settlement of debt as the term of the notes had expired and the Company was unable to settle these liabilities through normal course principal and interest payments. Of the November 14th notes, $2,785,000 of principal and $459,639 of interest were converted. Of the December 4th notes, $1,330,000 of principal and $228,250 of interest were converted and of the April 1st notes, $274,000 of principal and $57,653 of interest were converted. As a result of the conversion, the Company recognised a gain of $4,313,606 in the consolidated statement of income (loss) and comprehensive income (loss). Share capital increased by $767,888 and shares to be issued increased by $56,450. As of May 31, 2021, the Company issued 76,788,834 shares. Also see subsequent events note.

7. **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 May 12, 2021, 103,019,400 common shares and warrants were issued in connection with the Company's non-brokered private placement which closed on April 15, 2021 and which consisted of an offering of units where each unit is comprised of one common share and one warrant to purchase one common share. The relative fair value approach was used to ascribe fair value to the common shares and warrants issued. To determine the fair value of the warrants, the Black-Scholes pricing model was used with a stock price of $0.01, exercise price of $.021, expected life of 2 years, volatility of 270 percent and 0.31 percent risk free rate as the pricing model inputs. Share issue costs incurred with a fair value of $148,232 were also split between the issuance of common shares and warrants using the relative fair value approach.

ii) On May 31, 76,788,834 common shares were issued in connection with the conversion of the November 14th, December 4th and April 1st convertible notes and unpaid interest thereon.

7. Share Capital (continued):

(c) Options (continued)

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.

Changes in the number of options outstanding during the periods ended May 31, 2021 and May 31, 2020 are as follows:

	2021			**2020**		
	Options		**Weighted Average Exercise Price**	Options		Weighted Average Exercise Price
Balance, beginning of year	2,251,400	$	0.30	3,551,400	$	0.30
Granted	-		-	-		-
Forfeited, cancelled or expired	(401,400)		0.32	(200,000)		0.41
Balance, end of period	1,850,000	$	0.30	3,351,400	$	0.30
Options exercisable, end of period	1,850,000	$	0.30	3,351,400	$	0.30
Weighted average fair value of options granted during the period		$	-		$	-

Range of exercise prices	Outstanding number	Weighted average remaining contractual life	Weighted average exercise price	Exercisable number
$0.22	200,000	0.19 years	$0.22	200,000
$0.30	1,500,000	2.12 years	$0.30	1,500,000
$0.40	150,000	1.95 years	$0.45	150,000
$0.22- $0.40	1,850,000	1.91 years	$0.32	1,850,000

For the period ended May 31, 2021, option compensation expense of $nil (May 31, 2020 - $5,025) was recognized for options granted and which had vested.

7. Share Capital (continued):

(d) Warrants

Changes in the number of warrants outstanding during the years ended May 31, 2021 and May 31, 2020 are as follows:

			2021			2020
	Warrants	**Amount**	**Weighted Average Exercise Price**	Warrants	Amount	Weighted Average Exercise Price
Balance, beginning of period	16,716,778	$ 1,019,370	$ 0.14	51,360,740	$ 2,592,546	$ 0.19
Granted pursuant to private placement (note 7(b))	103,019,400	724,099	0.02	-	-	-
Expired	(11,758,824)	(109,291)	(0.15)	(4,570,768)	(709,500)	(0.48)
Balance end of period	107,977,354	$ 1,634,178	$ 0.03	46,789,972	$ 1,833,046	$ 0.17
Weighted average remaining contractual life (years)			**1.90**			.61

(e) Per share amounts

The weighted average number of common shares outstanding for the three and six month period ended May 31, 2021 was 81,819,897 and 71,124,543 shares respectively and for the three and six month period ended May 31, 2020 was 58,810,352 and 58,810,352 respectively. 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.

8. Revenue:

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 period ended May 31, 2021 and May 31, 2020 is disaggregated by channel of revenue and timing of revenue recognition.

	2021	2020
Revenue channel		
Online	**$** -	$ 26,927
	$ -	$ 26,927
Timing of revenue recognition		
Transfer of control	-	26,927
	$ -	$ 26,927

9. 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.

			2021			2020
	United States	**All Other**	**Consolidated**	United States	All Other	Consolidated
Revenue from external customers (i)	**$** -	**$** -	**$** -	$ 26,927	$ -	$ 26,927
Non-current assets	26,709	-	26,709	763,361	160	763,521
Comprehensive (income) loss	(59,148)	(5,217,724)	(5,276,872)	(71,915)	1,522,351	1,450,436

(i) All revenues were generated within the United States

10. Finance Expense:

During the periods ended May 31, 2021 and May 31, 2020 the Company incurred net finance expense as follows:

		2021		2020
Interest and accretion	**$**	152,859	$	816,582
Bank charges and other interest		791		658
		153,650		817,240

During the periods ended May 31, 2021 and May 31, 2020, the Company paid finance expense as follows:

		2021		2020
Interest and accretion on notes payable (note 6)	**$**	-	$	-
Bank charges and other interest paid		791		296
		791		296

11. Commitments and 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.

12. Settlement of Debt

During the period the Company entered into negotiations with certain parties. As a result of the negotiations, the Company was able to settle certain amounts in its favour and recognized a gain of $5,192,101 in its consolidated statement of Income (loss) and comprehensive income (loss). Of the $5,823,822 recognized, $4,313,606 pertained to the settlement of its convertible debentures and the remaining amount of $1,510,216 was recognised through settlement with vendors including certain related party balances.

13. Financial Instruments and Risk Management:

<u>Fair values of financial assets and financial liabilities</u>

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.

13. Financial Instruments and Risk Management (continued):

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	$ 715,318	$ -	$ -	$ 715,318
Secured promissory notes	4,135,943	-	-	4,135,943
Convertible notes	1,540,326	-	-	1,540,326
Loan	-	60,000	-	60,000
	$ 6,391,587	$ 60,000	$ -	$ 6,451,587

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.

14. 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 may provide non-cash benefits and participation in the Stock Option Plan (note 7(c)). Compensation for key management personnel for the periods ended May 31, 2021 and May 31, 2020 is as follows:

		2021		2020
Salaries, fees and short-term employee benefits	**$**	**270,000**	$	270,000
	$	**270,000**	$	270,000

(b) Key management personnel and shareholder transactions

Included in accounts payable and accrued liabilities is $133,900 due to key management.

15. Subsequent Events:

Subsequent to period end, the Company issued 33,898,936 common shares as part of debt settlement negotiations with related vendors and non-related vendors which took place during the second quarter.

Consolidated Financial Statements
(Expressed in Canadian Dollars)

RISE LIFE SCIENCE CORP.

Years ended November 30, 2020 and 2019

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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

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

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)

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

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)

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

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

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

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.

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 Codid-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

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.

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.

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.

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

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

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.

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.

(l) 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 s 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.

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		36,078
Change in deficit	$	(1,678)

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

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.

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 2015-2917 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.

Expressed in Canadian Dollars

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).

Expressed in Canadian Dollars

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**

Expressed in Canadian Dollars

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

Expressed in Canadian Dollars

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 it 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.

Expressed in Canadian Dollars

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.

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.

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.

Expressed in Canadian Dollars

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.

Expressed in Canadian Dollars

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

Expressed in Canadian Dollars

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.

Expressed in Canadian Dollars

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

Expressed in Canadian Dollars

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

Expressed in Canadian Dollars

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.

Expressed in Canadian Dollars

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

Expressed in Canadian Dollars

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.

Consolidated Financial Statements
(Expressed in Canadian Dollars)

RISE LIFE SCIENCE CORP.

Years ended November 30, 2019 and 2018

bakertilly

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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 (the "Company"), which comprise the consolidated statement of financial position as at November 30, 2019 and the consolidated statement of net loss and comprehensive loss, consolidated statement of changes in shareholders' deficiency and consolidated statement of cash flows for the year 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, 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 audit 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 $7,155,896 during the year ended November 30, 2019 and has a deficit as at November 30, 2019 of $45,003,924 and negative working capital of $9,292,754. 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 Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of the Company for the year ended November 30, 2018 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on April 1, 2019.

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 audit 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 audit 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 financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our 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.

Toronto, Ontario
April 6, 2020

Chartered Professional Accountants
Licensed Public Accountants

As at	Note		2019		2018
Assets					
Current assets:					
Cash		$	254,170	$	3,878,161
Restricted cash	10b(iv)		1,925,000		-
Accounts receivable	4		74,251		437,723
Prepaid expenses			144,498		96,465
Inventory	5		58,375		214,111
Total current assets			2,456,294		4,626,460
Non-current assets:					
Prepaid expenses			-		119,200
Property and equipment	6		115,840		116,331
Intangible assets	7		-		196,266
Goodwill	7		592,100		592,660
			707,940		1,024,457
Total assets		**$**	**3,164,234**	**$**	**5,650,917**
Liabilities and Shareholders' Deficiency					
Current liabilities:					
Accounts payable and accrued liabilities	16, 18	$	2,152,742	$	2,311,102
Secured promissory notes	10(a)		3,488,540		300,000
Convertible notes	10(b)		6,107,766		104,503
Total current liabilities			11,749,048		2,715,605
Non-current liabilities:					
Accounts payable and accrued liabilities			-		167,007
Deferred charge			12,053		-
Secured promissory notes	10(a)		-		1,311,334
Convertible notes	10(b)		1,480,433		3,444,781
Accrued interest	10(a)		-		1,500,154
Total non-current liabilities			1,492,486		6,423,276
Shareholders' equity (deficiency):					
Share capital	11		24,997,334		24,855,477
Contributed surplus			7,381,532		5,984,732
Warrants	11		2,592,546		3,564,643
Other comprehensive loss			(44,788)		(15,668)
Accumulated deficit			(45,003,924)		(37,877,148)
Total shareholders' deficiency			(10,077,300)		(3,487,964)
Total liabilities and shareholders' deficiency		**$**	**3,164,234**	**$**	**5,650,917**

Going concern	2(d)
Commitments and contingencies	16
Subsequent events	19

On behalf of the Board:

"Ashwath Mehra"
Director

"Scott Secord"
Director

	Note		2019		2018
Revenues					
Product sales and other income	12	$	974,269	$	186,025
Cost of sales					
Cost of sales	5		(636,121)		(49,366)
Gross Margin			338,148		136,659
Expenses					
Selling, general and administration	8		5,249,078		4,589,442
Finance	15		1,719,270		447,566
Foreign exchange (gain) loss			(5,682)		7,890
Contract and debt settlement, net			-		(11,107)
Stock based compensation	11(c)(d)		293,812		841,891
Write off of equipment	6		26,653		13,480
Impairment of intangible assets	7		181,793		5,942,417
Impairment of goodwill	7		-		161,253
			7,464,924		11,992,832
Net loss		$	(7,126,776)	$	(11,856,173)
Other comprehensive loss					
Currency translation differences			(29,120)		(15,668)
Comprehensive loss		$	(7,155,896)	$	(11,871,841)
Basic and diluted weighted average shares outstanding	11(e)		58,055,316		50,028,989
Basic and diluted loss per share		$	(0.12)	$	(0.24)

	Note	Number of common shares	Share capital	Contributed surplus	Warrants	Other comprehensive loss	Accumulated deficit	Total deficiency
Balance, November 30, 2017		33,836,449	$19,033,623	$5,132,042	$1,157,671	$ -	$(26,020,975)	$(697,639)
Net loss							(11,856,173)	(11,856,173)
Other comprehensive (loss) income			-	-	-	(15,668)	-	(15,668)
Acquisition of Rise Research		9,500,000	2,897,500	-	1,005,900	-	-	3,903,400
Acquisition of Life Bloom Organics		1,500,000	179,625	-	-	-	-	179,625
Acquisition of Brand Max Inc.		500,000	59,875	-	-	-	-	59,875
Exercise of warrants		366,674	138,633	-	(38,885)	-	-	99,748
Conversion of notes		500,000	100,000	-	-	-	-	100,000
Private placements		12,957,231	2,893,569	10,799	1,439,957	-	-	4,344,325
Share issuance costs			(472,348)	-	-	-	-	(472,348)
Stock based compensation			-	841,891	-	-	-	841,891
Settlement of debt		83,333	25,000	-	-	-	-	25,000
Balance, November, 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)

		2019		2018
Operating activities:				
Net loss for the year	$	(7,126,776)	$	(11,856,173)
Items not involving cash:				
Amortization and depreciation		52,768		303,340
Finance expense		1,189,757		447,359
(Gain) loss from foreign exchange		(5,682)		7,890
Stock based compensation		293,812		841,891
Contract and debt settlement		-		(11,107)
Impairment of intangible assets		181,793		5,942,417
Impairment of equipment		26,653		13,480
Impairment of goodwill		-		161,253
Loss on disposal of property and equipment		2,750		-
Change in non-cash working capital balances:				
Restricted cash		(1,925,000)		-
Accounts receivable		363,461		(249,919)
Prepaid expenses		71,150		(202,745)
Inventory		155,609		(178,516)
Accounts payable and accrued liabilities		(399,591)		808,747
Deferred charge		12,047		-
Cash used in operating activities		(7,107,249)		(3,972,083)
Investing activities:				
Cash acquired in acquisition		-		167,445
Intangible assets acquired		-		(687,992)
Property and equipment acquired		(68,380)		(23,912)
Cash used in investing activities		(68,380)		(544,459)
Financing activities:				
Proceeds from private placement less share issue costs		-		3,514,163
Proceeds from exercise of warrants		-		74,763
Proceeds from debt financing		3,686,142		3,734,244
Repayment of debt financing		(134,198)		(3,564)
Cash provided by financing activities		3,551,944		7,319,606
Change in cash due to foreign exchange		(306)		9,123
(Decrease) increase in cash		(3,623,991)		2,812,187
Cash, beginning of the year		3,878,161		1,065,974
Cash, end of the year	$	254,170	$	3,878,161

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 100 King Street West, Suite 5600, PO Box 270 Toronto, Ontario M5X 1C9. The Company's common shares are publicly traded on the Canadian Securities Exchange. The Company is developing and evolving 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 April 6, 2020.

(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.

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. The Company incurred a comprehensive loss of $7,155,896, had negative cash outflows from operations since incorporation and has accumulated a deficit of $45,003,924 as at November 30, 2019 (November 30, 2018 - $37,877,148) and negative working capital of $9,292,754 (November 30, 2018 – working capital of $1,910,855).

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 and generate product sales. 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.

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 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.

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

(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 3i(ii): The assumptions and valuation technique used to estimate the value of share-based payment transactions.
- 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.

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

Effective December 1, 2018, the Company adopted IFRS 9, Financial Instruments. In accordance with the transitional provisions, the Company adopted the standard retrospectively without restating comparatives as the change did not impact the opening balances.

IFRS 9 replaces IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for the classification, measurement and impairment of financial assets and hedge accounting. It establishes two primary measurement categories for financial assets: (i) amortized cost and (ii) fair value either through profit or loss ("FVPL") or through other comprehensive income ("FVOCI"); establishes criteria for the classification of financial assets within each measurement category based on business model and cash flow characteristics; and eliminates the existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories. IFRS 9 also introduces a new expected credit loss model for the purpose of assessing the impairment of financial assets. The following table shows the previous classification under IAS 39 and the new classification under IFRS 9 for the Company's financial instruments:

	Original (IFRS 39)	**Revised (IFRS 9)**
Financial assets		
Cash	Loans and receivables	Amortized cost
Financial assets		
Cash	Loans and receivables	Amortized cost
Restricted cash	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Secured promissory notes	Other financial liabilities	Amortized cost
Accrued interest	Other financial liabilities	Amortized cost
Convertible notes	Other financial liabilities	Amortized cost

3. **Significant Accounting Policies (continued):**

(b) Financial instruments (continued)

The following are the Company's new accounting policies for financial instruments under IFRS 9:

Financial assets

Non-derivative financial assets within IFRS 9 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.

Impairment of financial assets

The impairment model under IFRS 9 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 has elected to apply 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.

3. **Significant Accounting Policies (continued):**

(b) Financial instruments (continued)

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.

(e) Revenue recognition

The Company, as of December 1, 2018, adopted IFRS 15, Revenue from Contracts with Customers. The adoption of IFRS 15 had no impact to the financial statements of the Company. 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.

3. Significant Accounting Policies (continued):

(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

(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.

3. Significant Accounting Policies (continued):

(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.

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.

3. Significant Accounting Policies (continued):

(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.

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.

(l) Government grants

An unconditional government grant related to research and development activities is recognized in profit or loss as a deduction from the related expenditure when the grant becomes receivable. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the asset.

(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.

3. Significant Accounting Policies (continued):

(n) Income tax (continued)

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.

(q) Comparative figures

For comparative purposes, certain of the prior year figures have been reclassified.

(r) New standards and interpretations not yet adopted

Certain new standards, interpretations and amendments to existing standards issued by the IASB or IFRIC that are not yet effective up to the date of issuance of the Company's consolidated statements are listed below. The Company is assessing the impact of these pronouncements on its results and financial position. The Company intends to adopt those standards when they become effective.

IFRS 16, Leases

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, Leases, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. The new standard becomes effective for the Company December 1, 2019. The final impact of adoption has not yet been determined.

4. Accounts receivable:

The following summarizes the Company's accounts receivable as at November 30, 2019 and 2018:

		2019		2018
Gross trade accounts receivable	**$**	11,239	$	1,064
Less: allowance for doubtful accounts		-		-
Net trade accounts receivable	**$**	11,239	$	1,064
HST receivable		63,012		436,659
	$	74,251	$	437,723

5. **Inventory:**

The following summarizes the Company's inventory as at November 30, 2019 and 2018:

		November 30, 2019		November 30, 2018
Raw materials	**$**	8,723	$	51,537
Work in process		-		125,985
Finished goods	**$**	49,652	$	36,589
	$	58,375	$	214,111

During the year, $40,864 (November 30, 2018 -$nil) of inventory was written off due to quality assessment procedures. Material costs included in cost of goods sold for the year ended November 30, 2019 was $487,659 (November 30, 2018 - $49,366).

6. **Property and Equipment:**

		Computers and equipment		**Assets held for lease**		**Machinery**		**Total**
Cost								
Balance, November 30, 2017	**$**	54,091	$	284,741	$	-	$	338,832
Additions		40,568		-		86,996		127,564
Disposals		-		(284,741)		-		(284,741)
Effects of movement in exchange rates		93		-		631		724
Written-off		(15,683)		-		-		(15,683)
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**
Depreciation and disposals								
Balance, November 30, 2017	**$**	34,651	**$**	284,741	**$**	-	$	319,392
Depreciation		11,978		-		5,938		17,916
Disposals		-		(284,741)		-		(284,741)
Written-off		(2,202)		-		-		(2,202)
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**
Carrying amounts								
Balance, November 30, 2018	$	28,897	$	-	$	87,434	$	116,331
Balance, November 30 2019	**$**	**20,395**	**$**	**-**	**$**	**95,445**	**$**	**115,840**

7. Goodwill and Intangible Assets:

		Goodwill
Cost		
Balance, November 30, 2017	**$**	**-**
Addition – Life Bloom Organics, LLC		588,769
Addition – Brand Max Inc.		160,195
Impairment		(161,253)
Effects of movement in exchange rates		4,949
Balance, November 30, 2018	$	592,660
Impairment		**-**
Effects of movement in exchange rates		(560)
Balance, November 30, 2019	$	592,100

		Intangible assets
Cost		
Balance, November 30, 2016	**$**	**-**
Addition – Jamaica-BLU Ltd., LLC		1,923,485
Less amortization		(24,044)
Balance, November 30, 2017		1,899,441
Addition – Rise Research, LLC		4,310,995
Addition – Other patents		200,210
Addition – Brand Max Inc.		6,749
Addition – Legal fees		6,668
Less amortization		(285,425)
Impairment		(5,942,417)
Effects of movement in exchange rates		45
Balance, November 30, 2018	**$**	196,266
Less amortization		(14,473)
Impairment		(181,793)
Balance, November 30, 2019	**$**	**-**

As part of the Company's annual assessment of its intangible assets, 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 as at November 30, 2019 (2018 - $5,942,417) in the consolidated statement of loss and comprehensive loss under the heading impairment of intangible assets.

The recoverable amount of the LBO CGU was based on fair value less costs of disposal, estimated using non-binding offers received by the Group for the sale of the CGU from arms-length third parties. Costs of disposal were estimated at 10% of the estimated fair value. The fair value measurement is categorized as a Level 3 fair value (see note 17). Based on the result of the assessment, management concluded that there was no impairment required to be recognized for the CGU.

In November 2018, management assessed the fair value of a license acquired in 2017 pertaining to Jamaica-Blu Ltd, ("Jblu"). Management considered the nature of the licence, its application, if any in its current and future products, the Company's current markets and plans and determined that the license acquired was impaired and that the current value in use, after consideration of all factors was nil. An impairment charge of $1,810,609 was recorded in the consolidated statement of loss and comprehensive loss under the heading impairment of intangible assets.

7. **Goodwill and Intangible Assets (continued):**

The license from acquired from Rise Research Inc. in 2018 was highly dependent on the life of the patent which was 20 years from the date of filing. Accordingly, management adopted a useful life of the License of 20 years however, for the year ended November 30, 2018, management performed an impairment assessment and determined that the license acquired was impaired, Judgementally, management considered the nature of the licence, its application, if any in its current and future products, the Company's current markets and plans and determined that the current value in use of the license after consideration of all factors was nil. An impairment charge of $4,131,808 was recorded in the consolidated statement of loss and comprehensive loss under the heading impairment of intangible assets.

On November 30, 2018, the Company also determined that the goodwill previously recognized upon the acquisition of Brand Max Inc. was impaired. Management in its assessment, judgementally considered current areas of focus, resource allocations and expected revenues. Cash flow modelling, applying variables and sensitivities resulted in an impairment charge of $161,253 which was recognized in the statement of loss and comprehensive loss under the heading goodwill impairment.

8. **Selling, general and administrative expense:**

Included in selling, general and administrative expense for the years ended November 30, 2019 and 2018 are the following:

		2019		2018
Salaries and related costs	**$**	1,370,363	$	642,849
Amortization and depreciation		52,768		303,340
	$	1,423,131	$	946,189

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 it 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, 2019 and 2018:

		2019		2018
Secured promissory notes (i)	$	1,751,334	$	1,751,334
Accrued interest		1,737,206		1,360,154
	$	3,488,540	$	3,111,488
Current portion:				
Principal	$	3,488,540	$	300,000
Long term portion:				
Principal	$	-		1,311,334
Accrued interest and deferred financing charges		-		1,500,154

(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 are 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.
- No principal payments as of November 30, 2019 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 $377,052 (November 30, 2018 – $329,845) 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.

(b) The following summarizes the Company's convertible notes and other loans payable as at November 30, 2019 and 2018:

		2019		2018
$50,000 convertible promissory note (i)	$	50,000	$	50,000
$4,035,000 convertible notes (ii)		3,709,417		3,425,107
$1,330,000 convertible notes (iii)		1,215,872		-
$274,000 convertible notes (iv)		254,062		-
Escrowed funds (iv)		1,925,000		-
Loan		19,736		28,911
Accrued interest		414,112		45,266
	$	7,588,199		3,549,284
Less: Current portion		6,107,766		104,503
Non-current portion	$	1,480,433		3,444,781

10. Notes Payable (continued):

(b) The following summarizes the Company's convertible notes payable as at November 30, 2019 and 2018 (continued):

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

		2019		2018
Discounted balance				
Add: Unaccreted portion of discount related to	**$**	7,588,199	$	3,549,284
Deferred financing charges (v)		216,635		294,168
Debt fair value adjustment being accreted (v)		243,014		315,725
	$	8,047,848	$	4,159,177
Less: Current portion		6,433,349		124,177
Long term portion	**$**	1,614,499	$	4,035,000

(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, 2019, the note is 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.

(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.

10. Notes Payable (continued):

(b) The following summarizes the Company's convertible notes payable as at November 30, 2019 and 2018 (continued):

(iii) (**continued)**

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, 2019, $160,000 of the December 4th notes have 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 has been recorded at face value and the funds held in escrow shown as restricted cash.

Prior to November 30, 2019, $125,000 of cash held in escrow was returned to subscribers. The remaining amount of $1,925,000 was returned subsequent to year end. See subsequent events (note 19).

(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 $834,169 (November 30, 2018 – $25,850) and accretion expense of $390,850 (November 30, 2018 - $13,664) were recognized during the period in relation to all these notes. $232,566 of interest is past due as of November 30, 2019 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 December 20, 2017 48,611 warrants of the Company were exercised at $0.30 per share for gross proceeds of $14,583.

(ii) On December 28, 2017, a $100,000 convertible debenture was converted at $0.20 per share; 500,000 common shares were issued.

(iii) On January 16, 2018, 113,280 warrants of the Company were exercised at $0.30 per share for gross proceeds of $33,984.

(iv) On February 2, 2018, the Company acquired 100% of the outstanding shares of Rise Research Inc. Under the terms of the acquisition, the Company issued 9,500,000 common shares to the shareholders of Rise Research Inc.

(v) On April 4, 2018, 51,450 warrants of the Company were exercised at $0.25 per share for gross proceeds of $12,863.

(vi) On April 5, 2018, 20,000 warrants of the Company were exercised at $0.25 per share for gross proceeds of $5,000.

(vii) On April 17, 2018, 33,333 warrants of the Company were exercised at $0.25 per share for gross proceeds of $8,333.

(viii) On April 19, 2018, the Company closed tranches of its non-brokered private placement through the issuance of an aggregate of 7,366,166 units at a price of $0.30 per unit for gross proceeds of $2,209,850. Each unit was comprised of one common share of the Company and one-half of one common share purchase warrant. 3,683,083 warrants were issued and valued at $493,400 using the Black-Scholes pricing model. Each full warrant entitles the holder thereof to purchase one common share for a period of twenty-four (24) months from the date of closing at a price of $0.45 per common share and were valued using the Black-Scholes pricing model. In addition, 519,560 finders' warrants were issued in connection with the private placement. The finders warrants were valued at $85,100 using the Black-Scholes pricing model entitle the holder thereof to purchase one common share for a period of twenty-four (24) months from the date of closing at a price of $0.30 per common share.

(ix) On April 19, 2018, the Company has also issued an aggregate of 83,333 common shares in settlement of an aggregate of $30,307 of indebtedness with a vendor at a price of $0.30 per common share

(x) On June 29, 2018 100,000 warrants of the Company were exercised at $0.25 per share for gross proceeds of $25,000.

(xi) On July 3, 2018, the Company closed tranches of its non-brokered private placement through the issuance of an aggregate of 4,824,399 units at a price of $0.30 per unit for gross proceeds of $1,447,320. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant. 2,412,199 warrants were issued and valued at $450,800 using the Black-Scholes pricing model. Each warrant entitles the holder thereof to purchase one common share for a period of twenty-four (24) months from the date of closing at a price of $0.45 per common share. 322,912 finders' warrants were issued in connection with the private placement. The finders warrants were valued at $69,700 using the Black-Scholes pricing model entitle the holder thereof to purchase one Common Share for a period of twenty-four (24) months from the date of closing at a price of $0.30 per common share.

(xii) On July 11, 2018, the Company acquired 100% of the outstanding shares of Life Bloor Organics and Brand Max Inc. Under the terms of the acquisition, the Company issued at fair value 1,500,000 common shares to the shareholders of Life Bloom Organics and 500,000 common shares to the shareholders of Brand Max Inc.

11. Share Capital:

(b) Shares issued and outstanding (continued)

(xiii) On August 1, 2018, the Company closed tranches of its non-brokered private placement through the issuance of an aggregate of 766,666 units at a price of $0.30 per unit for gross proceeds of $230,000. Each unit is comprised of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to purchase one Common Share for a period of twenty-four (24) months from the date of closing at a price of $0.45 per Common Share. 74,544 finder warrants were issued in connection with the private placement. The finders warrants valued at $11,300 using the Black-Scholes pricing model entitle the holder thereof to purchase one common share for a period of twenty-four (24) months from the date of closing at a price of $0.30 per common share.

(xiv) On April 17, 2019, $75,000 of the December 4th notes were converted into 500,000 common shares.

(xv) On April 26, 2019, $50,000 of the December 4th notes were converted into 333,333 common shares.

(xvi) On May 24, 2019, $10,000 of the December 4th notes were converted into 66,666 common shares.

(xvii) 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.

Changes in the number of options outstanding during the years ended November 30, 2019 and 2018 are as follows:

				2019				2018
		Options		**Weighted Average Exercise Price**		Options		Weighted Average Exercise Price
Balance, beginning of year	$	4,036,300	$	0.36	$	678,000	$	0.66
Granted		500,000		0.18		3,920,000		0.32
Forfeited, cancelled or expired		(984,900)		0.47		(561,700)		0.65
Balance, end of year	$	3,551,400	$	0.30	$	4,036,300	$	0.36
Options exercisable, end of year	$	3,529,202	$	0.30	$	3,565,017	$	0.36
Weighted average fair value of options granted during the year	$	-	$	0.18	$	-	$	0.32

11. Share Capital (continued):

(c) Options (continued)

Range of exercise prices	Outstanding number	Weighted average remaining contractual life	Weighted average exercise price	Exercisable number
$0.15	300,000	3.46 years	$0.15	300,000
$0.22	200,000	4.16 years	$0.22	200,000
$0.27	50,000	0.41 years	$0.27	50,000
$0.30	2,650,000	2.57 years	$0.30	2,650,000
$0.40	200,000	3.45 years	$0.40	177,802
$0.45	150,000	0.14 years	$0.45	150,000
$25.00	1,400	2.58 years	$25.00	1,400
$0.15 - $25.00	3,551,400	2.65 years	$0.30	3,529,202

For the year ended November 30, 2019, option compensation expense of $77,213 (November 30, 2018 - $817,434) was recognized for options granted and which had vested.

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, 2019	November 30, 2018
Expected option life	5 years	5 years
Market price	$0.15	$0.28
Strike price	$0.18	$0.31
Risk free interest rate	1.45%	2.23%
Dividend yield	nil	nil
Expected volatility	143%	148%

(d) Warrants

Changes in the number of warrants outstanding during the years ended November 30, 2019 and November 30, 2018 are as follows

			2019			2018
	Warrants	**Amount**	**Weighted Average Exercise Price**	Warrants	Amount	Weighted Average Exercise Price
Balance, beginning of year	$ 50,860,483	$ 3,564,643	$ 0.22	$11,976,262	$ 1,157,671	$ 0.28
Issued on acquisition d(i)	-	-	0.12	3,957,954	1,005,900	0.12
Issued as compensation d(ii)(iii)	1,000,000	-	0.15	1,000,000	-	0.45
Granted, pursuant to private placement	11,758,824	109,291	0.15	34,292,941	1,439,957	0.21
Exercised	-	-	-	(366,674)	(38,885)	(0.26)
Expired	(12,258,567)	(1,081,388)	(0.27)	-	-	-
Balance end of year	$ 51,360,740	$ 2,592,546	$ 0.19	$ 50,860,483	$ 3,564,643	$ 0.22
Weighted average remaining contractual life (years)			**1.06**			1.75

11. Share Capital (continued):

(d) Warrants (continued)

(i) On February 2, 2018, as part of the acquisition of Rise Research Inc., 3,957,954 warrants of the Company were exchanged for 12,000,000 warrants of Rise Research Inc. The warrants expire on April 31, 2022, have a strike price of $0.1213 and had a fair value on the date of acquisition of $1,005,900 which was determined using the Black-Scholes pricing model.

(ii) 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.

(iii) 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 $70,800 in compensation expense (November 30, 2018- $37,895) to recognize warrants granted and which had vested.

(iv) 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.

(v) The Company has 19,328,067 (November 30, 2018 – 13,448,655) 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, 2019, compensation expense of $216,599 (November 30, 2018 - $24,457) 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:

	2019	2018
Expected option life	2 years	1.78 years
Market price	$0.20	$0.32
Strike price	$0.15	$0.32
Risk free interest rate	1.82%	1.95%
Dividend yield	nil	nil
Expected volatility	140%	126%

(e) Per share amounts

The weighted average number of common shares outstanding for the year ended November 30, 2019 and 2018 was 58,055,316 and 50,028,989 respectively. 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.

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, 2019 and 2018 is disaggregated by channel of revenue and timing of revenue recognition.

		2019		2018
Revenue channel				
Online	**$**	171,231	$	28,528
Business to business		397,684		83,094
Distribution and partnerships		405,354		-
Other		-		74,403
	$	974,269	$	186,025
Timing of revenue recognition				
Transfer of control		974,269		111,622
Completion of service		-		74,403
	$	974,269	$	186,025

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.

			2019			2018
	United States	**All Other**	**Consolidated**	United States	All Other	Consolidated
Revenue from external customers (i)	**$** 974,269	**$** -	**$** 974,269	$ 186,025	$ -	$ 186,025
Non-current assets	706,013	1,927	707,940	692,901	331,556	1,024,457
Comprehensive loss	2,966,883	4,189,013	7,155,896	1,096,641	10,775,199	11,871,840

(i) All revenues were generated within the United states

14. Income Taxes:

The reconciliation of the 2019 combined Canadian federal and provincial statutory income tax rate of 26.5% (2018 – 26.5%) to the effective tax rate is as follows:

		2019		2018
Loss for the year before income taxes		(7,126,776)		(11,856,173)
Expected income tax recovery	**$**	(1,898,831)	$	(3,141,890)
Tax rate changes and other adjustments		162,242		78,030
Permanent differences		105,172		1,923,380
Undeducted share issue costs		-		(125,170)
Utilization of losses not previously recognized	**$**	-	$	90,100
Change in tax benefits not recognized		1,631,417		1,175,550
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, 2019, the following deductible temporary differences have not been recognized:

		2019		2018
Non-capital loss carry-forwards	**$**	22,477,000	$	21,741,000
Non-capital loss carry-forwards - US		4,201,000		1,064,000
Scientific research and experimental development expenditures		2,272,000		2,272,000
Intangible assets		-		1,600,000
Scientific research and experimental development tax credits		470,000		470,000
Share issue costs		406,000		352,000
Property and equipment		1,797,000		497,000

Non-capital losses carried forward expire between 2026 and 2039. 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
Total	$	22,477,000

15. Finance Expense:

During the years ended November 30, 2019 and 2018 the Company incurred finance expense as follows:

		2019		2018
Interest and accretion on notes payable (note 10)	**$**	1,606,081	$	423,300
Bank charges and other interest		113,189		24,266
		1,719,270		447,566

During the years ended November 30, 2019 and 2018, the Company paid finance expense as follows:

		2019		2018
Interest and accretion on notes payable (note 10)	**$**	468,700	$	-
Bank charges and other interest paid		7,862		8,620
		476,562		8,620

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.

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 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	$ 2,152,742	$ -	$ -	$ 2,152,742
Secured promissory notes	3,488,540	-	-	3,488,540
Convertible notes	6,433,349	1,614,499	-	8,047,848
	12,074,631	1,614,499	-	13,689,130

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 paid to key management personnel for the periods ended November 30, 2019 and 2018 is as follows:

		2019		2018
Salaries, fees and short-term employee benefits	**$**	**1,099,223**	$	1,065,805
Stock-based compensation		**221,548**		717,685
	$	**1,320,771**	$	1,783,490

(b) Key management personnel and shareholder transactions

Included in accounts payable and accrued liabilities is $369,573 (November 30, 2018 $815,662) due to key management.

19. Subsequent Events:

(a) On December 6th, 2019, the Company announced that it would be returning the escrowed proceeds of its April 1, 2019 financing (note 10(iv)) as the Company did not complete a qualifying CBD related investment. The Company also disclosed that it could not meet its current obligations to holders of its convertible notes issued on November 14, 2018 (note 10(ii), and December 4, 2018 (note 10(iii)) in the aggregate principal amount of $5,525,000. The Company also can not meet its current obligations to holders of its convertible notes issued on April 1, 2019 which do not form part of the escrowed proceeds in the aggregate amount of $274,000. To date, none of the note holders or other creditors has taken any action or commenced any proceedings with respect to the enforcement of any of its rights or remedies under such agreements. The Company continues to try to raise sufficient funds to settle all unpaid amounts that are due and payable to creditors or amend its existing agreements with them. However, any default under the notes would have a material adverse effect on the business, financial condition and continued operations of the Company.

(b) Subsequent to November 30, 2019, financial markets have been negatively impacted by the novel Coronavirus or COVID-19, which was declared a pandemic by the World Health Organization on March 12, 2020. This has resulted in significant economic uncertainty and consequently, it is difficult to reliably measure the potential impact of this uncertainty on the Company's future financial results.

SCHEDULE "C"
ADSL FINANCIAL STATEMENTS

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Condensed Interim Consolidated Financial Statements
(Expressed in UK Pounds Sterling)

Advanced Development & Safety Laboratories Limited

For the six months ended November 30, 2020 and November 30, 2019
(Unaudited)

To our Shareholders

The accompanying unaudited condensed interim consolidated financial statements of Advanced Development & Safety Laboratories Limited ("ADSL") have been prepared by and are the responsibility of ADSL's management in accordance with International Accounting Standards ("IAS") 34, *Interim Financing Reporting* as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements do not include all the information and notes required by International Financial Reporting Standards ("IFRS") for annual financial statements and should be read in conjunction with ADSL's annual financial statements and notes for the year ended May 31, 2020.

Advanced Development & Safety Laboratories Limited
Condensed Interim Consolidated Statement of Financial Position
Expressed in UK Pounds Sterling
(Unaudited)

As at	Notes	November 30, 2020	May 31, 2020
		£	£
Assets			
Current assets:			
Cash		**2,625,443**	1,646,102
Accounts receivable		**783,589**	597,496
Prepaid expenses		**9,704**	16,977
Due from related party	3	**365,226**	280,000
Total current assets		**3,783,962**	2,540,575
Non-current assets:			
Property and equipment	4	**381,794**	255,144
Intangible assets	5	**3,119**	3,905
Total non-current assets		**384,913**	259,049
Total assets		**4,168,875**	2,799,624
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	9	**978,834**	494,877
Current portion of lease liability	6	**17,325**	22,130
Total current liabilities		**996,159**	517,007
Non-current liabilities:			
Lease liability	6	**75,399**	84,559
Deferred income taxes	9	**55,516**	28,948
Total non-current liabilities		**130,915**	113,507
Total liabilities		**1,127,074**	630,514
Shareholders' Equity			
Share capital	7	**200**	200
Contributed surplus	7	**199,900**	199,900
Retained earnings		**2,841,701**	1,969,010
Total shareholders' equity		**3,041,801**	2,169,110
Total liabilities and shareholders' equity		**4,168,875**	2,799,624

Subsequent events (note 12)

These condensed interim consolidated financial statements were approved for issued on October 1, 2021 by the Board of Directors and on its behalf by:

"Mark Bowes-Cavanagh"
Director

"Sarah Zilik"
Director

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

Advanced Development & Safety Laboratories Limited

Condensed Interim Consolidated Statement of Income and Comprehensive Income
For the six months ended November 30, 2020 and November 30, 2019
(Expressed in UK Pound Sterling)
(Unaudited)

	Note	For the three months ended November 30, 2020	For the three months ended November 30, 2019	For the six months ended November 30, 2020	For the six months ended November 30, 2019
		£	£	£	£
Revenues					
Product sales and other income	8	**1,047,301**	659,688	**1,769,446**	1,358,895
Cost of sales	8	**227,276**	158,823	**421,649**	335,186
Gross profit		**820,025**	500,865	**1,347,797**	1,023,709
Expenses					
Directors	3	**32,481**	32,361	**64,918**	64,601
Selling, general and administration		**34,189**	38,159	**52,408**	75,082
Legal and professional		**1,798**	11,261	**37,040**	26,444
Depreciation and amortization	4, 5	**29,733**	11,250	**56,576**	22,498
Office and administration		**22,012**	19,965	**34,317**	37,763
Facilities expense and leases		**7,364**	11,984	**17,777**	22,577
		127,577	124,980	**263,036**	248,965
Net income before income tax		**692,448**	375,885	**1,084,761**	774,744
Current income tax	9	**128,280**	81,829	**183,088**	158,776
Deferred income tax	9	**1,179**	(1,520)	**28,982**	(2,415)
		129,459	80,309	**212,070**	156,361
Net income and comprehensive income		**562,989**	295,576	**872,691**	618,383
Basic and diluted earnings per share		**2,814.95**	1,477.88	**4,363.46**	3,091.92
Basic and diluted weighted average shares outstanding		**200**	200	**200**	200

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

Advanced Development & Safety Laboratories Limited

Condensed Interim Consolidated Statements of Changes in Shareholders’ Equity

For the six months ended November 30, 2020 and November 30, 2019
(Expressed in UK Pounds Sterling)
(Unaudited)

	Share Capital	Contributed Surplus	Retained Earnings	Total
	£	£	£	£
At May 31, 2019	200	199,900	1,135,783	1,335,883
Net income and comprehensive income for the period	-	-	618,383	618,383
At November 30, 2019	200	199,900	1,752,241	1,952,341
At May 31, 2020	**200**	**199,900**	**1,969,010**	**2,169,110**
Net income and comprehensive income for the period	-	**-**	**872,691**	**872,691**
At November 30, 2020	**200**	**199,900**	**2,841,701**	**3,041,801**

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

Advanced Development & Safety Laboratories Limited

Condensed Interim Consolidated Statement of Cash Flows
For the six months ended November 30, 2020 and November 30, 2019
(Expressed in UK Pounds Sterling)
(Unaudited)

	Note	For the six months ended November 30, 2020	For the six months ended November 30, 2019
		£	£
OPERATING ACTIVITIES			
Net income for the period		**872,691**	618,383
Adjustments for items not involving cash			
Depreciation	**4**	**55,790**	21,709
Amortization	**5**	**786**	789
Interest on leases	**6**	**6,285**	10,011
Deferred income taxes	**9**	**28,982**	(2,415)
Cash from operations		**964,534**	648,477
Changes in non-cash working capital items			
Accounts receivable		**(186,093)**	(38,161)
Prepaid expenses		**7,273**	8,165
Accounts payable and accrued liabilities		**484,633**	212,736
Total changes in non-cash working capital items		**305,813**	182,740
CASH GENERATED FROM OPERATIONS		**1,270,347**	831,217
INVESTING ACTIVITIES			
Purchase of property and equipment	**4**	**(182,440)**	(2,200)
CASH USED IN INVESTING ACTIVITIES		**(182,440)**	(2,200)
FINANCING ACTIVITIES			
Advances to related party	**3**	**-**	(25,000)
Repayments to directors	**3**	**(88,316)**	(221,098)
Lease payments	**6**	**(20,250)**	(19,500)
CASH USED IN FINANCING ACTIVITIES		**(108,566)**	(265,598)
Increase in cash and cash equivalents		**979,341**	563,419
Cash and cash equivalents at beginning of period		**1,646,102**	936,919
Cash and cash equivalents at end of period		**2,625,443**	1,500,338

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

1. Reporting Entity:

Advanced Development & Safety Laboratories Limited ("ADSL" or the "Company") is a company domiciled and incorporated under the Companies Act 1985 as a private limited company in England and Wales on May 29, 2008. The address of the Company's registered office is 37 Shiphay Lane, Torquay, TQ2 7DU. The Company provides product formulation, safety and laboratory testing services to the cosmetics, food and household goods industries globally. ADSL's wholly owned subsidiary, Advanced Development & Safety Laboratories (Ireland) Limited, have been consolidated in these accounts.

2. Basis of Preparation:

(a) Statement of compliance

These condensed interim consolidated financial statements for the three and six months ended November 30, 2020 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed.

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those set out in note 3 *Significant Accounting Policies* of the Company's annual consolidated financial statements for the year ended May 31, 2020. These condensed interim consolidated financial statements should be read in conjunction with the consolidated financial statements for the year ended May 31, 2021.

The condensed interim consolidated financial statements were approved and authorized by the Board of Directors on October 1, 2021.

(b) Basis of consolidation

The Company consolidates entities which it controls. Control exists when the Company has the power, directly and indirectly to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The condensed interim consolidated financial statements of the wholly owned subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases.

Intercompany balances, and any unrealized gains and losses or income and expenses arising from transactions with controlled entities are eliminated to the extent of the Company's interest in the subsidiary.

(c) COVID-19

In March 2020, the outbreak of the novel strain of corona virus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

(d) Basis of measurement

These condensed interim consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments classified at fair value upon initial recognition. 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.

(e) Functional and presentation currency

The condensed interim consolidated financial statements are presented in UK Pounds Sterling, which is the Company's and Advanced Development & Safety Laboratories (Ireland) Limited's functional currency and the overall presentation currency. All financial information presented has been rounded to the nearest UK Pounds Sterling except where indicated otherwise.

(f) Use of significant estimates and judgements

The preparation of these condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. The estimated and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent form other sources. 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 condensed interim consolidated financial statements are discussed below.

Property and Equipment and Intangible Assets
Depreciation of property and equipment and amortization of intangible assets is dependent upon estimates of useful lives and residual values based on management's judgement.

Indefinite life intangible asset impairment testing requires management to make critical estimate in the impairment testing model. On an annual basis, the Company tests whether indefinite life intangible assets are impaired. Estimation is required with respect to determining the recoverable amount of indefinite life intangibles.

Impairment of definite long-lived assets is influenced by judgment in defining a cash generating unit (or "CGU") and determining the indicators of impairment, and estimate used to measure impairment losses.

Discount Rate for Leases
IFRS 16: *Leases* requires lessees to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Company generally uses the incremental borrowing rate when initially recording leases as the implicit rates are not readily available as information from the lessor regarding the fair value of the underlying assets, and the initial direct costs incurred by the lessor related to the leased asset are not available. The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow, over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Income Taxes
The provisions for income taxes and composition of income tax assets and liabilities are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences affect the tax provisions in the period in which such determination is made. The application of income tax legislation also requires judgements in order to interpret the various legislation and apply those findings to the Company's transactions.

Expected Credit Losses
The Company measures expected credit losses in accordance with IFRS 9: *Financial instruments*. Under this approach, the Company estimates an allowance at an amount equal to twelve months of expected credit losses and the lifetime expected credit losses of financial instruments. In the case of an expected credit loss, the Company creates an impairment.

(g) Significant accounting policies

These condensed interim consolidated financial statements have been prepared using the same accounting policies and methods as those used in the Company's annual consolidated financial statements for the year ended May 31, 2020.

(h) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective at November 30, 2020, and have not been applied in preparing these condensed interim consolidated financial statements. Management has determined that none of these will have a significant effect on these condensed interim consolidated financial statements of the Company.

3. Related Party Transactions:

Due from related party

The due from related party balance consists of an £280,000 (2019 – £280,000) advance to a company under common control and £85,226 (2019 – £676 of advances from directors of the Company) of advances to directors of the Company. These loans are interest free, without security and due on demand.

Transactions for the period

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined its key management personnel to be executive officers and directors of the Company.

The remuneration of key management personnel for the three and six months ended November 30, 2020 and November 30, 2019 is as follows:

	For the three months ended		For the six months ended	
	November 30, 2020	November 30, 2019	November 30, 2020	November 30, 2019
	£	£	£	£
Salaries and short-term employee benefits	**32,481**	32,361	**64,918**	64,601

4. Property and Equipment:

	Fixtures & Fittings	Computer Equipment	ROU Asset	Total
	£	£	£	£
Cost				
Balance May 31, 2020	363,594	18,777	150,858	533,229
Additions	177,949	4,491	-	182,440
Balance November 30, 2020	**541,543**	**23,268**	**150,858**	**715,669**
Accumulated amortization				
Balance May 31, 2020	204,923	11,648	61,514	278,085
Charge for the period	41,776	1,443	12,571	55,790
Balance November 30, 2020	**246,699**	**13,091**	**74,085**	**333,875**
Net Book Value, November 30, 2020	**294,844**	**10,177**	**76,773**	**381,794**

5. Intangible assets:

	Online Portal
	£
Cost	
Balance May 31, 2020	15,744
Additions	-
Balance November 30, 2020	**15,744**
Accumulated amortization	
Balance May 31, 2020	11,869
Charge for the period	786
Balance November 30, 2020	**12,655**
Net Book Value, November 30, 2020	**3,119**

6. Leases:

The following table reflects the changes in lease payable for the six months ended November 30, 2020:

	£
Balance May 31, 2020	**106,689**
Additions	**-**
Lease payments	**(20,250)**
Lease interest	**6,285**
Balance November 30, 2020	**92,724**
Current	17,325
Non-current	75,399
Total lease liability	**92,724**

7. Share Capital:

Authorized

The share capital of the Company is limited to 10,000 ordinary shares at £1 each. Any premium paid on the ordinary shares is recognized as part of contributed surplus. The shares in the original or any increased capital of the Company may be issued with such preferred, deferred, or other special rights or restrictions, whether regarding dividend, voting return of capital or otherwise as the Company may from time to time determine. All classes of common shares have the same rights and are entitled to receive dividends. Each shareholder is entitled to one vote per share and share equally in the distribution of the remaining assets of the Company in the event of liquidation, dissolution or winding up of the Company.

Issued

The issued and outstanding ordinary shares are as follows:

	November 30, 2020			**May 31, 2020**		
	Number of shares	**Amount**	**Contributed surplus**	**Number of shares**	**Amount**	**Contributed surplus**
		£	**£**		**£**	**£**
Class A	100	100	-	100	100	-
Class B	100	100	199,900	100	100	199,900
	200	200	199,900	200	200	199,900

8. Revenue:

In the current period, the Company generates revenue from the sale of services related to product formulation and development, safety and compliance reporting and laboratory testing of products in the cosmetic and household goods industries. Services in the current and previous periods are sold business to business.

In the following table, revenue for the three and six months ended November 30, 2020 and November 30, 2019 is disaggregated by the most relevant channels of revenue.

	For the three months ended		**For the six months ended**	
	November 30, 2020	**November 30, 2019**	**November 30, 2020**	**November 30, 2019**
	£	**£**	**£**	**£**
Laboratory testing	**508,406**	233,364	**900,589**	462,304
Safety and other compliance	**538,895**	426,324	**868,857**	896,591
	1,047,301	659,688	**1,769,446**	1,358,895

For the three months ended November 30, 2020, the Company received £2,231 (2019 – £nil) under the UK Government's Coronavirus Job Retention Scheme. For the six months ended November 30, 2019, the Company received and £19,676 (2019 – £nil) under the UK Government's Coronavirus Job Retention Scheme. This amount has been classified as a reduction to cost of sales in the consolidated statements of income and comprehensive income and is not repayable.

9. Income Taxes:

The reported income taxes differ from the amounts obtained by applying domestic rates of the Company domiciled in the United Kingdom of 19% (2019 – 19%) to net income as follows:

	For the three-months ended November 30, 2020	For the three-months ended November 30, 2019	For the six-months ended November 30, 2020	For the six-months ended November 30, 2019
	£	£	£	£
Net income before income taxes	692,448	375,885	1,084,761	774,744
Expected expense at statutory rate	131,565	71,418	206,105	147,201
Non-deductible expenses	336	2,587	983	5,575
Research and development differences	(2,442)	6,304	4,982	3,585
Income tax expense	129,459	80,309	212,070	156,361

The following table summarized the components of deferred tax:

As at	November 30, 2020	May 31, 2020
	£	£
Intangible assets	593	741
Property and equipment, net of lease liability	54,923	28,207
Income tax expense	55,516	28,948

10. Financial Instruments and Risk Management:

The Company has classified its financial instruments as follows:

	November 30, 2020	May 31, 2020
	£	£
FVTPL, measured at fair value:		
Cash	**2,625,433**	1,646,102
Financial assets, measured at amortized cost:		
Accounts receivable	**783,589**	597,496
Due from related parties	**365,226**	280,000
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	**368,347**	176,770
Lease liability	**92,724**	106,689

The carrying amounts of cash, accounts receivable, due from related parties, accounts payable and accrued liabilities, and lease liability approximate fair value.

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 types of assets and liabilities classified as Level 1 include cash. Currently, the Company has no financial instruments that would be classified as Level 2 or Level 3.

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.

As at November 30, 2020, the Company had cash of £2,625,443 (May 31, 2020 – £936,919) to settle current liabilities of £978,834 (May 31, 2020 – £517,007).

	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
	£	**£**	**£**	**£**
Accounts payable and accrued liabilities	368,347	-	-	368,347
Lease liability	43,875	90,750	68,375	203,000
	412,222	90,750	68,375	571,347

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. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities. As at November 30, 2020, the Company has determined its exposure rate risk is minimal.

11. Capital Disclosures:

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue opportunities which contribute to the success of the Company while providing shareholder returns. The company attempts to maximize returns to shareholders by also minimizing shareholder dilution. The Company includes equity comprised of share capital, share premium and contributed surplus in its definition of capital. The Company has financed it operations and capital requirements primarily through its own cash flow generated from operations.

The Company manages its capital structure and adjusts 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.

12. Subsequent Events:

On February 9, 2021 Britannia Bud Canada Holdings Inc. ("Britannia") acquired 60% of each of the issued Class A and Class B ordinary shares of ADSL. Pursuant to the terms of the agreement, on the first three (3) anniversaries of the completion date, Britannia has the right to acquire from the Sellers up to an additional 40% of the share capital for an additional consideration. Upon expiry of the third anniversary of the transaction, if Britannia has not acquired all of the shares, the selling shareholders are to have the right to require Britannia to purchase all of the shares it does not yet own.

Consolidated Financial Statements
(Expressed in UK Pounds Sterling)

Advanced Development & Safety Laboratories Limited

Years ended May 31, 2020 and 2019

Zeifmans

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Advanced Development & Safety Laboratories Limited

Opinion on the Consolidated Financial Statements

We have audited the consolidated financial statements of Advanced Development & Safety Laboratories Limited (the "Company"), which comprise the consolidated statements of financial position as at May 31, 2020, May 31, 2019 and June 1, 2018, and the consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the years ended May 31, 2020 and 2019, and the 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 May 31, 2020, May 31, 2019 and June 1, 2018 and its consolidated financial performance and its consolidated cash flows for the years ended May 31, 2020 and 2019 in accordance with International Financial Reporting Standards ("IFRSs").

Basis of Opinion

We have conducted our audits in accordance with Canadian generally accepted auditing standards ("GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 IFRSs, 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 from 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 relating 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 Audits 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 GAAS 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 GAAS, we exercise professional judgment and maintain professional skepticism throughout the audits.

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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 for 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 purposes 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 financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

Zeifmans LLP

Toronto, Ontario
October 1, 2021

Chartered Professional Accountants
Licensed Public Accountants

Advanced Development & Safety Laboratories Limited

Consolidated Statements of Financial Position

(Expressed in UK Pounds Sterling)

As at	Note	May 31, 2020	May 31, 2019	June 1, 2018
		£	**£**	**£**
Assets				
Current assets:				
Cash		**1,646,102**	936,919	851,736
Accounts receivable		**597,496**	469,089	281,727
Prepaid expenses		**16,977**	14,564	10,431
Due from related party	4	**280,000**	250,000	140,000
Total current assets		**2,540,575**	1,670,572	1,283,894
Non-current assets:				
Property and equipment	5	**255,144**	124,474	129,953
Intangible assets	6	**3,905**	5,482	7,058
Total non-current assets		**259,049**	129,956	137,011
Total assets		**2,799,624**	1,800,528	1,420,905
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	4, 10	**494,877**	387,866	425,837
Current portion of lease liability	7	**22,130**	15,071	24,636
Total current liabilities		**517,007**	402,937	450,473
Non-current liabilities:				
Lease liability	7	**84,559**	49,235	64,306
Deferred income taxes	10	**28,948**	12,473	9,133
Total non-current liabilities		**113,507**	61,708	73,439
Total liabilities		**630,514**	464,645	523,912
Shareholders' Equity				
Share capital	8	**200**	200	200
Contributed surplus	8	**199,900**	199,900	199,900
Retained earnings		**1,969,010**	1,135,783	696,893
Total shareholders' equity		**2,169,110**	1,335,883	896,993
Total liabilities and shareholders' equity		**2,799,624**	1,800,528	1,420,905

Subsequent events (note 14)

These consolidated financial statements were approved for issued on October 1, 2021 by the Board of Directors and on its behalf by:

"Mark Bowes-Cavanagh"
Director

"Sarah Zilik"
Director

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

Advanced Development & Safety Laboratories Limited

Consolidated Statements of Income and Comprehensive Income
Years ended May 31, 2020 and 2019
(Expressed in UK Pound Sterling)

	Note	2020	2019
		£	**£**
Revenues			
Product sales and other income	9	**2,634,230**	1,831,222
Cost of sales	9	**615,175**	491,354
Gross Margin		**2,019,055**	1,339,868
Expenses			
Directors	4	**161,775**	228,732
Selling, general and administration	4	**145,515**	134,433
Legal and professional		**106,214**	57,039
Depreciation and amortization	5, 6	**81,986**	48,323
Office and administration		**65,664**	68,683
Facilities expense and leases		**49,798**	46,327
		610,952	583,537
Profit before income tax		**1,408,103**	756,331
Current income tax	10	**258,401**	99,957
Deferred income tax	10	**16,475**	3,340
		274,876	103,927
Net income and comprehensive income		**1,133,227**	653,034
Basic and diluted earnings per share		**5,666.14**	3,265.17
Basic and diluted weighted average shares outstanding		**200**	200

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

Advanced Development & Safety Laboratories Limited

Consolidated Statements of Changes in Shareholders' Equity

Years ended May 31, 2020 and 2019

(Expressed in UK Pounds Sterling)

	Share capital	Contributed surplus	Retained earnings	Total
	£	£	£	£
At May 31 2018	200	199,900	696,893	896,993
Net income and comprehensive income for the year	-	-	653,034	653,034
Dividends	-	-	(214,144)	(214,144)
At May 31 2019	**200**	**199,900**	**1,135,783**	**1,335,883**
Net income and comprehensive income for the year	-	**-**	**1,133,227**	**1,133,227**
Dividends	-	**-**	**(300,000)**	**(300,000)**
At May 31 2020	**200**	**199,900**	**1,969,010**	**2,169,110**

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

Advanced Development & Safety Laboratories Limited

Consolidated Statements of Cash Flows

Years ended May 31, 2020 and 2019
(Expressed in UK Pounds Sterling)

	Note	2020	2019
		£	£
OPERATING ACTIVITIES			
Net income for the year		1,133,227	653,034
Adjustments for items not involving cash			
Depreciation	5, 6	80,409	46,747
Amortization	5, 6	1,577	1,576
Deferred income tax	10	16,475	3,340
Interest on lease liability	7	20,850	13,039
Cash from operations		1,252,538	717,736
Changes in non-cash working capital items			
Accounts receivables		(128,407)	(187,362)
Prepaid expenses		(2,413)	(4,133)
Accounts payable and accrued liabilities		261,365	(73)
Total changes in non-cash working capital items		130,545	(191,568)
CASH GENERATED FROM OPERATIONS		**1,383,083**	**526,168**
INVESTING ACTIVITIES			
Purchase of property and equipment	5	(150,171)	(41,268)
CASH USED IN INVESTING ACTIVITIES		**(150,171)**	**(41,268)**
FINANCING ACTIVITIES			
Advances to related party	4	(30,000)	(110,000)
Due to/from Directors	4	(154,354)	(37,898)
Dividends paid	4	(300,000)	(214,144)
Lease payments	7	(39,375)	(37,675)
CASH USED IN FINANCING ACTIVITIES		**(523,729)**	**(399,717)**
Increase in cash and cash equivalents		709,183	85,183
Cash and cash equivalents at beginning of year		936,919	851,736
Cash and cash equivalents at end of year		1,646,102	936,919

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

1. Reporting Company:

Advanced Development & Safety Laboratories Limited ("ADSL" or the "Company") is a Company domiciled and incorporated under the Companies Act 1985 as a private limited company in England and Wales on May 29, 2008. The address of the Company's registered office is 37 Shiphay Lane, Torquay, TQ2 7DU. The Company provides product formulation, safety and laboratory testing services to the cosmetics, food and household goods industries globally. ADSL's wholly owned subsidiary, Advanced Development & Safety Laboratories (Ireland) Limited, have been consolidated in these accounts.

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"). There are the Company's first annual consolidated financial statements prepared in accordance with IFRS, and accordingly, IFRS 1, *First-time Adoption of International Financial Reporting Standards* has been applied.

Previously, the Company prepared its consolidated financial statements in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard ("FRS 102") applicable in the UK and Republic of Ireland and the Companies Act 2006. The transition to IFRS was made retrospectively and resulting adjustments were recorded as at June 1, 2018.

Note 12 discloses the impact of the transition to IFRS on the Company's reported financial position, financial performance and cash flows, including the nature and effect of significant changes in accounting policies from those used in the Company's consolidated financial statements for the year ended May 31, 2018 prepared under FRS 102 Section 1A Small Entities - The Financial Reporting Standard.

The policies applied to these consolidated financial statements are based on IFRS, which have been applied consistently to all periods presented. These consolidated financial statements were issued and effective as at X, 2021, the date the Board of Directors approved these consolidated financial statements.

(b) Basis of consolidation

The Company consolidates entities which it controls. Control exists when the Company has the power, directly and indirectly to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The consolidated financial statements of the wholly owned subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intercompany balances and any unrealized gains and losses or income and expenses arising from transactions with controlled entities are eliminated to the extent of the Company's interest in the subsidiary.

(c) COVID-19

In March 2020, the outbreak of the novel strain of corona virus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

(d) Basis of measurement

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments classified at fair value upon initial recognition. 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.

(e) Functional and presentation currency

The consolidated financial statements are presented in UK Pounds Sterling, which is the Company's and Advanced Development & Safety Laboratories (Ireland) Limited’s functional currency and the overall presentation currency. All financial information presented has been rounded to the nearest UK Pounds Sterling except where indicated otherwise.

(f) Use of significant estimates and judgements

The preparation of these consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. The estimated and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent form other sources. 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 are discussed below.

Property and Equipment and Intangible Assets
Depreciation of property and equipment and amortization of intangible assets is dependent upon estimates of useful lives and residual values based on management’s judgement.

Indefinite life intangible asset impairment testing requires management to make critical estimate in the impairment testing model. On an annual basis, the Company tests whether indefinite life intangible assets are impaired. Estimation is required with respect to determining the recoverable amount of indefinite life intangibles.

Impairment of definite long-lived assets is influenced by judgment in defining a cash generating unit (or “CGU”) and determining the indicators of impairment, and estimate used to measure impairment losses.

Discount Rate for Leases
IFRS 16: *Leases* requires lessees to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Company generally uses the incremental borrowing rate when initially recording leases as the implicit rates are not readily available as information from the lessor regarding the fair value of the underlying assets, and the initial direct costs incurred by the lessor related to the leased asset are not available. The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow, over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Income Taxes
The provisions for income taxes and composition of income tax assets and liabilities are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences affect the tax provisions in the period in which such determination is made. The application of income tax legislation also requires judgements in order to interpret the various legislation and apply those findings to the Company’s transactions.

Expected Credit Losses
The Company measures expected credit losses in accordance with IFRS 9: *Financial instruments*. Under this approach, the Company estimates an allowance at an amount equal to twelve months of expected credit losses and the lifetime expected credit losses of financial instruments.

3. Significant Accounting Policies:

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on deposit and highly liquid short-term interest-bearing variable rate investments with an original maturity of three months or less, or which are readily convertible into a known amount of cash with no significant changes. As at May 31, 2020, May 31, 2019 and June 1, 2018 there were no cash equivalents.

Foreign currency translation

Foreign currency transactions are translated into the Company'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 date of the consolidated statement of financial position. Foreign currency translation 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 income and comprehensive income.

Revenue recognition

Effective June 1, 2018, the Company early adopted IFRS 15, Revenue from Contracts with Customers ("IFRS 15").

Revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer by applying the following five steps:

1. identify the contract with a customer;
2. identify the performance obligations in the contract;
3. determine the transaction price;
4. allocate the transaction price to the performance obligations in the contract; and
5. recognize revenue when (or as) the Company satisfies a performance obligation.

Revenue excludes sales taxes and other amounts that are collected on behalf of third parties and is recorded when control of a product or service is transferred to a customer.

For laboratory testing and safety and other compliance reports, an assessment is made at the execution of each contract to determine whether: i) the performance obligations are satisfied over time, or ii) the performance obligations are satisfied at a point in time. Performance obligations are satisfied over time during the laboratory testing when the customer can exert control over the testing process. Revenue is recognized using the percentage-of-completion method when performance obligations are satisfied over time. The percentage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Revenue is only recognized to the extent of recoverable expenses when the outcome of the contract cannot be estimated reliably. Performance obligations not satisfied over time are satisfied at a point in time, which generally occurs when service reports are completed and available to the customer. When performance obligations are satisfied at a point in time, revenue is recognized when all of the aforementioned recognition criteria are met.

Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost less accumulated amortization and accumulated impairment losses, if any. 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 income and comprehensive income in the period in which they are incurred.

Depreciation

Depreciation is recognized when the asset is determined to be ready for use, 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
Fixtures and fittings	25% reducing balance
Computer equipment	25% reducing balance
Right-of-use asset	Lease term

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated statements of income and comprehensive income in the year the asset is derecognized.

The assets’ residual values, useful lives and methods of depreciation are reviewed at each financial year-end and adjusted prospectively if appropriate.

Subsequent expenditures

Subsequent expenditures are recognized as part of an existing asset’s carrying value or as a separate asset, as appropriate, only when it is probable that future economic benefits embodied in the specific asset to which they relate will flow to the Company and the cost of the items can be measured reliably. All other expenditures are recognized in profit or loss as incurred.

Intangible assets

The Company's intangible assets are comprised of an online portal that is recorded at cost less accumulated amortization and accumulated impairment losses, if any. Amortization of the online portal is recorded on a straight-line basis over the estimated useful life of 10 years.

Impairment of long-lived assets

The carrying amounts of long-lived assets, including property and equipment and intangible assets, are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. If any such indication exists, then the asset’s recoverable amount is estimated. Where the carrying value of an asset exceeds its recoverable amount, which is higher of the value in use and fair value less costs to sell, the asset is written down accordingly. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset’s cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separate cash inflows that are largely independent of the cash inflows from other assets. Intangible assets that have indefinite lives and intangible assets not yet put into use are evaluated for impairment at least annually. Write-downs as a result of impairment are recognized in the consolidated statements of income and comprehensive income.

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.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. All transactions with related parties have occurred in the normal course of business and are measured at their fair value.

Earnings per share

The Company presents basic and diluted earnings 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. The diluted EPS is determined by adjusting the profit or loss attributable to shareholders and the weighted average number of shares outstanding during the period for the effects of all potential dilutive shares. The calculation of diluted earnings per share assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted earnings per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Government assistance

Government grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. All grants are recognized as government assistance in the consolidated statements of income and comprehensive income on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the assistance is intended to compensate.

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.

Financial Instruments

Effective June 1, 2018, the Company early adopted IFRS 9, Financial Instruments ("IFRS 9").

Recognition and initial measurement

The Company initially recognizes financial instruments on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

A financial asset is or financial liability is measured initially at fair value plus/minus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or use.

Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income (“FVOCI”), or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company currently measures its accounts receivable and due from related party loans at amortized cost.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in FVOCI. This election is made on an investment-by-investment basis. The Company has not elected to present any assets as FVOCI.

Cash is measured at FVTPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost as FVOCI or FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectation about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of the Company's stated objective for managing the financial asset is achieved and how cash flows are realized.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of the contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical rest of interest rates

Reclassifications

The Company would reclassify a financial asset when the Company changes its business model for managing the financial asset. All reclassifications are recorded at fair value at the date of the reclassification, which becomes the new carrying value.

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

Financial liabilities

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

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transition in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognized) and the sum of (i) the consideration received (including any new assets obtained less any new liability assumed) and (ii) cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

Modifications of financial assets and financial liabilities

Financial assets

If the terms of a financial asset are modified, the Company evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value.

If the cash flows of the modified asset carried at amortized cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Company recalculates the gross carrying amount of the financial asset and recognizes the amount arising from adjusting the gross carrying amount as a modification gain or loss in profit or loss. If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income.

Financial liabilities

The Company derecognizes a financial liability when its terms are modified and the cash lows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

The Company recognizes financial assets and liabilities on its consolidated financial statements when it becomes a party to the contract creating the asset or liability. All financial instruments are measured at fair value on initial recognition and subsequent measurement depends on its classification.

Impairment

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized costs and debt financial assets carried at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default of past due event;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

A loan that has been renegotiated due to a deterioration in the borrower's condition is usually considered to be credit-impaired unless there is evidence that the risk of not receiving contractual cash flows has reduced significantly and there are no other indicators of impairment.

Recognition of allowance of expected credit losses ("ECL") in the consolidated statement of financial position

The Company recognizes a loss allowance for ECL on trade receivables that are measured at amortized cost. The Company's applied the simplified approach for trade receivables and recognizes the lifetime ECL for these assets. The ECL on trade receivables is estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the customers, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial assets measured at amortized cost or FVOCI, the Company recognizes lifetime ECL only when there has been a significant increase in credit risk since initial recognition. If the credit risk on such financial instruments has not increased significantly since initial recognition, the Company measures the loss allowance on those financial instruments at an amount equal to 12-months ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial asset. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial asset that are possible within 12 months after the reporting date. In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of default occurring on the financial asset at the reporting date with the risk of default occurring at the initial recognition. The Company considers both quantitative and qualitative factors that are supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 60 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. Despite the foregoing, the Company presumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management purposes, the Company considers a financial asset not recoverable if the customer balance owing is 180 days past due and information obtained from the customer and other external factors indicate that the customer is unlikely to pay its creditors in full.

Write-off

Financial assets are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Company determines that the counterparty does not have assets or sources of income that could general sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Leases

Assets held by the Company under lease which were determined not to transfer to 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 income and comprehensive income 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 June 1, 2018.

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.

As lessee, the Company may lease assets from time to time including property and/or equipment. The Company previously classified leases as operating. Under IFRS 16, the Company recognizes right-of-use assets ("ROU Assets") and lease liabilities.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The ROU 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.

The ROU 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 ROU Asset reflects that the Company will exercise a purchase option. In that case the ROU 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 ROU Asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements 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. 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%.

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 amortized cost using the effective interest method. It is re-measured 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 re-measured 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 ROU Asset has been reduced to zero.

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

Income tax

Income tax expense is comprised of current and deferred income taxes. Current tax is recognized in profit or loss. 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 assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

New standards adopted in the year

For the current period, the Company has applied the below amendments to IFRS standards and interpretations issued by the IASB that are effective for an annual period that begin after January 1, 2019. As at June 1, 2018, the Company adopted, IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers, and IFRS 16 Leases which had a material effect on the Company's consolidated 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 2015-2017 Cycle (re-measurement ofpreviously 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

New standards and interpretations issued, not yet adopted

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.

IAS 16 - Proceeds before intended use
The amendment to IAS 16 prohibits a Company from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the Company 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 a Company 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.

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 Company 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.

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. Related Party Transactions:

Due from related party

The due from related party balance consists of an advance paid to a company under common control. This loan is interest-free, without security and repayable on demand.

Due to related parties

As at May 31, 2020, accounts payable and accrued liabilities included £656 (2019 – £155,030 and 2018 – £192,928) of advances received from directors of the Company. These loans are interest free, without security, and repayable on demand.

Transactions for the year

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined its key management personnel to be executive officers and directors of the Company.

The remuneration of key management personnel is as follows:

	2020	2019
	£	£
Salaries and short-term employee benefits	**168,301**	233,953

5. Property and Equipment:

	Fixtures & Fittings	Computer Equipment	ROU Asset	Total
	£	£	£	£
Cost				
Balance June 1, 2018	181,935	8,997	138,692	329,624
Additions	33,991	7,277	-	41,268
Disposals	-	-	(48,742)	(48,742)
Balance May 31, 2019	**215,926**	**16,274**	**89,950**	**322,150**
Additions	147,668	2,503	60,908	211,079
Balance May 31, 2020	**363,594**	**18,777**	**150,858**	**533,229**
Accumulated Depreciation				
Balance June 1, 2018	130,735	6,938	61,998	199,671
Charge for the year	21,298	2,334	23,115	46,747
Disposals	-	-	(48,742)	(48,742)
Balance May 31, 2019	**152,033**	**9,272**	**36,371**	**197,676**
Charge for the year	52,890	2,376	25,143	80,409
Balance May 31, 2020	**204,923**	**11,648**	**61,514**	**278,085**
Net Book Value, May 31, 2019	**63,893**	**7,002**	**53,579**	**124,474**
Net Book Value, May 31, 2020	**158,671**	**7,129**	**89,344**	**255,144**

6. Intangible assets:

	Online portal
	£
Cost	
Balance, June 1, 2018	15,774
Additions	-
Balance, May 31, 2019	**15,774**
Additions	-
Balance, May 31, 2020	**15,774**
Accumulated Depreciation	
Balance, June 1, 2018	8,716
Charge for the year	1,576
Balance, May 31, 2019	**10,292**
Charge for the year	1,577
Balance, May 31, 2020	**11,869**
Net Book Value, May 31, 2019	**5,482**
Net Book Value, May 31, 2020	**3,905**

7. Leases:

	£
Balance as at June 1, 2018	88,942
New leases	**-**
Lease payments	(37,675)
Lease interest	13,039
Balance as at May 31, 2019	64,306
New leases	60,908
Lease payments	(39,375)
Lease interest	20,850
Balance as at May 31, 2020	**106,689**
Current	15,071
Non-Current	49,235
Balance as at May 31, 2019 (*note 12*)	**64,306**
Current	22,130
Non-Current	84,559
Balance as at May 31, 2020 (*note 12*)	**106,689**

8. Share Capital:

Authorized

The share capital of the Company is limited to 10,000 ordinary shares at £1 each. Any premium paid on the ordinary shares is recognized as part of contributed surplus. The shares may be issued with such preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting return of capital or otherwise as the Company may from time to time determine. All classes of common shares have the same rights and are entitled to receive dividends. Each shareholder is entitled to one vote per share and share equally in the distribution of the remaining assets of the Company in the event of liquidation, dissolution or winding up of the Company.

Issued

The issued and outstanding ordinary shares are as follows:

	May 31, 2020			May 31, 2019			June 1, 2018		
	Number of shares	**Amount**	**Contributed surplus**	**Number of shares**	**Amount**	**Contributed surplus**	**Number of shares**	**Amount**	**Contributed surplus**
		£	**£**		**£**	**£**		**£**	**£**
Class A	100	100	-	100	100	-	100	100	-
Class B	100	100	199,900	100	100	199,900	100	100	199,900
	200	200	199,900	200	200	199,900	200	200	199,900

9. Revenue:

The Company generates revenue from the sale to businesses of services related to product formulation and development, safety and compliance reporting and laboratory testing of products in the cosmetic and household goods industries.

In the following table, revenue for the year ended May 31, 2020 and 2019 is disaggregated by the most relevant channels of revenue:

	2020	2019
	£	£
Laboratory testing	**1,013,826**	651,076
Safety and other compliance	**1,620,404**	1,180,146
	2,634,230	1,831,222

For the year ended May 31, 2020, the Company received £30,767 under the UK Government's Coronavirus Job Retention Scheme. This amount has been classified as a reduction to cost of sales in the consolidated statements of income and comprehensive income and is not repayable.

10. Income Taxes:

The reported income taxes differ from the amounts obtained by applying domestic rates of the Company domiciled in the United Kingdom of 19% (2019 – 19%) to the net income before income taxes as follows:

	2020	2019
	£	£
Net income before income taxes	1,408,103	756,331
Expected expense at statutory rate	267,540	143,703
Non-deductible expenses	7,865	6,705
Research and development differences	(529)	(47,111)
Income tax expense	274,876	103,297

The Company's income tax expense is allocated as follows:

	2020	2019
	£	£
Current income tax	258,401	99,957
Deferred income tax	16,475	3,340
Income tax expense	274,876	103,297

The following table summarized the components of deferred tax:

	2020	2019
	£	£
Intangible assets	741	1,041
Capital assets, net of lease liability	28,207	11,432
Income tax expense	28,948	12,473

11. Financial Instruments and Risk Management:

The Company has classified its financial instruments as follows:

	2020	2019	2018
	£	£	£
FVTPL, measured at fair value:			
Cash	**1,646,102**	936,919	851,736
Financial assets, measured at amortized cost:			
Accounts receivable	**597,496**	469,089	281,727
Due from related party	**280,000**	250,000	140,000
Financial liabilities, measured at amortized cost:			
Accounts payable and accrued liabilities	**176,770**	231,875	270,496
Lease liability	**106,689**	64,306	88,942

The carrying amounts of cash, accounts receivable, due from related party and accounts payable, and accrued liabilities approximate fair value.

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 types of assets and liabilities classified as Level 1 include cash. Currently, the Company has no financial instruments that would be classified as Level 2 or Level 3.

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.

As at May 31, 2020, the Company had cash of £1,646,102 (May 31, 2019 – £936,919) to settle current liabilities of £517,007 (May 31, 2019 – £402,937).

The following table summarizes the maturities of the Company's financial liabilities as at March 31, 2021 based on undiscounted contractual cash flows:

	Payment due by Period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
	£	**£**	**£**	**£**
Accounts payable and accrued liabilities	494,877	-	-	494,877
Lease liability	38,813	89,750	94,688	223,251
	533,690	89,750	94,688	718,128

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. In seeking to minimize the risks from interest rate fluctuations, the Company manages exposure through its normal operating and financing activities. As at May 31, 2020, the Company has determined its exposure rate risk is minimal.

12. Transition to IFRS

As stated in note 2, these are the Company's first consolidated financial statements prepared in accordance with IFRS. The consolidated financial statements give retroactive effect to IFRS, including IFRS 9 Financial Instruments, IFRS 15 Revenue from Contracts with Customers, IFRS 16 Leases and IAS 12 Income Taxes.

The Company has applied IFRS 1 and the accounting policies set out in note 2 in preparing the consolidated financial statements for the years ended May 31, 2020 and 2019 and in the preparation of an opening IFRS consolidated statement of financial position at June 1, 2018.

In preparing its opening IFRS consolidated statement of financial position, the Company assessed differences between the amounts reported on May 31, 2018 and 2017 under FRS 102 and on June 1, 2018 upon transition to IFRS. The differences relate to the carrying value of the right-of-use assets and lease liabilities, whereby under FRS 102, the lease payments were expensed on a straight-line basis while under IFRS all leases are capitalized as ROU Assets and leases liabilities unless the assets are of low-value or the leases are short-term.

Impact of transition

There were material adjustments between the consolidated statement of cash flows previously presented under FRS 102 and the consolidated statement of cash flows presented in these consolidated financial statements for the years ended May 31, 2019 and May 31, 2018. The carrying value of the right-of-use assets was impacted by the capitalization of the lease payments associated with the leases, which were expensed under FRS 102, and a change in the method of the computing the deferred income taxes.

On transition to IFRS 16, the Company recognized an ROU Asset, a lease liability, recognizing the difference in retained earnings. The impact on transition is summarized below.

	2020	2019	2018
	£	£	£
ROU Asset	89,344	53,579	76,694
Lease liability	106,689	64,306	88,942
Adjustment for:			
Change in lease expense	(39,375)	(37,675)	(26,050)
Change in finance expense	20,850	13,039	8,909
Change in depreciation	25,143	23,115	15,941
Change in opening retained earnings	10,727	12,248	13,448

The following table outlines the impact of the conversion from FRS 102 to IFRS on June 1, 2018 and May 31, 2019:

Reconciliation of consolidated statement of financial position:

	June 1, 2018			May 31, 2019		
	FRS 102	Effect of transition to IFRS	IFRS	FRS 102	Effect of transition to IFRS	IFRS
	£	£	£	£	£	£
Cash	839,900	11,836	851,736	936,919	-	936,919
Accounts receivable	278,227	3,500	281,727	469,089	-	469,089
Prepaid expenses	10,431	-	10,431	14,564	-	14,564
Due from related parties	140,660	(660)	140,000	250,000	-	250,000
Property and equipment	59,640	70,313	129,953	77,276	47,198	124,474
Intangible assets	7,058	-	7,058	5,482	-	5,482
Total Assets	1,335,916	84,989	1,420,905	1,753,330	47,198	1,800,528
Accounts payable and accrued liabilities	460,733	(34,896)	425,837	359,322	28,544	387,866
Deferred tax liability	-	9,133	9,133	-	12,473	12,473
Lease liability	-	88,942	88,942	-	64,306	64,306
Total Liabilities	460,733	63,179	523,912	359,322	105,323	464,645
Share capital	200,100	-	200,100	200,100	-	200,100
Retained earnings	675,083	21,810	696,893	1,193,908	(58,125)	1,135,783
Total Shareholders' Equity	875,183	21,810	896,993	1,394,008	(58,125)	1,335,883

Reconciliation of net income and comprehensive income:

	Year ended May 31, 2019	Year ended May 31, 2018
	£	**£**
Net income and comprehensive income under FRS 102	732,969	500,872
Change in carrying value of right-of-use assets	(83,275)	28,362
Recognition of deferred taxes	3,340	9,133
Net income and comprehensive income under IFRS	653,034	538,367

In preparing the consolidated financial statements in accordance with IFRS 1, the Company has applied certain optional and mandatory exemptions from full retrospective application of IFRS.

(a) Election exemption from full retrospective application

The Company has elected to not apply certain retrospective requirements under IFRS 16 Leases.

(b) Mandatory exemption from full retrospective application

Hindsight was not used to create or revise estimates and, accordingly, the estimates made by the Company under FRS 102 are consistent with their application under IFRS.

13. Capital Disclosures:

The Company's objectives when managing capital are to ensure its ability to continue as a going concern in order to pursue opportunities which contribute to the success of the Company while providing shareholder returns. The Company attempts to maximize returns to shareholders by also minimizing shareholder dilution. The Company includes equity comprised of share capital, share premium and contributed surplus in its definition of capital. The Company has financed it operations and capital requirements primarily through its own cash flow generated from operations.

The Company manages its capital structure and adjusts 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 toany externally imposed capital requirements.

14. Subsequent Events:

On February 9, 2021 Britannia Bud Canada Holdings Inc. ("Britannia") acquired 60% of each of the issued Class A and Class B ordinary shares of ADSL. Pursuant to the terms of the agreement, on the first three (3) anniversaries of the completion date, Britannia has the right to acquire up to the remaining 40% of the share capital for specified consideration. Upon expiry of the third anniversary of the transaction, if Britannia has not acquired all of the shares, the selling shareholders are to have the right to require Britannia to purchase all of the shares it does not yet own.

SCHEDULE "D"
BRITANNIA MD&A

Table of Contents

Management's Discussion and Analysis

The following management's discussion and analysis ("MD&A") is current to October 1, 2021 and should be read in conjunction with Britannia Bud Canada Holdings Inc.'s ("Britannia" or the "Company") audited consolidated financial statements for the periods ended March 31, 2021 and March 31, 2020 which have been prepared under International Financial Reporting Standards ("IFRS"). Except as otherwise noted, the financial information contained in this MD&A and in the annual consolidated financial statements have been prepared in accordance with IFRS. All amounts are expressed in Canadian dollars unless otherwise noted.

Forward-Looking Statements

This Management's Discussion and Analysis ("MD&A") contains forward-looking information as defined in applicable securities laws (referred to herein as "forward-looking statements") that reflect the Company's current expectations and projections about its future results. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are based on the current assumptions, estimates, analysis and opinions of management of the Company made considering its experience and its perception of trends, current conditions and expected developments, as well as other factors which the Company believes to be relevant and reasonable in the circumstances.

The Company uses words such as "believes," "may," "plan," "will," "estimate," "continue," "anticipates," "intends," "expects," and similar expressions to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties, both known and unknown, as well as other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Inherent in forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to predict or control that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such risk factors include, among others, the Company's stage of development, lack of product revenues, additional capital requirements, the ability to protect its intellectual property, dependence upon collaborative partners, changes in government regulation or regulatory approval processes and in particular government uncertainties with respect to the legality and available markets for cannabis products, and rapid technological change in the industry. These factors should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- the availability of financing for the Company's projects and marketing and distribution efforts, or the availability of financing on reasonable terms;
- general business and economic conditions;
- regulatory developments;
- interest rates and foreign exchange rates;
- the Company's costs;
- the uncertainties associated with the acceptance and demand for new products;
- government regulation not imposing requirements that significantly increase expenses or that delay or impede the Company's ability to bring new products to market;
- the Company's ability to attract and retain skilled staff;
- the impact of changes in Canadian-US dollar, Canadian-UK pound sterling and other foreign exchange rates on the Company's costs and results;
- market competition;
- tax benefits and tax rates; and
- the Company's ongoing relations with its employees and with its business partners.

Although management of the Company believes that these forward-looking statements are based on reasonable assumptions, a number of factors could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained in this MD&A and any documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company cautions you that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. You should also carefully consider the matters discussed under “Risk Factors” in this MD&A which provides for additional risks and uncertainties relating to the Company and its business. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, other than as may be required by applicable legislation. No assurance can be given that any of the events anticipated will transpire or occur, or if any of them do so, what benefits the Company will derive from them. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events, or otherwise unless required by law.

Operational Highlights and Business Development

Acquisition

Britannia was founded in April 2019 to pursue opportunities in the emerging cannabinoid (“CBD”) market in United Kingdom. After extensive research into the regulatory, legal, and health care environment in the United Kingdom, Britannia began to focus on the quality of cannabinoid ingredients and product efficacy. Britannia noted that while there was a proliferation of consumer products containing CBD available on the market in the United Kingdom, there were no standards as to product quality, purity, or origin. Britannia determined that transparency around CBD quality and origin would become a key differentiator as the consumer market for CBD products continued to grow and evolve.

To develop the commercial opportunity associated with this increasing focus on quality, Britannia entered into share purchase agreement dated March 10, 2020, wherein Britannia acquired 60% of each of the Class A and Class B ordinary shares of ADSL. Completion payments in relation to this agreement were made on February 9, 2021 (the “Completion Date”).

ADSL operates a state-of-the-art, ISO 17025 and GMP compliant formulation and laboratory testing facility in the United Kingdom. ADSL provides product testing, safety assessment and compliance services to the cosmetic, consumer packaged goods and nutraceutical industries in the United Kingdom and globally.

The group aims to be a leader in product development, compliance, and analytical services for its expanding customer base as well as playing a pivotal role in the convergence of the cannabinoid and consumer products industries on a global scale. With exceptional expertise and complementary skills in process controls, industry regulation, health and safety and manufacturing, Britannia provides a full service for customers to ensure products can be launched in the market successfully and safely. The Company’s core service lines are described in detail below:

Cosmetic Product Safety Reports

Description and Background

Cosmetics are regulated in the United Kingdom and European Union by Regulation (EC) No 1223/2009. The main objectives of this regulation are to create a set of rules that all cosmetics comply with and to ensure a high level of protection for human health. A fundamental requirement of the regulation is that a safety assessment is carried out prior to placing the product on the retail market. The regulation specifies that these assessments should be in the form of a cosmetic product safety report. It is the responsibility of a designated responsible person to ensure the report's completion, as well as ensuring ongoing compliance by keeping the report up to date once the product is in market.

Principal Offering and Services

ADSL's technical compliance team offers full toxicological reviews, meeting all regulatory requirements and ensuring products and raw materials are correctly analyzed to meet the Cosmetic Product Safety Report (CPSR) standards. Detailed raw materials evaluation is undertaken using in-house NOAEL (No Observed Adverse Effect Level) and SED (systemic exposure dose) databases to ensure accurate margin of safety calculations with supporting evidence.

The cosmetic safety assessor is required to consider the safety of the ingredients in the formulation and the safety of the finished product. The assessor must scrutinize and ensure all the relevant information is received, as their report requires thorough justification of their conclusion. On an ongoing basis, Britannia reviews and updates these reports based on new scientific findings and toxicological data which could modify the result of the existing report; changes in formulation or specification; changes in use case; any trends of unwanted effects. The cosmetic safety assessor can accept, reject, or accept under specific conditions that a formulation is safe in terms of human health.

Labelling and warnings/instruction of use labelling of cosmetics is covered in article 19 of Regulation (EC) No 1223/2009, as well as various other global regulations, which require that labels display instruction of use and warnings. Britannia's database-driven process ensures that ingredients and formulations in scope adhere to all relevant warnings and any precautionary information. Once the process is complete, Britannia advises and supports its clients to place products on relevant regulatory portals (e.g. the Cosmetic Product Notification Portal (CPNP) (EC 1223/2009)).

Global Compliance & Registration

Description and Background

Similar to cosmetics, many consumer and household good companies are required to comply with varying product regulations and certification standards, which cover material content, supply chain, packaging and labelling. Many countries also require certain products to be registered if they are to be accredited or certified to a specific standard, such as Fairtrade or Organic. This enables both producers and regulators to ensure non-medical product claims are validated, prior to making them available for sale. Label verification and product warning verification services can be used as stand-alone, one-off services or can be incorporated into a longer, more-strategic program that forms part of companies' risk management procedures, while certification consultation can help a company build a strategy.

Principal Offering and Services

Britannia's consultants provide advice and guidance on (i) devising new consumer goods labels and (ii) reviewing labels that have already been developed. Britannia offers a complete verification package to ensure that the information clients are providing about a product is sufficient for their customers to understand the safe and optimal use. Britannia works with clients to help them meet supply chain and manufacturing requirements, including Risk Assessments and Hazard Analysis Critical Control Points (HACCP). These reports enable clients to deliver products to the market effectively and safely.

Britannia provides global regulatory advice in formulating, labelling, claims and ingredient legislation for the EU, FDA, ASEAN, Canada and Oriental markets. Britannia can verify label compliance and support label development for desired markets, as well as help registering an upstream or downstream user for [EU REACH Regulation (EC) No 1907/2006] compliance. Britannia also services clients who seek Organic and Natural Standards (such as all grades of ECOCERT, BDIH, Soil Association, EU Flower or other accreditation), as well as Fairtrade Standards.

Microbiological & Laboratory Testing

Description and Background

Microbiological analysis covers the use of biological, biochemical or chemical methods for the detection, identification or enumeration of microorganisms. It is often applied to disease causing and spoilage microorganisms. Microbiological attributes of ingredients in cosmetics, consumer products, and biocides are often critical to final product quality. Regulators expect manufacturers to measure shelf stability, provide storage requirements and characterize the microbial quality of their ingredients and finished goods.

Principal Offering and Services

Through Britannia's ISO 17025 accredited laboratory facility, it is able to provide the testing required for formulation analysis adhering to the required protocols, including BP, EP, USP and EU Pharmacopeia. Based on initial and ongoing batch testing for Total Viable Count (TVC), Britannia provides ongoing testing and advises on risk mitigation related to potential supply chain issues. Britannia's provides support with items such as preservative choices, warehousing and manufacturing safety. Britannia provides clients optional manufacturing hygiene inspections to mitigate contamination concern, as well as full stability & compatibility testing to meet accepted protocols for potential changes in appearance, leakage, colour, smell or any other unforeseen issue. During testing of non-sterile products for specified microorganisms, Britannia employs direct transfer or membrane filtration methods, based on the nature of the product and desired results of suitability for each specific product. Each of Britannia's tests are evaluated with consideration of factors like product use, nature and route of administration, and typically exceed the minimum requirements of acceptance criteria for the desired pharmacopeia standard.

Consumer & Clinical Evaluation

Description and Background

User Trial Reports ("UTRs") demonstrate the safety, efficacy and user perception of a product and justify and enhance the claims being made. UTRs also offer statistical overviews of results that enable a better understanding of optimum product positioning and likely success. Fundamentally, and within the EU, UTRs form part of addressing Commission Regulation (EU) No 655/2013, which lays down the common criteria for the justification of claims used in relation to cosmetic products. The product must also conform to the requirements under EU Regulation (EC) No. 1223/2009 Article 10, Annex 10 providing a statement on the safety of the cosmetic product taking into account the intended use of the product and the anticipated systemic exposure to individual ingredients in the final formulation.

Principal Offering and Services

First Beauty is Britannia's consumer evaluations platform through which it brings beauty products to panellists for trial and feedback. First Beauty has access to a total of 40,000 panellists. This platform's architecture is designed around the need for clients to have close involvement with the questionnaire design and user trial operation, enabling a real-time view of UTR status and data as well as advanced access controls between colleagues within an organisation. Britannia focuses on working with clients to build strategies to meet consumer expectations based on data, and tailoring product strategy by extrapolating buying habits.

General Data Protection Regulation (GDPR) compliant anonymized feedback data is used to generate necessary regulatory reports and inform client strategies. Clinical studies are performed in accordance with the principles of Good Clinical Research Practice (CGP) and in consideration of the Helsinki Declaration relating to ethical principles for research involving human subjects. Britannia works with clients to identify critical testing parameters, and tailors the eligible panellist body to meet such specifications.

At its UK DermaCentre, ADSL measures a range of parameters in a clinical environment under the medical control of ADSL's resident dermatologists. Through this relationship consultation, ADSL shares insights surrounding consumer's opinion and reaction to organoleptic claims (touch, smell, visual, etc.) and perception of products relative to one another to gauge in-market success through consumer goods benchmarking.

Novel Foods Agreements

Description and Background

Manufacturers of food products containing CBD and derivatives must submit a novel food application in line with Regulation (EU) 2015/2283. Operators can place a novel food on the European Union market only after the Commission has processed the application for the authorization of a novel food and detailed and ongoing QA/QC compliance is required throughout its supply chain. Manufacturers of food products containing CBD and associated derivatives must receive regulatory authorization and corresponding labelling to remain on shelves.

Principal Offering and Services

The services provided by Britannia include:

1. **Provisional Product Setup** – Britannia works with clients to capture the relevant product information concerning their desired product(s) in scope, and each is assigned a unique dossier identifier.

2. **Product Dossier & Gap Analysis** – After creating a provisional dossier, Britannia ascertains analytical & compliance gaps, as well as any potential consumer safety or product quality risks, in accordance with regulatory requirements.

3. **Data Capture** – After identifying data gaps, Britannia undertakes the required analytical, stability, and toxicological testing process at its ISO 17025 laboratories to ensure thorough completion of regulatory & compliance assessments. Further testing is conducted for animal safety studies through Britannia's partners, when required by regulators. Britannia endeavours to avoid animal testing when permissible, particularly surrounding cosmetics.

4. **Product Dossier Finalisation** – Toxicological & analytical data is combined with the relevant regulatory & compliance assessments to generate a full product dossier for submission as per Regulation (EU) 2015/2283.

5. **EFSA Risk Assessment** – Britannia supports the application throughout the EFSA risk assessment process, including additional information requests or queries.

The transaction consideration included a cash payment of $5,278,445 (GBP 3,008,819), a loan payable to the Sellers of $7,819,478 (GBP 4,456,813), and a loan payable to ADSL of $6,551,624 (GBP 3,734,183).

Pursuant to the terms of the agreement, on the first three (3) anniversaries of the Completion Date, Britannia has the right to acquire from the Sellers up to an additional 40% of the share capital for an additional consideration. In circumstances where on expiry of the third anniversary of the Completion Date Britannia has not acquired all the shares, the Sellers shall have the right to require the Britannia to purchase all of the shares it does not yet own (the "put liability"). The total consideration payable for the additional shares ("Put Shares") upon exercise of the put liability and the closing of Britannia's acquisition of the Put Shares would be equal to the total equity value of the Put Shares, which would be based upon the applicable percentage acquired by Britannia of the total enterprise value for ADSL. At the close of the transaction, the value of the liability related to the put option was determined to be $2,464,315 (GBP 1,404,568), representing the difference between the market price and the contract value of the put liability, discounted at a rate of 0.23% and assuming the transaction would take place on February 9, 2024. As at March 31, 2021, the fair value of the put liability was remeasured to $2,435,100 (GBP 1,404,568), generating a gain in the change in fair value of the put liability of $29,215.

Business Combination Agreement

On January 21, 2021, the Company entered into an agreement with Rise Life Science Corp. (RISE) 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").

On April 30, 2021, Britannia, RISE and RISE Subco entered into a Business Combination Agreement pursuant to which Britannia agreed to amalgamate with RISE Subco to form "Amalco", which will result in a reverse takeover ("RTO") of RISE. On completion of the RTO Transaction, the Resulting Issuer will carry on the business and operations of Britannia and RISE with a focus on product development and laboratory testing within the food, cosmetics, nutraceutical and wellness sectors.

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

Britannia and RISE believe the RTO Transaction to be an important next step in their business development and has identified attractive and complementary assets through the transaction, which will accelerate the Resulting Issuer's growth and strategic development.

Discussion of Operations

The Company's 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 no material uncertainties that cast significant doubt about the Company's ability to continue as a going concern at this time. For the year ended March 31, 2021, the Company realized net income of $142,976 and had negative cash flows from operations of $500,408. The company used $4,999,284 in investing activities and generated $6,202,123 in financing activities. Working capital for the year ended March 31, 2021 was negative $7,674,791 (2020: $4,986).

Financial Information

Revenue

Revenue for the period was generated by the Company's operating subsidiary, ADSL. From the date of acquisition, ADSL has contributed $1,424,615 to the total revenues from sales and services and a net income of $750,344 to the consolidated income from operating activities. Had this business acquisition been in effect as at April 1, 2020, management estimates that the Company's total revenues from sales and services for the year ended March 31, 2021 would have been approximately $5,902,569 and the consolidated income from operating activities for the year ended March 31, 2021 would have been approximately $3,152,078.

Cost of Goods Sold and Gross Margin

Cost of goods sold is comprised of the direct consumables required for the formulation and testing of products as well as associated labour costs, and expenses related to consumer and user trials. Gross profit for the period ended March 31, 2021 was $1,171,584 compared to nil for the comparative period which was pre acquisition.

Selling, general and administrative expenses increased to $889,020 for the year compared to $581,899 for the comparative period which is directly related to the consolidation of ADSL in the year ended March 31, 2021.

Finance expense for the year ended March 31, 2021 was $167,736 compared to nil for the prior period. The increase is the result of the interest payable on the convertible debentures issued and the loan payable to the ADSL shareholders in relation to the acquisition of its share capital.

Other Income and Expense

The Company experienced a foreign exchange loss of $186,615 for the period ended March 31, 2021 compared to nil in the prior period. The majority of the loss is related to the revaluation of the Company's loans and put option liability at year end and are unrealized.

Selected financial information, presented under IFRS in the table below:

	March 31, 2021	March 31, 2020
Revenue	**1,424,615**	-
Gross Margin	**1,171,584**	-
Net comprehensive income (loss)	**69,057**	(594,096)
Basic and diluted earnings (loss) per share	**(0.02)**	(0.09)

Liquidity and Capital Resources

Britannia Convertible Debentures

Britannia, together with its subsidiary, completed the Britannia Convertible Debenture Financing of USD $4,836,000 (CAD $6,190,151) through convertible debentures instrument pursuant to which convertible debenture units of Britannia (each a "Britannia Convertible Debenture Unit") are convertible into one common share and one common share purchase warrant of Britannia. The financing was completed in two tranches, on January 29, 2021 and February 2, 2021 (together, the "Closing Date"). Each Britannia Convertible Debenture Unit sold at a price of US$1,000. The convertible senior unsecured debentures of Britannia ("Britannia Debentures") bear interest at 10% per annum, are payable annually on the last date of December, and mature two years from the issuance of the Britannia Convertible Debenture Units. Each Britannia Debenture is convertible, at the option of the holder, at any time prior to the close of business on the last business day immediately preceding six months of the Closing Date, into that number of shares computed on the basis of the principal amount of the Britannia Debenture, US$1,000, divided by the conversion price of US$1.55 per Britannia Share (the "Britannia Conversion Price"). In the event that Britannia does not complete a Liquidity Event (as defined in the subscription agreement) on or before the date which is 18 months from the date of issuance, the holder of the Britannia Debentures shall have the right for a period of 30 days after such date to require Britannia to redeem the Britannia Debentures at a price equal to US$1,500 per each Britannia Debenture then outstanding.

In the event that Britannia completes a Liquidity Event, the Britannia Debentures shall be deemed to automatically convert, without any further action on the part of the holder and immediately prior to such Liquidity Event, into Britannia Debenture Shares ("Liquidity Event Conversion"). Upon a Liquidity Event Conversion, any accrued and unpaid interest (calculated daily on the basis of a year of 365 days and pro-rated in the event Britannia Debentures are converted during a given year) with respect to the Britannia Debentures shall, within 30 days of the completion of the Liquidity Event, be paid to the holder by the entity that results from the Liquidity Event (the "Resulting Issuer") and at the option of the Resulting Issuer, in cash or in shares of the Resulting Issuer at a deemed price per share equal to the Britannia Conversion Price (as such price may be adjusted in accordance with the exchange ratio applicable to the Liquidity Event transaction).

The Britannia Convertible Debenture Units are denominated in United States dollars, while convertible in Canadian dollars. The conversion feature in a different currency requires a variable number of shares to settle the Britannia Convertible Debenture Units, therefore the Britannia Debentures are treated as an embedded derivative and the common share purchase warrants are treated as a financial liability under IFRS. The fair value of the embedded derivative was $2,982,182 as at March 31, 2021 ($nil as at March 31, 2020). The fair value of the warrant derivative liability was $543,124 as at March 31, 2021 ($nil as at March 31, 2020).

On February 2, 2021, the Company recognized $193,103 in transaction costs relating to the issuance of the Britannia Debentures. The costs were allocated in a pro-rata manner to the derivative component and the Britannia Debentures, with the amount of $nil for the derivative component being included as part of the transaction costs in the consolidated statements of loss and comprehensive loss for the year ended March 31, 2021 and $193,103 being allocated to the debt. The value of the convertible notes payable was $2,363,154 as at March 31, 2021 ($nil as at March 31, 2020).

For the year ended March 31, 2021, the embedded derivate decreased by $250,820 and the warrant derivative liability decreased by $9,721.

The continuity of the convertible debentures, embedded derivative and warrant liability are as follows:

	Convertible Debentures	Embedded Derivative	Warrant Liability
Balance as at April 30, 2019	$ -	$ -	$ -
Additions	-	-	-
Balance as at March 31, 2020	-	-	-
Additions	5,997,048	-	-
Allocation of additions to embedded derivative	(3,232,992)	3,232,992	-
Allocation of additions to warrant liability	(552,848)	-	552,848
Interest accretion	190,564	-	-
Change in fair value	-	(250,820)	(9,724)
Effect of foreign exchange	(38,618)	-	-
Balance as at March 31, 2021	**$ 2,363,154**	**$ 2,982,172**	**$ 543,124**

Off Balance Sheet Arrangements

As at March 31, 2021 and the date of this MD&A, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the results of operations or financial conditions of the Company.

Related Party Transactions

Compensation to key management

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

		2021		2020
Salaries, fees and short-term employee benefits	**$**	**120,625**	$	-
Interest expense		**73,126**		-
	$	**193,751**	$	-

Directors Loan

During the year, the sole director of Britannia extended a loan of $225,000 to Britannia to cover expenses related to working capital and growth needs of the Company. The loan is without interest, unsecured and is repayable on demand. Subsequent to year end, this loan was settled through issuance of 175 Britannia Convertible Debenture Units as part of the April 7, 2021 financing (see Subsequent Events below).

Sellers Loan Agreement

On February 9, 2021, the Company and the Sellers entered into a Seller Loan Agreement. In connection to this agreement, the Sellers loaned £4,456,813 ($7,726,776) to Britannia, at an interest rate of 6% per annum and initial repayment date of April 30, 2021. On June 15, 2021, the terms of this loan were amended to extend the repayment date to December 31, 2021 and increase the interest rate to 10% per annum subsequent to June 1, 2021.

Changes in Accounting Policies

New standards and interpretations not yet adopted:

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.

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.

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.

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.

Risks arising from financial instruments and risk management:

The Company has classified its financial instruments as follows:

	2021	2020
	$	$
FVTPL, measured at fair value:		
Cash	**828,321**	140,894
Warrant liability	**543,124**	-
Embedded derivative	**2,982,172**	-
Put liability	**2,435,100**	-
Financial assets, measured at amortized cost:		
Accounts receivable	**1,686,152**	-
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	**1,192,902**	153,232
Interest payable	**163,076**	-
Due to related party	**7,726,776**	-
Directors loan	**225,000**	-
Lease liability	**231,079**	-
Convertible note	**2,363,154**	-

Fair values of financial assets and financial liabilities

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 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 is mainly exposed to credit risk from credit sales and manages this risk by endeavouring only to deal with customers which are demonstrably credit worthy and through the continuous monitoring of financial exposure by 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 and Funding 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.

The following table summarizes the maturities of the Company's non-derivative financial liabilities as at March 31, 2021 based on undiscounted contractual cash flows:

	Payment due by Period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Accounts payable and accrued liabilities	$ 1,192,902	$ -	$ -	$ 1,192,902
Lease liability	77,366	155,166	94,703	327,235
Director's loan	225,000	-	-	225,000
Sellers' loan agreement	7,829,385	-	-	7,829,385
	$ 9,324,653	$ 155,166	$ 94,703	$ 9,574,522

The following table summarizes the maturities of the Company's derivative financial liabilities as at March 31, 2021 based on undiscounted contractual cash flows:

	Payment due by Period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Convertible debentures	$ 709,420	$ 6,593,605	$ -	$ 7,303,025
Put option liability	-	-	22,734,146	22,734,146
	$ 709,420	$ 6,593,605	$ 22,734,146	$ 30,037,171

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. While the Company manages its funding risk by forecasting its cash needs on a regular basis and continuously monitoring market conditions, financing may still not become available which could have a material effect on the Company.

Currency risk

The Company is exposed to currency risk to the extent that monetary operational expenses are denominated in US dollar and UK Pounds sterling while the functional currency of Canadian dollar is used for reporting. The Company has not entered into any foreign currency contracts to mitigate this risk.

As at March 31, 2021, the Company had the following financial instruments denominated in foreign currencies:

Denominated in:	**USD**	**GBP**
Accounts payable and accrued liabilities	-	55,939
Due to related party	-	4,456,813
Convertible note	1,879,247	-
Warrant liability	431,908	-
Put liability	-	1,404,568
Embedded derivative	2,371,509	-
Interest payable	78,011	36,631
	4,760,675	5,953,951
Foreign currency rate	1.2575	1.7337
Equivalent to Canadian dollars	5,986,549	10,322,365

Based on the about net exposure and assuming that all other variables remain constant, a 10% change in the USD against the CDN would impact net loss and comprehensive loss by $598,655 and a 10% change in the GBP against the CDN would impact net loss and comprehensive loss by $1,032,237.

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 convertible notes whichbear interest at fixed rates.

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 maximize returns to shareholders by also minimizing shareholder dilution and, when possible utilizingnon-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 it operations and capital requirements primarily through the issuance of shares and recently on secured and convertible notes since inception.

The Company manages its capital structure and adjusts 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 toany externally imposed capital requirements.

Share Capital

Authorized

The Company has authorized share capital of an unlimited number of common voting shares ("Common Shares").

Shares issued and outstanding

(i) On April 30th 2019 Britannia issued an aggregate of 6,020,000 common shares for gross proceeds of CDN $7.

(ii) Between May 1, 2019 and June 30, 2019, Britannia completed a non-brokered private placement through the issuance of an aggregate of 448,860 common shares at a price of CDN$1.35 per common share for gross proceeds of CDN $605,961.

Risk Factors

Management of Growth

Britannia may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of Britannia to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Britannia to deal with this growth may have a material adverse effect on Britannia's business, financial condition, results of operations and prospects.

While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, Britannia may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for Britannia's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, Britannia will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. Britannia will periodically review and manage its systems, processes and processes through introduction of necessary Enterprise Resource Planning solutions, as well as Human resource functions, however there can be no assurance that Britannia will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support Britannia's operations or that Britannia will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

In addition, contemplated acquisitions and collaborations involve numerous risks, including, but not limited to: substantial cash expenditures; technology development risks; potentially dilutive issuances of equity securities; incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition; difficulties in assimilating the operations of the acquired companies; potential disputes regarding contingent consideration; diverting Britannia's management's attention away from other business concerns; entering markets in which Britannia has limited or no direct experience; and potential loss of Britannia's key employees or key employees of the acquired companies or businesses. Britannia's management has experience in making acquisitions and entering collaborations; however, Britannia cannot provide assurance that any acquisition or collaboration will result in short-term or long-term benefits to it. Britannia may incorrectly judge the value or worth of an acquired company or business. In addition, Britannia's future success would depend in part on its ability to manage the rapid growth associated with some of these acquisitions and collaborations. Britannia cannot provide assurance that it would be able to successfully combine its business with that of acquired businesses or manage a collaboration. Furthermore, the development or expansion of Britannia's business may require a substantial capital investment by Britannia.

Success of Quality Control Systems

The accuracy, quality, and safety of Britannia's products and services are critical to the success of its business and operations. As such, it is imperative that Britannia's quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although Britannia strives to ensure that all its service providers have implemented and adhere to high caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on Britannia's business and operating results.

Consumer/Clinical Trial Results and Adverse Safety Events

From time to time, studies and consumer or clinical evaluations on various products including CBD may be conducted by Britannia, academic researchers, competitors, or others. The results of these studies or trials, when published, may have a significant effect on the marketability of the substance that is the subject of the study. The publication of negative results of studies or clinical trials, or the occurrence of adverse safety events related to CBD could adversely affect Britannia and its clients by impacting the marketability of products, share price and ability to finance future operations.

Confidentiality of Personal and Health Information

Britannia and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information of clients of Britannia and specifically their medical histories. Britannia endeavors to maintain General Data Protection Regulation (GDPR) compliance in its data collection, however there can be no guarantee that these existing policies, procedures, and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of Britannia's employees or arm's length third parties. If a client's privacy is violated, or if Britannia is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

People and Process Risk

A variety of factors may affect Britannia's future growth and operating results, including the strength and demand for the Company's services, the extent of competition in our markets, the ability to recruit and retain qualified personnel, and the ability to address consumer demand. The Company relies on certain key employees whose skills and knowledge are critical to maintaining the Company's success. Britannia always strives to identify and retain key employees and always strives to be competitive with compensation and working conditions.

Legal Matters

In the normal course of operations, the Company may be subject to a variety of legal proceedings, including commercial, product liability, employment, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources, and can cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, and can be very expensive, the results of any such actions may have a material adverse effect on our business, operations, or financial condition.

Regulatory Compliance

In the normal course of operations, the Company is subject to various regulations, and violation of these could limit markets into which it can sell or lead to unknown liabilities. Britannia considers itself well prepared and operates under caution to ensure the highest levels of safety and compliance exist.

Responsible Person

A Responsible Person is a legal or natural person who ensures the compliance of each cosmetic product in the EU market with relevant obligations as set forth in Regulation EC No 1223/2009. The Responsible Person is in charge of ensuring that cosmetic products marketed in the European Union comply with this Regulation. The Company faces an inherent risk of exposure to product liability claims, regulatory action, and litigation if products for which it has acted as Responsible Person are alleged to have caused significant loss or injury. A claim or regulatory action against the Company could result in increased costs, could adversely affect the Company’s reputation with its clients and consumers generally, and could have a material adverse effect on results of operations and financial condition of the Company.

Outlook

To date, the Company’s business has not been negatively impacted by the COVID-19 pandemic. In many cases, the operating subsidiary has seen customers expand into new product lines which has maintained, if not increased, pre pandemic levels of activity. The Company is maintaining additional preventative measures to ensure the highest level of safety for all employees. The Company will continue to work hard to manage customer relationships and monitor its supply chain to ensure it can reliably continue to offer a high-quality service. Management believes the prospects for the Company remain strong for the upcoming year.

Management's Discussion and Analysis

The following management's discussion and analysis ("MD&A") is current to October 1, 2021 and should be read in conjunction with Britannia Bud Canada Holdings Inc.'s ("Britannia" or the "Company") unaudited condensed interim consolidated financial statements for the period ended June 30, 2021 which have been prepared under International Financial Reporting Standards ("IFRS"). Except as otherwise noted, the financial information contained in this MD&A and in the annual consolidated financial statements have been prepared in accordance with IFRS. All amounts are expressed in Canadian dollars unless otherwise noted.

Forward-Looking Statements

This Management's Discussion and Analysis ("MD&A") contains forward-looking information as defined in applicable securities laws (referred to herein as "forward-looking statements") that reflect the Company's current expectations and projections about its future results. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are based on the current assumptions, estimates, analysis and opinions of management of the Company made considering its experience and its perception of trends, current conditions and expected developments, as well as other factors which the Company believes to be relevant and reasonable in the circumstances.

The Company uses words such as "believes," "may," "plan," "will," "estimate," "continue," "anticipates," "intends," "expects," and similar expressions to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties, both known and unknown, as well as other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Inherent in forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to predict or control that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- the availability of financing for the Company's projects and marketing and distribution efforts, or the availability of financing on reasonable terms;
- general business and economic conditions;
- regulatory developments;
- interest rates and foreign exchange rates;
- the Company's costs;
- the regulatory environment in which the Company operates;
- the Company's ability to attract and retain skilled staff;
- the impact of changes in Canadian-US dollar, Canadian-UK pound sterling and other foreign exchange rates on the Company's costs and results;
- market competition;
- tax benefits and tax rates; and
- the Company's ongoing relations with its employees and with its business partners.

Although management of the Company believes that these forward-looking statements are based on reasonable assumptions, a number of factors could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained in this MD&A and any documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company cautions you that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. You should also carefully consider the matters discussed under “Risk Factors” in this MD&A which provides for additional risks and uncertainties relating to the Company and its business. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, other than as may be required by applicable legislation. No assurance can be given that any of the events anticipated will transpire or occur, or if any of them do so, what benefits the Company will derive from them. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events, or otherwise unless required by law.

Operational Highlights and Business Development

Acquisition

Britannia entered into a share purchase agreement dated March 10, 2020, wherein Britannia acquired 60% of each of the Class A and Class B ordinary shares of Advanced Development and Safety Laboratories (“ADSL”). Completion arrangements in relation to this agreement were made on February 9, 2021 (the “Completion Date”).

The group aims to be a leader in product development, compliance, and analytical services for its expanding customer base as well as playing a pivotal role in the convergence of the cannabinoid and consumer products industries on a global scale. With exceptional expertise and complementary skills in process controls, industry regulation, health and safety and manufacturing, Britannia provides a full service for customers to ensure products can be launched in the market successfully and safely.

Pursuant to the terms of the agreement, on the first three (3) anniversaries of the Completion Date, Britannia has the right to acquire from the Sellers up to an additional 40% of the share capital for an additional consideration. In circumstances where on expiry of the third anniversary of the Completion Date Britannia has not acquired all the shares, the Sellers shall have the right to require the Britannia to purchase all of the shares it does not yet own (the “put liability”). The total consideration payable for the additional shares (“Put Shares”) upon exercise of the put liability and the closing of Britannia’s acquisition of the Put Shares would be equal to the total equity value of the Put Shares, which would be based upon the applicable percentage acquired by Britannia of the total enterprise value for ADSL. As at March 31, 2021 the value of the liability related to the put option was determined to be $2,435,100 (GBP 1,404,568), representing the difference between the market price and the contract value of the put liability, discounted at a rate of 0.23% and assuming the transaction would take place on February 9, 2024. As at June 30, 2021, the fair value of the put liability was remeasured to $2,107,374 (GBP 1,230,511), generating a gain in the change in fair value of the put liability of $327,726.

Business Combination Agreement

On January 21, 2021, the Company entered into an agreement with Rise Life Science Corp. (RISE) 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").

On April 30, 2021, Britannia, RISE and RISE Subco entered into a Business Combination Agreement pursuant to which Britannia agreed to amalgamate with RISE Subco to form "Amalco", which will result in a reverse takeover (“RTO”) of RISE. On completion of the RTO Transaction, the Resulting Issuer will carry on the business and operations of Britannia and RISE with a focus on product development and laboratory testing within the food, cosmetics, nutraceutical and wellness sectors.

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 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

Britannia and RISE believe the RTO Transaction to be an important next step in their business development and has identified attractive and complementary assets through the transaction, which will accelerate the Resulting Issuer's growth and strategic development.

The shareholders of RISE have approved the completion of the Proposed Transaction at their annual general meeting held on September 8, 2021 subject to subsequent approvals from the CSE being obtained.

Discussion of Operations

The Company's unaudited condensed interim 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 no material uncertainties that cast significant doubt about the Company's ability to continue as a going concern at this time. For the period ended June 30, 2021, the Company realized net income of $1,041,824 and had positive cash flows from operations of $674,537. The company used $45,792 in investing activities and generated $1,609,842 in financing activities. Working capital for the period ended June 30, 2021 was negative $5,526,502 (March 31, 2021: $7,674,791).

Financial Information

Revenue

Revenue for the period was generated by the Company's operating subsidiary, ADSL. In the current period, ADSL has contributed $1,974,849 to the total revenues from sales and services and a net income of $1,309,402 to the consolidated income from operating activities.

Cost of Goods Sold and Gross Margin

Cost of goods sold is comprised of the direct consumables required for the formulation and testing of products as well as associated labour costs, and expenses related to consumer and user trials. Gross profit for the period ended June 30, 2021 was $1,549,948 compared to $nil for the comparative period which was pre-acquisition.

Selling, general and administrative expenses increased to $538,931 for the period compared to $17,228 for the comparative period which is directly related to the consolidation of ADSL.

Finance expense for the period ended June 30, 2021 was $358,412 compared to $nil for the prior period. The increase is the result of the interest payable on the convertible debentures issued and the loan payable to the ADSL shareholders in relation to the acquisition of its share capital.

Other Income and Expense

The Company experienced a foreign exchange loss of $229,784 for the period ended June 30, 2021 compared to $nil in the prior period. The majority of the loss is related to the revaluation of the Company's loans and put option liability at year end and are unrealized.

Selected financial information, presented under IFRS in the table below:

	For the three months ended June 30, 2021	For the three months ended June 30, 2020
	$	**$**
Revenue	**1,974,849**	-
Gross margin	**1,549,948**	-
Net comprehensive income (loss)	**204,539**	(16,119)
Basic and diluted earnings (loss) per share	**0.10**	(0.00)

Liquidity and Capital Resources

The following summarizes the Company's convertible notes payable as at June 30, 2021 and March 31, 2021:

The Britannia Debentures

The Company raised USD $6,127,000 (CAD $7,819,006) through the issuance of 6,127 convertible debentures units (each a "Convertible Debenture Unit"). Each unit, issued for US$1,000 consists of a convertible debenture (each a "Debenture") and 645 share purchase warrants. The financing was completed in three tranches on January 29, 2021, February 2, and April 7, 2021 (together, the "Closing Date").

The Debentures bear interest at 10% per annum, are payable annually on the last date of December, and mature two years from the Closing Date. Each Debenture is convertible, at the option of the holder, at any time prior to the close of business on the last business day immediately preceding six months of the Closing Date, into that number of shares computed on the basis of the principal amount of the Debenture divided by the conversion price of US$1.55 per share (the "Debenture Conversion Price"). In the event that the Company does not complete a Liquidity Event (as defined in the subscription agreement) on or before the date which is 18 months from the Closing Date, the holders of the Debentures shall have the right for a period of 30 days after the Closing Date to require the Company to redeem the Debentures at a price equal to US$1,500 per Debenture then outstanding.

Each common share purchase warrant has a two-year term and an exercise price of US$2.00 per common share. The Company in its discretion may accelerate the expiration date of the warrants in the event the Company’s common shares trade at US$2.50 or more for 20 or more consecutive trading days on the Canadian Securities Exchange.

On January 29, 2021, the Company completed a tranche of Convertible Debenture Units (the “January 29 Units”), raising US$2,272,000 ($2,903,616). The Debentures have a maturity date of January 29, 2023. 1,465,440 common share purchase warrants were issued.

On February 2, 2021, the Company completed a tranche of Convertible Debenture Units (the “February 2 units”), raising US$2,564,000 ($3,286,535). The Debentures have a maturity date of February 2, 2023. 1,653,780 common share purchase warrants were issued.

On April 7, 2021, the Company completed a tranche of Convertible Debenture Units (the “April 7 units”), raising US$1,291,000 ($1,628,855). The Debentures have a maturity date of April 7, 2023. 832,695 common share purchase warrants were issued.

In the event that Britannia completes a Liquidity Event, the Debentures shall be deemed to automatically convert, without any further action on the part of the holder and immediately prior to such Liquidity Event, into Britannia Debenture Shares ("Liquidity Event Conversion"). Upon a Liquidity Event Conversion, any accrued and unpaid interest (calculated daily on the basis of a year of 365 days and pro-rated in the event Debentures are converted during a given year) with respect to the Debentures shall, within 30 days of the completion of the Liquidity Event, be paid to the holder by the entity that results from the Liquidity Event (the "Resulting Issuer") and at the option of the Resulting Issuer, in cash or in shares of the Resulting Issuer at a deemed price per share equal to the Debenture Conversion Price (as such price may be adjusted in accordance with the exchange ratio applicable to the Liquidity Event transaction).

The Debentures and common share purchase warrants are denominated in US dollars, while convertible in Canadian dollars. As the conversion price in a different currency requires a variable number of shares to settle the Debentures, the Debentures are treated as having an embedded derivative that is treated as a financial liability under IFRS. Furthermore, the exercise price for the common share purchase warrants is denominated in US dollars and therefore their exercise would represent a variable number of common shares. As a result, the common share purchase warrants do not meet the fixed- for-fixed criteria under IFRS to be classified as equity and are also treated as a financial liability under IFRS. The fair value of the embedded derivative was $3,407,610 as at June 30, 2021 ($2,982,182 as at March 31, 2021). The fair value of the warrant derivative liability was $600,190 as at June 30, 2021 ($543,124 as at March 31, 2021).

The value of the convertible notes payable was $3,370,215 as at June 30, 2021 ($2,363,154 as at March 31, 2021).

For the period ended June 30, 2021, the Company incurred interest expense of $180,523 (USD$142,144) (2020 – $nil). The current portion of interest accrued is included as part of accounts payable and accrued liabilities in the condensed interim consolidated financial statements.

The Company recorded accretion expense of $386,385 and foreign exchange gain $45,216 for the period ended June 30, 2021.

During the three months ended June 30, 2021, $17,988 ($nil – 2020) of interest was paid to related parties. The outstanding interest payable was $279,510 as at June 30, 2021 ($98,987 as at March 31, 2021).

The fair value of the embedded derivative related to the January 29, 2021 issuance was determined using the Black Scholes valuation model using the following assumptions on June 30, 2021: stock price of $1.35; expected life of 1.58 years; $nil dividends; 80% volatility; risk-free interest of 0.45%; foreign exchange rate of 1.2394; and the exercise price of $1.25.

The fair value of the embedded derivative related to the February 2, 2021 issuance was determined using the Black Scholes valuation model using the following assumptions on June 30, 2021: stock price of $1.35; expected life of 1.59 years; $nil dividends; 80% volatility; risk-free interest of 0.45%; foreign exchange rate of 1.2394; and the exercise price of $1.25.

The fair value of the embedded derivative related to the April 7, 2021 issuance was determined using the Black Scholes valuation model using the following assumptions on issuance: stock price of $1.35; expected life of 2.00 years; $nil dividends; 80% volatility; risk-free interest of 0.23%; foreign exchange rate of 1.2617; and the exercise price of $1.23. The fair value of the embedded derivative was also determined using the Black Scholes valuation model using the following assumptions on June 30, 2021: stock price $1.35; expected life of 1.77 years; $nil dividends; 80% volatility; risk-free interest of 0.45%; foreign exchange rate of 1.2394; and the exercise price of $1.25.

The fair value of the warrant liability at June 30, 2021 is $600,190. The fair value was determined at the date of measurement using the Black-Scholes option pricing model with the following weighted average assumptions, judgmentally determined by management:

		Jan 29, 2021 Issuance		**Feb 2, 2021 Issuance**		**Apr 7, 2021 Issuance**
Expected life in years		1.58		1.59		1.77
Market price	$	1.25	$	1.25	$	1.25
Strike price	USD	2.00	USD	2.00	USD	2.00
Risk free interest rate		0.45%		0.45%		0.45%
Dividend yield		0%		0%		0%
Expected volatility		80%		80%		80%
Forfeiture rate		75%		75%		75%

Changes in the number of warrants outstanding during the period ended June 30, 2021 are as follows:

	Warrants		**Amount**		**Weighted Average Exercise Price**
Balance, beginning of period	**3,119,220**	**$**	**543,124**	**$**	**2.00**
Granted	**832,695**		**145,486**		**2.00**
Change in fair value			**(88,420)**		
Balance, end of period	**3,951,915**	**$**	**600,190**	**$**	**2.00**
Weighted average remaining contractual life (years)					**1.63**

The continuity of the convertible debentures, embedded derivative and warrant liability are as follows:

		Convertible Debentures		**Embedded Derivative**		**Warrant Liability**
Balance as at March 31, 2021	**$**	2,363,154	**$**	2,982,172	**$**	543,124
Additions		1,628,855		-		-
Allocation of additions to embedded derivative		(817,477)		817,477		-
Allocation of additions to warrant liability		(145,486)		-		145,486
Interest accretion		386,385		-		-
Change in fair value		-		(392,039)		(88,420)
Effect of foreign exchange		(45,216)		-		-
Balance as at June 30, 2021	**$**	**3,370,215**	**$**	**3,407,610**	**$**	**600,190**

Off Balance Sheet Arrangements

As at June 30, 2021 and the date of this MD&A, the Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the results of operations or financial conditions of the Company.

Related Party Transactions

Compensation to key management

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

		June 30, 2021		**June 30, 2020**
Salaries, fees and short-term employee benefits	**$**	**41,029**	$	-
Interest expense		**181,217**		-
	$	**222,246**	$	-

Sellers Loan Agreement

On February 9, 2021, the Company and the Sellers entered into a Seller Loan Agreement. In connection to this agreement, the Sellers loaned £4,456,813 ($7,632,737) to Britannia, at an interest rate of 6% per annum and initial repayment date of April 30, 2021. On June 15, 2021, the terms of this loan were amended to extend the repayment date to December 31, 2021 and increase the interest rate to 10% per annum subsequent to June 1, 2021.

Risks arising from financial instruments and risk management:

The Company has classified its financial instruments as follows:

	June 30, 2021	March 31, 2021
	$	$
FVTPL, measured at fair value:		
Cash	**3,060,361**	828,321
Warrant liability	**600,190**	543,124
Embedded derivative	**3,407,610**	2,982,172
Put liability	**2,107,374**	2,435,100
Financial assets, measured at amortized cost:		
Accounts receivable	**1,834,988**	1,686,152
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	**850,504**	1,190,386
Interest payable	**511,710**	163,076
Due to related party	**7,632,737**	7,726,776
Directors loan	**-**	225,000
Lease liability	**220,173**	231,079
Convertible note	**3,370,215**	2,363,154

The carrying value of the Company's financial instruments approximate their fair value.

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.

A 10% increase/decrease in the price per share of the Company's embedded derivative classified as Level 2 would increase/decrease the Company's change in fair value of the embedded derivative by $605,584.

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.

There were no transfers between level levels 1 and 2 for recurring fair value measurements during the year ended March 31, 2021. Further there was no transfer out of level 3 measurements.

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 is mainly exposed to credit risk from credit sales and manages this risk by endeavouring only to deal with customers which are demonstrably credit worthy and through the continuous monitoring of financial exposure by 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.

The following table summarizes the maturities of the Company's non-derivative financial liabilities as at June 30, 2021 based on undiscounted contractual cash flows:

	Payment due by Period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Accounts payable and accrued liabilities	$ 850,504	$ -	$ -	$ 850,504
Lease liability	77,067	147,070	79,958	304,095
Sellers' loan agreement	8,247,057	-	-	8,247,057
	$ 9,174,628	$ 147,070	$ 79,958	$ 9,401,656

The following table summarizes the maturities of the Company's derivative financial liabilities as at June 30, 2021 based on undiscounted contractual cash flows:

	Payment due by Period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Convertible debentures	$ 1,032,682	$ 8,065,797	$ -	$ 9,098,479
Put liability	-	-	22,457,460	22,457,460
	$ 1,032,685	$ 8,065,797	$ 22,457,460	$ 31,555,939

Currency risk

The Company is exposed to currency risk to the extent that monetary operational expenses are denominated in US dollar and UK Pounds sterling while the functional currency of Canadian dollar is used for reporting. The Company has not entered into any foreign currency contracts to mitigate this risk.

As at June 30, 2021, the Company had the following financial instruments denominated in foreign currencies:

Denominated in:	**USD**	**GBP**
Due to related party	-	4,456,813
Convertible note	2,719,231	-
Warrant liability	484,258	-
Put liability	-	1,230,511
Embedded derivative	2,749,403	-
Interest payable	220,155	134,792
	6,173,047	5,818,464
Foreign currency rate	1.2394	1.7126
Equivalent to Canadian dollars	7,650,874	9,964,701

Based on the about net exposure and assuming that all other variables remain constant, a 10% change in the USD against the CDN would impact net loss and comprehensive loss by $765,087 and a 10% change in the GBP against the CDN would impact net loss and comprehensive loss by $996,470.

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 convertible notes which bear interest at fixed rates.

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 maximize 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 it operations and capital requirements primarily through the issuance of shares and recently on secured and convertible notes since inception.

The Company manages its capital structure and adjusts 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 toany externally imposed capital requirements.

Share Capital

Authorized

The Company has authorized share capital of an unlimited number of common voting shares ("Common Shares").

Shares issued and outstanding

(i) On April 30, 2019 Britannia issued an aggregate of 6,020,000 common shares for gross proceeds of CDN $7.

(ii) Between May 1, 2019 and June 30, 2019, Britannia completed a non-brokered private placement through the issuance of an aggregate of 448,860 common shares at a price of CDN$1.35 per common share for gross proceeds of CDN $605,961.

Risk Factors

Management of Growth

Britannia may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of Britannia to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Britannia to deal with this growth may have a material adverse effect on Britannia's business, financial condition, results of operations and prospects.

While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, Britannia may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for Britannia's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, Britannia will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. Britannia will periodically review and manage its systems, processes and processes through introduction of necessary Enterprise Resource Planning solutions, as well as Human resource functions, however there can be no assurance that Britannia will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support Britannia's operations or that Britannia will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

In addition, contemplated acquisitions and collaborations involve numerous risks, including, but not limited to: substantial cash expenditures; technology development risks; potentially dilutive issuances of equity securities; incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition; difficulties in assimilating the operations of the acquired companies; potential disputes regarding contingent consideration; diverting Britannia's management's attention away from other business concerns; entering markets in which Britannia has limited or no direct experience; and potential loss of Britannia's key employees or key employees of the acquired companies or businesses. Britannia's management has experience in making acquisitions and entering collaborations; however, Britannia cannot provide assurance that any acquisition or collaboration will result in short-term or long-term benefits to it. Britannia may incorrectly judge the value or worth of an acquired company or business. In addition, Britannia's future success would depend in part on its ability to manage the rapid growth associated with some of these acquisitions and collaborations. Britannia cannot provide assurance that it would be able to successfully combine its business with that of acquired businesses or manage a collaboration. Furthermore, the development or expansion of Britannia's business may require a substantial capital investment by Britannia.

Success of Quality Control Systems

The accuracy, quality, and safety of Britannia's products and services are critical to the success of its business and operations. As such, it is imperative that Britannia's quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Although Britannia strives to ensure that all its service providers have implemented and adhere to high caliber quality control systems, any significant failure or deterioration of such quality control systems could have a material adverse effect on Britannia's business and operating results.

Consumer/Clinical Trial Results and Adverse Safety Events

From time to time, studies and consumer or clinical evaluations on various products including CBD may be conducted by Britannia, academic researchers, competitors, or others. The results of these studies or trials, when published, may have a significant effect on the marketability of the substance that is the subject of the study. The publication of negative results of studies or clinical trials, or the occurrence of adverse safety events related to CBD could adversely affect Britannia and its clients by impacting the marketability of products, share price and ability to finance future operations.

Confidentiality of Personal and Health Information

Britannia and its subsidiaries' employees and consultants have access, in the course of their duties, to personal information of clients of Britannia and specifically their medical histories. Britannia endeavors to maintain General Data Protection Regulation (GDPR) compliance in its data collection, however there can be no guarantee that these existing policies, procedures, and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of Britannia's employees or arm's length third parties. If a client's privacy is violated, or if Britannia is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

People and Process Risk

A variety of factors may affect Britannia's future growth and operating results, including the strength and demand for the Company's services, the extent of competition in our markets, the ability to recruit and retain qualified personnel, and the ability to address consumer demand. The Company relies on certain key employees whose skills and knowledge are critical to maintaining the Company's success. Britannia always strives to identify and retain key employees and always strives to be competitive with compensation and working conditions.

Legal Matters

In the normal course of operations, the Company may be subject to a variety of legal proceedings, including commercial, product liability, employment, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources, and can cause the Company to incur significant expenses. Furthermore, because litigation is inherently unpredictable, and can be very expensive, the results of any such actions may have a material adverse effect on our business, operations, or financial condition.

Regulatory Compliance

In the normal course of operations, the Company is subject to various regulations, and violation of these could limit markets into which it can sell or lead to unknown liabilities. Britannia considers itself well prepared and operates under caution to ensure the highest levels of safety and compliance exist.

Responsible Person

A Responsible Person is a legal or natural person who ensures the compliance of each cosmetic product in the EU market with relevant obligations as set forth in Regulation EC No 1223/2009. The Responsible Person is in charge of ensuring that cosmetic products marketed in the European Union comply with this Regulation. The Company faces an inherent risk of exposure to product liability claims, regulatory action, and litigation if products for which it has acted as Responsible Person are alleged to have caused significant loss or injury. A claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on results of operations and financial condition of the Company.

Outlook

To date, the Company's business has not been negatively impacted by the COVID-19 pandemic. In many cases, the operating subsidiary has seen customers expand into new product lines which has maintained, if not increased, pre pandemic levels of activity. The Company is maintaining additional preventative measures to ensure the highest level of safety for all employees and will comply with all government guidelines as required. The Company will continue to work hard to manage customer relationships and monitor its supply chain to ensure it can reliably continue to offer a high-quality service. Management believes the prospects for the Company remain strong for the upcoming year.

SCHEDULE "E"
RISE MD&A

Table of Contents

The following management's discussion and analysis ("MD&A") is current to July 29, 2021 and should be read in conjunction with Rise Life Science Corp.'s ("RLSC", "RISE" or the "Company") unaudited condensed interim consolidated financial statements for the periods ended May 31, 2021 and May 31, 2020 which have been prepared under International Financial Reporting Standards ("IFRS"). Except as otherwise noted, the financial information contained in this MD&A and the financial statements referred to herein are prepared in accordance with IFRS. All amounts are expressed in Canadian Dollars unless otherwise noted. Additional information regarding the Company including its annual MD&A and audited financial statements are available on SEDAR at www.sedar.com.

Overview

As a result of disappointing revenue numbers and continued challenges in operations due to COVID-19, the Company has shifted its focus to enhancing shareholder value through strategic acquisition(s). 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").

Also pursuant to the terms of the Agreement is that RISE and Britannia shall negotiate the terms and structure of the 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 5, 2021, the Company completed a non-brokered private placement offering of subscription receipts for gross proceeds of $710,000 USD and subsequently on April 15, 2021 closed an additional $621,000 USD at a price of USD$1,000 per Subscription Receipt. The gross proceeds of the Offering were held in escrow on behalf of the subscribers of the Subscription Receipts by an escrow agent. Each Unit consisted of a number of common shares in the capital of the Company and a number of common share purchase warrants of the Company that would be determined at a later date with reference to a financing proposed to be completed by Britannia in connection with the proposed share purchase, merger, amalgamation or statutory plan of arrangement transaction between the Company and Britannia, to be carried out substantially in accordance with the Letter of Intent dated September 14, 2020, as amended, pursuant to which the Company would combine businesses with Britannia.

Britannia completed a concurrent financing of 6,127 convertible debenture units of Britannia (each a "Britannia Convertible debenture Unit") at a price of $1,000 USD or $1,270 CAD, at the option of the subscriber thereof, per Britannia Convertible Debenture Unit for aggregate proceeds of US$6,127,000 (or the Canadian dollar equivalent). Each Britannia Convertible Debenture Unit was comprised of US$1,000 principal amount of 10% 2-year convertible senior unsecured debentures of Britannia and 645 share purchase warrants of Britannia. Each Britannia debenture is convertible at any time prior to the close of business on the last business day immediately preceding six months of the closing date, into that number of shares computed on the basis of the principal amount of the Britannia debentures divided by the conversion price of US$1.55 per Britannia common share. Each Britannia warrant entitles the holder thereof to purchase one Britannia common share at a price of US$2.00 for a period of 24 months from the date of issuance. According to their terms, the Britannia debentures will automatically convert into Britannia shares at the Britannia debenture conversion price immediately prior to the proposed RTO with RISE.

On May 3, 2021, RISE and Britannia announced that the Company, Britannia Bud Canada Holdings Inc. and 2830026 Ontario Inc., a wholly-owned subsidiary of RISE entered into a business combination agreement dated April 30, 2021 in respect of the previously announced transaction. Completion of this transaction will result in a RTO and will constitute a "fundamental change" of RISE pursuant to the policies of the Canadian Securities Exchange.

The agreement provides for, among other things, a triangular amalgamation pursuant to which: (i) Britannia will amalgamate with 2830026 Ontario Inc. under the OBCA to form one corporation; (ii) the security holders of Britannia Bud Canada Holdings Inc. will receive securities of the Resulting Issuer at an exchange ratio of 120 common shares of the resulting issuer for each one common share of Britannia.

On June 10, 2021, the Company reported successful negotiations with convertible note holders and creditors both arm's length and non-arm's length. As a result, $4,389,000 principal amount of unsecured convertible debentures of the Company and all accrued and unpaid interest was converted into 82,433,917 common shares in the capital of the Company. Also, an additional 33,898,936 common shares were issued subsequent to quarter end for settlement of debt.

Discussion of Operations

The Company's unaudited condensed interim 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. For the period ended May 31, 2021, the Company has had negative cash outflows from operations since incorporation, has accumulated a deficit of $43,340,655 and had negative working capital of $5,216,274.

Financial Information

Revenue for the three months ended May 31, 2021 was $nil compared to $10,049 for the prior comparative period. The Company has shifted focus to enhancing shareholder value through strategic acquisition(s) and as a result, did not emphasize selling efforts during the quarter.

Gross profit for the three month period ended May 31, 2021 was $nil compared to $6,398 for the comparative period. The Company, due to its shift in focus as noted above, did not concentrate on sales which directly impact gross profit.

Selling, general and administrative expenses increased from $326,623 in the comparative three month period to $355,436. The increase is a result of the M&A activity which is occurring with respect to Britannia which had not occurred in the prior period.

Finance expense for the three month period ended May 31, 2021 was $20,857 (2020-$405,594). The decrease is a result of a changing debt load from certain notes maturing which impacts both interest payable as well as the recognition of accretion expense. In addition, the Company also offset some finance expense with finance recovery during the period.

The Company experienced a foreign exchange loss of $241,020 for the three month period ended May 31, 2021 compared to a foreign exchange gain of $88,362 during the prior period. The majority of the loss and or gain in any period is on intercompany debt between the Canadian parent and its U.S subsidiaries and is unrealized.

Stock based compensation expense during the three month period ended May 31, 2021 was $nil compared to $2,173 for the comparative period. The difference period over period is tied to the number of options issued and vested during the period and the valuation model inputs which change over time.

During the three month period ended May 31, 2021, the Company recorded a charge of $28,490 compared to a charge of $43 in the comparative period. The Company regularly assess its property and equipment for impairment and records charges when necessary.

The Company recorded a gain on settlement of debt of $5,529,843 during the three month period ended May 31, 2021. The Company entered into negotiations with certain parties during the period and as a result of favourable outcomes, was able to reduce debts payable and convertible notes payable by issuing shares resulting in the recognition of the gain. There was no similar gain recognition in the comparative period.

Revenue for the six months ended May 31, 2021 was $nil compared to $26,927 for the prior comparative period. The Company has shifted focus to enhancing shareholder value through strategic acquisition(s) and as a result, did not emphasize selling efforts during the period.

Gross profit for the six month period ended May 31, 2021 was $nil compared to $17,895 for the comparative period. The Company, due to its shift in focus as noted above, did not concentrate on sales which directly impact gross profit.

Selling, general and administrative expenses decreased from $644,256 in the comparative six month period to $374,693. The decrease is a result of significant cost cutting measures in the Company.

Finance expense for the six month period ended May 31, 2021 was $153,650 (2020-$817,240). The decrease is a result of a changing debt load from certain notes maturing which impacts both interest payable as well as the recognition of accretion expense. In addition, the Company also offset some finance expense with finance recovery during the period.

The Company experienced a foreign exchange loss of $401,115 for the six month period ended May 31, 2021 compared to a foreign exchange gain of $162,457 during the prior period. The majority of the loss and or gain in any period is on intercompany debt between the Canadian parent and its U.S subsidiaries and is unrealized.

Stock based compensation expense during the six month period ended May 31, 2021 was $nil compared to $5,025 for the comparative period. The difference period over period is tied to the number of options issued and vested during the period and the valuation model inputs which change over time.

During the six month period ended May 31, 2021, the Company recorded a charge of $28,490 compared to a charge of $1,380 in the comparative period. The Company regularly assess its property and equipment for impairment and records charges when necessary.

The Company recorded a gain on settlement of debt of $5,823,822 during the six month period ended May 31, 2021. The Company entered into negotiations with certain parties during the period and as a result of favourable outcomes, was able to reduce debts payable and convertible notes payable some of which were settled in shares resulting in the recognition of the gain. There was no similar gain recognition in the comparative period.

Selected Quarterly Financial Information

The selected financial information, presented under IFRS, provided in the table below is derived from the unaudited quarterly financial statements for each of the last eight quarters (in $'s):

2021 and 2020	**Q2**	**Q1**	**Q4**	**Q3**
	$	$	$	$
Revenue	-	-	1,480	3,384
Comprehensive (income) Loss	(5,132,902)	(152,968)	1,058,082	624,568
(Earnings) loss per share	(0.06)	(0.00)	0.02	0.01

2020 and 2019	**Q2**	**Q1**	**Q4**	**Q3**
	$	$	$	$
Revenue	10,049	16,878	72,449	201,137
Comprehensive Loss	729,123	721,315	1,331,535	2,153,942
Loss per share	0.01	0.01	0.02	0.04

Liquidity and Capital Resources

Since inception, the Company has financed its operations from public and private sales of equity, issuance of debt, the exercise of warrants and stock options, interest income on funds available for investment and on occasion, government grants. As of May 31, 2021, the Company had negative working capital of $5,216,274.

The Company has experienced operating losses and cash outflows from operations since incorporation and has accumulated a deficit of $43,340,655.

On December 4, 2018, the Company completed a tranche of convertible notes, raising $1,490,000 under the same terms as outlined below and with conditions as the previous tranche which closed in November, 2018 of $4,035,000.

Units were issued comprising of notes and warrants. The notes bear interest at 12% per year, paid quarterly in cash to the holders of the notes. The maximum term of the notes is 24 months and the minimum twelve 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 note holder 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 if 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 of this tranche were issued an aggregate of 9,932,340 common share purchase warrants respectively 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 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.

On April 1, 2019, the Company completed a tranche of units, raising an additional $274,000. Units issued comprised of convertible notes and warrants. The notes bear interest at 12% per year, 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 note holder 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 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 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 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 was recorded at face value and the funds held in escrow shown as restricted cash in the financial statements. All of the $2,050,000 has been paid back.

On March 4, 2021, the Company completed a non-brokered private placement offering raising gross proceeds of $710,000 USD and subsequently an additional $610,000 USD. The gross proceeds of the offering are being held in escrow with an escrow agent in contemplation of a definitive agreement with Britannia. More information on this private placement can be found under the heading Overview.

During the second quarter of 2021, the Company successfully negotiated with convertible note holders who had yet to convert their convertible notes into common shares of the Company. Unpaid principal would now be converted at $0.065 cents per common share and unpaid Interest would be converted at $0.05 per common share. The Company has treated this transaction as a settlement of debt as the term of the notes had expired and the Company was unable to settle these liabilities through normal course principal and interest payments. Of the November 14th notes, $2,785,000 of principal and $459,639 of interest were converted to common shares. Of the December 4th notes, $1,330,000 of principal and $228,250 of interest were converted to common shares and of the April 1st notes, $274,000 of principal and $57,653 of interest were also converted to common shares.

The Company periodically enters into long term contractual agreements for the leases of office facilities and equipment, management services, and certain purchased services. The following table presents commitments arising from agreements currently in force as of May 31, 2021 over the next five years.

	Payments due by Period			
	Within 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 715,318	$ -	$ -	$ 715,318
Secured Promissory notes including interest	4,135,943	-	-	4,135,943
Convertible debt including interest	1,540,326	-	-	1,540,326
Loan	-	60,000	-	60,000
	$ 6,391,587	$ 60,000	$ -	$ 6,451,587

As at the date of this MD&A, financial markets remain negatively impacted by the novel Coronavirus or COVID-19, which was declared a pandemic by the World Health Organization on March 12, 2020. This has resulted in significant economic uncertainty and consequently, it is difficult to reliably measure the potential impact of this uncertainty on the Company's future financial results and its ability to raise needed capital either through the issuance of debt or equity.

Off Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Related Party Transactions

Compensation to key management

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 Company's stock option plan. Compensation paid to key management personnel for the periods ended May 31, 2021 and May 31, 2020 is as follows:

		2021		2020
Salaries, fees and short-term employee benefits	$	**270,000**	$	270,000
	$	**270,000**	$	270,000

Included in accounts payable and accrued liabilities as at May 31, 2021 is $133,900 due to directors and key management.

Changes in Accounting Policies

New standards and interpretations not yet adopted

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.

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.

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.

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.

Risks arising from financial instruments and risk management:

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risks), credit risk and liquidity risk. The Company identifies, evaluates and, where appropriate, mitigates financial risks. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The audit committee of the board is responsible to review the Company's risk management policies.

(i) Market Risk

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

Foreign exchange risk

The Company operates primarily within Canada and the United States. A portion of its expenses may be incurred in other countries but primarily is incurred in United States dollars ("US dollar") and Canadian dollars ("CAD dollar"). Foreign exchange risk arises because the cost of transactions denominated in foreign currencies may vary due to changes in exchange rates. The Company has not entered into foreign exchange derivative contracts. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar may have a significant effect on the Company's results of operations, financial position or cash flows.

The Company is exposed to currency risk through its cash and accounts payable denominated in US dollars. Based on the net exposures as at May 31, 2021 and assuming that all other variables remain constant, a 5% appreciation or deterioration of the Canadian dollar against the US dollar would not be significant.

Interest rate risk

The Company is subject to interest rate risk on its cash and cash equivalents and debt. The Company believes that interest rate risk is low as the Company does not hold any term deposits and interest earned on cash equivalents is variable. The long-term debt is at fixed interest rates. A change of 1% in interest rates over the period ended May 31, 2021 would not have had a significant effect on the net loss for the period.

(ii) 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.

(iii) Liquidity and Funding 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.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. While the Company manages its funding risk by forecasting its cash needs on a regular basis and continuously monitoring the stock price and other market conditions, financing may still not become available which could have a material effect on the Company.

(iv) Capital management

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 it 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.

The Company is not subject to externally imposed capital requirements. To maximize investment in and development of its products, the Company does not pay out dividends.

Share Capital

	July 29, 2021	May 31, 2021	November 30, 2020
Common shares issued and outstanding	279,662,605	240,118,568	60,310,352
Options outstanding	1,850,000	1,850,000	2,251,400
Warrants outstanding	107,977,354	107,977,354	16,716,778

Risks and Uncertainty

The Company operates in a highly competitive environment that involves significant risks and uncertainties, some of which are outside of the Company's control, which could have a material adverse effect upon the Company, its business and future prospects. Investors should carefully consider the risks and uncertainties described below, as well as other information contained in this MD&A. The risks and uncertainties described below are not exhaustive. There may be risks and uncertainties not presently known to the Company or that the Company believes to be immaterial which could adversely affect the Company and its business in the future.

Risks Related to the Company's Financial Condition

- The Company has mainly relied on equity and debt financing to support operations and will continue to need significant amounts of additional capital. The Company intends to raise additional financing, as required, through research, partnering and licensing arrangements, the exercise of warrants and options, and through equity and/or debt financing. However, there can be no assurance that these financing efforts will be successful or that the Company will continue to be able to meet ongoing cash requirements. It is possible that financing will not be available or, if available, may not be on favourable terms. The Company may fail to obtain additional financing and be unable to fund operations and commercialize its product candidates. The availability of financing will be affected by the Company's ability to attain regulatory approvals where required, the market acceptance of the Company's products, the state of the capital markets generally (with particular reference hemp companies), the status of strategic alliance agreements, and other relevant commercial considerations. Any future equity financing could result in significant dilution to existing shareholders.
- The Company had commenced earning revenue in 2018 on its commercial market development of Life Bloom Organic's and Karreza hemp-based CBD products but, in light of the length of time and expense associated with bringing new products through commercialization and bringing products to market, operating losses are expected to continue unless and until the Company is able to generate sufficient revenues from commercial product sales.
- The Company must meet its debt repayment obligations and/or renegotiate the terms and/or obtain an additional extension to the maturity date of the secured and unsecured debt and failure to do so could cause the lender to demand on its security on the Company's long-term debt. There can be no assurance that the Company will continue to meet its debt repayment obligations and/or renegotiate the terms and/or obtain an additional extension to the maturity date of its debt.

Risks Relating to the Cannabis Industry

- **Change in Law, Regulations and Guidelines** - In Canada, operations in cannabis are subject to a variety of laws, regulations and guidelines relating to marketing, acquisition, manufacture, management, transportation, storage, sale and disposal but also laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Company's operations. As the company eventually plans to market products in Canada through licensing and partnerships with

Canadian licensed producer operators, the Canadian cannabis regulations could potentially decrease the size of the market for the Company's business, and potentially materially and adversely affect the Company's business, its results of operations and financial condition.

- Unlike in Canada, which has federal legislation uniformly governing the cultivation, distribution, sale and possession of cannabis, including marijuana and hemp, in the United States, various varieties of cannabis, primarily distinguished as between marijuana and hemp, are regulated independently. Marijuana remains federally illegal within the United States and is thus largely regulated at the state level. Conversely, although hemp is federally lawful, there remain certain uncertainties and inconsistencies amongst federal agency interpretation of laws as well as under state law. To the Company's knowledge, there are to date a total of approximately 40 U.S. states and territories that have legalized marijuana in some form. Notwithstanding the permissive regulatory environment of medical or adult use marijuana at the state level, marijuana continues to be categorized as a Schedule I controlled substance under the federal Controlled Substances Act ("CSA") and as such, violates federal law in the United States. With respect to hemp, the Agriculture Improvement Act of 2018 (the "Farm Bill") defines "hemp" and clarified and affirmed that hemp is not to be treated as a controlled substance in the CSA and permanently removes hemp from the definition of "marijuana." Although interference with interstate commerce of hemp and hemp products is now expressly prohibited by the Farm Bill, varying state legislation and policies related to hemp and/or CBD remain, at times, contradictory to federal law. As a result of the conflicting views between state legislatures and the United States federal government regarding marijuana and/or hemp, investments in marijuana or hemp businesses in the United States are subject to inconsistent legislation and regulation. For the reasons set forth above, the Company's existing activities related to the United States may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in the United States and Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to conduct business related to the United States or any other jurisdiction. In the United States, the Company's current intention is to only directly transact business pertaining to the use of U.S. Farm Bill-compliant hemp products – products derived from hemp (as defined under federal law) sourced via state-authorized hemp programs from compliant growers. This policy, according to the Company's U.S. legal advice, suggests that we are compliant with U.S. federal law. There can be no assurance that the Company will not be affected by changes in laws related to cannabis-related products in Canada, the United States or other jurisdictions, or the interpretation and enforcement of such laws.
- **Hemp-derived cannabinoids such as CBD are subject to numerous governmental regulations and it can be costly to comply with these regulations and to develop compliant products and processes.**
- Naturally-occurring compounds, which may be used in the manufacture of various food or dietary supplement products intended for human or animal consumption, topicals and drugs are subject to rigorous regulation by the U.S. Food and Drug Administration ("FDA") and numerous international, supranational, federal and state authorities. The process of obtaining regulatory approvals to market such products can be costly and time-consuming, and approvals might not be granted for future products, or additional indications or uses of existing products, on a timely basis, if at all. Delays in the receipt of, or failure to obtain approvals for, future products, or new indications and uses, could result in delayed realization of product revenues, reduction in revenues, and in substantial additional costs. In addition, no assurance can be given that we will remain in compliance with applicable FDA and other regulatory requirements. These requirements may include, among other things, regulations regarding manufacturing practices, product labeling and advertising.
- **Regulatory Risk** - Achievement of the Company's business objectives are contingent, in part, upon compliance with the regulatory requirements, including those imposed by Health Canada, where applicable and U.S. Federal, state and local law, enacted by these government authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by government authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Company's business, results of operation and financial condition.
- **Unfavorable Publicity or Consumer Perception** - The success of the cannabis including hemp industry may be significantly influenced by the public's perception of cannabis applications. Cannabis is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion will be favorable. The cannabis industry is an early-stage business that is constantly evolving with no guarantee of viability. The market is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of cannabis, including hemp may have a material adverse effect on our operational results, consumer base and financial results.

- **Competition** - The Company expects significant competition from other companies, some of which may have significantly greater financial, technical, marketing and other resources, may be able to devote greater resources to the development, promotion, sale and support of their products and services, and may have more extensive customer bases and broader customer relationships. Should the size of the cannabis, including hemp market increase as projected the demand for products will increase as well, and in order for the Company to be competitive it will need to invest significantly in research and development, marketing, production expansion, new client identification, and client support. If this is not successful in achieving sufficient resources to invest in these areas, the Company's ability to compete in the market may be adversely affected, which could materially and adversely affect the Company's business, its financial conditions and operations.

- **Product Liability** - As a distributor of products designed to be ingested by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of the Company's products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products.

Risks Relating to the Company's Common Shares

- The Company has not paid any cash dividends on its common shares and, for the foreseeable future, the Company does not intend to pay any cash dividends on its common shares and therefore its shareholders may not be able to receive a return on their shares unless they sell them. The policy of the Board of Directors of the Company is to retain all available funds in operations. The Board of Directors may reassess this policy from time to time. Any decision to pay dividends on the common shares of the Company will be made by the Board of Directors based on the assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company.

- The market price and trading volume of the Company's common shares have been volatile and may continue to be volatile in the future. Variations in earnings estimates by securities analysts and the market prices of the securities of competitors may also lead to fluctuations in the trading price of the common shares. In addition, the financial markets may experience significant price and volume fluctuations that affect the market price of the Company's common shares that are not related to the Company's operating performance. Broad market fluctuation and economic conditions generally, and in the medical device sector specifically, may adversely affect the market price of the Company's common shares.

- The significant costs that the Company will incur as a result of being a public company in Canada could adversely affect its business.

Risks Relating to COVID-19

- The outbreak of COVID-19 (Coronavirus) pandemic could materially impact the Company's operations by negatively impacting supply chains, creating shortages of qualified staff, reducing consumption of product, reducing the availability of both equity and or debt in the marketplace, limit travel to office locations in other countries and have other effect not even contemplated.

- Such an outbreak, could have a material adverse effect on our business, financial condition, results of operations and our ability to raise capital either through equity of debt.

Forward Looking Statements

This Management's Discussion and Analysis ("MD&A") contains forward-looking information as defined in applicable securities laws (referred to herein as "forward-looking statements") that reflect the Company's current expectations and projections about its future results. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are based on the current assumptions, estimates, analysis and opinions of management of the Company made considering its experience and its perception of trends, current conditions and expected developments, as well as other factors which the Company believes to be relevant and reasonable in the circumstances.

The Company uses words such as "believes," "may," "plan," "will," "estimate," "continue," "anticipates," "intends," "expects," and similar expressions to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties, both known and unknown, as well as other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Specifically, this MD&A contains forward-looking statements regarding, but not limited to, the Company's:

- expectations regarding new opportunities;
- expectations to develop and commercialize hemp related products;
- intentions regarding the use and protection of intellectual property;
- business strategy; and
- intention with respect to dividends.

Inherent in forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to predict or control that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such risk factors include, among others, the Company's stage of development, lack of product revenues, additional capital requirements, the ability to protect its intellectual property, dependence upon collaborative partners, changes in government regulation or regulatory approval processes and particular government uncertainties with respect to the legality and available markets for cannabis products, and rapid technological change in the industry. These factors should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- the availability of financing for the Company's projects and marketing and distribution efforts, or the availability of financing on reasonable terms;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals for the Company's projects'
- regulatory developments affecting the legalization of hemp related products;
- interest rates and foreign exchange rates;
- the Company's costs;
- the uncertainties associated with the acceptance and demand for new products;
- research projects not being unreasonably delayed and expenses not increasing substantially;
- government regulation not imposing requirements that significantly increase expenses or that delay or impede the Company's ability to bring new products to market;
- the Company's ability to attract and retain skilled staff;
- the impact of changes in Canadian-US dollar and other foreign exchange rates on the Company's costs and results;
- market competition;
- tax benefits and tax rates; and
- the Company's ongoing relations with its employees and with its business partners.

Although management of the Company believes that these forward-looking statements are based on reasonable assumptions, a number of factors could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained in this MD&A and any documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company cautions you that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. You should also carefully consider the matters discussed under “Risk Factors” in this MD&A which provides for additional risks and uncertainties relating to the Company and its business. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, other than as may be required by applicable legislation.

The following management's discussion and analysis ("MD&A") is current to March 30, 2021 and should be read in conjunction with Rise Life Science Corp.'s ("RLSC", "RISE" or the "Company") audited consolidated financial statements for the years ended November 30, 2020 and 2019 which have been prepared under International Financial Reporting Standards ("IFRS"). Except as otherwise noted, the financial information contained in this MD&A and in the annual consolidated financial statements have been prepared in accordance with IFRS. All amounts are expressed in Canadian Dollars unless otherwise noted. Additional information regarding the Company including its annual MD&A and audited financial statements are available on SEDAR at www.sedar.com.

Overview

Overall Performance

For the year ended November 30, 2020, the Company realized revenue of $31,791 from its online sales channels. Despite the growth in product offerings, revenue targets continue to fall short with COVID-19 severely impairing retail sales and other business development opportunities.

As a result of disappointing revenue numbers and continued challenges in operations due to COVID-19, the Company has shifted its focus to enhancing shareholder value through strategic acquisition(s). 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 $710,000USD. 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.

Discussion of Operations

The Company's 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. For the year ended November 30, 2020, the Company incurred a comprehensive loss of $3,133,088, had negative cash outflows from operations since incorporation, has accumulated a deficit of $48,206,529 and had negative working capital of $13,241,560.

Financial Information

DESCRIPTION	30 Nov 2020	30 Nov 2019	30 Nov 2018
	AMOUNT $	AMOUNT $	AMOUNT $
Revenues	31,791	974,269	186,025
Expenses	3,236,074	8,101,045	12,042,198
Net loss for the year	(3,204,283)	(7,126,776)	(11,856,173)
Comprehensive loss	(3,133,088)	(7,155,896)	(11,871,841)
Basic & diluted loss per share	(0.05)	(0.12)	(0. 24)
Cash flow from operating activities	(207,488)	(7,107,249)	(3,972,083)
Cash	69,063	254,170	3,878,161
Total assets	257,434	3,164,234	5,650,917
Total long-term financial liabilities	40,000	1,492,486	6,423,276
Dividends	-	-	-

Revenue for the year ended November 30, 2020 was $31,791 compared to $974,269 for the prior comparative year. Last year's sales number principally comprised of sales in the distribution and partnership sales channel whereas, the current period was solely comprised of product sales from online sources such as Amazon.

Gross profit for the year ended November 30, 2020 was $20,004 compared to $338,148 for November 30, 2019. This decline is in line with the decrease in sales period over period however, the margin increased as a percentage of sales due to an online only sales channel in the year.

Selling, general and administrative expenses decreased from $5,249,078 in the prior year to $1,025,789 as at November 30, 2020. The decrease year on year is a result of significant cost cutting measures in the Company's U.S. operations whereas, in the prior period, the Company was ramping its US operations up.

Finance expense for the year ended November 30, 2020 was $1,517,203 (2019-$1,719,270). The decrease is a result of a changing debt load from the payback of escrowed funds on the April debt tranche and the conversion of some notes to shares.

The Company experienced a foreign exchange loss of $62,984 for the year ended November 30, 2020 compared to a foreign exchange gain of $5,582 during the prior year. The majority of the loss is unrealized. The change year on year is due to foreign exchange rates on U.S. intercompany debt between the Canadian parent and its U.S subsidiaries.

Stock based compensation expense during the year period ended November 30, 2020 was $5,025 compared to $298,812 for the comparative year. The difference year over year is tied to the number of options issued and vested during the period and the valuation model inputs which change over time.

During the year ended November 30, 2020, the Company recorded a charge of $8,321 on equipment which was no longer in use and which principally related to fixtures and equipment. In the prior year, the Company recorded a charge of $26,653.

With respect to goodwill and intangible assets, the Company recorded goodwill impairment charges of $578,181 for its LifeBloom Organics CGU during the year. This was a result of its annual assessment and determination of the LifeBloom Organics goodwill fair value. The Company also wrote down its right of use asset by $26,784 to $nil. Comparatively, the Company impaired certain intangible assets in the comparative period in the amount of $181,793. This again was due to annual assessments and estimates as they pertain to recoverable amounts and fair value of those assets.

Selected Quarterly Financial Information

The selected financial information, presented under IFRS, provided in the table below is derived from the unaudited quarterly financial statements for each of the last eight quarters (in $'s):

2020 and 2019	**Q4**	**Q3**	**Q2**	**Q1**
	$	$	$	$
Revenue	1,480	3,384	10,049	16,878
Comprehensive Loss	1,058,082	624,568	729,123	721,315
Loss per share	0.02	0.01	0.01	0.01

2019 and 2018	**Q4**	**Q3**	**Q2**	**Q1**
	$	$	$	$
Revenue	72,449	201,137	600,081	100,602
Comprehensive Loss	1,331,535	2,153,942	1,810,348	1,860,071
Loss per share	0.02	0.04	0.03	0.03

Liquidity and Capital Resources

Since inception, the Company has financed its operations from public and private sales of equity, issuance of debt, the exercise of warrants and stock options, interest income on funds available for investment and on occasion, government grants. As of November 30, 2020, the Company had negative working capital of $13,241,560.

The Company has experienced operating losses and cash outflows from operations since incorporation and has accumulated a deficit of $48,206,529.

On December 4, 2018, the Company completed a tranche of convertible notes, raising $1,490,000 under the same terms as outlined below and with conditions as the previous tranche which closed in November, 2018 of $4,035,000.

Units were issued comprising of notes and warrants. The notes bear interest at 12% per year, paid quarterly in cash to the holders of the notes. The maximum term of the notes is 24 months and the minimum twelve 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 if 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 of this tranche were issued an aggregate of 9,932,340 common share purchase warrants respectively 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 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.

On April 1, 2019, the Company completed a tranche of units, raising an additional $274,000. Units issued comprised of convertible notes and warrants. The notes bear interest at 12% per year, 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 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 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 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 was recorded at face value and the funds held in escrow shown as restricted cash in the financial statements. All of the $2,050,000 has been paid back.

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

The Company periodically enters into long term contractual agreements for the leases of office facilities and equipment, management services, and certain purchased services. The following table presents commitments arising from agreements currently in force as of November 30, 2020 over the next five years.

	Payments due by Period			
	Within 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 2,787,952	$ -	$ -	$ 2,787,952
Secured Promissory notes including interest	3,908,364	-	-	3,908,364
Convertible debt including interest	6,668,305	-	-	6,668,305
Obligations under lease	56,498	-	-	56,498
Loan	-	40,000	-	40,000
	$ 13,421,119	$ 40,000	$ -	$ 13,461,119

As at the date of this MD&A, financial markets remain negatively impacted by the novel Coronavirus or COVID-19, which was declared a pandemic by the World Health Organization on March 12, 2020. This has resulted in significant economic uncertainty and consequently, it is difficult to reliably measure the potential impact of this uncertainty on the Company’s future financial results and its ability to raise needed capital either through the issuance of debt or equity.

Off Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Related Party Transactions

Compensation to key management

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 Company’s stock option plan. Compensation paid to key management personnel for the periods ended November 30, 2020 and November 30, 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

Included in accounts payable and accrued liabilities as at November 30, 2020 is $829,347 due to directors and key management.

Changes in Accounting Policies

New Standards and Interpretations Adopted

IFRS 16 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 retained earnings 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 generally been applied to comparative information.

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 Determining whether an Arrangement contains a Lease. 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, 2018.

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.

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.

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.

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		36,078
Change in deficit	$	(1,678)

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

The Company also adopted the following new standards however they did not have a material impact on the 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 2015-2917 Cycle (borrowing costs eligible for capitalization)
- IAS 28 – Amendments regarding long-term interests in associates and joint ventures

New standards and interpretations not yet adopted

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.

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.

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.

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.

Risks arising from financial instruments and risk management:

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risks), credit risk and liquidity risk. The Company identifies, evaluates and, where appropriate, mitigates financial risks. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The audit committee of the board is responsible to review the Company's risk management policies.

(i) Market Risk

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

Foreign exchange risk

The Company operates primarily within Canada and the United States. A portion of its expenses may be incurred in other countries but primarily is incurred in United States dollars ("US dollar") and Canadian dollars ("CAD dollar"). Foreign exchange risk arises because the cost of transactions denominated in foreign currencies may vary due to changes in exchange rates. The Company has not entered into foreign exchange derivative contracts. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar may have a significant effect on the Company's results of operations, financial position or cash flows.

The Company is exposed to currency risk through its cash and accounts payable denominated in US dollars. Based on the net exposures as at November 30, 2020 and assuming that all other variables remain constant, a 5% appreciation or deterioration of the Canadian dollar against the US dollar would not be significant.

Interest rate risk

The Company is subject to interest rate risk on its cash and cash equivalents and debt. The Company believes that interest rate risk is low as the Company does not hold any term deposits and interest earned on cash equivalents is variable. The long-term debt is at fixed interest rates. A change of 1% in interest rates over the period ended November 30, 2020 would not have had a significant effect on loss for the period.

(ii) 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.

(iii) Liquidity and Funding 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.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. While the Company manages its funding risk by forecasting its cash needs on a regular basis and continuously monitoring the stock price and other market conditions, financing may still not become available which could have a material effect on the Company.

(iv) Capital management

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 it 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.

The Company is not subject to externally imposed capital requirements. To maximize investment in and development of its products, the Company does not pay out dividends.

Share Capital

	March 30, 2020	November 30, 2020	November 30, 2019
Common shares issued and outstanding	60,310,352	60,310,352	60,310,352
Options outstanding	2,051,400	2,251,400	3,551,400
Warrants outstanding	6,784,438	16,716,778	51,360,740

Risks and Uncertainty

The Company operates in a highly competitive environment that involves significant risks and uncertainties, some of which are outside of the Company's control, which could have a material adverse effect upon the Company, its business and future prospects. Investors should carefully consider the risks and uncertainties described below, as well as other information contained in this MD&A. The risks and uncertainties described below are not exhaustive. There may be risks and uncertainties not presently known to the Company or that the Company believes to be immaterial which could adversely affect the Company and its business in the future.

Risks Related to the Company's Financial Condition

- The Company has mainly relied on equity and debt financing to support operations and will continue to need significant amounts of additional capital. The Company intends to raise additional financing, as required, through research, partnering and licensing arrangements, the exercise of warrants and options, and through equity and/or debt financing. However, there can be no assurance that these financing efforts will be successful or that the Company will continue to be able to meet ongoing cash requirements. It is possible that financing will not be available or, if available, may not be on favourable terms. The Company may fail to obtain additional financing and be unable to fund operations and commercialize its product candidates. The availability of financing will be affected by the Company's ability to attain regulatory approvals where required, the market acceptance of the Company's products, the state of the capital markets generally (with particular reference hemp companies), the status of strategic alliance agreements, and other relevant commercial considerations. Any future equity financing could result in significant dilution to existing shareholders.

- The Company had commenced earning revenue in 2018 on its commercial market development of Life Bloom Organic's and Karreza hemp-based CBD products but, in light of the length of time and expense associated with bringing new products through commercialization and bringing products to market, operating losses are expected to continue unless and until the Company is able to generate sufficient revenues from the commercial product sales.
- The Company must meet its debt repayment obligations and/or renegotiate the terms and/or obtain an additional extension to the maturity date of the secured and unsecured debt and failure to do so could cause the lender to demand on its security on the Company's long-term debt. There can be no assurance that the Company will continue to meet its debt repayment obligations and/or renegotiate the terms and/or obtain an additional extension to the maturity date of its debt.

Risks Relating to the Cannabis Industry

- **Change in Law, Regulations and Guidelines** - In Canada, operations in cannabis are subject to a variety of laws, regulations and guidelines relating to marketing, acquisition, manufacture, management, transportation, storage, sale and disposal but also laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Company's operations. As the company eventually plans to market products in Canada through licensing and partnerships with Canadian licensed producer operators, the Canadian cannabis regulations could potentially decrease the size of the market for the Company's business, and potentially materially and adversely affect the Company's business, its results of operations and financial condition.
- Unlike in Canada, which has federal legislation uniformly governing the cultivation, distribution, sale and possession of cannabis, including marijuana and hemp, in the United States, various varieties of cannabis, primarily distinguished as between marijuana and hemp, are regulated independently. Marijuana remains federally illegal within the United States and is thus largely regulated at the state level. Conversely, although hemp is federally lawful, there remain certain uncertainties and inconsistencies amongst federal agency interpretation of laws as well as under state law. To the Company's knowledge, there are to date a total of approximately 40 U.S. states and territories that have legalized marijuana in some form. Notwithstanding the permissive regulatory environment of medical or adult use marijuana at the state level, marijuana continues to be categorized as a Schedule I controlled substance under the federal Controlled Substances Act ("CSA") and as such, violates federal law in the United States. With respect to hemp, the Agriculture Improvement Act of 2018 (the "Farm Bill") defines "hemp" and clarified and affirmed that hemp is not to be treated as a controlled substance in the CSA and permanently removes hemp from the definition of "marijuana." Although interference with interstate commerce of hemp and hemp products is now expressly prohibited by the Farm Bill, varying state legislation and policies related to hemp and/or CBD remain, at times, contradictory to federal law. As a result of the conflicting views between state legislatures and the United States federal government regarding marijuana and/or hemp, investments in marijuana or hemp businesses in the United States are subject to inconsistent legislation and regulation. For the reasons set forth above, the Company's existing activities related to the United States may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in the United States and Canada. As a result, the Company may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to conduct business related to the United States or any other jurisdiction. In the United States, the Company's current intention is to only directly transact business pertaining to the use of U.S. Farm Bill-compliant hemp products – products derived from hemp (as defined under federal law) sourced via state-authorized hemp programs from compliant growers. This policy, according to the Company's U.S. legal advice, suggests that we are compliant with U.S. federal law. There can be no assurance that the Company will not be affected by changes in laws related to cannabis-related products in Canada, the United States or other jurisdictions, or the interpretation and enforcement of such laws.
- **Hemp-derived cannabinoids such as CBD are subject to numerous governmental regulations and it can be costly to comply with these regulations and to develop compliant products and processes.**
- Naturally-occurring compounds, which may be used in the manufacture of various food or dietary supplement products intended for human or animal consumption, topicals and drugs are subject to rigorous regulation by the U.S. Food and Drug Administration ("FDA") and numerous international, supranational, federal and state authorities. The

process of obtaining regulatory approvals to market such products can be costly and time-consuming, and approvals might not be granted for future products, or additional indications or uses of existing products, on a timely basis, if at all. Delays in the receipt of, or failure to obtain approvals for, future products, or new indications and uses, could result in delayed realization of product revenues, reduction in revenues, and in substantial additional costs. In addition, no assurance can be given that we will remain in compliance with applicable FDA and other regulatory requirements. These requirements may include, among other things, regulations regarding manufacturing practices, product labeling and advertising.

- **Regulatory Risk** - Achievement of the Company's business objectives are contingent, in part, upon compliance with the regulatory requirements, including those imposed by Health Canada, where applicable and U.S. Federal, state and local law, enacted by these government authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by government authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Company's business, results of operation and financial condition.

- **Unfavorable Publicity or Consumer Perception** - The success of the cannabis including hemp industry may be significantly influenced by the public's perception of cannabis applications. Cannabis is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion will be favorable. The cannabis industry is an early-stage business that is constantly evolving with no guarantee of viability. The market is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of cannabis, including hemp may have a material adverse effect on our operational results, consumer base and financial results.

- **Competition** - The Company expects significant competition from other companies, some of which may have significantly greater financial, technical, marketing and other resources, may be able to devote greater resources to the development, promotion, sale and support of their products and services, and may have more extensive customer bases and broader customer relationships. Should the size of the cannabis, including hemp market increase as projected the demand for products will increase as well, and in order for the Company to be competitive it will need to invest significantly in research and development, marketing, production expansion, new client identification, and client support. If this is not successful in achieving sufficient resources to invest in these areas, the Company's ability to compete in the market may be adversely affected, which could materially and adversely affect the Company's business, its financial conditions and operations.

- **Product Liability** - As a distributor of products designed to be ingested by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of the Company's products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products.

Risks Relating to the Company's Common Shares

- The Company has not paid any cash dividends on its common shares and, for the foreseeable future, the Company does not intend to pay any cash dividends on its common shares and therefore its shareholders may not be able to receive a return on their shares unless they sell them. The policy of the Board of Directors of the Company is to retain all available funds in operations. The Board of Directors may reassess this policy from time to time. Any decision to pay dividends on the common shares of the Company will be made by the Board of Directors based on the assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company.
- The market price and trading volume of the Company's common shares have been volatile and may continue to be volatile in the future. Variations in earnings estimates by securities analysts and the market prices of the securities of competitors may also lead to fluctuations in the trading price of the common shares. In addition, the financial markets may experience significant price and volume fluctuations that affect the market price of the Company's common shares that are not related to the Company's operating performance. Broad market fluctuation and economic conditions generally, and in the medical device sector specifically, may adversely affect the market price of the Company's common shares.
- The significant costs that the Company will incur as a result of being a public company in Canada could adversely affect its business.

Risks Relating to COVID-19

- The outbreak of COVID-19 (Coronavirus) pandemic could materially impact the Company's operations by negatively impacting supply chains, creating shortages of qualified staff, reducing consumption of product, reducing the availability of both equity and or debt in the marketplace, limit travel to office locations in other countries and have other effect not even comtemplated.
- Such an outbreak, could have a material adverse effect on our business, financial condition, results of operations and our ability to raise capital either through equity of debt.

Forward Looking Statements

This Management's Discussion and Analysis ("MD&A") contains forward-looking information as defined in applicable securities laws (referred to herein as "forward-looking statements") that reflect the Company's current expectations and projections about its future results. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are based on the current assumptions, estimates, analysis and opinions of management of the Company made considering its experience and its perception of trends, current conditions and expected developments, as well as other factors which the Company believes to be relevant and reasonable in the circumstances.

The Company uses words such as "believes," "may," "plan," "will," "estimate," "continue," "anticipates," "intends," "expects," and similar expressions to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties, both known and unknown, as well as other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Specifically, this MD&A contains forward-looking statements regarding, but not limited to, the Company's:
- expectations regarding new opportunities;
- expectations to develop and commercialize hemp related products;
- intentions regarding the use and protection of intellectual property;
- business strategy; and
- intention with respect to dividends.

Inherent in forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to predict or control that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such risk factors include, among others, the Company's stage of development, lack of product revenues, additional capital requirements, the ability to protect its intellectual property, dependence upon collaborative partners, changes in government regulation or regulatory approval processes and particular government uncertainties with respect to the legality and available markets for cannabis products, and rapid technological change in the industry. These factors should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- the availability of financing for the Company's projects and marketing and distribution efforts, or the availability of financing on reasonable terms;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals for the Company's projects'
- regulatory developments affecting the legalization of hemp related products;
- interest rates and foreign exchange rates;
- the Company's costs;
- the uncertainties associated with the acceptance and demand for new products;
- research projects not being unreasonably delayed and expenses not increasing substantially;
- government regulation not imposing requirements that significantly increase expenses or that delay or impede the Company's ability to bring new products to market;
- the Company's ability to attract and retain skilled staff;
- the impact of changes in Canadian-US dollar and other foreign exchange rates on the Company's costs and results;
- market competition;
- tax benefits and tax rates; and
- the Company's ongoing relations with its employees and with its business partners.

Although management of the Company believes that these forward-looking statements are based on reasonable assumptions, a number of factors could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained in this MD&A and any documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company cautions you that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. You should also carefully consider the matters discussed under “Risk Factors” in this MD&A which provides for additional risks and uncertainties relating to the Company and its business. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, other than as may be required by applicable legislation.

The following management's discussion and analysis ("MD&A") is current to April 6, 2020 and should be read in conjunction with Rise Life Science Corp.'s ("RLSC", "RISE" or the "Company") audited consolidated financial statements for the years ended November 30, 2019 and 2018 which have been prepared under International Financial Reporting Standards ("IFRS"). Except as otherwise noted, the financial information contained in this MD&A and in the annual consolidated financial statements has been prepared in accordance with IFRS. All amounts are expressed in Canadian Dollars unless otherwise noted. Additional information regarding the Company including its annual MD&A and audited financial statements are available on SEDAR at www.sedar.com.

Overview

Overall Performance

During the year, the strategic direction of the Company was centered on its hemp-based CBD products, distribution and operations. The acquisition of Life Bloom Organics on July 11, 2018 immediately expanded RISE's portfolio of hemp-based CBD products from sexual health and wellness products to include wellness and sleep and provided access to Life Bloom's existing channels of distribution and production in the United States.

RISE completed two tranches of financing through a convertible debenture offering during the year that raised $3,814,000 for CBD-related and general working capital requirements of which $2,050,000 was held in escrow during the year and subsequently returned to investors. This raise was in addition to the raise which was completed in November of the prior fiscal year of $4,035,000 which was also for general working capital requirements.

The Company realized $974,260 dollars of revenue from its online, business to business and distribution and partnership arrangements. Since the year ended November 30, 2018, RISE has launched several new products to compliment its existing portfolio which, as of December 1, 2018 included its Life Bloom Organics' Wellness Formulation (oral spray) and Sleep Formulation (oral spray) and its Karezza brand Women's Once a Day (oral spray), Men's Once a Day (oral spray) and In the Moment (oral spray). These new products included a Sports Recovery formula, PMS formula and Intimacy formula. In addition to the existing oral spray line, new quick dissolve tablet lines were added as well as topical balms.

Despite the growth in offerings, revenue targets fell short of projections during the year. The current cannabis market is challenging and has required the Company to alter its sales operations in the United States. The Company continues to use every effort to reduce expenditures, seek additional capital and restructure its indebtedness including steps to significantly decrease its U.S. workforce as previously announced.

Subsequent to year end, the Company announced that it would be returning the escrowed proceeds of its April 1, 2019 financing as the Company did not complete a qualifying CBD related investment within the allotted time. The Company also disclosed that it could not meet its current obligations to holders of its convertible notes issued on November 14, 2018 and December 4, 2018 in the aggregate principal amount of $5,525,000. In addition, the Company can not meet its obligations on its April 1, 2019 convertible notes of $274,000. To date, none of the note holders or other creditors has taken any action or commenced any proceedings with respect to the enforcement of any of its rights or remedies under such agreements. The Company continues to try to raise sufficient funds to settle all unpaid amounts that are due and payable to creditors or amend its existing agreements with them. However, any default under the notes would have a material adverse effect on the business, financial condition and continued operations of the Company.

Subsequent to November 30, 2019, financial markets have been negatively impacted by the novel Coronavirus or COVID-19, which was declared a pandemic by the World Health Organization on March 12, 2020. This has resulted in significant economic uncertainty and consequently, it is difficult to reliably measure the potential impact of this uncertainty on the Company's future financial results and its ability to raise needed capital either through the issuance of debt or equity.

Discussion of Operations

The Company's 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 the Company has experienced operating losses and cash outflows from operations since incorporation and has accumulated a deficit of $45,003,924 as at November 30, 2019 (November 30, 2018 - $37,877,148) and had working capital deficit of $9,292,754 (November 30, 2018 – working capital of $1,910,855).

Financial Information

DESCRIPTION	30 Nov 2019	30 Nov 2018	30 Nov 2017
	AMOUNT $	AMOUNT $	AMOUNT $
Revenues	974,269	186,025	-
Expenses	8,101,045	12,042,198	2,386,591
Net loss for the year	(7,126,776)	(11,856,173)	(2,386,591)
Comprehensive loss	(7,155,896)	(11,871,841)	(2,386,591)
Basic & diluted loss per share	(0.12)	(0. 24)	(0.18)
Cash flow from operating activities	(7,107,249)	(3,972,083)	(2,036,591)
Cash	254,170	3,878,161	1,065,974
Total assets	3,164,234	5,650,917	3,155,706
Total long-term financial liabilities	1,492,486	6,423,276	2,776,893
Dividends	-	-	-

The Company commenced revenue generating activities at or about the time it acquired Life Bloom Organics and Brandmax Inc. Revenue for the year was $974,269 compared to $186,025 for prior comparative year. Last years sales number was a blend of consulting and product sales whereas the current year was solely comprised of product sales from online sources ($171,231) such as Amazon as well as the Company's business to business ($397,684) and wholesale distribution deals ($405,354).

Selling, general and administrative expenses increased from $4,589,442 in the prior year to $5,249,078 as at November 30, 2019. The increase year on year is a result of increased US focused operations partially offset by a decrease in M&A activities in the corporate office versus those in the prior comparative period.

Gross profit year over year changed from $136,659 to $338,148 despite the much larger percentage increase in sales year on year. This is due to a variety of reasons which includes certain revenues in the prior year having zero costs attributed to them such as consulting revenue. No such revenue existed in the current year. Also, the mix of product sales will impact cost of goods sold and gross profit. Wholesale distribution sales will typically have a much lower margin than business to business and online sales due to lower selling prices. There were no wholesale sales in the prior year whereas nearly 42% of sales in the current year were from wholesale sales.

Finance expense for the year ended November 30, 2019 was $1,719,270 (2018 -$447,566). The large increase is a result of a changing debt load from the addition of the November, December and April debt tranches. The increase is also tied to the accounting for the convertible notes which get discounted upon recognition and accreted into the consolidated statement of net loss and comprehensive loss to get back to face value over the term of the respective note thereby, also increasing the effective finance charge year on year.

The Company experienced a foreign exchange gain of $5,682 for the year ended November 30, 2019 compared to a foreign exchange loss of $7,890 in the prior year. The change year over year is due to favourable foreign exchange rates on US denominated balances in the Canadian entity but more importantly by intercompany debt between the Canadian parent and its US subsidiaries.

Activity for contract and debt settlement saw a gain of $11,107 in the prior year with nil in the current year. There were no debt settlements in the current year which explain the nil balance when compared to the prior year.

Stock based compensation expense during year ended November 30, 2019 was $293,812 compared to $841,891 for the comparative year. The difference period over period is tied to the number of options issued and vested during the period and the valuation model inputs which change over time.

During the year ended November 30, 2019, the Company wrote off $26,653 of equipment which was no longer in use and which principally related to computers and furniture and fixtures. In the prior year, the Company wrote off $13,480 of equipment for the same reason.

During the year ended November 30, 2019, management judgementally determined that certain of its patents and other insignificant intangible assets were impaired and therefore recorded an impairment charge of $181,798. During the prior year the Canadian license obtained from Jamaica-Blu Ltd. and the worldwide license obtained from Rise Research Inc. were determined to be impaired. The Company, as a result recorded an impairment charge of $5,942,417 in the prior year, writing the assets down to zero.

Also, during the year ended November 30, 2018, management judgementally wrote-off goodwill of $161,253 which arose on the Cultivate Kind acquisition. Upon assessment in 2019, no impairments to goodwill were noted or recognized.

Selected Quarterly Financial Information

The selected financial information, presented under IFRS, provided in the table below is derived from the unaudited quarterly financial statements for each of the last eight quarters (in $'s):

2019	**Q4**	**Q3**	**Q2**	**Q1**
	$	$	$	$
Revenue	72,449	201,137	600,081	100,602
Comprehensive Loss	1,331,535	2,153,942	1,810,348	1,860,071
Loss per share	0.02	0.04	0.03	0.03

2018	**Q4**	**Q3**	**Q2**	**Q1**
	$	$	$	$
Revenue	44,242	141,783	-	-
Comprehensive Loss	7,834,535	2,277,265	1,262,927	497,114
Loss per share	0.13	0.04	0.01	0.01

Liquidity and Capital Resources

Since inception, the Company has financed its operations from public and private sales of equity, issuance of debt, the exercise of warrants and stock options, interest income on funds available for investment and on occasion, government grants. As November 30, 2019, the Company had negative working capital of $9,292,754 (November 30, 2018 - $1,910,855).

The Company has experienced operating losses and cash outflows from operations since incorporation and has accumulated a deficit of $45,003,924 as at November 30, 2019 (November 30, 2018 - $37,877,148).

On December 4, 2018, the Company completed a tranche of convertible notes, raising $1,490,000 under the same terms as outlined below and with conditions as the previous tranche which closed in November, 2018 of $4,035,000.

Units were issued comprising of notes and warrants. The notes bear interest at 12% per year, paid quarterly in cash to the holders of the notes. The maximum term of the notes is 24 months and the minimum twelve 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 if 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 of this tranche were issued an aggregate of 9,932,340 common share purchase warrants respectively 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 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.

On April 1, 2019, the Company completed a tranche of units, raising an additional $274,000. Units issued comprised of convertible notes and warrants. The notes bear interest at 12% per year, 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 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 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 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 was recorded at face value and the funds held in escrow shown as restricted cash in the financial statements. A portion of the $2,050,000 was partially paid back prior to the year ended November 30, 2019 with the remaining $1,925,000 paid back to investors subsequent to year end.

The Company periodically enters into long term contractual agreements for the leases of office facilities and equipment, management services, and certain purchased services. The following table presents commitments arising from agreements currently in force as of November 31, 2019 over the next five years.

	Payments due by Period			
	Within 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 2,152,742	$ -	$ -	$ 2,152,742
Secured Promissory notes including interest	3,488,540	-	-	3,488,540
Convertible debt including interest	6,433,349	1,614,499	-	8,047,848
	$ 12,074,631	$ 1,614,499	$ -	$ 13,689,130

Subsequent to year end, the Company announced that it would be returning the escrowed proceeds of its April 1, 2019 financing as the Company did not complete a qualifying CBD related investment. The Company also disclosed that it could not meet its current obligations to holders of its convertible notes issued on November 14, 2018 and December 4, 2018 in the aggregate principal amount of $5,525,000, In addition, the Company cannot meets its obligations to holders of its convertible notes issued on April 1, 2019 of $274,000. To date, none of the note holders or other creditors has taken any action or commenced any proceedings with respect to the enforcement of any of its rights or remedies under such agreements. The Company continues to try to raise sufficient funds to settle all unpaid amounts that are due and payable to creditors or amend its existing agreements with them. However, any default under the notes would have a material adverse effect on the business, financial condition and continued operations of the Company.

Subsequent to November 30, 2019, financial markets have been negatively impacted by the novel Coronavirus or COVID-19, which was declared a pandemic by the World Health Organization on March 12, 2020. This has resulted in significant economic uncertainty and consequently, it is difficult to reliably measure the potential impact of this uncertainty on the Company's future financial results and its ability to raise needed capital either through the issuance of debt or equity.

Off Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Related Party Transactions

Compensation to key management

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 Company's stock option plan. Compensation paid to key management personnel for the periods ended November 30, 2019 and 2018 is as follows:

		2019		2018
Salaries, fees and short-term employee benefits	$	**1,099,223**	$	1,065,805
Stock-based compensation		**221,548**		717,685
	$	**1,320,771**	$	1,783,490

Included in accounts payable and accrued liabilities as at November 30, 2019 is $369,573 (November 30, 2018 $815,662) due to directors and key management.

Fourth Quarter

During the fourth quarter, the Company took action to alter its sales operations in the United States. It significantly decreased its U.S. workforce, reduced expenditures and sought either additional or to restructure its exiting debt.

Changes in Accounting Policies

New Standards and Interpretations Adopted

IFRS 9 Financial Instruments
Effective December 1, 2018, the Company adopted IFRS 9, Financial Instruments. In accordance with the transitional provisions, the Company adopted the standard retrospectively without restating comparatives as the change did not impact the opening balances.

IFRS 9 replaces IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for the classification, measurement and impairment of financial assets and hedge accounting. It establishes two primary measurement categories for financial assets: (i) amortized cost and (ii) fair value either through profit or loss (“FVPL”) or through other comprehensive income (“FVOCI”); establishes criteria for the classification of financial assets within each measurement category based on business model and cash flow characteristics; and eliminates the existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories. IFRS 9 also introduces a new expected credit loss model for the purpose of assessing the impairment of financial assets. The following table shows the previous classification under IAS 39 and the new classification under IFRS 9 for the Company’s financial instruments:

	Original (IFRS 39)	Revised (IFRS 9)
Financial assets		
Cash	Loans and receivables	Amortized cost
Restricted cash	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Secured promissory notes	Other financial liabilities	Amortized cost
Accrued interest	Other financial liabilities	Amortized cost
Convertible notes	Other financial liabilities	Amortized cost

The following are the Company’s new accounting policies for financial instruments under IFRS 9:

Financial assets
Non-derivative financial assets within IFRS 9 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 other income or expense in the consolidated statements of net loss and comprehensive loss.

Impairment of financial assets

The impairment model under IFRS 9 is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. The Company's only financial assets subject to impairment are accounts receivable which are measured at amortized cost. The Company has elected to apply the simplified approach to impairment 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, loans, 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 cost in the consolidated statements of net loss and comprehensive loss.

Derecognition

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

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.

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.

IFRS 15 Revenue from Contracts with Customers
The Company, as of December 1, 2018, adopted IFRS 15, Revenue from Contracts with Customers. The adoption of IFRS 15 had not impact to the financial statements of the Company. Revenue is recognized 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. Significant areas of judgement include (i) identifying the customer under the definition of IFRS 15 (ii) estimating returns on product sold and, (iii) assessment of whether control has passed to the customer based on criteria established in IFRS 15.

New standards and interpretations not yet adopted

IFRS 16, Leases
This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, Leases, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. The new standard becomes effective for the Company December 1, 2019.

Risks arising from financial instruments and risk management:

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risks), credit risk and liquidity risk. The Company identifies, evaluates and, where appropriate, mitigates financial risks. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The audit committee of the board is responsible to review the Company's risk management policies.

(i) Market Risk

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

Foreign exchange risk

The Company operates primarily within Canada and the United States. A portion of its expenses may be incurred in other countries but primarily is incurred in United States dollars ("US dollar") and Canadian dollars ("CAD dollar"). Foreign exchange risk arises because the cost of transactions denominated in foreign currencies may vary due to changes in exchange rates. The Company has not entered into foreign exchange derivative contracts. A significant change in the currency exchange rates between the Canadian dollar relative to the US dollar may have a significant effect on the Company's results of operations, financial position or cash flows.

The Company is exposed to currency risk through its cash and accounts payable denominated in US dollars. Based on the net exposures as at November 30, 2019 and assuming that all other variables remain constant, a 5% appreciation or deterioration of the Canadian dollar against the US dollar would not be significant.

Interest rate risk

The Company is subject to interest rate risk on its cash and cash equivalents and debt. The Company believes that interest rate risk is low as the Company does not hold any term deposits and interest earned on cash equivalents is variable. The long-term debt is at fixed interest rates. A change of 1% in interest rates over the period ended November 30, 2019 would not have had a significant effect on loss for the period.

(ii) 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.

(iii) Liquidity and Funding 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.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. While the Company manages its funding risk by forecasting its cash needs on a regular basis and continuously monitoring the stock price and other market conditions, financing may still not become available which could have a material effect on the Company.

(iv) Capital management

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 it 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.

The Company is not subject to externally imposed capital requirements. To maximize investment in and development of its products, the Company does not pay out dividends.

Share Capital

	April 6, 2020	November 30, 2019	November 30, 2018
Common shares issued and outstanding	60,310,352	60,310,352	59,243,687
Options outstanding	3,401,400	3,551,400	4,036,300
Warrants outstanding	50,090,148	51,360,740	50,860,483

Risks and Uncertainty

The Company operates in a highly competitive environment that involves significant risks and uncertainties, some of which are outside of the Company's control, which could have a material adverse effect upon the Company, its business and future prospects. Investors should carefully consider the risks and uncertainties described below, as well as other information contained in this MD&A. The risks and uncertainties described below are not exhaustive. There may be risks and uncertainties not presently known to the Company or that the Company believes to be immaterial which could adversely affect the Company and its business in the future.

Risks Related to the Company's Financial Condition

- The Company has mainly relied on equity and debt financing and on occasion grant funding to support operations and will continue to need significant amounts of additional capital. The Company intends to raise additional financing, as required, through research, partnering and licensing arrangements, the exercise of warrants and options, and through equity and/or debt financing. However, there can be no assurance that these financing efforts will be successful or that the Company will continue to be able to meet ongoing cash requirements. It is possible that financing will not be available or, if available, may not be on favourable terms. The Company may fail to obtain additional financing and be unable to fund operations and commercialize its product candidates. The availability of financing will be affected by the Company's ability to attain regulatory approvals where required, the market acceptance of the Company's products, the state of the capital markets generally (with particular reference hemp companies), the status of strategic alliance agreements, and other relevant commercial considerations. Any future equity financing could result in significant dilution to existing shareholders.
- The Company has commenced earning revenue in 2018 on its commercial market development of Life Bloom Organic's and Karreza hemp-based CBD products but, in light of the length of time and expense associated with bringing new products through commercialization and bringing products to market, operating losses are expected to continue unless and until the Company is able to generate sufficient revenues from the commercial product sales.
- The Company must meet its debt repayment obligations and/or renegotiate the terms and/or obtain an additional extension to the maturity date of the secured and unsecured debt and failure to do so could cause the lender to demand on its security on the Company's long-term debt. There can be no assurance that the Company will continue to meet its debt repayment obligations and/or renegotiate the terms and/or obtain an additional extension to the maturity date of its debt.

Risks Relating to the Cannabis Industry

- **Change in Law, Regulations and Guidelines** - In Canada, operations in cannabis are subject to a variety of laws, regulations and guidelines relating to marketing, acquisition, manufacture, management, transportation, storage, sale and disposal but also laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Changes to such laws, regulations and guidelines may cause adverse effects to the Company's operations. As the company eventually plans to market products in Canada through licensing and partnerships with Canadian licensed producer operators, the Canadian cannabis regulations could potentially decrease the size of the market for the Company's business, and potentially materially and adversely affect the Company's business, its results of operations and financial condition.
- Unlike in Canada, which has federal legislation uniformly governing the cultivation, distribution, sale and possession of cannabis, including marijuana and hemp, in the United States, various varieties of cannabis, primarily distinguished as between marijuana and hemp, are regulated independently. Marijuana remains federally illegal within the United States and is thus largely regulated at the state level. Conversely, although hemp is federally lawful, there remain certain uncertainties and inconsistencies amongst federal agency interpretation of laws as well as under state law. To the Company's knowledge, there are to date a total of approximately 40 U.S. states and territories that have legalized marijuana in some form. Notwithstanding the permissive regulatory environment of medical or adult use marijuana at the state level, marijuana continues to be categorized as a Schedule I controlled substance under the federal Controlled Substances Act ("CSA") and as such, violates federal law in the United States. With respect to hemp, the Agriculture Improvement Act of 2018 (the "Farm Bill") defines "hemp" and clarified and affirmed that hemp is not to be treated as a controlled substance in the CSA and permanently removes hemp from the definition of "marijuana." Although interference with interstate commerce of hemp and hemp products is now expressly prohibited by the Farm Bill, varying state legislation and policies related to hemp and/or CBD remain, at times, contradictory to federal law. As a result of the conflicting views between state legislatures and the United States federal government regarding marijuana and/or hemp, investments in marijuana or hemp businesses in the United States are subject to inconsistent legislation and regulation. For the reasons set forth above, the Company's existing activities related to the United States may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in the United States and Canada. As a result, the Company may be subject to significant direct and indirect interaction

with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Company's ability to conduct business related to the United States or any other jurisdiction. In the United States, the Company's current intention is to only directly transact business pertaining to the use of U.S. Farm Bill-compliant hemp products – products derived from hemp (as defined under federal law) sourced via state-authorized hemp programs from compliant growers. This policy, according to the Company's U.S. legal advice, suggests that we are compliant with U.S. federal law. There can be no assurance that the Company will not be affected by changes in laws related to cannabis-related products in Canada, the United States or other jurisdictions, or the interpretation and enforcement of such laws.

- **Hemp-derived cannabinoids such as CBD are subject to numerous governmental regulations and it can be costly to comply with these regulations and to develop compliant products and processes.**
- Naturally-occurring compounds, which may be used in the manufacture of various food or dietary supplement products intended for human or animal consumption, topicals and drugs are subject to rigorous regulation by the U.S. Food and Drug Administration ("FDA") and numerous international, supranational, federal and state authorities. The process of obtaining regulatory approvals to market such products can be costly and time-consuming, and approvals might not be granted for future products, or additional indications or uses of existing products, on a timely basis, if at all. Delays in the receipt of, or failure to obtain approvals for, future products, or new indications and uses, could result in delayed realization of product revenues, reduction in revenues, and in substantial additional costs. In addition, no assurance can be given that we will remain in compliance with applicable FDA and other regulatory requirements. These requirements may include, among other things, regulations regarding manufacturing practices, product labeling and advertising.
- **Regulatory Risk** - Achievement of the Company's business objectives are contingent, in part, upon compliance with the regulatory requirements, including those imposed by Health Canada, where applicable and U.S. Federal, state and local law, enacted by these government authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by government authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the Company's business, results of operation and financial condition.
- **Unfavorable Publicity or Consumer Perception** - The success of the cannabis including hemp industry may be significantly influenced by the public's perception of cannabis applications. Cannabis is a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion will be favorable. The cannabis industry is an early-stage business that is constantly evolving with no guarantee of viability. The market is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of cannabis, including hemp may have a material adverse effect on our operational results, consumer base and financial results.
- **Competition** - The Company expects significant competition from other companies, some of which may have significantly greater financial, technical, marketing and other resources, may be able to devote greater resources to the development, promotion, sale and support of their products and services, and may have more extensive customer bases and broader customer relationships. Should the size of the cannabis, including hemp market increase as projected the demand for products will increase as well, and in order for the Company to be competitive it will need to invest significantly in research and development, marketing, production expansion, new client identification, and client support. If this is not successful in achieving sufficient resources to invest in these areas, the Company's ability to compete in the market may be adversely affected, which could materially and adversely affect the Company's business, its financial conditions and operations.
- **Product Liability** - As a distributor of products designed to be ingested by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of the Company's products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or

regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on our results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products.

Risks Relating to the Company's Common Shares

- The Company has not paid any cash dividends on its common shares and, for the foreseeable future, the Company does not intend to pay any cash dividends on its common shares and therefore its shareholders may not be able to receive a return on their shares unless they sell them. The policy of the Board of Directors of the Company is to retain all available funds in operations. The Board of Directors may reassess this policy from time to time. Any decision to pay dividends on the common shares of the Company will be made by the Board of Directors based on the assessment of, among other factors, earnings, capital requirements and the operating and financial condition of the Company.
- The market price and trading volume of the Company's common shares have been volatile and may continue to be volatile in the future. Variations in earnings estimates by securities analysts and the market prices of the securities of competitors may also lead to fluctuations in the trading price of the common shares. In addition, the financial markets may experience significant price and volume fluctuations that affect the market price of the Company's common shares that are not related to the Company's operating performance. Broad market fluctuation and economic conditions generally, and in the medical device sector specifically, may adversely affect the market price of the Company's common shares.
- The significant costs that the Company will incur as a result of being a public company in Canada could adversely affect its business.

Risks Relating to COVID-19

- The recent outbreak of COVID-19 (Coronavirus) pandemic could impact the Company's operations by negatively impacting the supply chain including both manufacturing and delivery of products to customers, create shortages of qualified staff, reduce consumption of product and reduce the availability of both equity and or debt in the marketplace.
- Such an outbreak, could have a material adverse effect on our business, financial condition, results of operations and our ability to raise capital either through equity of debt.

Forward Looking Statements

This Management's Discussion and Analysis ("MD&A") contains forward-looking information as defined in applicable securities laws (referred to herein as "forward-looking statements") that reflect the Company's current expectations and projections about its future results. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are based on the current assumptions, estimates, analysis and opinions of management of the Company made considering its experience and its perception of trends, current conditions and expected developments, as well as other factors which the Company believes to be relevant and reasonable in the circumstances.

The Company uses words such as "believes," "may," "plan," "will," "estimate," "continue," "anticipates," "intends," "expects," and similar expressions to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties, both known and unknown, as well as other factors that could cause the Company's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Specifically, this MD&A contains forward-looking statements regarding, but not limited to, the Company's:

- expectations regarding new opportunities;
- expectations to develop and commercialize hemp related products
- intentions regarding the use and protection of intellectual property;
- business strategy; and
- intention with respect to dividends.

Inherent in forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to predict or control that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such risk factors include, among others, the Company's stage of development, lack of product revenues, additional capital requirements, the ability to protect its intellectual property, dependence upon collaborative partners, changes in government regulation or regulatory approval processes and particular government uncertainties with respect to the legality and available markets for cannabis products, and rapid technological change in the industry. These factors should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements.

Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- the availability of financing for the Company's projects and marketing and distribution efforts, or the availability of financing on reasonable terms;
- general business and economic conditions;
- the timing of the receipt of regulatory and governmental approvals for the Company's projects'
- regulatory developments affecting the legalization of hemp related products;
- interest rates and foreign exchange rates;
- the Company's costs;
- the uncertainties associated with the acceptance and demand for new products;
- research projects not being unreasonably delayed and expenses not increasing substantially;
- government regulation not imposing requirements that significantly increase expenses or that delay or impede the Company's ability to bring new products to market;
- the Company's ability to attract and retain skilled staff;
- the impact of changes in Canadian-US dollar and other foreign exchange rates on the Company's costs and results;
- market competition;
- tax benefits and tax rates; and
- the Company's ongoing relations with its employees and with its business partners.

Although management of the Company believes that these forward-looking statements are based on reasonable assumptions, a number of factors could cause the actual results, performance or achievements of the Company to be materially different from the future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements contained in this MD&A and any documents incorporated by reference herein are expressly qualified by this cautionary statement. The Company cautions you that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. You should also carefully consider the matters discussed under "Risk Factors" in this MD&A which provides for additional risks and uncertainties relating to the Company and its business. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, other than as may be required by applicable legislation.

SCHEDULE "F"
UNAUDITED *PRO FORMA* FINANCIAL STATEMENTS OF THE RESULTING ISSUER

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Britannia Life Sciences Inc.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Expressed in Canadian dollars)

	Britannia Bud Canada Holdings Inc. June 30, 2021	RISE Life Science Corp. May 31, 2021	Pro Forma Adjustments	Note	Total
	$	$	$		$
ASSETS					
Current					
Cash	3,060,361	1,448	1,122,051	3a	4,183,860
Restricted cash	-	1,122,051	(1,122,051)	3a	-
Accounts receivable	1,834,988	43,841			1,878,829
Prepaid expenses	-	7,973			7,973
	4,895,349	1,175,313	-		6,070,662
Non-current					
Property and equipment	669,947	26,709	(26,709)	2	669,947
Goodwill and intangibles assets	17,469,778	-			17,469,778
	18,139,725	26,709	(26,709)		18,139,725
TOTAL ASSETS	23,035,074	1,202,022	(26,709)		24,210,387
LIABILITIES					
Current					
Accounts payable and accrued liabilities	2,231,274	715,318	350,000	3d	3,296,592
Interest payable	511,710	-	-		511,710
Current portion of lease liability	46,130	-	-		46,130
Sellers' loan	7,632,737	-	-		7,632,737
Secured promissory notes	-	4,135,943	(4,135,943)		-
Convertible notes	-	1,540,326	(1,540,326)		-
	10,421,851	*6,391,587*	*(5,326,269)*		*11,487,169*
Non-current					
Lease liability	174,043	-	-		174,043
Convertible notes	3,370,215	-	(3,370,215)	3b	-
Embedded derivative	3,407,610		(3,407,610)	3b	-
Warrant liability	600,190		12,442	3b	612,632
Put option liability	2,107,374				2,107,374
Loan	-	60,000			60,000
Deferred income taxes	86,642				86,642
	9,746,074	60,000	(6,765,383)		3,040,691
TOTAL LIABILITIES	20,167,925	6,451,587	(12,091,652)		14,527,860
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Share capital	441,204	26,555,043	4,724,982	2a	
			(12,442)	3b	
			233,568	3a	
			6,777,824	3b	
			(26,788,611)	3c	11,931,568
Shares to be issued	-	395,440	(395,440)	3c	-
Contributed surplus	167,101	9,069,024	(9,069,024)	3c	167,101
Options reserves	-	-	143	3f	143
Non-controlling interest	3,281,280	-	-		3,281,280
Warrants reserve	-	1,634,178	(1,634,178)	3c	-
			570,436	3e	570,436
Accumulated other comprehensive income (loss)	(896,394)	437,405	(437,405)	3c	(896,394)
Deficit	(116,042)	(43,340,655)	4,135,943	2	
			1,306,758	3a	
			37,897,954	3c	
			(350,000)	3d	
			(4,895,565)	2	(5,361,607)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)	2,867,149	(5,249,565)	12,064,943		9,682,527
	23,035,074	1,202,022	(26,709)		24,210,387

Britannia Life Sciences Inc.
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Britannia Bud Canada Holdings Inc.				RISE Life Science Corp.						
	Three months ended June, 2020	Year ended March 31, 2021	Three months ended June 30, 2021	12 months ended June 30, 2021	Six months ended May 31, 2020	Year ended November 30, 2020	Six months ended May 31, 2021	12 months ended May 31, 2021	Pro Forma Adjustments	Note	Total
	(Less)	(Plus)	(Plus)		(Less)	(Plus)	(Plus)				
	$	$	$	$	$	$	$	$	$		$
Sales		1,424,615	1,974,849	3,399,464	26,927	31791		4,864			3,404,328
Cost of sales		(253,031)	(424,901)	(677,932)	(9,032)	(11,787)	-	(2,755)	-		(680,687)
Gross margin	-	1,171,584	1,549,948	2,721,532	17,895	20,004	-	2,109	-		2,723,641
Expenses											
Selling, general and administration	18,004	889,020	538,931	1,409,947	644,256	1,025,789	374,693	756,226	-		2,166,173
Finance fees	-	167,736	358,412	526,148	817,240	1,517,203	153,650	853,613	-		1,379,761
Total expenses	18,004	1,056,756	897,343	1,936,095	1,461,496	2,542,992	528,343	1,609,839	-		3,545,934
Income (loss) from operations	(18,004)	114,828	652,605	785,437	(1,443,601)	(2,522,988)	(528,343)	(1,607,730)	-		(822,293)
Other income and expenses	-	250,820	392,039	642,859	-	-	-	-	-		642,859
Change in fair value of embedded derivative	-	186,615	229,784	416,399	162,457	(62,984)	(401,115)	(626,556)	-		(210,157)
Foreign exchange loss (gain)	-	29,215	327,726	356,941	-	-	-	-	-		356,941
Change in fair value of put option liability	-	9,724	88,420	98,144	-	-	-	-	-		98,144
Change in fair value of warrant liability	-	-	-	-	-	-	-	-	-		-
Stock based compensation	-	-	-	-	(5,025)	(5,025)	(28,490)	(28,490)	-		(28,490)
Write off equipment	-	-	-	-	(1,380)	(35,105)	-	(33,725)	(26,709)	2	(60,434)
Accretion expense	-	(190,564)	(386,385)	(576,949)	-	-	-		-		(576,949)
Impairment of goodwill	-	-	-	-	-	(578,181)	-	(578,181)	-		(578,181)
Gain on settlement of debt	-	-	-	-	-		5,823,822	5,823,822	4,135,943	2	
									1,306,758	3a	11,266,523
Transaction costs	-	-	-	-	-		-	-	(350,000)	3d	(350,000)
Listing expense	-	-	-	-	-	-	-	-	(4,895,565)	2	(4,895,565)
	-	285,810	651,584	937,394	156,052	(681,295)	5,394,217	4,556,870	170,427		5,664,691
Net income (loss) before income taxes	(18,004)	400,638	1,304,189	1,722,831	(1,287,549)	(3,204,283)	4,865,874	2,949,140	170,427		4,842,398
Current income tax	-	209,670	263,627	473,297	-	-	-	-	-		473,297
Deferred income tax	-	47,992	(1,262)	46,730	-	-	-	-	-		46,730
	-	257,662	262,365	520,027	-	-	-	-	-		520,027
Net income (loss)	(18,004)	142,976	1,041,824	1,202,804	(1,287,549)	(3,204,283)	4,865,874	2,949,140	170,427		4,322,371
Other comprehensive income (loss)											
Currency translation differences	1,109	(73,919)	(837,285)	(912,313)	(162,887)	-	410,998	573,885	-		(338,428)
Total comprehensive income (loss) for the period	(16,895)	69,057	204,539	290,491	(1,450,436)	(3,204,283)	5,276,872	3,523,025	170,427		3,983,943
Net income (loss) attributable to:											
Non-controlling interest	-	300,138	418,815	718,953	(1,287,549)	(3,204,283)	4,865,874	2,949,140	170,427		3,838,520
Equity shareholders of the Company	(18,004)	(157,162)	623,009	483,851	-	-	-	-	-		483,851
	(18,004)	142,976	1,041,824	1,202,804	(1,287,549)	(3,204,283)	4,865,874	2,949,140	170,427		4,322,371
Other comprehensive income (loss) attributable to:											
Non-controlling interest	-	(49,372)	(2,470)	(51,842)	(162,887)	-	410,998	573,885	-		522,043
Equity shareholders of the Company	1,109	(24,547)	(834,815)	(860,471)	-	-	-	-	-		(860,471)
Other comprehensive income (loss)	1,109	(73,919)	(837,285)	(912,313)	(162,887)	-	410,998	573,885	-		(338,428)

1. Basis of presentation

The accompanying unaudited pro forma consolidated financial statements (the "Pro Forma Consolidated Financial Statements") have been prepared by management for inclusion in a listing statement in connection with the business combination by way of a reverse take-over transaction (the "Transaction") pursuant to the provisions of the *Business Corporations Act* (Ontario) (the "OBCA") to be completed among RISE Life Science Corp. (RISE), Britannia Bud Canada Holdings Inc. ("Britannia") and a newly formed subsidiary of RISE 2830026 Ontario Inc. ("28360026") (all three companies together, the "Companies") to form the reporting issuer (the "Resulting issuer").

The Pro Forma Consolidated Financial Statements have been prepared from information derived from, and should be read in conjunction with, the following historical financial information which was prepared in accordance with International Financial Reporting Standards ("IFRS"):

a. For the unaudited pro forma consolidated statement of financial position (giving effect to the Transaction as if it had occurred on May 31, 2021):
    i. the unaudited condensed interim consolidated statement of financial position of RISE as at May 31, 2021;
    ii. the unaudited condensed interim consolidated statement of financial position of Britannia as at June 30, 2021;

b. For the unaudited twelve-month pro forma consolidated statement of net loss and comprehensive loss (giving effect to the Transaction as if it had occurred on May 31, 2021):
    i. RISE
        - The unaudited interim consolidated statements of loss and comprehensive loss for six months ended May, 31, 2021; plus
        - the consolidated statement of loss and comprehensive loss for the year ended November 30, 2020; less
        - the unaudited interim consolidated statement of loss and comprehensive loss for the six months ended May 30, 2020.
    ii. Britannia
        - The unaudited interim consolidated statements of loss and comprehensive loss for the three months ended June 30, 2021; plus
        - the consolidated statement of loss and comprehensive loss for the year ended March 31, 2021; less
        - the unaudited interim consolidated statements of loss and comprehensive loss for the three months ended June 30, 2020.

These Pro Forma Consolidated Financial Statements have been compiled using the significant accounting policies as set out in the consolidated financial statements of Britannia for the year ended March 31, 2021.

It is management's opinion that the Pro Forma Consolidated Financial Statements have been prepared within acceptable limits of materiality, using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances, and include all adjustments necessary for the fair presentation of the transactions described herein. The Pro Forma Consolidated Financial Statements are not intended to reflect the financial position and financial performance of the Companies which would have actually resulted had the Transaction been affected on the dates indicated. Actual amounts recorded upon consummation of the Transaction will differ from those recorded in the Pro Forma Consolidated Financial Statements and the differences may be material.

2. Pro Forma Transactions

The Transaction and the Business Combination Agreement

On May 3, 2021, RISE and Britannia announced that RISE, Britannia and 2830026 entered into a business combination agreement dated April 30, 2021 in respect of their previously-announced transaction. Completion of the Transaction will result in a reverse takeover of RISE and will constitute a "fundamental change" of RISE pursuant to the policies of the Canadian Securities Exchange.

The transaction provides for, among other things, a triangular amalgamation pursuant to which: (i) Britannia will amalgamate with 2830026 under the OBCA; (ii) the security-holders of Britannia will receive securities of the Resulting Issuer at an exchange ratio of 120 (the "**Exchange Ratio**") common shares of the Resulting Issuer (the "**Resulting Issuer Shares**") for each one common share of Britannia (the "**Britannia Shares**"). Post completion of the transaction the Resulting Issuer intends to consolidate the shares on an expected 10 – 1 basis.

The Pro Forma Consolidated Financial Statements give effect to the Transaction.

The Pro Forma Consolidated Financial Statements also reflect the derecognition of promissory notes payable and related accrued interest of an aggregate of $4,135,943 that appear on RISE's May 31, 2021 consolidated statement of financial position resulting in a gain on settlement of debt of that amount.

For accounting purposes, RISE is deemed to have issued the following securities under the Transaction:

a) 303,019,402 Resulting Issuer Shares with a fair value of $0.016 per share for aggregate value of $4,724,982;

b) 107,977,354 warrants to purchase Resulting Issuer Shares with an exercise price of $0.02 and $0.14 per Resulting Issuer Share and an aggregate fair value of CAD $570,436 (see note 3(d)) (the "RISE Warrants"); and

c) 1,850,000 options to purchase Resulting Issuer Shares with an exercise price of CAD $0.3 per Resulting Issuer Share and an aggregate fair value of CAD $142 (see note 3(e)) (the "RISE Options").

The total pro forma purchase price results in a share capital increase of $5,295,560 which represents the fair value of Resulting Issuer Shares, options and warrants issued to RISE security-holders to affect the Transaction. See note 3 for the assumptions used to value the Resulting Issuer options and warrants exchanged for the outstanding RISE Options and RISE Warrants.

The difference between the aggregate fair value of Resulting Issuer Shares, warrants and options issued to RISE shareholders, option-holders and warrant-holders of $5,295,560 and the fair value of monetary net assets of RISE acquired of $399,995, such difference being $4,895,565, has been charged to pro forma consolidated deficit and consolidated net loss as a listing expense. In addition, an adjustment has been made to write off property and equipment of $26,709.

3. Pro forma assumptions and adjustments

These Pro Forma Consolidated Financial Statements incorporate the following pro forma assumptions:

(a) The settlement of the remaining RISE convertible notes and accompanying interest of $1,540,326 for 23,356,797 Resulting Issuer Shares with a value of $233,568. A gain on settlement of debt of $1,306,758 is reflected in pro forma consolidated deficit and net loss. Restricted cash of $1,122,051 becomes unrestricted on closing of the Proposed Transaction.

(b) The conversion of the Britannia convertible debentures outstanding. Each of the 6,127 US$1,000 Britannia Debentures outstanding are convertible into that number of shares computed on the basis of the *principal amount of the Britannia Debentures divided by the conversion price of US$1.55 per Britannia* Share resulting in the issuance of 3,952,903 shares. At June 30, 2021 the Britannia convertible debentures and embedded derivatives have been marked to market before being eliminated. For the twelve-month period ended June 30, 2021 accretion expense of $576,949 and a gain on fair value of embedded derivative of $642,859 has been recognized in the proforma consolidated statement of loss. Financing costs include the issuance of 74,425 compensation warrants resulting in warrant liability of $12,442.

(c) The RISE equity balances are eliminated.

(Expressed in Canadian dollars)

(d) Total Transaction costs of $350,000.

(e) The Company has used the Black-Scholes option pricing model to determine the value of the RISE Warrants. The following factors were used for determining the fair value of 103,019,400 RISE Warrants: Dividend yield – Nil; expected volatility 80%; risk-free interest rate – 0.16%; excepted life (years) – 1.96; exercise price - $0.2; and share price on issuance $0.016 Accordingly, the fair value of these RISE Warrants has been determined to be CAD $569,534. The following factors were used for determining the fair value of 4,957,954 RISE Warrants: Dividend yield – Nil; expected volatility 80%; risk-free interest rate – 0.16%; excepted life (years) – 1.5; exercise price - $0.14; and share price on issuance $0.016 Accordingly, the fair value of these RISE Warrants has been determined to be CAD $903. The aggregate value being $570,436 at May 31, 2021.

(f) The Company has used the Black-Scholes option pricing model to determine the value of the RISE Options. The following factors were used for determining the fair value of the RISE Options: Dividend yield – Nil; expected volatility 80%; risk-free interest rate – 0.16%; excepted life (years) – 1.91; exercise price - $0.3; and share price on issuance $0.016 Accordingly, the fair value of the RISE Options has been determined to be $143.

4. Pro forma share capital

	Number of common shares	Amount
		$
Pro forma transaction (note 3(b)), share issuance costs related to 74,425 compensation warrants issued in relation to the Britannia convertible debenture financing (Britannia Common Shares)		(12,442)
Pro forma transaction (note 3(b)), shares issued toBritannia shareholders (Britannia Common Shares)	1,250,611,707	7,219,028
Existing RISE shareholders (note 2(a))	303,019,402	4,724,982
	1,553,631,109	11,931,568

6. Pro forma deficit

	Amount
	$
Existing Britannia Bud Canada Holdings Inc. Deficit	116,042
Pro forma transaction (Note 2), listing expense	4,895,565
Pro forma transaction (note 3(d)), Additional listing fees	350,000
	5,361,607

SCHEDULE "G"
OMNIBUS INCENTIVE PLAN OF THE RESULTING ISSUER

See attached.

RISE LIFE SCIENCE CORP.

OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

ARTICLE 1

ESTABLISHMENT, PURPOSE AND DURATION

1.1 Establishment of the Plan.

RISE Life Science Corp., a corporation incorporated under the federal laws of Canada (the "**Company**"), hereby establishes an incentive compensation plan to be known as the Omnibus Equity Incentive Compensation Plan (the "**Plan**"). The Plan permits the grant of Options, Restricted Shares, Restricted Share Units, Deferred Share Units, Performance Shares, Performance Units and Share-Based Awards. The Plan shall be adopted and become effective on the date approved by the Board (the "**Effective Date**").

1.2 Purpose of the Plan.

The purposes of the Plan are: (i) to promote a significant alignment between officers and employees of the Company and its Affiliates (as defined below) and the growth objectives of the Company; (ii) to associate a portion of participating employees' compensation with the performance of the Company over the long term; and (iii) to attract, motivate and retain the critical employees to drive the business success of the Company.

1.3 Duration of the Plan.

The Plan shall commence as of the Effective Date, as described in Section 1.1 herein, and shall remain in effect until terminated by the Board (as defined below) pursuant to Article 14 hereof.

ARTICLE 2

DEFINITIONS

Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized.

"**Affiliate**" means any corporation, partnership or other entity (i) in which the Company, directly or indirectly, has majority ownership interest or (ii) which the Company controls. For the purposes of this definition, the Company is deemed to "control" such corporation, partnership or other entity if the Company possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.

"**Award**" means, individually or collectively, a grant under this Plan of Options, Deferred Share Units, Restricted Shares, Restricted Share Units, Performance Shares, Performance Units or Share-Based Awards, in each case subject to the terms of this Plan.

"**Award Agreement**" means either (i) a written agreement entered into by the Company or an Affiliate of the Company and a Participant setting forth the terms and provisions applicable to Awards granted under this Plan; or (ii) a written statement issued by the Company or an Affiliate of the Company to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan. An Award Agreement need not be identical to other Award Agreements either in form or substance.

"**Blackout Period**" means a period of time during which the Participant cannot sell Shares, due to applicable law or policies of the Company in respect of insider trading.

"**Board**" or "**Board of Directors**" means the Board of Directors of the Company.

"**Cause**" means any of:

(a) dishonesty of the Participant as it relates to the performance of his duties in the course of his employment by, or as an officer or director of, the Company or an Affiliate;

(b) fraud committed by the Participant;

(c) willful disclosure of confidential or private information regarding the Company or an Affiliate by the Participant;

(d) the Participant aiding a competitor of the Company or an Affiliate;

(e) misappropriation of a business opportunity of the Company or an Affiliate by the Participant;

(f) willful misconduct or gross negligence in the performance of the Participant's duties under his or her employment agreement;

(g) a breach by the Participant of a material provision of his or her employment agreement or the Code of Business Conduct and Ethics adopted by the Company from time to time;

(h) the willful and continued failure on the part of the Participant to substantially perform duties in the course of his employment by, or as an officer of, the Company or an Affiliate, unless such failure results from an incapacity due to mental or physical illness;

(i) willfully engaging in conduct that is demonstrably and materially injurious to the Company or an Affiliate, monetarily or otherwise; or

(j) any other act or omission by the Participant which would amount to just cause for termination at common law.

"**Change of Control**" shall occur if any of the following events occur:

(a) the acquisition, directly or indirectly and by any means whatsoever, by any person, or by a group of persons acting jointly or in concert, of beneficial ownership or control or direction over that number of Voting Securities which is greater than 50% of the total issued and outstanding Voting Securities immediately after such acquisition, unless such acquisition arose as a result of or pursuant to:

(i) an acquisition or redemption by the Company of Voting Securities which, by reducing the number of Voting Securities outstanding, increases the proportionate number of Voting Securities beneficially owned by such person to 50% or more of the Voting Securities then outstanding;

(ii) acquisitions of Voting Securities which were made pursuant to a dividend reinvestment plan of the Company;

(iii) the receipt or exercise of rights issued by the Company to all the holders of Voting Securities to subscribe for or purchase Voting Securities or securities convertible into Voting Securities, provided that such rights are acquired directly from the Company and not from any other person;

(iv) a distribution by the Company of Voting Securities or securities convertible into Voting Securities for cash consideration made pursuant to a public offering or by way of a private placement by the Company ("**Exempt Acquisitions**");

(v) a stock-dividend, a stock split or other event pursuant to which such person receives or acquires Voting Securities or securities convertible into Voting Securities on the same pro rata basis as all other holders of securities of the same class ("**Pro-Rata Acquisitions**"); or

(vi) the exercise of securities convertible into Voting Securities received by such person pursuant to an Exempt Acquisition or a Pro-Rata Acquisition ("**Convertible Security Acquisitions**");

provided, however, that if a person shall acquire 50% or more of the total issued and outstanding Voting Securities by reason of any one or a combination of (1) acquisitions or redemptions of Voting Securities by the Company, (2) Exempt Acquisitions, (3) Pro-Rata Acquisitions, or (4) Convertible Security Acquisitions and, after such share acquisitions or redemptions by the Company or Exempt Acquisitions or Pro-Rata Acquisitions or Convertible Security Acquisitions, acquires additional Voting Securities exceeding one per cent of the Voting Securities outstanding at the date of such acquisition other than pursuant to any one or a combination of Exempt Acquisitions, Convertible Security Acquisitions or Pro-Rata Acquisitions, then as of the date of such acquisitions such acquisition shall be deemed to be a "Change of Control";

(b) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent members of the Board of Directors, unless such election or appointment is approved by 50% or more of the Board of Directors in office immediately preceding such election or appointment in circumstances where such election or appointment is to be made other than as a result of a dissident public proxy solicitation, whether actual or threatened; and

(c) any transaction or series of transactions, whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, whereby all or substantially all of the shares or assets of the Company become the property of any other person (the "**Successor Entity**"), (other than a subsidiary of the Company) unless:

(i) individuals who were holders of Voting Securities immediately prior to such transaction hold, as a result of such transaction, in the aggregate, more than 50% of the voting securities of the Successor Entity;

(ii) a majority of the members of the board of directors of the Successor Entity is comprised of individuals who were members of the Board of Directors immediately prior to such transaction; and

(iii) after such transaction, no person or group of persons acting jointly or in concert, holds more than 50% of the voting securities of the Successor Entity unless such person or group of persons held securities of the Company in the same proportion prior to such transaction.

"**Change of Control Price**" means (i) the highest price per Share offered in conjunction with any transaction resulting in a Change of Control (as determined in good faith by the Committee if any part of the offered price is payable other than in cash), or (ii) in the case of a Change of Control occurring solely by reason of a change in the composition of the Board, the highest Fair Market Value of the Shares on any of the thirty (30) trading days immediately preceding the date on which a Change of Control occurs, except if the relevant participant is subject to taxation under the ITA such Change of Control price shall be deemed to be a price determined by the Committee based on the closing price of a Share on the Exchange on the trading day preceding the Change of Control date or based on the volume weighted average trading price of the Shares on the Exchange for the five trading days immediately preceding the Change of Control date.

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

"**Committee**" means the Board of Directors or if so delegated in whole or in part by the Board, or any duly authorized committee of the Board appointed by the Board to administer the Plan.

"**Company**" means RISE Life Science Corp., a corporation incorporated under the federal laws of the Canada, and any successor thereto as provided in Article 16 herein.

"**Consultant**" means a Person that:

(a) is engaged to provide services to the Company or an Affiliate other than services provided in relation to a distribution of securities of the Company or an Affiliate;

(b) provides the services under a written contract with the Company or an Affiliate; and

(c) spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate; provided that with respect to Consultants who are U.S. Persons, such Consultants shall be granted Awards under this Plan only if:

(i) they are natural persons;

(ii) they provide bona fide services to the Company or its majority-owned subsidiaries; and

(iii) such services are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Company's securities.

"**CSE**" means the Canadian Securities Exchange;

"**Deferred Share Unit**" means an Award denominated in units that provides the holder thereof with a right to receive Shares upon settlement of the Award, granted under Article 8 herein and subject to the terms of this Plan.

"**Director**" means any individual who is a member of the Board of Directors or is a senior officer of the Company or any of the Company's subsidiaries.

"**Disability**" means the Participant's inability to substantially fulfil his or her duties on behalf of the Company or an Affiliate for a continuous period of six (6) months or more or the Participant's inability to substantially fulfil his or her duties on behalf of the Company or an Affiliate for an aggregate period of six (6) months or more during any consecutive twelve (12) month period; and if there is any disagreement between the Company or an Affiliate and the Participant as to the Participant's Disability or as to the date any such Disability began or ended, the same shall be determined by a physician mutually acceptable to the Company and the Participant whose determination shall be conclusive evidence of any such Disability and of the date any such Disability began or ended.

"**Dividend Equivalent**" means a right with respect to an Award to receive cash, Shares or other property equal in value and form to dividends declared by the Board and paid with respect to outstanding Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine.

"**Employee**" means any employee of the Company or an Affiliate. Directors who are not otherwise employed by the Company or an Affiliate shall not be considered Employees under this Plan.

"**Exchange**" means the CSE or, if at any time the Shares are not listed and posted for trading on the CSE, shall be deemed to mean such other stock exchange or trading platform upon which the Shares trade and which has been designated by the Committee.

"**Fair Market Value**" or "**FMV**" means, unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Company's desired accounting for Awards or by the rules of the Exchange, a price that is determined by the Committee, provided that such price cannot be less than the greater of (i) the volume weighted average trading price of the Shares on the Exchange for the five trading days immediately prior to the grant date, (ii) the closing price of the Shares on the Exchange on the trading day immediately prior to the grant date or (iii) the closing price of the Shares on the Exchange on the grant date.

"**Fiscal Year**" means the Company's fiscal year commencing on January 1 and ending on December 31 or such other fiscal year as approved by the Board.

"**Insider**" shall have the meaning ascribed thereto in Section 1(1) of the OSA.

"**ITA**" means the *Income Tax Act* (Canada).

"**Non-Employee Director**" means a Director who is not an Employee.

"**Notice Period**" means any period of contractual notice or reasonable notice that the Company or the Affiliate may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Company or Affiliate elects to pay severance in lieu of providing notice to the Participant, provided that where a Participant's employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.

"**Option**" means the conditional right to purchase Shares at a stated Option Price for a specified period of time subject to the terms of this Plan.

"**Option Price**" means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.

"**OSA**" means the *Securities Act* (Ontario), as may be amended from time to time.

"**Participant**" means an Employee, Non-Employee Director or Consultant who has been selected to receive an Award, or who has an outstanding Award granted under the Plan.

"**Performance Goal**" means a performance criterion selected by the Committee for a given Award.

"**Performance Period**" means the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with respect to an Award.

"**Performance Share**" means an Award granted under Article 9 herein and subject to the terms of this Plan, denominated in Shares, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

"**Performance Unit**" means an Award granted under Article 9 herein and subject to the terms of this Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

"**Period of Restriction**" means the period when an Award of Restricted Share or Restricted Share Units is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.

"**Person**" shall have the meaning ascribed to such term in Section 1(1) of the OSA.

"**Restricted Share**" means an Award of Shares subject to a Period of Restriction, granted under Article 7 herein and subject to the terms of this Plan.

"**Restricted Share Unit**" means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares upon settlement of the Award, granted under Article 7 herein and subject to the terms of this Plan.

"**Retirement**" or "**Retire**" means a Participant's permanent withdrawal from employment or office with the Company or Affiliate on terms and conditions accepted and determined by the Board.

"**Shares**" means common shares in the capital of the Company.

"**Share-Based Award**" means an equity-based or equity-related Award granted under Article 10 herein and subject to the terms of this Plan, and not otherwise described by the terms of this Plan.

"**Successor Entity**" has the meaning ascribed thereto under subsection (c) of the definition of Change of Control. "Total Share Authorization" has the meaning ascribed thereto under Section 4.1.

"**TSX-V**" means the TSX Venture Exchange.

"**Voting Securities**" shall mean any securities of the Company ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

ARTICLE 3

ADMINISTRATION

3.1 General.

The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Company, and all other interested parties.

3.2 Authority of the Committee.

The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, determining Performance Goals applicable to Awards and whether such Performance Goals have been achieved, making adjustments under Section 4.2 and, subject to Article 14, adopting modifications and amendments, or subplans to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Company and Affiliates operate.

3.3 Delegation.

The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

ARTICLE 4

SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS

4.1 Number of Shares Available for Awards.

Subject to adjustment as provided in Section 4.2 herein, the number of Shares hereby reserved for issuance to Participants under the Plan, together with Shares reserved for issue under any other share compensation arrangements of the Company is unlimited, provided that the aggregate number of Shares issuable under the Plan or under any other share compensation arrangements of the Company, shall not exceed 10% of the total number of Shares issued and outstanding from time to time (calculated on a non-diluted basis) (the "**Total Share Authorization**").

The number of securities issuable to insiders, at any time, under all security based compensation arrangements cannot exceed 10% of the issued and outstanding Shares of the Company. Within any one-year period, the number of Shares issued to Insiders pursuant to this Plan and all other share compensation arrangements of the Company shall not exceed 10% of the aggregate outstanding Shares of the Company.

4.2 Adjustments in Authorized Shares.

Subject to the approval of the Exchange, where applicable, in the event of any corporate event or transaction (collectively, a "**Corporate Reorganization**") (including, but not limited to, a change in the Shares of the Company or the capitalization of the Company) such as a merger, arrangement or amalgamation that does not constitute a Change of Control under Article 13, or a consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the Option Price or Grant Price applicable to outstanding Awards, the Total Share Authorization, the limit on issuing Awards other than Options granted with an Option Price equal to at least the FMV of a Share on the date of grant with a Grant Price equal to at least the FMV of a Share on the date of grant, and any other value determinations applicable to outstanding Awards or to this Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such Corporate Reorganization. In connection with a Corporate Reorganization, the Committee shall have the discretion to permit a holder of Options to purchase (at the times, for the consideration, and subject to the terms and conditions set out in this Plan) and the holder will then accept on the exercise of such Option, in lieu of the Shares that such holder would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that such holder would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, that holder had owned all Shares that were subject to the Option. Such adjustments shall be made automatically, without the necessity of Committee action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in Shares.

The Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that any such adjustments must comply with Section 409A of the Code with respect to any U.S. Participants and the rules of any stock exchange or market upon which such Shares are listed or traded.

Subject to the provisions of Article 12 and any applicable law or regulatory requirement, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under this Plan in connection with any such corporate event or transaction, upon such terms and conditions as it may deem appropriate. Additionally, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

ARTICLE 5

ELIGIBILITY AND PARTICIPATION

5.1 Eligibility.

Individuals eligible to participate in the Plan include all Employees, Non-Employee Directors and Consultants.

5.2 Actual Participation.

Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible Employees, Non-Employee Directors and Consultants, those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award.

ARTICLE 6

STOCK OPTIONS

6.1 Grant of Options.

Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion, provided: (a) the aggregate number of Options granted to any one person (and companies wholly owned by that person) in a 12 month period must not exceed 5% of the issued and outstanding shares of the Company, calculated on the date an option is granted to the person (unless the Company has obtained the requisite disinterested shareholder approval); (b) the aggregate number of Options granted to any one Consultant in a 12 month period must not exceed 2% of the issued and outstanding shares of the Company, calculated on the date an option is granted to the Consultant; (c) the aggregate number of Options granted to all persons retained to provide Investor Relations Activities (as such term is defined by the TSX-V) must not exceed 1% of the issued and outstanding shares of the Company in any 12 month period, calculated at the date that an option is granted to any such person; and (d) for Options granted to Employees, Consultants or Management Company Employees (as such term is defined by the TSX-V), the Company and the person granted the Option are responsible for ensuring and confirming that the person granted the Option is a bona fide Employee, Consultant or Management Company Employee (as such term is defined by the TSX-V), as the case may be.

6.2 Award Agreement.

Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine.

6.3 Option Price.

The Option Price for each grant of an Option under this Plan shall be determined by the Committee and shall be specified in the Award Agreement. The Option Price for an Option shall be not less than the FMV of the Shares on the date of grant. Disinterested shareholder approval will be obtained for any reduction in the Option Price if the person granted the Option is an Insider of the Company at the time of the proposed amendment.

6.4 Duration of Options.

Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that no Option shall be exercisable later than the fifth (5th) anniversary date of its grant. Notwithstanding the foregoing, the expiry date of any Option shall be extended to the tenth business day following the last day of a Blackout Period if the expiry date would otherwise occur in a Blackout Period or within five days of the end of the Blackout Period.

6.5 Exercise of Options.

Options granted under this Article 6 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

6.6 Payment.

Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment for the Shares. The Option Price upon exercise of any Option shall be payable to the Company in full either: (a) in cash, certified cheque or wire transfer; or (b) by any other method approved or accepted by the Committee in its sole discretion subject to the rules of the Exchange and such rules and regulations as the Committee may establish. Subject to Section 6.7 and any governing rules or regulations, as soon as practicable after receipt of a notification of exercise and full payment for the Shares, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable shares of the Company. As of the business day the Company receives such notice and such payment, the Participant (or the person claiming through him, as the case may be) shall be entitled to be entered on the share register of the Company as the holder of the number of Shares in respect of which the Option was exercised and to receive as promptly as possible thereafter a certificate or evidence of book entry representing the said number of Shares. The Company shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s), but in any event, on or before the 15th day of the third month of the year following the year in which the Option was exercised.

6.7 Restrictions on Share Transferability.

The Committee may impose such restrictions on any Shares acquired pursuant to the exercise of an Option granted pursuant to this Plan as it may deem advisable, including, without limitation, requiring the Participant to hold the Shares acquired pursuant to exercise for a specified period of time, or restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Shares are listed and/or traded.

6.8 Death, Retirement and Termination of Employment.

(a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate:

(i) the executor or administrator of the Participant's estate may exercise Options of the Participant equal to the number of Options that were exercisable at the Termination Date (as defined at Section 6.8(d) below);

(ii) the right to exercise such Options terminates on the earlier of: (i) the date that is 12 months after the Termination Date; and (ii) the date on which the exercise period of the particular Option expires. Any Options held by the Participant that are not yet vested at the Termination Date immediately expire and are cancelled and forfeited to the Company on the Termination Date; and

(iii) such Participant's eligibility to receive further grants of Options under the Plan ceases as of the Termination Date.

(b) Retirement: If a Participant voluntarily Retires then:

(i) any Options held by the Participant that are exercisable at the Termination Date continue to be exercisable by the Participant until the earlier of:

(A) the date that is six months after the Termination Date; and

(B) the date on which the exercise period of the particular Option expires.

(ii) Any Options held by the Participant that are not yet vested at the Termination Date immediately expire and are cancelled and forfeited to the Company on the Termination Date,

(iii) the eligibility of a Participant to receive further grants under the Plan ceases as of the date that the Company or an Affiliate, as the case may be, provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date, and

(iv) notwithstanding 6.8(b)(i) and 6.8(b)(ii) above, unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Options are not affected by a change of employment arrangement within or among the Company or an Affiliate for so long as the Participant continues to be an employee of the Company or an Affiliate.

(c) Termination of Employment: Except as may otherwise be set out in a Participant's employment agreement (which shall have paramountcy over this clause), where a Participant's employment or term of office or engagement terminates (for any reason other than death or voluntary Retirement (whether such termination occurs with or without any or adequate notice or reasonable notice, or with or without any or adequate compensation in lieu of such notice)), then:

(i) any Options held by the Participant that are exercisable at the Termination Date continue to be exercisable by the Participant until the earlier of:

(A) the date that is three months after the Termination Date; and

(B) the date on which the exercise period of the particular Option expires,

(ii) Any Options held by the Participant that are not yet vested at the Termination Date immediately expire and are cancelled and forfeited to the Company on the Termination Date,

(iii) the eligibility of a Participant to receive further grants under the Plan ceases as of the date that the Company or an Affiliate, as the case may be, provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date, and

(iv) notwithstanding 6.8(c)(i) and 6.8(c)(ii) above, unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Options are not affected by a change of employment arrangement within or among the Company or an Affiliate for so long as the Participant continues to be an employee of the Company or an Affiliate.

(d) For purposes of section 6.8, the term, "Termination Date" means, in the case of a Participant whose employment or term of office or engagement with the Company or an Affiliate terminates:

(i) by reason of the Participant's death, the date of death;

(ii) for any reason whatsoever other than death, the date of the Participant's last day actively at work for or actively engaged by the Company or the Affiliate, as the case may be; and for greater certainty "Termination Date" in any such case specifically does not mean the date on which any period of contractual notice or reasonable notice that the Company or the Affiliate, as the case may be, may be required at law to provide to a Participant would expire; and

(iii) the resignation of a director shall be considered to be a Retirement whereas the expiry of a director's term on the Board without re-election (or nomination for election) shall be considered to be a termination of his or her term of office.

6.9 Non-transferability of Options.

Except as otherwise provided in a Participant's Award Agreement at the time of grant or thereafter by the Committee, an Option granted under this Article 6 may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement at the time of grant or thereafter by the Committee, all Options granted to a Participant under this Article 6 shall be exercisable during such Participant's lifetime only by such Participant.

ARTICLE 7

RESTRICTED SHARE AND RESTRICTED SHARE UNITS

7.1 Grant of Restricted Shares or Restricted Share Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Shares and/or Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

7.2 Restricted Share or Restricted Share Unit Agreement.

Each Restricted Share and/or Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Shares or the number of Restricted Share Units granted, the settlement date for Restricted Share Units, and any such other provisions as the Committee shall determine, provided that unless otherwise determined by the Committee or as set out in any Award Agreement, no Restricted Share Unit shall vest later than three years after the date of grant.

7.3 Non-transferability of Restricted Share and Restricted Share Units.

Except as otherwise provided in this Plan or the Award Agreement, the Restricted Shares and/or Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated until the end of the applicable Period of Restriction specified in the Award Agreement (and in the case of Restricted Share Units until the date of settlement through delivery or other payment), or upon earlier satisfaction of any other conditions, as specified by the Committee in its sole discretion and set forth in the Award Agreement at the time of grant or thereafter by the Committee. All rights with respect to the Restricted Shares and/or Restricted Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant, except as otherwise provided in the Award Agreement at the time of grant or thereafter by the Committee.

7.4 Other Restrictions.

The Committee shall impose, in the Award Agreement at the time of grant or anytime thereafter, such other conditions and/or restrictions on any Restricted Shares or Restricted Share Units granted pursuant to this Plan as it may deem advisable, including, without limitation, a requirement that Participants pay a stipulated purchase price for each Restricted Share or each Restricted Share Unit, restrictions based upon the achievement of specific performance criteria, time-based restrictions on vesting following the attainment of the performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of any stock exchange or market upon which such Shares are listed or traded, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Restricted Shares or Restricted Share Units.

To the extent deemed appropriate by the Committee, the Company may retain the certificates representing Restricted Shares, or Shares delivered in settlement of Restricted Share Units, in the Company's possession until such time as all conditions and/or restrictions applicable to such Shares have been satisfied or lapse. Except as otherwise provided in this Article 7, Restricted Shares covered by each Restricted Share Award shall become freely transferable by the Participant after all conditions and restrictions applicable to such Shares have been satisfied or lapse, and Restricted Share Units shall be settled through payment in Shares.

7.5 Certificate Legend.

In addition to any legends placed on certificates pursuant to Section 7.4 herein, each certificate representing Restricted Shares granted pursuant to the Plan may bear a legend such as the following:

> "The sale or other transfer of the shares of stock represented by this certificate, whether voluntary, involuntary or by operation of law, is subject to certain restrictions on transfer as set forth in the Omnibus Equity Incentive Compensation Plan and in the associated Award Agreement. A copy of the Plan and such Award Agreement may be obtained from the Chief Financial Officer of RISE Life Science Corp.."

7.6 Voting Rights.

To the extent required by law, Participants holding Restricted Shares granted hereunder shall have the right to exercise full voting rights with respect to those Shares during the Period of Restriction. A Participant shall have no voting rights with respect to any Restricted Share Units granted hereunder.

7.7 Dividends and Other Distributions.

During the Period of Restriction, Participants holding Restricted Shares or Restricted Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares, Restricted Shares or Restricted Share Units.

7.8 Death, Retirement and other Termination of Employment.

(a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate:

(i) any Restricted Share or Restricted Share Units held by the Participant that have not vested as at the Termination Date (as defined at Section 7.8(e) below) shall vest immediately;

(ii) any Restricted Shares and Restricted Share Units held by the Participant that have vested (including Restricted Shares and Restricted Share Units vested in accordance with Section 7.8(a)(i)) as at the Termination Date (as defined at Section 7.8(e) below), shall be paid to the Participant's estate in accordance with the terms of the Plan and Award Agreement; and

(iii) such Participant's eligibility to receive further grants of Restricted Share Units or Restricted Shares under the Plan ceases as of the Termination Date.

(b) Disability: If a Participant suffers a Disability while an Employee, Director of, or Consultant to, the Company or an Affiliate and, as a result, his or her employment or engagement with the Company or an Affiliate is terminated:

(i) the number of Restricted Shares or Restricted Share Units held by the Participant and that have not vested (collectively referred to in this Section 7.8 as the "**Unvested Awards**") shall be reduced to be equal to the product of (A) the number of Unvested Awards; and (B) the fraction obtained when dividing (x) the number of calendar days from the date of the award of the Unvested Awards to the Termination Date (as defined at Section 7.8(e) below) and (x) the number of calendar days from the date of the award of the Unvested Awards to the original vesting date set out in the Award Agreement;

(ii) the number of Unvested Awards, as calculated pursuant to Section 7.8(b)(i), shall continue to vest in accordance with the terms of the Plan and Award Agreement; and

(iii) such Participant's eligibility to receive further grants of Restricted Share Units or Restricted Shares under the Plan ceases as of the Termination Date.

(c) Retirement: If a Participant voluntarily Retires then:

(i) any Restricted Share Units held by the Participant that have vested before the Termination Date (as defined at Section 7.8(e) below) shall be paid to the Participant;

(ii) any Unvested Awards held by the Participant at the Termination Date (as defined at Section 7.8(e) below) shall continue to vest in accordance with the terms of the Plan and Award Agreement following the Termination Date (as defined at Section 7.8(e) below) until the earlier of: (i) the date determined by the Committee, in its sole discretion; and (ii) the date on which the Restricted Share Units vest pursuant to the original Award Agreement in respect of such Unvested Awards; and (iii) such Participant's eligibility to receive further grants of Restricted Share Units or Restricted Shares under the Plan ceases as of the Termination Date.

(d) Termination other than Death, Disability or Retirement: Unless determined otherwise by the Committee, or as may otherwise be set out in a Participant's employment agreement (which shall have paramountcy over this clause), where a Participant's employment or term of office or engagement terminates for any reason other than death, Disability or Retirement (whether such termination occurs with or without any or adequate notice or reasonable notice, or with or without any or adequate compensation in lieu of such notice), then:

(i) any Restricted Share Units held by the Participant that have vested before the Termination Date (as defined at Section 7.8(e) below) shall be paid to the Participant. Any Restricted Share Units or Restricted Shares held by the Participant that are not yet vested at the Termination Date (as defined at Section 7.8(e) below) will be immediately cancelled and forfeited to the Company on the Termination Date;

(ii) the eligibility of a Participant to receive further grants under the Plan ceases as of the date that the Company or an Affiliate provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date; and

(iii) notwithstanding Section 7.8(d)(i), unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Restricted Share Units and Restricted Shares are not affected by a change of employment arrangement within or among the Company or an Affiliate for so long as the Participant continues to be an employee of the Company or an Affiliate.

(e) For purposes of Section 7.8, the term, "Termination Date" means, in the case of a Participant whose employment or term of office or engagement with the Company or an Affiliate terminates:

(i) by reason of the Participant's death, the date of death;

(ii) by reason of termination for Cause, resignation by the Participant or Retirement, the Participant's last day actively at work for or actively engaged by the Company or an Affiliate;

(iii) by reason of Disability, the date of the Participant's last day actively at work for or actively engaged by the Company or an Affiliate;

(iv) for any reason whatsoever other than death, termination for Cause, Retirement or termination by reason of Disability, the later of the (A) date of the Participant's last day actively at work for or actively engaged by the Company or the Affiliate, and (B) the last date of the Notice Period; and

(v) the resignation of a director and the expiry of a director's term on the Board without re-election (or nomination for election) shall each be considered to be a termination of his or her term of office.

(f) Change of Control: The occurrence of a Change of Control will not result in the vesting of Unvested Awards, provided that: (i) such Unvested Awards will continue to vest in accordance with the Plan and Award Agreement; and (ii) any Successor Entity agrees to assume the obligations of the Company in respect of such Unvested Awards.

(g) Termination Following a Change of Control: Where a Participant's employment or term of office or engagement is terminated for any reason, other than for Cause, during the 24 months following a Change of Control, any Unvested Awards as at the date of such termination shall be deemed to have vested as at the date of such termination and shall become payable as at the date of termination.

7.9 Payment in Settlement of Restricted Share Units.

When and if Restricted Share Units become payable, the Participant issued such units shall be entitled to receive payment from the Company in settlement of such units, Shares (issued from treasury) of equivalent value (based on the FMV, as defined in the Award Agreement at the time of grant or thereafter by the Committee).

ARTICLE 8

DEFERRED SHARES UNITS

8.1 Grant of Deferred Share Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Deferred Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

8.2 Deferred Share Unit Agreement.

Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Committee shall determine, including, but not limited to a requirement that Participants pay a stipulated purchase price for each Deferred Share Unit, restrictions based upon the achievement of specific performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of any stock exchange or market upon which the Shares are listed or traded, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Deferred Share Units.

8.3 Non-transferability of Deferred Share Units.

Except as otherwise provided in this Plan or the Award Agreement, the Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Deferred Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant, except as otherwise provided in the Award Agreement at the time of grant or thereafter by the Committee.

8.4 Termination of Employment, Consultancy or Directorship

Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Deferred Share Units following termination of the Participant's employment or other relationship with the Company or Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Deferred Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.

ARTICLE 9

PERFORMANCE SHARES AND PERFORMANCE UNITS

9.1 Grant of Performance Shares and Performance Units.

Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Performance Shares and/or Performance Units to Participants in such amounts and upon such terms as the Committee shall determine.

9.2 Value of Performance Shares and Performance Units.

Each Performance Share and Performance Unit shall have an initial value equal to the FMV of a Share on the date of grant. The Committee shall set performance criteria for a Performance Period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the Award Agreement, the value and/or number of each Performance Share or Performance Unit that will be paid to the Participant.

9.3 Earning of Performance Shares and Performance Units.

Subject to the terms of this Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of Performance Shares/Performance Units shall be entitled to receive payout on the value and number of Performance Shares/Performance Units, determined as a function of the extent to which the corresponding performance criteria have been achieved. Notwithstanding the foregoing, the Company shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time.

9.4 Form and Timing of Payment of Performance Shares and Performance Units.

Payment of earned Performance Shares/Performance Units shall be as determined by the Committee and as set forth in the Award Agreement. Subject to the terms of the Plan, the Committee will pay earned Performance Shares/Performance Units in the form of Shares issued from treasury equal to the value of the earned Performance Shares/Performance Units at the end of the applicable Performance Period. Any Shares may be granted subject to any restrictions deemed appropriate by the Committee.

9.5 Dividends and Other Distributions.

The Committee shall determine whether Participants holding Performance Shares will receive Dividend Equivalents with respect to dividends declared with respect to the Shares. Dividends or Dividend Equivalents may be subject to accrual, forfeiture or payout restrictions as determined by the Committee in its sole discretion.

9.6 Death and other Termination of Employment.

(a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate:

(i) the number of Performance Shares or Performance Units held by the Participant that have not vested (collectively referred to in this Section 9.6 as "**Unvested Awards**") shall be adjusted as set out in the applicable Award Agreement (collectively referred to in this Section 9.6 as "**Deemed Awards**");

(ii) any Deemed Awards shall vest immediately;

(iii) any Performance Shares and Performance Units held by the Participant that have vested (including Deemed Awards vested in accordance with Section 9.6(a)(ii)) shall be paid to the Participant's estate in accordance with the terms of the Plan and Award Agreement; and

(iv) such Participant's eligibility to receive further grants of Performance Shares or Performance Units under the Plan ceases as of the Termination Date (as defined at Section 9.6(e) below).

(b) Disability: If a Participant suffers a Disability while an Employee, officer or director of or Consultant to the Company or an Affiliate and as a result his or her employment with the company or Affiliate is terminated:

(i) Unvested Awards shall be reduced to be equal to the product of (A) the number of Unvested Awards; and (B) the fraction obtained when dividing (x) the number of calendar days from the date of the award of the Unvested Awards to the Termination Date (as defined at Section 9.6(e) below) and (x) the number of calendar days from the date of the award of the Unvested Awards to the original vesting date set out in the Award Agreement;

(ii) the number of Unvested Awards, as calculated pursuant to Section 9.6(b)(i), shall continue to vest in accordance with the terms of its Plan and Award Agreement; and

(iii) such Participant's eligibility to receive further grants of Performance Units or Performance Shares under the Plan ceases as of the Termination Date.

(c) Retirement: If a Participant voluntarily Retires then:

(i) any Performance Shares or Performance Units held by the Participant that have vested before the Termination Date shall be paid to the Participant;

(ii) any Unvested Awards held by the Participant at the Termination Date (as defined at Section 9.6(e) below) shall continue to vest in accordance with the terms of the Plan and Award Agreement following the Termination Date until the earlier of: (i) the date determined by the Committee, in its sole discretion; and (ii) the date on which the Performance Units vest pursuant to the original Award Agreement in respect of such Unvested Awards; and (iii) such Participant's eligibility to receive further grants of Performance Shares or Performance Units under the Plan ceases as of the Termination Date.

(d) Termination other than Death, Disability or Retirement: Unless determined otherwise by the Committee, or as may otherwise be set out in a Participant's employment agreement (which shall have paramountcy over this clause), where a Participant's employment or term of office or engagement terminates for any reason other than death (whether such termination occurs with or without any or adequate notice or reasonable notice, or with or without any or adequate compensation in lieu of such notice), then:

(i) any Performance Units or Performance Shares held by the Participant that have vested before the Termination Date shall be paid to the Participant in accordance with the terms of the Plan and Award Agreement. Any Performance Units or Performance Shares held by the Participant that are not yet vested at the Termination Date will be immediately cancelled and forfeited to the Company on the Termination Date;

(ii) the eligibility of a Participant to receive further grants under the Plan ceases as of the date that the Company or an Affiliate provides the Participant with written notification that the Participant's employment or term of office or engagement, is terminated, notwithstanding that such date may be prior to the Termination Date; and

(iii) notwithstanding Sections 9.6(c)(i) and (ii)9.6(c)(ii) above, unless the Committee, in its sole discretion, otherwise determines, at any time and from time to time, Performance Units or Performance Shares are not affected by a change of employment arrangement within or among the Company or an Affiliate for so long as the Participant continues to be an employee of the Company or an Affiliate.

(e) For purposes of this Section 9.6, the term, "Termination Date" has the meaning set out in Section 7.8(e).

(f) Change of Control: The occurrence of a Change of Control will not result in the vesting of Unvested Awards, provided that:

(i) such Unvested Awards will continue to vest in accordance with the Plan and the Award Agreement;

(ii) the level of achievement of Performance Goals for Fiscal Years completed prior to the date of the Change of Control shall be based on the actual performance achieved to the date of the Change of Control and the level of achievement of Performance Goals for Fiscal Years completed following the date of the Change of Control shall be based on the assumed achievement of 100% of the Performance Goals; and

(iii) any Successor Entity agrees to assume the obligations of the Company in respect of such Unvested Awards.

(g) Termination following Change of Control: For the period of 24 months following a Change of Control, where a Participant's employment or term of office or engagement is terminated for any reason, other than for Cause:

(i) any Unvested Awards as at the date of such termination shall be deemed to have vested as at the date of such termination and shall become payable as at the date of termination; and

(ii) the level of achievement of Performance Goals for any Unvested Awards that are deemed to have vested pursuant to (i) above, shall be based on the actual performance achieved at the end of the Fiscal Year immediately prior to the date of termination.

9.7 Non-transferability of Performance Shares and Performance Units.

Except as otherwise provided in a Participant's Award Agreement at the time of grant or thereafter by the Committee, Performance Shares/Performance Units may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement or otherwise by the Committee at any time, a Participant's rights under the Plan shall inure during such Participant's lifetime only to such Participant.

ARTICLE 10

FULL VALUE SHARE-BASED AWARDS

10.1 Share-Based Awards.

The Committee may, to the extent permitted by the Exchange, grant other types of equity-based or equity-related Awards not otherwise described by the terms of this Plan (including the grant or offer for sale of unrestricted Shares and issuance of unrestricted Shares in satisfaction of compensation (including salary, bonus or other incentive)) in such amounts and subject to such terms and conditions, including, but not limited to, being subject to performance criteria, or in satisfaction of such obligations, as the Committee shall determine; provided that the maximum number of Share-Based Awards issued in any calendar year shall not, when combined with any other Awards under any share compensation arrangement of the Company exceed 10% of the total number of Shares issued and outstanding from time to time (calculated on a non-diluted basis).

10.2 Termination of Employment.

Each Award Agreement shall set forth the extent to which the Participant shall have the right to receive Share-Based Awards following termination of the Participant's employment or other relationship with the Company or Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Share-Based Awards issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination.

10.3 Non-transferability of Share-Based Awards.

Except as otherwise provided in a Participant's Award Agreement at the time of grant or thereafter by the Committee, Share-Based Awards may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, except as otherwise provided in a Participant's Award Agreement at the time of grant or thereafter by the Committee, a Participant's rights under the Plan shall be exercisable during such Participant's lifetime only by such Participant.

ARTICLE 11

BENEFICIARY DESIGNATION

11.1 Beneficiary.

A Participant's "beneficiary" is the person or persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.

11.2 Discretion of the Committee.

Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Article 11, or both, in favor of another method of determining beneficiaries.

ARTICLE 12

RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE

12.1 Employment.

Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or an Affiliate to terminate any Participant's employment, consulting or other service relationship with the Company or an Affiliate at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or an Affiliate.

Neither an Award nor any benefits arising under this Plan shall constitute part of an employment or service contract with the Company or an Affiliate, and, accordingly, subject to the terms of this Plan, this Plan may be terminated or modified at any time in the sole and exclusive discretion of the Committee or the Board without giving rise to liability on the part of the Company or an Affiliate for severance payments or otherwise, except as provided in this Plan.

For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a Participant between the Company and an Affiliate or among Affiliates, shall not be deemed a termination of employment. The Committee may provide in a Participant's Award Agreement or otherwise the conditions under which a transfer of employment to an entity that is spun off from the Company or an Affiliate shall not be deemed a termination of employment for purposes of an Award.

12.2 Participation.

No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.

12.3 Rights as a Shareholder.

A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the record holder of such Shares.

ARTICLE 13

CHANGE OF CONTROL

13.1 Accelerated Vesting and Payment.

Subject to the provisions of Section 13.2 or as otherwise provided in the Plan or the Award Agreement, in the event of a Change of Control, the Committee shall have the discretion to unilaterally determine that all outstanding Awards shall be cancelled upon a Change of Control, and that the value of such Awards, as determined by the Committee in accordance with the terms of the Plan and the Award Agreements, shall be paid out in cash in an amount based on the Change of Control Price within a reasonable time subsequent to the Change of Control, subject to the approval of the Exchange.

13.2 Alternative Awards.

Notwithstanding Section 13.1, no cancellation, acceleration of vesting, lapsing of restrictions or payment of an Award shall occur with respect to any Award if the Committee reasonably determines in good faith prior to the occurrence of a Change of Control that such Award shall be honored or assumed, or new rights substituted therefor (with such honored, assumed or substituted Award hereinafter referred to as an "**Alternative Award**") by any successor to the Company or an Affiliate as described in Article 15; provided, however, that any such Alternative Award must:

(a) be based on stock which is traded on the CSE, TSX-V and/or the Toronto Stock Exchange;

(b) provide such Participant with rights and entitlements substantially equivalent to or better than the rights, terms and conditions applicable under such Award, including, but not limited to, an identical or better exercise or vesting schedule (including vesting upon termination of employment) and identical or better timing and methods of payment;

(c) recognize, for the purpose of vesting provisions, the time that the Award has been held prior to the Change of Control; and

(d) have substantially equivalent economic value to such Award (determined prior to the time of the Change of Control).

ARTICLE 14

AMENDMENT, MODIFICATION, SUSPENSION AND TERMINATION

14.1 Amendment, Modification, Suspension and Termination.

(a) Except as set out in clauses (b) and (c) below, and as otherwise provided by law, or Exchange rules, the Committee or Board may, at any time and from time to time, alter, amend, modify, suspend or terminate the Plan or any Award in whole or in part without notice to, or approval from, shareholders, including, but not limited to for the purposes of:

(i) making any amendments to the general vesting provisions of any Award;

(ii) making any amendments to the general term of any Award provided that no Award held by an Insider may be extended beyond its original expiry date;

(iii) making any amendments to add covenants or obligations of the Company for the protection of Participants;

(iv) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board, it may be expedient to make, including amendments that are desirable as a result of changes in law or as a "housekeeping" matter; or

(v) making such changes or corrections which are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

(b) Other than as expressly provided in an Award Agreement or as set out in Section 13.2 hereof or with respect to a Change of Control, the Committee shall not alter or impair any rights or increase any obligations with respect to an Award previously granted under the Plan without the consent of the Participant.

(c) The following amendments to the Plan shall require the prior approval of the Company's shareholders, other than, in respect of the amendments contemplated under Sections 14.1(c)(i)-(iii) below, those carried out pursuant to Section 4.2 hereof:

(i) A reduction in the Option Price of a previously granted Option benefitting an Insider of the Company or one of its Affiliates.

(ii) Any amendment or modification which would increase the total number of Shares available for issuance under the Plan.

(iii) An increase to the limit on the number of Shares issued or issuable under the Plan to Insiders of the Company;

(iv) An extension of the expiry date of an Option other than as otherwise permitted hereunder in relation to a Blackout Period or otherwise; or

(v) Any amendment to the amendment provisions of the Plan under this Section 14.1.

14.2 Adjustment of Awards Upon the Occurrence of Unusual or Non-recurring Events.

Subject to the approval of the Exchange, the Committee may make adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or non-recurring events in addition to the events described in Section 4.2 hereof affecting the Company or the financial statements of the Company or of changes in applicable laws, regulations or accounting principles, whenever the Committee determines that such adjustments are appropriate in order to prevent unintended dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan.

14.3 Awards Previously Granted.

Notwithstanding any other provision of the Plan to the contrary, no termination, amendment, suspension or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Participant holding such Award.

ARTICLE 15

WITHHOLDING

15.1 Withholding.

The Company or any Affiliate shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company or any Affiliate, an amount sufficient to satisfy federal, state and local taxes or provincial, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising or as a result of this Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Company withhold and sell Shares or the Participant making such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies.

15.2 Acknowledgement.

Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company: (a) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of this Plan; and (b) does not commit to and is under no obligation to structure the terms of this Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for taxes in more than one jurisdiction.

ARTICLE 16

SUCCESSORS

Any obligations of the Company or an Affiliate under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company or Affiliate, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the businesses and/or assets of the Company or Affiliate, as applicable.

ARTICLE 17

GENERAL PROVISIONS

17.1 Forfeiture Events.

Without limiting in any way the generality of the Committee's power to specify any terms and conditions of an Award consistent with law, and for greater clarity, the Participant's rights, payments and benefits with respect to an Award shall, at the sole discretion of the Committee, be subject to reduction, cancellation, forfeiture of any vested and unvested Awards or recoupment of any payments or settlements made in the current Fiscal Year or immediately prior Fiscal Year (provided such determination is made within 45 days of the end of that Fiscal Year) upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such specified events shall include, but shall not be limited to, any of: (a) the Participant's failure to accept the terms of the Award Agreement, violation of material Company and Affiliate policies, breach of non-competition, confidentiality, non-solicitation, non-interference, corporate property protection or other agreements that may apply to the Participant, or other conduct by the Participant that is detrimental to the business or reputation of the Company and Affiliates; (b) the Participant's misconduct, fraud, gross negligence; and (c) the restatement of the financial statements of the Company that resulted in Awards which should not have vested, settled, or been paid had the original financial statements been properly stated. Except as expressly otherwise provided in this Plan or an Award Agreement, the termination and the expiry of the period within which an Award will vest and may be exercised by a Participant shall be based upon the last day of actual service by the Participant to the Company and specifically does not include any period of notice that the Company may be required to provide to the Participant under applicable employment law.

17.2 Legend.

The certificates for Shares may include any legend that the Committee deems appropriate to reflect any restrictions on transfer of such Shares.

17.3 Delivery of Title.

The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:

(a) Obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and

(b) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Company determines to be necessary or advisable.

17.4 Investment Representations.

The Committee may require each Participant receiving Shares pursuant to an Award under this Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

17.5 Uncertificated Shares.

To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a non-certificated basis to the extent not prohibited by applicable law or the rules of any applicable stock exchange.

17.6 Unfunded Plan.

Participants shall have no right, title or interest whatsoever in or to any investments that the Company or an Affiliate may make to aid it in meeting its obligations under the Plan. Nothing contained in the Plan, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Company or an Affiliate and any Participant, beneficiary, legal representative or any other person. Awards shall be general unsecured obligations of the Company, except that if an Affiliate executes an Award Agreement instead of the Company the Award shall be a general unsecured obligation of the Affiliate and not any obligation of the Company. To the extent that any individual acquires a right to receive payments from the Company or an Affiliate, such right shall be no greater than the right of an unsecured general creditor of the Company or Affiliate, as applicable. All payments to be made hereunder shall be paid from the general funds of the Company or Affiliate, as applicable, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of such amounts except as expressly set forth in the Plan.

17.7 No Fractional Shares.

No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

17.8 Other Compensation and Benefit Plans.

Nothing in this Plan shall be construed to limit the right of the Company or an Affiliate to establish other compensation or benefit plans, programs, policies or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.

17.9 No Constraint on Corporate Action.

Nothing in this Plan shall be construed (i) to limit, impair or otherwise affect the Company's or an Affiliate's right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Company or an Affiliate to take any action which such entity deems to be necessary or appropriate.

17.10 Compliance with Canadian Securities Laws.

All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable.

ARTICLE 18

LEGAL CONSTRUCTION

18.1 Gender and Number.

Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

18.2 Severability.

In the event any provision of this Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

18.3 Requirements of Law.

The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Company or an Affiliate shall receive the consideration required by law for the issuance of Awards under the Plan. The inability of the Company or an Affiliate to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company or an Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Company or Affiliate of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

18.4 Governing Law.

The Plan and each Award Agreement shall be governed by the laws of the Province of Ontario excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

18.5 Compliance with Section 409A of the Code.

(a) To the extent the Plan is applicable to a particular Participant subject to the Code, it is intended that this Plan and any Awards made hereunder shall not provide for the payment of "deferred compensation" within the meaning of Section 409A of the Code or shall be structured in a manner and have such terms and conditions that would not cause such a Participant to be subject to taxes and interest pursuant to Section 409A of the Code. This Plan and any Awards made hereunder shall be administrated and interpreted in a manner consistent with this intent.

(b) To the extent that any amount or benefit in favour of a Participant who is subject to the Code would constitute "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable under this Plan or any Award Agreement by reason of the occurrence of a Change of Control or the Participant's disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance unless: (i) the circumstances giving rise to such Change of Control, disability or separation from service meet the description or definition of "change in control event," "disability," or "separation from service," as the case may be, in Section 409A of the Code and applicable proposed or final treasury regulations thereunder, and (ii) the payment or distribution of such amount or benefit would otherwise comply with Section 409A of the Code and not subject the Participant to taxes and interest pursuant to Section 409A of the Code. This provision does not prohibit the vesting of any Award or the vesting of any right to eventual payment or distribution of any amount or benefit under this Plan or any Award Agreement.

(c) The Committee shall use its reasonable discretion to determine the extent to which the provisions of this Article 18.5 will apply to a Participant who is subject to taxation under the ITA.

SCHEDULE "H"
AUDIT COMMITTEE CHARTER

See attached.

BRITANNIA LIFE SCIENCES INC.

AUDIT COMMITTEE CHARTER

Effective as [●]

BRITANNIA LIFE SCIENCES INC.

AUDIT COMMITTEE CHARTER

The term "**Corporation**" herein shall refer to Britannia Life Sciences Inc. and the term "**Committee**" shall refer to the Audit Committee of the Corporation.

1. PURPOSE

The Committee is a committee of the Board of Directors (the "**Board**"). Its primary function shall be to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and disclosure requirements, the overall maintenance of the systems of internal controls that management has established and the overall responsibility for the Corporation's external and internal audit processes. The Committee's primary duties and responsibilities are to:

(a) conduct such reviews and discussions with management and the external auditors relating to audit and financial reporting as are deemed appropriate by the Committee;

(b) assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;

(c) review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and in the case of the annual financial statements and related management's discussion and analysis, report thereon to the Board for approval of same;

(d) select and monitor the independence and performance of the Corporation's external auditors, including attending private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and

(e) provide oversight of all disclosure relating to, and information derived from, financial statements, management's discussion and analysis and information.

The Committee shall have the power to conduct or authorize investigations appropriate to its responsibilities, and it may request the external auditors, as well as any officer or employee of the Corporation, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member(s) or advisors of the Committee.

The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall be accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Committee shall maintain an open communication between the Corporation's outside auditor and the Board. The responsibilities of a member of the Committee shall be in addition to such member's duties as a member of the Board.

The Committee has the duty to determine whether the Corporation's financial disclosures are complete, accurate, are in accordance with international financial reporting standards ("**IFRS**") and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, resolve disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Corporation's own policies.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Corporation, as it deems advisable.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in this Charter.

2. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

(a) engage independent counsel and other advisors as it deems necessary to carry out its duties;

(b) set and pay the compensation for advisors employed by the Committee; and

(c) communicate directly with the internal and external auditors.

3. MEMBERSHIP AND COMPOSITION

The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission ("**OSC**"), the Canadian Securities Exchange ("**CSE**"), the Canada *Business Corporations Act* ("**CBCA**") and all applicable securities regulatory authorities.

(a) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. Unless a chair (the "**Chair**") is elected by the Board, the members of the Committee shall designate from amongst themselves by an affirmative vote of the majority of the full Committee a member who shall serve as Chair. The position description and responsibilities of the Chair are set out in Schedule "A" attached hereto.

(b) Each member of the Committee shall be "independent" and "financially literate", except as otherwise permitted under the limited exceptions as set out in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which, in the view of the Board, could be reasonably expected to interfere with the exercise of the director's independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of NI 52-110, as set out in Schedule "B" hereto. A "financially literate" director is a director who has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the accounting issues that can be reasonably expected to be raised in the Corporation's financial statements.

(c) Each member of the Committee shall sit at the pleasure of the Board, and in any event, only so long as he or she shall be independent. The Committee shall report to the Board.

(d) New Committee members shall be provided with an orientation program to educate them on the Corporation, their roles and responsibilities on the Committee and the Corporation's financial reporting and accounting practices. Committee members shall also receive training, as necessary, to increase their understanding of financial, accounting, auditing and industry issues applicable to the Corporation.

4. MEETINGS OF THE COMMITTTEE

(a) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. The quorum shall be reached when at least 50% of the members of the Committee are present, either in person or by telephone.

(b) If within one hour of the time planned for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting and shall be at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting and shall be at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present (a "**Reduced Quorum**").

(c) If, and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office or, if applicable, a Reduced Quorum is present in respect of a specific Committee meeting.

(d) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

(e) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

(f) The Committee shall keep minutes of its meetings, which shall be available for review by the Board at any time. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

(g) Any director of the Corporation may attend meetings of the Committee, and the Committee may invite such officers and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.

(h) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the

Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation, other than those relating to non-audit services and annual audit fees which do not require the approval of the Board.

(i) The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.

(j) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

(k) Notice of the time and place of a Committee meeting shall be given by the Committee to the Corporation's external auditors in the same manner notice is provided to Committee members. The Committee shall provide the external auditors with all meeting materials in advance of the meeting.

(l) The chair of the Board (the "**Board Chair**"), the chief executive officer of the Corporation and chief financial officer ("**CFO**") of the Corporation and any other member of senior management may, if invited by the Chair, attend, give presentations relating to their responsibilities and otherwise participate at Committee meetings. Other Board members may also, if invited by the Chair, attend and participate at Committee meetings.

(m) The Committee may meet for a private session, excluding management or other third parties, following each Committee meeting or as otherwise determined by the Committee.

5. RESPONSIBILITIES

5.1 Financial Accounting and Reporting Processes and Internal Controls

(a) The Committee shall review the annual audited and interim financial statements and related management's discussion and analysis before the Corporation publicly discloses this information to satisfy itself that the financial statements are presented in accordance with applicable accounting principles and in the case of the annual audited financial statements and related management's discussion and analysis, report thereon and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall consider whether the Corporation's financial disclosures are complete, accurate, prepared in accordance with International Financial Reporting Standards and fairly present the financial position of the Corporation. The Committee shall also satisfy itself that, in the case of the annual financial statements, the audit function has been effectively carried out by the auditors and, in the case of the interim financial statements that the review function has been effectively carried out.

(b) The Committee shall ensure internal control procedures are reviewed at least twice annually.

(c) The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases, and periodically assess the adequacy of these procedures in consultation with any disclosure committee of the Corporation.

(d) The Committee shall review any press releases containing disclosure regarding financial information that are required to be reviewed by the Committee under any applicable laws or otherwise pursuant to the policies of the Corporation (including before the Corporation publicly discloses this information).

(e) The Committee shall meet no less than annually with the external auditors and the CFO or, in the absence of a CFO, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, CFO or, in the absence of a CFO, the officer of the Corporation in charge of financial matters, deem appropriate.

(f) The Committee shall inquire of management and the external auditors about significant financial and internal control risks or exposures and assess the steps management has taken to minimize such risks.

(g) The Committee shall review the post-audit or management letter, if any, containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.

(h) The Committee shall periodically review and make recommendations regarding the Business Conduct and Ethics Policy adopted by the Board;

(i) The Committee shall follow procedures established as set out in the Whistleblower Policy of the Corporation, for:

   (i) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, auditing matters or violations to the Corporation's Business Conduct and Ethics Policy; and

   (ii) the submission by employees, consultants, contractors, directors or officers of the Corporation, on a confidential and anonymous basis, of concerns regarding questionable accounting, auditing matters or violations to the Corporation's Business Conduct and Ethics Policy.

(j) The Committee shall ensure that management establishes and maintains an appropriate budget process, which shall include the preparation and delivery of periodic reports from the CFO to the Committee comparing actual spending to the budget. The budget shall include assumptions regarding economic parameters that are well supported and shall take into account the risks facing the Corporation.

(k) The Committee shall provide oversight of the Corporation's policies, procedures and practices with respect to compliance with the *Extractive Sector Transparency Measures Act* (Canada) (the "**ESTMA**") and similar applicable legislation, and shall ensure compliance with such legislation. This shall include confirming that management has established and maintains appropriate record- keeping procedures with respect to payments made to all levels of government in Canada and abroad in connection with its exploration and development activities as prescribed by the ESTMA and similar applicable legislation, including the timely filing of requisite annual reports and ensuring the public accessibility of such reports. The Committee shall be responsible for monitoring and obtaining regular updates from management to ensure the maintenance of the Corporation's report filings under the ESTMA and similar applicable legislation.

(l) The Committee shall have the authority to adopt such policies and procedures, as it deems appropriate to operate effectively.

(m) The Committee shall monitor and review the Company's policy on confidentiality and disclosure on a yearly basis.

6. INDEPENDENT AUDITORS

(a) The Committee shall recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.

(b) The Committee shall ensure that procedures are in place to assess the audit activities of the independent auditors and the internal audit functions.

(c) The pre-approval of the Committee shall be required as further set out in Schedule "C" prior to the undertaking of any non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.

(d) The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors and attempt to resolve disagreements between management and the external auditors regarding financial reporting.

(e) The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.

(f) The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.

(g) The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within International Financial Reporting Standards that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.

(h) The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.

(i) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.

(j) The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.

(k) Develop an annual work plan that ensure that the Committee carries out its responsibilities.

(l) At least once per fiscal year, the Committee shall review the qualifications and performance of the external auditor and the external auditor's lead partners and consider and decide if the Corporation should adopt or maintain a policy of rotating the accounting firm serving as the Corporation's external auditor.

6.2 Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

7. NO RIGHTS CREATED

This Charter is a broad policy statement and is intended to be part of the Committee's flexible governance framework. While the Charter should comply with all applicable laws, regulations and listing requirements and the Company's articles and by-laws, this Charter does not create any legally binding obligations on the Committee, the Board or the Corporation.

SCHEDULE "A"
POSITION DESCRIPTION FOR THE CHAIR OF THE AUDIT COMMITTEE

1. PURPOSE

The chair (the "**Chair**") of the Audit Committee (the "**Committee**") shall be an independent director who is elected by the board of directors (the "**Board**") or designated by majority vote of the Committee to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of Britannia Life Sciences Inc. (the "**Corporation**").

2. WHO MAY BE CHAIR

The Chair will be selected from amongst the independent directors of the Corporation who have a sufficient level of financial sophistication and experience in dealing with financial issues to ensure the leadership and effectiveness of the Committee.

The Chair will be selected annually at the first meeting of the Board following the annual general meeting of shareholders or designated by majority vote of the Committee.

3. RESPONSIBILITIES

The following are the primary responsibilities of the Chair:

(a) chair all meetings of the Committee in a manner that promotes meaningful discussion;

(b) ensure adherence to the Committee's Charter and that the adequacy of the Committee's Charter is reviewed annually;

(c) provide leadership to the Committee to enhance the Committee's effectiveness, including:

 (i) act as liaison and maintain communication with the Board to optimize and co-ordinate input from directors, and to optimize the effectiveness of the Committee. This includes ensuring that Committee materials are available to any director upon request and reporting to the Board on all decisions of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable;

 (ii) ensure that the Committee works as a cohesive team with open communication, as well as to ensure open lines of communication among the independent auditors, financial and senior management and the Board for financial and control matters;

 (iii) ensure that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;

 (iv) ensure that the Committee serves as an independent and objective party to monitor the Corporation's financial reporting process and internal control systems, as well as to monitor the relationship between the Corporation and the independent auditors to ensure independence;

 (v) ensure that procedures as determined by the Committee are in place to assess the audit activities of the independent auditors and the internal audit functions; and

(vi) ensure that procedures as determined by the Committee are in place to review the Corporation's public disclosure of financial information and assess the adequacy of such procedures periodically, in consultation with any disclosure committee of the Corporation;

(d) ensure that procedures as determined by the Committee are in place for dealing with complaints received by the Corporation regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns;

(e) manage the Committee, including:

(i) adopt procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;

(ii) prepare the agenda of the Committee meetings and ensure pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;

(iii) ensure meetings are appropriate in terms of frequency, length and content;

(iv) obtain a report from the independent auditors on an annual basis, review the report with the Committee and arrange meetings with the auditors and financial management to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;

(v) oversee the Committee's participation in the Corporation's accounting and financial reporting process and the audits of its financial statements;

(vi) ensure that the auditor's report directly to the Committee, as representatives of the Corporation's shareholders;

(vii) annually review with the Committee its own performance, report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board;

(viii) together with the Board, oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time; and

(f) perform such other duties as may be delegated from time to time to the Chair by the Board.

SCHEDULE "B"
NATIONAL INSTRUMENT 52-110 AUDIT COMMITTEES ("NI 52-110")

Section 1.4 – Meaning of Independence

1. An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

2. For the purposes of subsection (1), a "material relationship" is a relationship, which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.

3. Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

   (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;

   (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;

   (c) an individual who:

      (i) is a partner of a firm that is the issuer's internal or external auditor,

      (ii) is an employee of that firm, or

      (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

   (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:

      (i) is a partner of a firm that is the issuer's internal or external auditor,

      (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or

      (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

   (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and

   (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12 month period within the last three years.

4. Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because:

(a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

(b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

5. For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

6. For the purposes of clause (3)(f), direct compensation does not include:

(a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and

(b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

7. Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

(a) has previously acted as an interim chief executive officer of the issuer, or

(b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

8. For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Section 1.5 – Additional Independence Requirements for Audit Committee Members

9. Despite any determination made under section 1.4 of NI 52-110, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice- chair of the board or any board committee; or

(b) is an affiliated entity of the issuer or any of its subsidiary entities,

is considered to have a material relationship with the issuer.

10. For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

11. For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

SCHEDULE "C"
PROCEDURES FOR APPROVAL OF NON-AUDIT SERVICES

1. The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:

   (a) bookkeeping or other services related to the Corporation's accounting records or financial statements;

   (b) appraisal or valuation services, fairness opinion or contributions-in-kind reports;

   (c) actuarial services;

   (d) internal audit outsourcing services;

   (e) management functions;

   (f) human resources;

   (g) broker or dealer, investment adviser or investment banking services;

   (h) legal services; and

   (i) any other service that the Canadian Public Accountability Board or International Accounting Standards Board or other analogous board which may govern the Corporation's accounting standards, from time to time determines is impermissible.

2. In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority, subject to confirmation that such services will not compromise the independence of the Corporation's external auditors, to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.

The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.

SCHEDULE "I"
DEFINITIVE AGREEMENT

See attached.

RISE LIFE SCIENCE CORP.

-AND-

2830026 ONTARIO INC.

-AND-

BRITANNIA BUD CANADA HOLDINGS INC.

AMENDED AND RESTATED AMALGAMATION AGREEMENT

October 29, 2021

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AMENDED AND RESTATED AMALGAMATION AGREEMENT

THIS AMENDED AND RESTATED AMALGAMATION AGREEMENT dated as of the 29th day of October, 2021 (the "**Agreement**").

BETWEEN:

RISE LIFE SCIENCE CORP., a body corporate incorporated under the federal laws of Canada ("**RISE**")

OF THE FIRST PART

\- AND -

2830026 ONTARIO INC., a body corporate incorporated under the laws of Ontario ("**RISE Subco**")

OF THE SECOND PART

\- AND -

BRITANNIA BUD CANADA HOLDINGS INC., a body corporate incorporated under the laws of Ontario ("**Britannia**")

OF THE THIRD PART

WHEREAS:

A. RISE, RISE Subco and Britannia had entered into an agreement on April 30, 2021 (as amended on August 31, 2021) (the "**Prior Agreement**") relating the proposed combination of the business and assets of Britannia and RISE by way of a statutory amalgamation between Britannia and RISE Subco (the "**Transaction**") to create Amalco (as defined herein), and upon completion of the Transaction, Amalco shall be a wholly-owned subsidiary of RISE;

B. whereas the Parties wishes to amend certain terms of Prior Agreement, including, among other things, to extend the Outside Date (as defined herein) for the closing of the Transaction; and

C. in connection therewith, the Parties (as defined herein) wishes to amend and restate the Prior Agreement on the terms and conditions set out herein.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual covenants and promises herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties covenant and agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Defined Terms

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

(1) “**Accounts Receivable**” means all accounts receivable, notes receivable and other debts due or accruing due to a Party on a consolidated basis;

(2) “**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The terms “**control**” (including terms “**controlled by**” and “**under common control with**”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise;

(3) “**Agreement**”, “**this Agreement**”, “**Amended and Restated Amalgamation Agreement**”, “**Amalgamation Agreement**”, “**herein**”, “**hereto**”, “**hereof**” and “**hereunder**” and similar expressions mean and refer to this Agreement (including the schedules hereto), as the same may be amended, modified, or supplemented from time to time, and not to any particular Article, Section, Subsection, Schedule or other portion of this Agreement;

(4) “**Allowable Payment**” means the outstanding amounts of accounts payable of RISE that may be settled out of the Working Capital of RISE between April 30, 2021 and the Closing Date, as disclosed in the Debt Disclosure;

(5) “**Amalco**” means the entity which will result from the completion of the Amalgamation;

(6) “**Amalco Shares**” means the common shares in the capital of Amalco;

(7) “**Amalgamating Parties**” means RISE Subco and Britannia;

(8) “**Amalgamation**” means the amalgamation of the Amalgamating Parties under the provisions of the OBCA on the terms and conditions set forth in this Agreement;

(9) “**Amalgamation Resolution**” means the resolution of Britannia Shareholders entitled to vote thereon, approving the Amalgamation.

(10) “**Applicable Law(s)**” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decision, rulings or awards, including general principles of common and civil law, and the terms and conditions of any grant of approval, permission, authority or licence of any Government Authority, that, in a context that refers to one or more persons apply to the person or persons, or its or their business, undertaking, property or shares, and emanate from a Government Authority having jurisdiction over the person or persons or its or their business, undertaking, property or shares;

(11) “**Applicable Securities Laws**” means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder and the polices and rules of the CSE, as the foregoing may be amended or re-enacted from time to time prior;

(12) “**Articles of Amalco**” means the articles of amalgamation of Amalco in the form attached as Schedule “A” hereto;

(13) “**Authorization**” means, with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Government Authority having jurisdiction over the Person, including any municipal or other approvals required to be granted before a Government Authority provides an authorization;

(14) “**Books and Records**” means all books of account, tax records, sales and purchase records, customer and supplier lists, computer software, formulae, business reports, plans and projections and all other documents, files, correspondence and other information of Britannia, the Britannia Subsidiary or the RISE Parties, as the case may be, (whether in written, printed, electronic or computer printout form);

(15) “**Britannia**” means Britannia Bud Canada Holdings Inc., a corporation incorporated under the OBCA;

(16) “**Britannia Assets**” means all of the right, title, estate and interest in and to its property and assets, real and personal, moveable and immovable of whatsoever nature and kind and wheresoever situated of Britannia and the Britannia Subsidiary;

(17) “**Britannia Circular**” means, if the Britannia Shareholder Approval is to be obtained by way of a vote at a meeting of Britannia Shareholders, a circular of Britannia and the appendices attached thereto to be sent to the Britannia Shareholders in connection with such a meeting of the Britannia Shareholders;

(18) “**Britannia Convertible Debenture Financing**” means the private placement of Britannia Convertible Debentures and warrants for minimum aggregate gross proceeds of $5 million with the principal amount and all accrued interest of the Britannia Convertible Debentures convertible into Britannia Shares at a price of US$1.55;

(19) “**Britannia Convertible Debentures**” means the convertible debentures of Britannia issued pursuant to the Britannia Convertible Debenture Financing;

(20) “**Britannia Disclosure Letter**” means the disclosure letter delivered by Britannia to RISE and RISE Subco concurrently with this Agreement;

(21) “**Britannia Financial Statements**” means any financial statements of Britannia, whether audited or unaudited, prepared as of the date of this Agreement or prior to the Closing Date;

(22) “**Britannia Information**” means all information in respect of Britannia and the Britannia Subsidiary required to be included in the RISE Circular under applicable laws and the CSE Policies;

(23) “**Britannia Options**” means the options to purchase Britannia Shares issued pursuant to the Britannia Stock Option Plan;

(24) “**Britannia Securityholders**” means collectively, the holders of Britannia Shares, Britannia Options and Britannia Warrants;

(25) “**Britannia Shareholder Approval**” means the approval by the Britannia Shareholders of the Amalgamation Resolutions and the Transaction, which may be obtained either by a vote at a meeting of Britannia Shareholders or by way of unanimous written resolutions of Britannia Shareholders;

(26) “**Britannia Shareholders**” means the holders of Britannia Shares;

(27) “**Britannia Shares**” means the common shares in the capital of Britannia;

(28) “**Britannia Stock Option Plan**” means the current option plan of Britannia;

(29) “**Britannia Subsidiary**” means Advanced Development & Safety Laboratories Limited, a company incorporated under the laws of England and Wales with company number 06605376;

(30) "**Britannia Warrants**" means common share purchase warrants of Britannia, each entitling the holder to purchase one Britannia Share for US$2.00 until the date that is 24 months from the issuance date thereof, subject to adjustment and acceleration in certain circumstances;

(31) "**Business**" means the business of Britannia as a company engaged in the business of helping organizations develop and perfect products in the cosmetic, nutraceutical and food business;

(32) "**Business Day**" means any day excepting a Saturday or Sunday or a day recognized as a statutory holiday in Toronto, Ontario;

(33) "**CBCA**" means the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, as may be amended or re-enacted from time to time, including all regulations promulgated thereunder;

(34) "**Certificate of Amalgamation**" means the certificate or other confirmation of filing to be issued by the Director pursuant to the OBCA, giving effect to the Amalgamation;

(35) "**Claim**" includes claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions or other similar processes, fines, expenses, costs damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including fees and disbursements of legal counsel, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;

(36) "**Closing**" means the completion of the Transaction contemplated in this Agreement;

(37) "**Closing Date**" means the effective date of the Amalgamation as set forth in the Certificate of Amalgamation;

(38) "**Closing Time**" means 12:01 a.m. (Toronto time) on the Closing Date;

(39) "**Confidential Information**" means, with respect to Britannia, confidential or non-public information and trade secrets, including confidential or non-public: proprietary information, know how, technology, technical data, proprietary processes, specifications, formulations, formulae, materials or compositions of matter of any type or kind (patentable or otherwise), marketing reports, customer lists and supplier lists, study reports, regulatory submission summaries and regulatory submission documents, expertise, test data, analytical and quality control data, studies and procedures, schematics, test methodologies, simulation and development tools, prototypes and other devices;

(40) "**Consent**" means the consent of a contracting party to a change in control of Britannia if required by the terms of any Contract, or the consent or acceptance of any other Person who is not a Government Authority to the Transaction contemplated herein;

(41) "**Consolidation**" means the consolidation of the outstanding RISE Shares or Resulting Issuer Shares, as the case may be, on such terms as may be proposed by Britannia;

(42) "**Contracts**" means any and all agreements, contracts, leases, deeds, mortgages, licences, instruments, notes, commitments, undertakings, indentures, joint ventures of any nature, or other right or obligation (written or oral) to which a Party is bound or affected or to which any of their respective assets are subject, including, without limitation: (i) unfilled purchase orders, (ii) forward commitments for supplies or materials entered into the Ordinary Course, and (iii) restrictive agreements, negative covenant agreements, confidentiality agreement and invention assignment agreements with any Employees, past or present;

(43) "**CSE**" or "**Exchange**" means the Canadian Securities Exchange;

(44) "**CSE Escrow Agreement**" means, if applicable, an escrow agreement to be entered into between certain Britannia Securityholders, the Resulting Issuer and the Escrow Agent pursuant to which certain securities held by various Britannia Securityholders will be subject to escrow in accordance with applicable CSE Policies;

(45) "**CSE Policies**" means policies of the CSE, as may be amended or restated from time to time;

(46) "**Current Assets**" means, with respect to a Party, the consolidated current assets of such Party including but not limited to cash and cash equivalents (calculated in accordance with IFRS), Accounts Receivable, Taxes receivable, cash or recoverable and prepaid expenses but specifically excludes amounts owing from related parties and inventory;

(47) "**Current Liabilities**" means, with respect to a Party, the consolidated current liabilities of such Party including accounts payable, accrued liabilities, income taxes payable, government remittances payments, Transaction expenses and all accrued remuneration and benefits;

(48) "**Debt Disclosure**" means the disclosure in writing by RISE to Britannia on April 30, 2021, detailing the outstanding accounts payable and debt of RISE, including the terms thereof, which may be settled by RISE prior to the Closing Date on the terms described therein;

(49) "**Debt Instrument**" has the meaning ascribed thereto in Section 3.1(23);

(50) "**Debt Settlement**" means the settlement of certain outstanding debt of RISE in the amount of $1,385,594.16 for an aggregate of 21,872,712 RISE Shares, on such terms and with such persons as have been disclosed to Britannia in writing on April 30, 2021 in the Debt Disclosure;

(51) "**Demised Premises**" means the leased or use permit lands and premises of Britannia;

(52) "**Director**" means the Director appointed under Section 278 of the OBCA;

(53) "**Director Nominees**" has the meaning ascribed thereto in Section 6.1(1)(vi);

(54) "**Disclosing Party**" has the meaning ascribed thereto in Section 4.4(2);

(55) "**Dissenting Shareholder**" means a Britannia Shareholder who, in connection with the Amalgamation Resolution, has validly exercised the right to dissent pursuant to section 185 of the Act in strict compliance with the provisions thereof and thereby becomes entitled to receive the fair value of his or her Britannia Shares determined as of the close of business on the day before the adoption of the Amalgamation Resolution and has not withdrawn or been deemed to have withdrawn such exercise of dissent rights, but only in respect of Britannia Shares in respect of which dissent rights are validly exercised by such holder.

(56) "**Employees**" means individuals who are full-time, part-time or temporary employees or individuals engaged or otherwise contracted to provide employment or similar services in respect of Britannia, the Britannia Subsidiary or RISE, as the case may be; and "**Employee**" means any one of them;

(57) "**Encumbrances**" means any charge, mortgage, lien, pledge, claim, embargo, security interest, legal or conventional, moveable or immovable, specific or floating, whether created or arising by agreement, statute or otherwise, attaching to property, interests or rights, and shall be construed in the widest possible terms and principles known under the law;

(58) "**Environmental Laws**" means applicable Laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes;

(59) "**Equity Incentive Plans Amendment**" has the meaning ascribed thereto in Section 6.2(1)(x);

(60) "**Escrow Agent**" or "**Transfer Agent**" means AST Trust Company (Canada), the registrar and transfer agent of RISE and the escrow agent under the CSE Escrow Agreements;

(61) "**Exchange Ratio**" means 120 Resulting Issuer Shares for each one Britannia Share, subject to adjustments necessary to effect the Consolidation, as applicable;

(62) "**Final Exchange Bulletin**" means the Exchange bulletin which is issued following completion of the Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Transaction as the Transaction of RISE;

(63) "**GAAP**" means generally accepted accounting principles as set-out in the *CPA Canada Handbook – Accounting* for an entity that prepares its financial statements in accordance with IFRS, at the relevant time, applied on a consistent basis;

(64) "**Governing Documents**" means, in respect of each Party, its governing documents, including, as applicable, its certificate and articles of incorporation, as amended, and all similar articles, and its by-laws, as amended;

(65) "**Government Authority**" means any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity; having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the Exchange;

(66) "**HST**" means the harmonized sales tax (if applicable) under the *Excise Tax Act* (Canada);

(67) "**IFRS**" means International Financial Reporting Standards adopted by the International Accounting Standards Board as may be amended or re-stated from time to time;

(68) "**Intellectual Property**" means: (i) all works, including literary, artistic and graphic works, databases, and compilations thereof, including computer software, source code, object code, firmware, development tools, files, records and data, (the "**Works**"); (ii) all inventions, arts, processes, machines, manufactures, compositions of matter and developments, whether or not patentable, patented or the subject of applications for patents (the "**Inventions**"); (iii) all trade names, logos, trade dress, trademarks and service marks ("**Marks**"); (iv) all industrial designs, whether or not patentable or registrable, patented or registered or the subject of applications for design patent or registration ("**Designs**"); (v) all Confidential Information; and (vi) all Internet domain name registrations, Internet and World Wide Web URLs or addresses ("**Domain Names**");

(69) "**Intellectual Property Rights**" means any and all industrial and intellectual property and proprietary rights in the Intellectual Property, including, without limitation, the following: (i) all patents and applications therefor and rights to file applications for the Inventions and all reissues, divisions, renewals, extensions, re-examinations, reissues, provisionals, continuations and continuations-in-part thereof and other derivative applications and patents; (ii) all rights in the Confidential Information; (iii) all design patents, design registrations, pending patent and design applications and rights to file applications for the Designs, including all rights of priority and rights in continuations, continuations-in-part, divisions, re-examinations, reissues and other derivative applications and patents; (iv) all trademark and service mark registrations for the Marks, trademark and service mark applications for the Marks, any rights arising from the use, application for or registration of the Marks, and any and all goodwill associated with and symbolized by the Marks; (v) all rights in the Domain Names; and (vi) all copyright and other rights and all registrations, pending applications for registration and rights to file applications for, and all moral rights and, where a Party is not the author, the benefits of such Party in all waivers of moral rights in, the Works;

(70) “**in writing**” means written information including documents, files, software, records and books made available, delivered or produced to one Party by or on behalf of another Party;

(71) “**ITA**” means the *Income Tax Act* (Canada), RSC 1985, c 1 (5th Supp), as may be amended or re-enacted from time to time, including the regulations promulgated thereunder;

(72) “**Leases**” means any leases entered into by Britannia;

(73) “**Legal Proceeding**” means any Claim, action, suit, complaint, demand, litigation, arbitration, prosecution, contest, hearing, inquiry, investigation, inquest, audit or other proceeding of any nature, civil, criminal, regulatory or otherwise, in law or in equity, pending or threatened, by or before any court, tribunal, arbitrator or other Government Authority;

(74) “**Liability**” means any liability or obligations of any kind or nature (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due);

(75) “**Losses**” shall mean, in respect of any matter, losses, damages, Legal Proceedings, Claims, prosecutions, judgments, costs, expenses (including all reasonable legal fees and disbursements), fines and penalties arising directly as a consequence of that matter, but excluding loss of profit and opportunity and indirect consequential and extraordinary damages;

(76) “**Material Adverse Change**” means, in respect of a Party or its Subsidiary (if any), any one or more changes, events or occurrences, and “**Material Adverse Effect**” means in respect of a Party or its Subsidiary (if any), an effect, which, in either case, either individually or in the aggregate with all other fact, changes, circumstances, effects, event or occurrences is, or would reasonably be expected to: (i) be material and adverse to the business, operations, results of operations, assets, capital, liabilities (contingent or otherwise), prospects or financial condition of that Party or a its Subsidiary (if any); or (ii) prevent a Party from performing its obligations under this Agreement in any material respect, other than any change, event, occurrence or effect: (a) relating to the global economy or financial, securities or commodities markets in general, including without limitation, changes in currency exchange rates or interest rates; (b) relating to any generally applicable change in Applicable Laws (other than Orders, judgments or decrees made against the Party or a Subsidiary (if any)); or (c) any natural disaster or the commencement, occurrence or continuation of any war, armed hostility or act of terrorism, provided, however that such matter referred to in clause (a), (b), or (c) above does not have a materially disproportionate effect to the Party or a Subsidiary (if any) compared to other companies of similar size operating in the same industry as that Party;

(77) “**Material Contracts**” shall mean: (i) all Contracts under which, as of and from the Closing Date, Britannia would be required to perform services, deliver products or make payments with a value of more than $100,000 within any twelve month period under each such Contract (or group of related Contracts) or be required to fulfill any other obligation at a cost in excess of $100,000 within any twelve month period; (ii) all continuing Contracts to which Britannia is a party for the purchase of materials, supplies, equipment or services which requires payment under that Contract of more than $100,000 as of and from the Closing Date, except for purchases of inventories or services in the Ordinary Course that do not exceed one year in length and are on terms and conditions not more onerous than those usual and customary to the industry relating to the Business; (iii) all Contracts pursuant to which material Intellectual Property is licensed by Britannia or any predecessor in title; (iv) all Contracts pursuant to which loans, credit facilities, grants, subsidies and other forms of financial assistance in an amount in excess of $100,000 are made available to either, and (v) all licensing Contracts which Britannia estimates will generate revenues in excess of $100,000 during the current fiscal year;

(78) “**material fact**” has the meaning ascribed thereto in the *Securities Act* (Ontario), as the same may be amended or re-enacted from time to time, including all regulations promulgated thereunder;

(79) "**Misrepresentation**" has the meaning ascribed thereto under Applicable Securities Laws;

(80) "**Name Change**" means the change by RISE of its name, concurrently with the completion of the Amalgamation, to such name as may be requested by Britannia, acting reasonably and which is not prohibited under Applicable Laws, and as specified in a written notice given to RISE in sufficient time for such name to be included in the RISE Circular and other documentation required by Exchange or by Applicable Laws;

(81) "**New By-Laws**" means the new by-laws of the Resulting Issuer, as requested by, and in the form and substance satisfactory to Britannia, acting reasonably, which shall become effective upon the completion of the Transaction;

(82) "**OBCA**" means the *Business Corporations Act* (Ontario), RSO 1990, c B.16, as may be amended or re-enacted from time to time, including all regulations promulgated thereunder;

(83) "**Order**" means any order (including any judicial or administrative order and the terms of any administrative consent), judgment, injunction, decree, ruling or award of any court, arbitrator or Government Authority;

(84) "**Ordinary Course**" means, with respect to an action taken by a Party, that such action is consistent with the past practice of such Party's business and is taken in the ordinary course of the normal day-to-day operation of its business and operations;

(85) "**Outside Date**" means November 30, 2021;

(86) "**Party**" means each of RISE, Britannia and RISE Subco and "**Parties**" means all of them, collectively;

(87) "**Permitted Encumbrances**" shall mean: (i) Encumbrances for Taxes, assessments or other charges not yet due and payable; (ii) statutory Encumbrances of landlords, carriers, warehousemen, mechanics, materialmen and other similar liens imposed by Applicable Law, which are incurred in the Ordinary Course; (iii) Encumbrances incurred in the Ordinary Course in connection with workers' compensation, unemployment insurance and other types of social security; (iv) Encumbrances to secure performance obligations incurred in connection with tenders, statutory obligations, surety, stay, customs and appeals (or commitments in respect thereto), bids, government contracts, trade contracts, performance and return of money bonds and other similar performance obligations; (v) deposits made in the Ordinary Course; and (vi) any form of security granted by a Party except to secure indebtedness for a credit facility or other indebtedness which was previously disclosed in writing in the Britannia Assets or the RISE Assets, as applicable;

(88) "**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Government Authority, syndicate or other entity, whether or not having legal status;

(89) "**Personnel Obligations**" means any obligations or liabilities of a Party or any of its Subsidiaries to pay any amount to its or their officers, directors, employees and consultants, other than for salary, bonuses under its or their existing bonus arrangements and directors' fees in the Ordinary Course, in each case in amounts consistent with historic practices and obligations or liabilities in respect of insurance or indemnification contemplated by this Agreement or arising in the Ordinary Course of business and, without limiting the generality of the foregoing, Personnel Obligations shall include the obligations of such Party or any of its Subsidiaries to directors, officers, employees and consultants: (i) for payments on or in connection with any change in control of such Party pursuant to any change in control agreements, policies or arrangements, including the payments specified herein; and (ii) for any special incentive bonus payments and commitments;

(90) "**Receiving Party**" has the meaning ascribed thereto in Section 4.4(2);

(91) "**Regulation D**" means Regulation D promulgated under the U.S. *Securities Act of 1933*;

(92) "**Regulation S**" means Regulation S promulgated under the U.S. *Securities Act of 1933*;

(93) "**Regulatory Approval**" means any approval, consent, waiver, permit, order or exemption from any Government Authority having jurisdiction or authority over any Party or the Subsidiary of any Party which is required or advisable to be obtained in order to permit the Transaction to be effected, including, without limitation, approval of the Exchange and "**Regulatory Approvals**" means all such approvals, consents, waivers, permits, orders or exemptions;

(94) "**Reporting Jurisdictions**" means British Columbia, Alberta, Manitoba and Ontario;

(95) "**Resulting Issuer**" means RISE, following the Amalgamation, the Name Change and the issuance of the Final Exchange Bulletin;

(96) "**Resulting Issuer Shares**" means common shares in the capital of the Resulting Issuer, and, for greater certainty, includes the RISE Shares to be issued in exchange for Britannia Shares at Closing of the Transaction;

(97) "**RISE**" means RISE Life Science Corp., a corporation incorporated pursuant to the CBCA;

(98) "**RISE Annual Financial Statements**" means the audited annual consolidated financial statements of RISE and its Subsidiaries for the years ended November 30, 2020 and 2019, together with the notes thereto;

(99) "**RISE Assets**" means all of the right, title, estate and interest in and to its property and assets, real and personal, moveable and immovable of whatsoever nature and kind and wheresoever situated of RISE and the RISE Subsidiaries;

(100) "**RISE Circular**" means the circular of RISE and the appendices attached thereto to be sent to RISE Shareholders in connection with the RISE Shareholder Meeting, which shall describe the business of each of Britannia, the Britannia Subsidiary, the Transaction and the Resulting Issuer;

(101) "**RISE Circular Information**" means all information in respect of RISE and its Subsidiaries required to be included in the Britannia Circular under Applicable Securities Laws, to the extent such Britannia Circular is required;

(102) "**RISE Conversion Notices**" means the notices of the exercise of their conversion right by RISE Debentureholders;

(103) "**RISE Convertible Debentures**" has the meaning ascribed thereto in Section 3.2(6)(iv);

(104) "**RISE Debentureholders**" the holders of the RISE Convertible Debentures, and "**RISE Debentureholder**" means any one of them;

(105) "**RISE Financial Statements**" means the RISE Annual Financial Statements and RISE Interim Financial Statements;

(106) "**RISE Interim Financial Statements**" means the unaudited interim financial statements of RISE and its Subsidiaries for the periods ended February 28, 2021 and 2020, together with the notes thereto;

(107) "**RISE Options**" means options to purchase RISE Shares outstanding as of April 30, 2021;

(108) "**RISE Parties**" means RISE and the RISE Subsidiaries;

(109) "**RISE Shareholder**" means a registered holder of RISE Shares, from time to time, and "**RISE Shareholders**" means all of such holders, collectively;

(110) "**RISE Shareholder Approval**" has the meaning ascribed thereto in Section 4.5(2);

(111) "**RISE Shareholder Meeting**" means the special meeting of RISE Shareholders to be held prior to the Closing Date;

(112) "**RISE Shares**" means the common shares in the capital of RISE;

(113) "**RISE Stock Option Plan**" means the current option plan of RISE;

(114) "**RISE Subco**" means 2830026 Ontario Inc., a wholly-owned Subsidiary of RISE incorporated under the OBCA for the purposes of completing the Transaction;

(115) "**RISE Subco Shares**" means the common shares in the capital of RISE Subco, all outstanding of which are owned by RISE;

(116) "**RISE Subsidiaries**" means Jamaica-Blu Ltd, Rise Research Inc., Scout Assessment Corp., Rise Life Science (Colorado), LLC, Brand Max Inc. (doing business as Cultivate Kind), Life Bloom Organics, LLC and RISE Subco (each, a "**RISE Subsidiary**");

(117) "**RISE Warrants**" means the common share purchase warrants of RISE outstanding as of April 30, 2021, each entitling the holder thereof to acquire one RISE Share in accordance with the terms thereof;

(118) "**Securities Authorities**" means the Alberta Securities Commission, the British Columbia Securities Commission, the Manitoba Securities Commission, the Ontario Securities Commission and other appropriate regulatory authorities, if applicable, and including the CSE;

(119) "**Securities Exchange**" means the exchange of Britannia Shares for RISE Shares and other steps to be completed pursuant to Section 2.3(1) hereof;

(120) "**SEDAR**" means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators;

(121) "**Subscription Receipt Agreement**" means the subscription receipt agreement between RISE and the Subscription Receipt Escrow Agent, providing for the creation of, and governing the terms of, the Subscription Receipts;

(122) "**Subscription Receipt Escrow Agent**" means Irwin Lowy LLP, the escrow agent under the Subscription Receipt Agreement;

(123) **"Subscription Receipt Financing"** means the private placement of the Subscription Receipts for aggregate gross proceeds to RISE of US$1,331,000;

(124) **"Subscription Receipts"** means the subscription receipts of RISE issued under the Subscription Receipt Financing pursuant to the Subscription Receipt Agreement, each of which is convertible to 77,400 RISE Share and 77,400 Subscription Receipt Warrants;

(125) "**Subscription Receipt Warrants**" has the meaning ascribed thereto in Section 3.2(6)(iii)(b);

(126) "**Subsidiary**" has the meaning ascribed thereto in the CBCA;

(127) "**Tax**" and "**Taxes**" means, with respect to any Person, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all value added taxes, HST, capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, pension plan premiums for government administered pension plans; excise, severance, social security premiums, workers compensation premiums, unemployment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

(128) "**Tax Laws**" means any Applicable Law that imposes Taxes or deals with the administration or enforcement of Liabilities for Taxes;

(129) "**Tax Returns**" means all reports, estimates, elections, notices, filings, designations, forms, declarations of estimated tax, information statements and returns relating to, or required to be supplied to any Taxing Authority in connection with, any Taxes (including any attached schedules, estimated tax returns, withholding tax returns, and information returns and reports);

(130) "**Taxing Authority**" means any Government Authority responsible for the imposition of any Tax (domestic or foreign) and includes the Canada Revenue Agency;

(131) "**Technology**" means all computer hardware and associated firmware and operating systems, application software, database engines and processed data, technology infrastructure and other computer systems used in connection with the conduct of the business of a Person;

(132) "**Transaction**" means the reverse takeover of RISE by Britannia whereby RISE will acquire 100% of the issued and outstanding securities of Britannia by way of a "three cornered" amalgamation involving RISE, Britannia and RISE Subco;

(133) "**United States**" means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

(134) "**U.S. Person**" includes a natural person resident in the United States, a partnership or corporation organized or incorporated under the laws of the United States, an estate of which any executor or administrator is a U.S. Person, a trust of which any trustee is a U.S. Person, an agency or branch of a foreign entity located in the United States; a non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and a partnership or corporation if (i) organized or incorporated under the laws of any foreign jurisdiction, and (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the US Securities Act, unless it is organized or incorporated, and owned, by "Accredited Investors" who are not natural persons, estates or trusts;

(135) "**US Securities Act**" means the United States *Securities Act of 1933*, as may be amended or re-enacted from time to time; and

(136) "**Working Capital**" means, with respect to a Party, as of a specific date, the aggregate Current Assets of such Party less the Current Liabilities of such Party and all Accounts Receivable of such Party over 90 days past due.

Section 1.2 Singular, Plural, etc.

Words in this Agreement importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

Section 1.3 Deemed Currency

In the absence of a specific designation of any currency, any undescribed dollar amount herein shall be deemed to refer to the lawful money of Canada. References to "US$" shall mean United States dollars.

Section 1.4 Headings, etc.

The division of this Agreement into Articles and Sections, the provision of a table of contents hereto and the insertion of the recitals and headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement to Articles and Sections refer to Articles and Sections of and to this Agreement in which such reference is made.

Section 1.5 Date for any Action

In the event that any date on which any action is required to be taken hereunder by any of the Parties hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

Section 1.6 Certain Phrases, Derivatives, etc.

In this Agreement (i) the words "including" and "includes" mean "including (or includes) without limitation", and (ii) the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of", and (iii) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

Section 1.7 Accounting Terms

Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with IFRS, such reference will be deemed to be to the IFRS from time to time approved by the Canadian Institute of Chartered Accountants, the Canadian Accounting Standards Board or any successor institute, and applicable as at the date on which such calculation or action is made or taken or required to be made or taken.

Section 1.8 Statutory References

Any reference in this Agreement to any statute or any Section thereof will, unless otherwise expressly stated, be deemed to be a reference to such statute or Section as amended, restated or re-enacted from time to time. References to any agreement or document will be to such agreement or document (together with all appendices, schedules and exhibits thereto), as it may have been or may hereafter be amended, supplemented, replaced or restated from time to time.

Section 1.9 Knowledge

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of Britannia or words to like effect, it shall be deemed to refer to the actual knowledge of Peter Shippen, Chief Executive Officer of Britannia, after due inquiry. Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of RISE or words to like effect, it shall be deemed to refer to the actual knowledge of Scott Secord, Chief Executive Officer of RISE, after due inquiry.

Section 1.10 Incorporation of Schedules

The following schedule attached hereto is incorporated into and forms an integral part of this Agreement:

Schedule “A” – Articles of Amalco

ARTICLE 2
THE AMALGAMATION

Section 2.1 Agreement to Amalgamate

(1) Each Party hereby agrees, unless such steps have already been completed, that as soon as reasonably commercially practicable after April 30, 2021 or at such other time as is specifically indicated below in this Section 2.1, and subject to the terms and conditions of this Agreement and subject to the approval of the Exchange, it shall take the following steps indicated for it:

(i) On the Closing Date, Britannia and RISE Subco hereby agree to amalgamate by way of statutory amalgamation under the OBCA on the terms and subject to the conditions contained in this Agreement and the RISE Parties hereby covenant and agree to issue the securities required to be issued in connection with the Transaction as set out in Section 2.3(1) below;

(ii) immediately upon the execution of this Agreement, pursuant to the Subscription Receipt Agreement, all of the issued and outstanding Subscription Receipts will be converted into RISE Shares and RISE Warrants;

(iii) immediately prior to the Closing Time, all of the issued and outstanding Britannia Convertible Debentures will be converted to Britannia Shares in accordance with their terms;

(iv) as soon as practicable after the Closing Date, in accordance with normal commercial practice, RISE shall issue, or direct its Transfer Agent to issue, certificates representing the appropriate number of securities required to be issued in connection with the Transaction as set out in Section 2.3(1) below; and

(v) the Parties shall take any other action and do anything, including the execution of any other agreements, documents or instruments, that are necessary or useful to give effect to the Transaction.

Section 2.2 Effect of Amalgamation

The Parties hereby agree that upon the Amalgamation being effective:

(1) the Amalgamating Parties shall be amalgamated and shall continue as one corporation on the terms and conditions prescribed in this Agreement;

(2) the Amalgamating Parties shall cease to exist as separate entities from the Amalco;

(3) Amalco shall possess all the property, rights, privileges and franchises and is subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of the Amalgamating Parties;

(4) a conviction against, or ruling, order or judgment in favour of or against any of the Amalgamating Parties may be enforced by or against Amalco;

(5) the Articles of Amalco attached hereto as Schedule "A" shall be deemed to be the articles of incorporation of Amalco and, except for the purposes of section 117(1) of the OBCA, the certificate of amalgamation shall be deemed to be the certificate of incorporation of Amalco; and

(6) Amalco shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against an Amalgamating Party before the Amalgamation has become effective.

Section 2.3 Securities Exchange and Related Matters

(1) **Securities Exchange.** The Parties shall cause the Articles of Amalco to be filed with the Director to effect the Amalgamation. Pursuant to the Amalgamation:

(i) Britannia and RISE Subco will amalgamate and continue as Amalco;

(ii) at the Closing Time, each Britannia Share (other than those held by Dissenting Shareholders, if any) outstanding immediately prior to the Closing Time shall be cancelled and each holder of Britannia Shares shall receive in exchange for such Britannia Shares such number of, fully-paid and non-assessable Resulting Issuer Shares as is equal to the product of the number of such Britannia Shares held by such holder multiplied by the Exchange Ratio (subject to rounding);

(iii) at the Closing Time, each outstanding Britannia Option shall entitle the holder to receive upon the exercise thereof, in lieu of the number of Britannia Shares otherwise issuable upon the exercise thereof, that number of Resulting Issuer Shares which the holder would have been entitled to receive as a result of the Amalgamation contemplated herein, if immediately prior to the Amalgamation, such holder had been the registered holder of the number of Britannia Shares to which such holder was theretofor entitled upon such exercise, at the exercise price equal to the current exercise price per Britannia Share divided by the Exchange Ratio;

(iv) at the Closing Time, each outstanding Britannia Warrant shall entitle the holder to receive upon the exercise thereof, in lieu of the number of Britannia Shares otherwise issuable upon the exercise thereof, that number of Resulting Issuer Shares which the holder would have been entitled to receive as a result of the Amalgamation contemplated herein, if immediately prior to the Amalgamation, such holder had been the registered holder of the number of Britannia Shares to which such holder was theretofor entitled upon such exercise, at the exercise price equal to the current exercise price per Britannia Share divided by the Exchange Ratio;

(v) the RISE Subco Shares will be cancelled and replaced by Amalco Shares on the basis of one Amalco Share for each RISE Subco Share;

(vi) as consideration for the issuance of the Resulting Issuer Shares to effect the Amalgamation, Amalco will issue to RISE one Amalco Share for each RISE Share issued to the previous holders of Britannia Shares;

(vii) all of the property and assets of each of RISE Subco and Britannia will be the property and assets of Amalco, and Amalco will be liable for all of the liabilities and obligations of each of RISE Subco and Britannia; and

(viii) Amalco will be a wholly-owned Subsidiary of RISE.

(2) **No Fractional Securities**. No fractional Resulting Issuer Shares will be issued pursuant to this Agreement. In the event that a Britannia Securityholder would otherwise be entitled to a fractional security hereunder, the number of securities issued to such Britannia Securityholder shall be rounded up to the next greater whole number of shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all Britannia securities registered in the name of or beneficially held by such Britannia Securityholder or their nominee shall be aggregated.

(3) **Restrictions on Securities**. The Parties acknowledge and agree that foregoing securities of the Resulting Issuer issued pursuant to the terms and conditions provided herein will be subject to compliance with Applicable Securities Laws. In particular, Britannia acknowledges and agrees that in accordance with the policies of the CSE, securities of the Resulting Issuer issued to certain Britannia Securityholders will be subject to escrow and/or seed share resale restrictions under the policies of the CSE and Applicable Securities Laws. Britannia shall use commercially reasonable efforts to arrange for each former Britannia Securityholder that is required to have securities of the Resulting Issuer issued pursuant to Section 2.3(1) escrowed in accordance with CSE Policies, to enter into and deliver to the Transfer Agent for filing with the Exchange a CSE Escrow Agreement in respect of their Resulting Issuer securities.

(4) **US Legends on RISE Securities**. The Parties acknowledge and agree that, in addition to any other legends affixed to securities of the Resulting Issuer issued in connection with the Transaction upon the original issuance of securities of RISE to any U.S. Person in connection with the Amalgamation (and including any Resulting Issuer Shares that may be issued upon exercise of convertible securities), and until such time as the same is no longer required under applicable requirements of the US Securities Act or applicable state securities laws, certificates representing such securities and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend: **"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF RISE LIFE SCIENCES CORP. THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO RISE LIFE SCIENCES CORP., (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) (1) IN ACCORDANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (2) IN ACCORDANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE; OR (D) PURSUANT TO ANY OTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, PROVIDED THAT PRIOR TO ANY TRANSFER PURSUANT TO CLAUSES (C) OR (D) ABOVE, AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY ACCEPTABLE TO RISE LIFE SCIENCES CORP. SHALL FIRST BE PROVIDED TO THE EFFECT THAT SUCH TRANSFER DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY STATE SECURITIES LAW. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.",**

provided, that if any such securities are being sold pursuant to Rule 904 of Regulation S at a time when RISE (or the Resulting Issuer) is a "foreign issuer" within the meaning of Regulation S, the legend may be removed by the holder providing a declaration to the registrar and Transfer Agent for the applicable securities in a form prescribed by RISE (or the Resulting Issuer) as to matters confirming that the sale is being made in compliance with Rule 904 of Regulation S, together with such additional documentation as RISE (or the Resulting Issuer) or the Transfer Agent may require, including, if required by RISE's Transfer Agent, an opinion of counsel of recognized standing or other evidence reasonably satisfactory to RISE (or the Resulting Issuer), to the effect that such legend is no longer required under applicable requirements of the 1933 Act; and provided, further, that, if the securities are being sold pursuant to Rule 144 under the 1933 Act, if available, the legend may be removed by delivery to the registrar and transfer agent for the applicable securities of an opinion of counsel, of recognized standing reasonably satisfactory to RISE (or the Resulting Issuer), that such legend is no longer required under applicable requirements of the US Securities Act or state securities laws.

Section 2.4 Statutory Amalgamation Requirements

The Parties hereby agree as follows with respect to matters which the OBCA requires form part of this Agreement.

(1) **Name**. The name of Amalco shall be "Britannia Bud Canada Holdings Inc." or such other name as may be agreed upon by the Parties in writing.

(2) **Registered and Records Office**. The mailing and delivery addresses of the registered office and records office of Amalco, until changed in accordance with the provisions of the OBCA, shall be 120 Adelaide St. West, Suite 2210, Toronto, Ontario M5H 1T1.

(3) **Authorized Capital.** The authorized share structure of Amalco shall consist of an unlimited number of common shares.

(4) **Restricted Transfer of Shares.** The right to transfer the Amalco Shares shall be restricted in that no holder of Amalco Shares shall be entitled to transfer such shares without either:

(i) if the transfer of such shares is restricted by any shareholders' agreement, complying with such restrictions in such agreement; or

(ii) if there are no such restrictions, either:

(a) the approval of the directors of Amalco expressed by a resolution passed by a majority of the directors at a meeting of the board of directors or by a resolution in writing signed by all of the directors of Amalco; or

(b) the approval of the holders of at least a majority of the shares of Amalco entitling the holders thereof to vote in all circumstances (other than a separate class vote of the holders of another class of shares of Amalco) for the time being outstanding expressed by a resolution passed at a meeting of the holders of such shares or by a resolution in writing signed by all of the shareholders of Amalco entitled to vote on that resolution (other than a separate class vote of the holders of another class of shares of Amalco).

(5) **Restricted Transfer of Securities:** The right to transfer securities of Amalco (other than non-convertible debt securities of Amalco) shall be restricted in that no holder of such securities shall be entitled to transfer any securities without either:

(i) if the transfer of such securities is restricted by any security holders' agreement, complying with such restrictions in such agreement; or

(ii) if there are no such restrictions, either:

(a) the approval of the directors of Amalco expressed by a resolution passed by a majority of the directors at a meeting of the board of directors or by a resolution in writing signed by all of the directors of Amalco; or

(b) the approval of the holders of at least a majority of the securities of Amalco entitling the holders thereof to vote in all circumstances for the time being outstanding expressed by a resolution passed at a meeting of the holders of such securities or by a resolution in writing signed by all of the security holders of Amalco entitled to vote on that resolution.

(6) **By-Laws.** Upon the Articles of Amalco becoming active, the by-laws of Amalco shall be the by-laws as approved by the directors of Amalco. Prior to the Amalgamation, a copy of the proposed by-laws may be examined at the address of the registered office of Britannia.

(7) **Business**. There shall be no restrictions on the business which Amalco is authorized to carry on.

(8) **Fiscal Year End**. The fiscal year end of Amalco shall be November 30 of each calendar year.

(9) **Number of Directors**. The board of directors of Amalco shall consist of not less than one and no more than ten directors.

(10) **Initial Directors**. The first director of Amalco shall be the individual whose name appears below:

Name	Address
Scott Secord	*[Redacted - Personal Information]*

(11) **Initial Officers**. The first officers of Amalco shall be the individuals whose name and titles appear below:

Name	Title	Address
Peter Shippen	Chief Executive Officer	*[Redacted - Personal Information]*
Boris Novansky	President	*[Redacted - Personal Information]*
Sarah Zilik	Secretary and Chief Financial Officer	*[Redacted - Personal Information]*

(12) **Articles**. The Articles of Amalco, until repealed, amended or altered, shall be the Articles of Amalco substantially in the form attached as Schedule "A" hereto.

(13) **Stated Capital**. Upon completion of the Transaction, the stated capital of Amalco will be equal to the aggregate sum of the stated capital of the shares of each of the Amalgamating Parties.

(14) **Amendments to Structure**. Notwithstanding the foregoing, the Parties agree that the foregoing structure for the Amalgamation may be amended, prior to the Britannia Shareholder Approval and RISE Shareholder Approval being obtained, with the Consent of Britannia and RISE to accommodate certain tax planning and operational efficiencies of either Party provided that such amendments shall not have a detrimental effect on either Party and shall not negatively impact the business combination of Britannia and RISE evidenced hereby. In no event shall the structure be amended unless such amendment is permitted by the CSE.

(15) **Filing of Documents**. Upon the shareholders of each of the Amalgamating Parties approving this Agreement by special resolution in accordance with the OBCA, the Amalgamating Parties shall jointly file with the Director under the OBCA, the Articles of Amalco in the form of Schedule "A" attached hereto and such other documents as may be required to effect the Amalgamation.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations of Britannia

Britannia represents and warrants to RISE and RISE Subco as follows, and acknowledges and confirms that RISE and RISE Subco are each relying upon the representations and warranties in connection with the transactions contemplated by this Agreement. The representations and warranties contained in this Section 3.1 shall survive the execution and delivery of this Agreement and shall expire and be terminated and extinguished at the earlier of the Closing Time and the date on which this Agreement is terminated in accordance with its terms. Any investigation by Britannia or its advisors shall not mitigate, diminish or affect the representations and warranties of Britannia contained herein.

Corporate Matters

(1) **Incorporation and Qualification**. Each of Britannia and the Britannia Subsidiary is a corporation duly incorporated and existing under the statutes of their applicable jurisdiction of incorporation, and Britannia and the Britannia Subsidiary have the corporate power to own and operate their respective assets, carry on the Business, and Britannia has the corporate power to enter into and perform its obligations under this Agreement, and Britannia and the Britannia Subsidiary are current and up-to-date with all corporate filings required to be made by it in each applicable jurisdiction.

(2) **Qualification to Conduct the Business**. Britannia and the Britannia Subsidiary have all requisite corporate capacity, power and authority, and are duly qualified, licensed or registered to or possesses all material certificates, authority, permits and licenses issued by the appropriate Government Authority to conduct the Business as now conducted by it in all jurisdictions in which the nature of the Britannia Assets or the Business makes such qualification necessary, namely the province of Ontario in Canada and in England, and it conducts its business in compliance in all material respects with such certificates, authorities, permits or licenses and has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would materially and adversely affect the conduct of the business, operations, financial condition, or income of Britannia.

(3) **Validity and Enforceability of the Agreement**.

(i) Britannia has all requisite corporate power, capacity and authority to execute, deliver and perform its obligations under this Agreement and to consummate the Transaction contemplated herein, subject to obtaining the Britannia Shareholder Approval.

(ii) The transactions under this Agreement do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of the Governing Documents of Britannia or any Contracts or instruments to which Britannia or the Britannia Subsidiary is a party or pursuant to which any of the Britannia Assets or the Business may be affected.

(iii) The transactions under this Agreement do not and will not result in a breach of, or cause the termination or revocation of, any Authorization held by Britannia or any of the Britannia Subsidiary or that is necessary for the operation of the Business.

(iv) The transactions under this Agreement do not and will not result in the violation of any Applicable Law or judgment, decree, order, or award of any Government Authority applicable to Britannia or any of the Britannia Subsidiary.

(4) **Execution and Binding Obligation**. This Agreement has been duly executed and delivered by Britannia, and constitutes legal, valid and binding obligations of Britannia, enforceable against Britannia in accordance with its terms subject only to any limitation under Applicable Laws relating to: (i) bankruptcy, winding-up, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

(5) **Authorized and Issued Securities**. The authorized and issued capital of Britannia consists of an unlimited number of Britannia Shares, of which 6,468,861 Britannia Shares are issued and outstanding as of April 30, 2021. All Britannia Shares have been duly issued and shall be outstanding as fully paid and non-assessable. All of the Britannia Shares have been issued in compliance with all Applicable Laws including, without limitation, Applicable Securities Laws.

(6) **Agreements to Acquire Securities**. Except as contemplated by this Agreement, as of April 30, 2021, neither Britannia nor the Britannia Subsidiary is a party to and/or has granted any agreement, warrant, option, right or privilege capable of becoming an agreement (whether by Applicable Law, pre-emptive or contractual), for the purchase, subscription or issuance of any shares or securities convertible into or exchangeable for shares other than, as set forth below:

(i) 6,127 Britannia Convertible Debentures;

(ii) 4,026,340 Britannia Warrants; and

(iii) 1,123,724 Britannia Options,

and all of the foregoing securities of Britannia have been issued in compliance with all Applicable Laws including, without limitation, Applicable Securities Laws.

(7) **Subsidiaries**. Other than the Britannia Subsidiary, Britannia holds no shares or other ownership, equity or proprietary interests in any other Person, including any joint venture.

(8) **Required Approvals**. The entering into and the performance by Britannia of the transactions contemplated herein:

(i) do not require any Regulatory Approval, except that which may be required under by the Exchange and under Applicable Securities Laws;

(ii) will not contravene any statute or regulation of any Government Authority which is binding on Britannia or the Britannia Subsidiary, where such contravention would materially and adversely affect the business, operations, capital or condition (financial or otherwise) of Britannia; and

(iii) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the Governing Documents or resolutions of Britannia or any of the Britannia Subsidiary or any mortgage, note, indenture, Contract or agreement, instrument, lease or other document to which Britannia or the Britannia Subsidiary are a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would materially and adversely affect the business, operations, capital or condition (financial or otherwise) of Britannia.

(9) **Corporate Records**. The Books and Records of Britannia and the Britannia Subsidiary that have been provided to RISE are complete and accurate and all corporate proceedings and actions reflected in such Books and Records have been conducted or taken in compliance with all Applicable Laws and with the Governing Documents of Britannia or the Britannia Subsidiary, as applicable. Without limiting the generality of the foregoing: (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held; (ii) the minute books contain all resolutions passed by the directors and shareholders (and committees, if any) and all such resolutions were properly passed; (iii) the share certificate books, register of shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved and any Tax payable in connection with the transfer of any securities has been paid; and (iv) the

registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be.

(10) **Voting**. Britannia is not a party to any agreement nor is Britannia aware of any agreement which in any manner affects the voting control of any of the Britannia Shares or other securities of Britannia.

(11) **Shareholders Agreements**. There are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the Britannia Shares.

(12) **Accurate Disclosure**. No representation, warranty or statement of Britannia in this Agreement or the RISE Circular contains or will contain at the Closing Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading.

Financial Matters

(13) **Dividends and Distributions**. Since the date of its formation, Britannia has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing.

(14) **Distribution Restrictions.** There is not, in its Governing Documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which Britannia is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of Britannia or the payment of dividends by Britannia to the holders of their respective securities.

(15) **Financial Records**. All accounting and financial Books and Records of Britannia have been fully, properly and accurately kept and completed in all material respects. All material financial transactions of Britannia have been accurately recorded in the Books and Records of Britannia for the periods noted therein and such Books and Records fairly present the financial position and the affairs of Britannia for the periods noted therein. The Books and Records and other data and information are not recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which are not available to Britannia in the Ordinary Course.

(16) **Financial Statements**. The Britannia Financial Statements, including the notes thereto, have been prepared in accordance with or will be prepared in accordance with GAAP, applied on a basis consistent with past practices, and present or will present fairly, in all material respects:

(i) the assets, liabilities, (whether accrued, absolute, contingent or otherwise) and financial position of Britannia as at the dates thereof;

(ii) the income and expenses of Britannia during the periods covered by the Britannia Financial Statements; and

(iii) do not or will not omit to state any material fact that is required by GAAP or by Applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading.

(17) **Working Capital**. The Working Capital of Britannia as of April 22, 2021 was approximately $1,200,000.

(18) **Bankruptcy**. Neither Britannia nor the Britannia Subsidiary have made any assignment in favour of their creditors or a proposal in bankruptcy to their creditors or any class thereof, and no petition for a receiving

order has been presented in respect of it. Britannia and the Britannia Subsidiary have not initiated proceedings with respect to a compromise or arrangement with their respective creditors, or for winding-up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of Britannia, the Britannia Subsidiary or the Britannia Assets and no execution or distress has been levied on any of the Britannia Assets, nor have proceedings been commenced in respect of any of the foregoing. Britannia and the Britannia Subsidiary have not incurred any liability or not exceeded any assets necessary for the operation of the Business as a result of the dissolution or bankruptcy of any corporation that was controlled by Britannia at any time.

(19) **Absence of Undisclosed Liabilities**. Except to the extent as will be reflected or reserved against in the Britannia Financial Statements, or incurred in the Ordinary Course since the most recent date of the Britannia Financial Statements, Britannia does not have any material outstanding indebtedness or any material Liabilities or obligations (whether accrued, accruing, absolute, contingent or otherwise) and, except for such Liabilities which may be contemplated hereunder or which RISE approves before being incurred, any Liabilities or obligations incurred in the Ordinary Course since the most recent date of the Britannia Financial Statements, will not have had a Material Adverse Effect on the financial condition of Britannia as at the Closing Date.

(20) **Absence of Changes**. Except for the acquisition of an interest in the Britannia Subsidiary by Britannia, as disclosed in writing to RISE, since the date of incorporation of Britannia, there has not been:

(i) any change in the condition or the operation of the Business, Britannia Assets or financial affairs of Britannia or the Britannia Subsidiary; or

(ii) any damage, destruction or loss, labour unrest or other event, development or condition, of any character (whether or not covered by insurance) which is not generally known or which has not been disclosed to RISE,

which, individually or in the aggregate, may have a Material Adverse Effect on the Business or Britannia Assets.

(21) **No Liabilities Resulting in Encumbrances**. Except for Permitted Encumbrances and as disclosed in the Britannia Disclosure Letter, there is no indebtedness or Liability of Britannia or the Britannia Subsidiary to any Person which might, by operation of law or otherwise, now or hereafter constitute or be capable of resulting in or forming an Encumbrance upon any of the Britannia Assets.

(22) **Finder's Fees**. No Person acting or purporting to act at the request of Britannia is entitled to any brokerage or finder's fee in connection with the Amalgamation.

(23) **Indebtedness**. Except as disclosed in the Britannia Disclosure Letter, neither Britannia nor the Britannia Subsidiary is a party to any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or any other Liability ("**Debt Instrument**") or any agreement, Contract or commitment to create a Debt Instrument other than $6,127,000, representing the aggregate principal amount of Britannia Convertible Debentures.

(24) **Non-Arm's Length Debt**. Except as disclosed in the Britannia Disclosure Letter, Britannia does not have any loan or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is defined in the ITA).

General Matters Relating to the Business

(25) **Restrictions**. Neither Britannia nor the Britannia Subsidiary is a party to or bound by any agreement which would restrict or limit its right to carry on any business or activity or to solicit business from any Persons or in any geographical area or otherwise to conduct the Business as Britannia may determine. Neither Britannia nor the Britannia Subsidiary are subject to any legislation or any judgment, order or requirement of any court or Government Authority which is not of general application to Persons carrying on a business similar to the Business. Neither Britannia nor the Britannia Subsidiary are a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of such entity to compete in any line of business, or to transfer or move any of its assets or operations, or which materially or adversely affects the Business practices, operations or condition of Britannia.

(26) **Compliance with Applicable Laws**. Britannia and the Britannia Subsidiary is conducting the Business in compliance with all Applicable Laws other than acts of non-compliance which, in the aggregate, are not material, and Britannia has not received notice that it or the Britannia Subsidiary has not conducted the Business or any past businesses in compliance with Applicable Laws.

(27) **Authorizations**. Britannia and the Britannia Subsidiary own, hold, possess or lawfully use in the operation of the Business, all material Authorizations ("**Material Authorizations**") which are, in any manner, necessary to conduct the Business as presently or previously conducted or for the ownership and use of the Britannia Assets in compliance with all Applicable Laws. Each Material Authorization is valid, subsisting and in good standing. Neither Britannia nor the Britannia Subsidiary is in default or breach of any Material Authorization and, no proceeding is pending or to the knowledge of Britannia, threatened to revoke or limit any Material Authorization. All Material Authorizations are renewable by their terms or in the Ordinary Course without the need for Britannia or the Britannia Subsidiary to comply with any special rules or procedures, agree to any materially different terms or conditions or pay any amounts other than routine filing fees.

(28) **Legal Proceedings**. Except as disclosed in writing to RISE, there are no Legal Proceedings pending or, to the knowledge of Britannia, contemplated or threatened, to which Britannia, the Britannia Subsidiary or any directors or officers of Britannia is a party or to which the Britannia Assets are or may become subject. Neither Britannia nor the Britannia Subsidiary is subject to any judgment, Order or decree entered in any lawsuit or proceeding, nor has Britannia or the Britannia Subsidiary settled any Claim prior to being prosecuted in respect of it. Neither Britannia nor the Britannia Subsidiary is a plaintiff or complainant in any Legal Proceedings.

Matters Relating to the Assets

(29) **Sufficiency of Assets**. Upon completion of the Transaction, except as otherwise provided in this Agreement, no other property rights are needed in order to conduct the Business after Closing in substantially the same manner as such Business was conducted prior to Closing. There are no restrictions on the ability of Britannia to use, transfer or otherwise exploit any such property rights, and Britannia does not know of any Claim or basis for a Claim that may adversely affect such rights.

(30) **Ownership and Title to the Assets**. Britannia is the owner of and has good and marketable title to all of the Britannia Assets (whether real, personal, or mixed or whether tangible or intangible) and has legal and beneficial ownership of the Britannia Assets free and clear of all Encumbrances (other than Permitted Encumbrances), except as would not reasonably be expected to have a Material Adverse Effect on Britannia.

(31) **Leases**. Except as disclosed in writing to RISE and as disclosed the Britannia Disclosure Letter, neither Britannia nor the Britannia Subsidiary is a party to, or under any agreement to become a party to, any Lease as of the date of this Agreement.

(32) **Material Contracts**. Except for the Material Contracts provided to RISE, there are no material documents and Contracts currently in effect relating to the ownership of the Britannia Assets by Britannia or the Britannia Subsidiary or which are otherwise related to or affect the interest of Britannia or the Britannia Subsidiary in the Britannia Assets.

(33) **No Breach of Contracts**. To the knowledge of Britannia:

(i) Britannia and the Britannia Subsidiary have not received notice or advice alleging it or the Britannia Subsidiary to be in default of any Material Contract. Each of the Material Contracts is in full force and effect, unamended, and there exists no default or event of default or event, occurrence, condition or act (including the purchase of the Britannia Shares and other securities of Britannia to be acquired under this Agreement) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default under any Material Contract; and

(ii) neither Britannia nor the Britannia Subsidiary have violated or breached, in any material respect, any of the terms or conditions of any Contract, nor any contract previously entered into by any Affiliate, except for certain failures to perform which, would not have a Material Adverse Effect. Britannia has not received notice of any such breach, and, to the knowledge of Britannia, all the covenants to be performed by any other party to such Contract have been fully performed, in all material respects.

Intellectual Property and Data Privacy and Security

(34) **Intellectual Property**. Britannia and/or the Britannia Subsidiary own all right, title and interest in and to, or have validly licensed (and are not in breach of such licenses) all material Intellectual Property Rights. All such Intellectual Property Rights that are owned by or licensed to Britannia and/or the Britannia Subsidiary are sufficient, in all material respects, for conducting the business of Britannia and the Britannia Subsidiary. All Intellectual Property Rights owned or leased by Britannia and/or the Britannia Subsidiary are valid and enforceable, and to the knowledge of Britannia, the carrying on of the business of Britannia and the Britannia Subsidiary and the use by Britannia and the Britannia Subsidiary of any of the Intellectual Property Rights or Technology (as defined below) owned by or licensed to them does not breach, violate, infringe or interfere with any rights of any other Person. To the knowledge of Britannia, no third party is infringing upon the Intellectual Property Rights owned or licensed by Britannia or the Britannia Subsidiary. The Technology used in connection with the conduct of the business of Britannia and the Britannia Subsidiary are sufficient, in all material respects, for conducting the business, as presently conducted, of Britannia and the Britannia Subsidiary and Britannia and the Britannia Subsidiary own or have validly licensed or leased (and are not in breach of such licenses or leases) such Technology.

(35) **Environmental Matters**.

(i) Britannia, the Britannia Subsidiary and the Business have been and are, operated in compliance with all applicable material Environmental Laws;

(ii) there is no Environmental Law Claim pending or, to the knowledge of Britannia threatened against Britannia or the Britannia Subsidiary;

(iii) neither Britannia nor the Britannia Subsidiary have released any hazardous substance at, on or near the Demised Premises as a result of the conduct of the Business or otherwise in any manner that would give rise to a material Liability if such release is not permitted by Environmental Law;

(iv) the current and past operations of Britannia and the Britannia Subsidiary have been and are in material compliance with all Environmental Laws, and to the knowledge of Britannia there are no facts that could give rise to a notice of non-compliance by Britannia or the Britannia Subsidiary with any Environmental Law, except for, in respect of all of the above, such non-compliance as would not individually or in the aggregate be reasonably like to result in or give rise to any material Liability to Britannia or materially impair the operations of the Business; and

(v) neither Britannia nor the Britannia Subsidiary have been convicted of an offence or been subject to any Legal Proceeding, Order, or other sanction requiring investigation or remediation of any real property or been fined or otherwise sentenced for non-compliance with any Environmental Laws, and have not settled any prosecution or other proceeding in relation to any alleged non-compliance with any Environmental Laws short of conviction in connection therewith.

Employment Matters

(36) **Employees**. All amounts due or accrued for all salary, wages, bonuses, commissions, vacation pay, and other Employee benefits in respect of any Employee, director, independent contractor, consultant and agent of Britannia and the Britannia Subsidiary that are attributable to the period before the Closing Date will be paid at or prior to the Closing Time in the Ordinary Course and consistent with past practice and are or shall be accurately reflected in the Books and Records of Britannia and the Britannia Subsidiary.

(37) **Compliance with Employment Laws**. The Business has been and is being operated in compliance, in all material respects, with Applicable Laws relating to employment, including employment standards, occupational health and safety, human rights, labour relations, workers compensation, pay equity and employment equity and neither Britannia nor the Britannia Subsidiary have received notice of any outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workers' compensation legislation and Britannia has not been reassessed in any material respect under such legislation.

(38) **Employee Plans**. Except for the Britannia Stock Option Plan and as disclosed the Britannia Disclosure Letter, Britannia and the Britannia Subsidiary currently do not have any benefit plans for Employees.

Tax Matters

(39) **Taxes**.

(i) As of the Closing Date, Britannia and the Britannia Subsidiary have duly and timely filed all Tax Returns required to be filed with the appropriate Government Authority, and all such Tax Returns are correct and complete in all material respects and reflect accurately all Liability for Taxes of Britannia and the Britannia Subsidiary for the periods covered thereby.

(ii) As of the Closing Date, Britannia and the Britannia Subsidiary have paid all Taxes which are due and payable (including all instalments on account of Taxes) within the time required by Applicable Law, and have paid all assessments and reassessments they have received in respect of Taxes. Britannia has made full and adequate provision in the Books and Records and the financial statements of Britannia for all Taxes of Britannia and the Britannia Subsidiary for the periods covered by such financial statements that have not been paid whether or not shown as being due on any Tax Returns. Since the publication date for such financial statements, no material Liability in respect of Taxes not reflected in such financial statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the Ordinary Course. Britannia and the Britannia Subsidiary have not received any refund of Taxes to which it was not entitled.

(iii) Britannia and the Britannia Subsidiary have withheld and collected all amounts required by Applicable Law to be withheld or collected by them on account of Taxes and have remitted all such amounts to the appropriate Government Authority within the time prescribed under any Applicable Law.

(iv) There are no claims, actions, suits, audits, proceedings, investigations or other actions pending, or to the knowledge of Britannia threatened, against Britannia or the Britannia Subsidiary in respect of Taxes and, to the knowledge of Britannia, there is no reason to expect that any such Claim, action, suit, audit, proceeding, investigation or other action may be asserted against Britannia or any of the Britannia Subsidiary by a Government Authority. Neither Britannia nor the Britannia Subsidiary is negotiating any final or draft assessment or reassessment in respect of Taxes with any Government Authority and neither Britannia nor the Britannia Subsidiary has received any indication from any Government Authority that an assessment or reassessment is proposed or may be proposed in respect of any Taxes. There are no facts of which Britannia is aware which would constitute grounds for the assessment or reassessment of Taxes payable by Britannia or the Britannia Subsidiary.

(v) There are no outstanding agreements, arrangements, waivers or objections extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of Taxes or the filing of any Tax Return by, or any payment of Taxes by, Britannia or the Britannia Subsidiary.

(vi) To the knowledge of Britannia, there are no liens for Taxes upon any property or asset of Britannia or the Britannia Subsidiary (whether owned or leased), except liens for current Taxes not yet due.

(vii) Neither Britannia nor the Britannia Subsidiary is subject to any Liability for Taxes of any other Person. Neither Britannia nor the Britannia Subsidiary is subject to any joint venture, partnership or other arrangement or contract that is treated as a partnership for income tax purposes in any jurisdiction. Neither Britannia nor the Britannia Subsidiary are a party to any agreement, understanding, or arrangement relating to allocating or sharing any amount of Taxes.

(viii) Britannia is a “taxable Canadian corporation” for the purposes of the ITA.

(ix) No Claim has ever been made by a Government Authority in respect of Taxes in a jurisdiction where Britannia or the Britannia Subsidiary do not file Tax Returns that Britannia or the Britannia Subsidiary is or may be subject to Tax by that jurisdiction.

Other Matters

(40) **Indebtedness to Britannia Securityholders**. Except for the payment of salaries and other compensation payable in the Ordinary Course and reimbursement for out-of-pocket expenses in the Ordinary Course and as disclosed in the Britannia Disclosure Letter, neither Britannia nor the Britannia Subsidiary is indebted to the Britannia Securityholders (or any Affiliates or associates thereof), or any of their directors, officers or Employees (or any Affiliate or associate thereof).

(41) **RISE Circular**. All Britannia Information contained in the RISE Circular, shall, as of the date of the RISE Circular, be true, complete and accurate in all material respects and shall not contain any Misrepresentation and shall contain all information in respect of Britannia or the Britannia Subsidiary required by Applicable Securities Laws to be included in the RISE Circular.

Section 3.2 Representations of RISE and RISE Subsidiaries

Each of RISE and RISE Subco represents and warrants as follows to Britannia and acknowledges and confirms that Britannia is relying on such representations and warranties in connection with the transactions contemplated by this Agreement. The representations and warranties contained in this Section 3.2 shall survive the execution and delivery of this Agreement and shall expire and be terminated and extinguished at the earlier of the Closing Time and the date on which this Agreement is terminated in accordance with its terms. Any investigation by Britannia or its advisors shall not mitigate, diminish or affect the representations and warranties of the RISE Parties contained herein.

Corporate Matters

(1) **Incorporation and Qualification**. Each of the RISE Parties is a corporation duly incorporated and existing under the statutes of their applicable jurisdiction of incorporation, and each of the RISE Parties has the corporate power to own and operate their respective assets, carry on their respective business, and is current and up to date with all corporate filings required to be made by it in each applicable jurisdiction. Each of RISE and RISE Subco has the corporate power to enter into and perform its obligations under this Agreement.

(2) **Qualification to Conduct the Business**. Each of the RISE Parties has all requisite corporate capacity, power and authority, and is duly qualified, licensed or registered to or possesses all material certificates, authority, permits and licenses issued by the appropriate Government Authority to conduct its business as now conducted by them in all jurisdictions in which the nature of the RISE Assets or their business makes such qualification necessary, namely in Canada and in the United States, and each of the RISE Parties conduct its business in compliance in all material respects with such certificates, authorities, permits or licenses and has not received any notice of proceedings relating to the revocation or modification of any such certificate, authority, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, Order, finding or ruling, that would materially and adversely affect the conduct of the business, operations, financial condition, or income of the RISE Parties.

(3) **Validity and Enforceability of the Agreement**.

(i) Each of RISE and RISE Subco has requisite corporate power, capacity and authority to execute, deliver and perform its obligations under this Agreement and the CSE Escrow Agreement, and to consummate the Transaction contemplated herein, subject to obtaining the requisite Regulatory Approvals and RISE Shareholder Approval.

(ii) The transactions under this Agreement and the CSE Escrow Agreement do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of the Governing Documents of any of the RISE Parties, or any contracts or instruments to which any of the RISE Parties are a party or pursuant to which any of the RISE Assets or the business of the RISE Parties may be affected.

(iii) The transactions under this Agreement or the CSE Escrow Agreement do not and will not result in a breach of, or cause the termination or revocation of, any Authorization held by any of the RISE Parties.

(iv) The transactions under this Agreement do not and will not result in the violation of any Applicable Law or judgment, decree, order, or award of any Government Authority applicable to any of the RISE Parties.

(4) **Execution and Binding Obligation**. This Agreement has been duly executed and delivered by RISE and RISE Subco, as applicable, and constitute legal, valid and binding obligations of RISE and RISE Subco, as applicable, enforceable against RISE and RISE Subco in accordance with its terms subject only to any limitation under Applicable Laws relating to (i) bankruptcy, winding-up insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

(5) **Authorized and Issued Capital**.

(i) The authorized capital of RISE consists of an unlimited number of common shares, of which 60,310,352 RISE Shares are issued and outstanding as fully paid and non-assessable as of the date of this Agreement.

(ii) The issued and outstanding RISE Shares as of the Closing Time shall not exceed 300,469,032 RISE Shares, assuming the full conversion or exercise of the securities described in Section 3.2(6). For the avoidance of doubt, RISE may not issue any securities following April 30, 2021 and prior to the Closing Date that are not expressly contemplated in Section 3.2(6) without the prior written approval of Britannia.

(iii) The authorized capital of RISE Subco consists of an unlimited number of common shares without par value, of which one common share is issued and outstanding as fully paid and non-assessable as of the date of this Agreement.

(6) **Agreements to Acquire Securities**. None of the RISE Parties are a party to and/or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement (whether by Applicable Law, pre-emptive or contractual), for the purchase, subscription or issuance of any shares or securities convertible into or exchangeable for shares, other than:

(i) 4,957,954 RISE Warrants, each entitling the holder thereof to acquire one RISE Share at a price of $0.12 to $0.15 per RISE Share in accordance with the terms thereof;

(ii) 1,650,000 RISE Options, granted pursuant top the RISE Stock Option Plan, each entitling the holder thereof to acquire one RISE Share at a price of $0.30 per RISE Share;

(iii) 1,331 Subscription Receipts, which upon the satisfaction of the escrow release conditions outlined in the Subscription Receipt Agreement, will automatically convert into an aggregate of:

(a) 103,019,400 RISE Shares; and

(b) 103,019,400 common share purchase warrants of RISE, each entitling the holder thereof to acquire one RISE Share at a price of $0.021 per RISE Share for a period of 24 months from the date of issuance (the "**Subscription Receipt Warrants**");

(iv) $5,639,000 principal amount of convertible debentures of RISE (the "**RISE Convertible Debentures**"), which shall be convertible to RISE Shares at $0.065 per RISE Share, and the aggregate accrued and unpaid interest of $951,843 on such RISE Convertible Debentures shall be convertible to RISE Shares at $0.05 per RISE Share (it being understood and agreed that no interest shall continue to accrue after April 30, 2021); and

(v) debt in the amount of $1,385,594.16, which may be settled for an aggregate of 21,872,712 RISE Shares pursuant to the Debt Settlement on the terms described in the Debt Disclosure,

and all of the foregoing securities of RISE have been issued in compliance with all Applicable Laws including, without limitation, Applicable Securities Laws.

(7) **Subsidiaries**. Each of the RISE Subsidiaries are wholly-owned by RISE, and other than the RISE Subsidiaries, RISE holds no shares or other ownership, equity, joint venture or proprietary interests in any other Person.

(8) **Related Party Transactions**. RISE is not a party to or bound by any agreement with, is not indebted to, and no amount is owing to RISE by, any officers, former officers, directors, former directors, shareholders,

former shareholders, employees or former employees of RISE or any Persons not dealing at arm's length with any of the foregoing. Since the RISE Interim Financial Statements, RISE has not made or authorized any payments to any officers, former officers, directors, former directors, shareholders, former shareholders, employees or former employees of RISE or to any Persons not dealing at arm's length with any of the foregoing.

(9) **Issuable Resulting Issuer Shares**. The Resulting Issuer Shares to be issued to the Britannia Securityholders pursuant to this Agreement shall, upon issuance, be duly and validly issued as full paid and non-assessable shares in the capital of the Resulting Issuer in compliance with Applicable Laws, and will, upon issuance, be duly listed for trading on the Exchange, subject to the satisfaction of conditions on issuance, if any, by the Exchange and the terms and conditions of the CSE Escrow Agreement.

(10) **Issuable Warrants and Options**. The Resulting Issuer Shares issuable upon the exercise of the Britannia Warrants, and the Britannia Options, as applicable, will be duly and validly authorized, allotted and reserved for issuance and, upon exercise of such Britannia Warrants and Britannia Options in accordance with their terms, and, upon receipt by the Resulting Issuer of the consideration therefor, such Resulting Issuer Shares will be issued as fully paid and non-assessable in compliance with Applicable Laws.

(11) **Ownership of RISE Subco**. RISE is the registered and beneficial owner of all of the issued and outstanding common shares of RISE Subco and neither RISE nor RISE Subco is a party to or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any securities of RISE Subco or securities convertible into or exchangeable for any securities of RISE Subco.

(12) **Reporting Issuer Status**. RISE is a reporting issuer, or the equivalent thereof, under the Applicable Securities Laws of the Reporting Jurisdictions and is not currently in default of any requirement of the Applicable Laws and Applicable Securities Laws each of the Reporting Jurisdictions and other regulatory instruments of the Securities Authorities in such provinces.

(13) **Exchange Matters**. The issued and outstanding RISE Shares are listed and posted for trading solely on the CSE. There is no order ceasing or suspending trading in any securities of RISE currently outstanding and to the knowledge of RISE, no proceedings for such purpose are pending or threatened by the Exchange or any Securities Authority.

(14) **Corporate Records**. The Books and Records of the RISE Parties are complete and accurate and all corporate proceedings and actions reflected in such Books and Records have been conducted or taken in compliance with all Applicable Laws and with the Governing Documents of each of the RISE Parties, as applicable. Without limiting the generality of the foregoing: (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held; (ii) the minute books contain all resolutions passed by the directors and shareholders (and committees, if any) and all such resolutions were properly passed; (iii) the share certificate books, register of shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved and any Tax payable in connection with the transfer of any securities has been paid; and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be.

(15) **Voting**. RISE is not a party to any agreement nor is RISE aware of any agreement which in any manner affects the voting control of any of the RISE Shares or other securities of RISE.

(16) **Shareholders Agreements**. There are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the RISE Shares.

(17) **Filings**. All filings and fees required to be made by RISE and the RISE Subsidiaries pursuant to Applicable Laws have been made and paid and such filings were true and accurate as at the respective dates thereof and RISE has not filed any confidential material change reports.

(18) **Options, etc**. Other than pursuant to the outstanding RISE Convertible Debentures, RISE Subscription Receipts, RISE Warrants, RISE Options or the terms of this Agreement, RISE or the RISE Subsidiaries are not party to and has not granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any RISE Shares or securities convertible into or exchangeable for RISE Shares.

(19) **Required Approvals**. The entering into and the performance by RISE and RISE Subco of the transactions contemplated herein and in the RISE Circular:

(i) does not require any Regulatory Approval, except that which may be required under by the Exchange and under Applicable Securities Laws;

(ii) will not contravene any statute or regulation of any Government Authority which is binding on RISE or any of the RISE Subsidiaries, where such contravention would materially and adversely affect the business, operations, capital or condition (financial or otherwise) of RISE and the RISE Subsidiaries, taken as a whole; and

(iii) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the Governing Documents or resolutions of RISE or any of the RISE Subsidiaries or any Debt Instrument, mortgage, note, indenture, contract or agreement, instrument, lease or other document to which RISE is a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would materially and adversely affect the business, operations, capital or condition (financial or otherwise) of RISE and the RISE Subsidiaries, taken as a whole.

(20) **Business Restrictions**. Except to the extent that RISE must comply with the CSE Policies, neither RISE nor any of the RISE Subsidiaries is a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of RISE or the RISE Subsidiaries to compete in any line of business, or to transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of RISE and the RISE Subsidiaries taken as a whole or which would prohibit or restrict RISE or the RISE Subsidiaries from entering into and completing the Transaction.

Financial Matters

(21) **Dividends and Distributions**. Since the date of its incorporation or formation, as applicable RISE has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of its shares or securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of its shares or securities or agreed to do any of the foregoing.

(22) **Distribution Restrictions.** There is not, in its Governing Documents or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which RISE is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of RISE or the payment of dividends by RISE to the holders of their respective securities.

(23) **Financial Statements**. The RISE Financial Statements, including the notes thereto, have been or will be prepared in accordance with GAAP, applied on a basis consistent with past practices, and present or will present fairly, in all material respects:

(i) the assets, liabilities, (whether accrued, absolute, contingent or otherwise) and financial position of RISE as at the dates thereof;

(ii) the income and expenses of RISE during the periods covered by the RISE Financial Statements; and

(iii) do not or will not omit to state any material fact that is required by GAAP or by Applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading.

(24) **Bankruptcy**. None of the RISE Parties has made any assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. RISE and the RISE Subsidiaries have not initiated proceedings with respect to a compromise or arrangement with their respective creditors, or for winding-up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of RISE, any of the RISE Subsidiaries or the RISE Assets and no execution or distress has been levied on any of the RISE Assets, nor have proceedings been commenced in respect of any of the foregoing. RISE and the RISE Subsidiaries have not incurred any liability or not exceeded any assets necessary for the operation of their respective business as a result of the dissolution or bankruptcy of any corporation that was controlled by any of the RISE Parties at any time.

(25) **Absence of Undisclosed Liabilities**. The RISE Parties do not have any material outstanding indebtedness or any material Liabilities or obligations (whether accrued, accruing, absolute, contingent or otherwise) and, except for such Liabilities: (i) as reflected or reserved against in the RISE Financial Statements, (ii) incurred as *bona fide* expenses in connection with the Transaction, and (iii) as may be approved by Britannia in writing before being incurred.

(26) **Absence of Changes**. Since the date of the RISE Interim Financial Statements, there has not been:

(i) any change in the condition or the operation of the business of the RISE Parties, RISE Assets or financial affairs of the RISE Parties; or

(ii) any damage, destruction or loss, labour unrest or other event, development or condition, of any character (whether or not covered by insurance) which is not generally known or which has not been disclosed to Britannia,

which, individually or in the aggregate, may have a Material Adverse Effect on the business, properties or assets of the RISE Parties.

(27) **No Liabilities Resulting in Encumbrances**. There is no indebtedness or Liability of RISE or any of the RISE Subsidiaries to any Person which might, by operation of law or otherwise, now or hereafter constitute or be capable of resulting in or forming an Encumbrance, except a Permitted Encumbrance, upon any of the RISE Assets.

(28) **Auditors.** There has never been a reportable disagreement (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the present auditors of RISE.

(29) **Legal Proceedings**. Except as disclosed to Britannia by RISE in writing, there are no Legal Proceedings pending or, to the knowledge of RISE, contemplated or threatened, to which RISE, any of the RISE Subsidiaries or any of the directors or officers of RISE is a party or to which the RISE Assets are or may become subject. None of the RISE Parties are subject to any judgment, Order or decree entered in any lawsuit or proceeding, nor has any of the RISE Parties settled any Claim prior to being prosecuted in respect of it. None of the RISE Parties is a plaintiff or complainant in any Legal Proceedings.

(30) **Liabilities**. There are no liabilities of RISE or any of the RISE Subsidiaries whether direct, indirect, absolute, contingent or otherwise, which are not disclosed or reflected in the RISE Financial Statements, other than such liabilities incurred as *bona fide* expenses in connection with the Transaction.

(31) **Finder's Fees**. No Person acting or purporting to act at the request of RISE is entitled to any brokerage or finder's fee in connection with the transactions contemplated herein.

(32) **Indebtedness**. Except as disclosed in the RISE Financial Statements, neither RISE nor any of the RISE Subsidiaries are a party to any Debt Instrument nor any agreement, contract or commitment to create, assume or issue any Debt Instrument.

(33) **Non-Arm's Length Debt**. RISE does not have any loan or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is defined in the ITA).

General Matters Relating to the Business

(34) **Business; Assets**. Other than as disclosed in the RISE Financial Statements, the RISE Parties do not hold, possess or have any undertaking, property or assets of any material value. Any buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property of the RISE Parties are structurally sound, are in good operating condition and repair, and are adequate for the uses to which they are being put, and none of such buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The buildings, plants, structures, furniture, fixtures, machinery, equipment, vehicles and other items of tangible personal property currently owned or leased by the RISE Parties, together with all other properties and assets of the RISE Parties, are sufficient for the continued conduct of their business after the Closing in substantially the same manner as conducted prior to the Closing and constitute all of the rights, property and assets necessary to conduct the business of the RISE Parties as currently conducted.

(35) **Ownership and Title to the Assets**. RISE is the owner of and has good and marketable title to all of the RISE Assets (whether real, personal, or mixed or whether tangible or intangible) and has legal and beneficial ownership of the RISE Assets free and clear of all Encumbrances (other than Permitted Encumbrances), except as would not reasonably be expected to have a Material Adverse Effect on RISE.

(36) **Leases**. Other than as disclosed in the RISE Financial Statements, none of the RISE Parties are a party to, or under any agreement to become a party to, any Lease as of the date of this Agreement.

(37) **No Material Adverse Change**. Since the RISE Interim Financial Statements, there has not been any Material Adverse Change in the affairs, operations or condition of RISE, any of the RISE Subsidiaries or the RISE Assets, and no event has occurred or circumstance exists which may result in such a Material Adverse Change.

(38) **Compliance with Applicable Laws**. To the knowledge of RISE, RISE has, at all times, conducted its operations in compliance with all Applicable Laws, including all CSE Policies, and is not in violation, in any material respect, of any Applicable Laws.

(39) **Authorizations**. Each of the RISE Parties owns, holds, possesses or lawfully uses in its operation of its business and is compliance with, all Material Authorizations required by Applicable Laws, which are, in any manner, necessary to conduct the Business as presently or previously conducted or for the ownership and use of the RISE Assets in compliance with all Applicable Laws. Each Material Authorization is valid, subsisting and in good standing. None of the RISE Parties are in default or breach of any Material Authorization and, no proceeding is pending or to the knowledge of RISE, threatened to revoke or limit any Material

Authorization. All Material Authorizations are renewable by their terms or in the Ordinary Course without the need for any of the RISE Parties to comply with any special rules or procedures, agree to any materially different terms or conditions or pay any amounts other than routine filing fees.

(40) **Material Contracts**. There are no Material Contracts or agreements to which RISE or any of its Subsidiaries is a party, or by which it is bound, other than as disclosed in the information filed by RISE on the SEDAR website at *www.sedar.com* under RISE's profile.

(41) **No Breach of Contracts**. To the knowledge of RISE, each of the RISE Parties has performed all of the obligations required to be performed by it and is entitled to all benefits under all Contracts to which it is a party, and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default under any Contract.

Intellectual Property and Data Privacy and Security

(42) **Intellectual Property**. The RISE Parties own all right, title and interest in and to, or have validly licensed (and are not in breach of such licenses) all material Intellectual Property Rights. All such Intellectual Property Rights that are owned by or licensed to the RISE Parties are sufficient, in all material respects, for conducting the business of the RISE Parties. All Intellectual Property Rights owned or leased by the RISE Parties are valid and enforceable, and to the knowledge of RISE, the carrying on of the business of the RISE Parties and the use by the RISE Parties of any of the Intellectual Property Rights or Technology owned by or licensed to them does not breach, violate, infringe or interfere with any rights of any other Person. To the knowledge of RISE, no third party is infringing upon the Intellectual Property Rights owned or licensed by the RISE Parties. The Technology used in connection with the conduct of the business of the RISE Parties are sufficient, in all material respects, for conducting the business, as presently conducted, of the RISE Parties and the RISE Parties own or have validly licensed or leased (and are not in breach of such licenses or leases) such Technology.

(43) **Environmental Matters**.

(i) The RISE Parties and their business have been and are, operated in compliance with all applicable material Environmental Laws;

(ii) there is no Environmental Law Claim pending or, to the knowledge of RISE threatened against any of the RISE Parties;

(iii) none of the RISE Parties have released any hazardous substance at, on or near the Demised Premises as a result of the conduct of the Business or otherwise in any manner that would give rise to a material Liability if such release is not permitted by Environmental Law;

(iv) the current and past operations of the RISE Parties have been and are in material compliance with all Environmental Laws, and to the knowledge of RISE there are no facts that could give rise to a notice of non-compliance by any of the RISE Parties with any Environmental Law, except for, in respect of all of the above, such non-compliance as would not individually or in the aggregate be reasonably like to result in or give rise to any material Liability to RISE or materially impair the operations of its business; and

(v) none of the RISE Parties have been convicted of an offence or been subject to any Legal Proceeding, Order, or other sanction requiring investigation or remediation of any real property or been fined or otherwise sentenced for non-compliance with any Environmental Laws, and have not settled any prosecution or other proceeding in relation to any alleged non-compliance with any Environmental Laws short of conviction in connection therewith.

Employment Matters

(44) **Employees**. All amounts due or accrued for all salary, wages, bonuses, commissions, vacation pay, and other Employee benefits in respect of any Employee, director, independent contractor, consultant and agent of the RISE Parties that are attributable to the period before the Closing Date will be paid at or prior to the Closing Time in the Ordinary Course and consistent with past practice and are or shall be accurately reflected in the Books and Records of the RISE Parties.

(45) **Compliance with Employment Laws**. The business of the RISE Parties has been and is being operated in compliance, in all material respects, with Applicable Laws relating to employment, including employment standards, occupational health and safety, human rights, labour relations, workers compensation, pay equity and employment equity and none of the RISE Parties has received notice of any outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workers' compensation legislation and RISE or any of the RISE Subsidiaries have not been reassessed in any material respect under such legislation.

(46) **Employee Plans**. The RISE Parties currently do not have any benefit plans for Employees, other than the RISE Stock Option Plan.

Taxes and Other Matters

(47) **Taxes**.

(i) As of the Closing Date, each of the RISE Parties shall have duly and timely filed all Tax Returns required to be filed with the appropriate Government Authority and all such Tax Returns are correct and complete in all material respects and reflect accurately all Liability for Taxes of RISE and the RISE Subsidiaries for the periods covered thereby.

(ii) As of the Closing Date, each of the RISE Parties shall have paid all Taxes which are due and payable (including all instalments on account of Taxes) within the time required by Applicable Law, and have paid all assessments and reassessments they have received in respect of Taxes. RISE has made full and adequate provision in the Books and Records of RISE and the financial statements of RISE for all Taxes of RISE and the RISE Subsidiaries for the periods covered by such financial statements that have not been paid whether or not shown as being due on any Tax Returns. Since the publication date for such financial statements, no material Liability in respect of Taxes not reflected in such financial statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued. RISE and the RISE Subsidiaries have not received any refund of Taxes to which it was not entitled.

(iii) RISE and the RISE Subsidiaries have withheld and collected all amounts required by Applicable Law to be withheld or collected by them on account of Taxes and have remitted all such amounts to the appropriate Government Authority within the time prescribed under any Applicable Law.

(iv) There are no claims, actions, suits, audits, proceedings, investigations or other actions pending, or to the knowledge of RISE threatened, against RISE or any of the RISE Subsidiaries in respect of Taxes and, to the knowledge of RISE, there is no reason to expect that any such Claim, action, suit, audit, proceeding, investigation or other action may be asserted against RISE or any of the RISE Subsidiaries by a Government Authority. None of the RISE Parties are negotiating any final or draft assessment or reassessment in respect of Taxes with any Government Authority and none of the RISE Parties have received any indication from any Government Authority that an assessment or reassessment is proposed or may be proposed in respect of any Taxes. There are no facts of which RISE is aware which would constitute grounds for the assessment or reassessment of Taxes payable by RISE or any of the RISE Subsidiaries.

(v) There are no outstanding agreements, arrangements, waivers or objections extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of Taxes or the filing of any Tax Return by, or any payment of Taxes by, RISE or any of the RISE Subsidiaries.

(vi) To the knowledge of RISE, there are no liens for Taxes upon any property or asset of RISE or any of the RISE Subsidiaries (whether owned or leased), except liens for current Taxes not yet due.

(vii) None of the RISE Parties are subject to any Liability for Taxes of any other Person. None of the RISE Parties are subject to any joint venture, partnership or other arrangement or contract that is treated as a partnership for income tax purposes in any jurisdiction. None of the RISE Parties are a party to any agreement, understanding, or arrangement relating to allocating or sharing any amount of Taxes.

(viii) RISE is a "taxable Canadian corporation" for the purposes of the ITA.

(ix) No Claim has ever been made by a Government Authority in respect of Taxes in a jurisdiction where RISE or any of the RISE Subsidiaries do not file Tax Returns that RISE or any of the RISE Subsidiaries are or may be subject to Tax by that jurisdiction.

(48) **No Withholding Taxes**. To the extent there are withholding or other Taxes pursuant to any Applicable Laws that prevent, restrict or affect the delivery of the Resulting Issuer Shares in accordance with this Agreement, all proper amounts will be withheld by RISE in respect of same.

(49) **Change of Control Payments**. None of the RISE Parties is a party to any written management contract or employment agreement, including without limitation, any contract which provides for the payment of severance in lieu of notice upon termination thereof or for a right of payment in the event of a change in control of the RISE Parties.

Other Matters

(50) **Circular**. If a Britannia Circular is required, all information constituting the RISE Circular Information, shall, as of the date of the Britannia Circular, be true, complete and accurate in all material respects and shall not contain any Misrepresentation and shall contain all information in respect of RISE or the RISE Subsidiaries required by Applicable Securities Laws to be included in the Britannia Circular.

(51) **Indebtedness to RISE securityholders**. Except as disclosed in the RISE Financial Statements, and except for the payment of salaries and other compensation payable in the Ordinary Course and reimbursement for out-of-pocket expenses in the Ordinary Course, none of the RISE Parties are indebted to any securityholder of RISE (or any Affiliates or associates thereof), or any of their directors, officers or Employees (or any Affiliate or associate thereof).

(52) **Accurate Disclosure**. No representation, warranty or statement of RISE in this Agreement or the RISE Circular (solely as it applies to information pertaining to RISE) contains or will contain at the Closing Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading.

ARTICLE 4
PRE-CLOSING COVENANTS

Section 4.1 Conduct of Business Prior to Closing – Britannia

(1) **Negative Covenants.** Other than as contemplated or permitted by this Agreement, and without derogating from the covenant of Britannia in Section 6.1(1)(ii), Britannia will not, and will cause the Britannia Subsidiary to not, without the consent of RISE such consent not to be unreasonable withheld:

(i) amend its Governing Documents, other than in connection with the Amalgamation;

(ii) sell, transfer or otherwise dispose of any of its property or assets;

(iii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or make any investment either by purchase of shares or securities, contributions of capital or property transfer;

(iv) acquire any material assets;

(v) incur any indebtedness for borrowed money, other than pursuant to existing facilities, or any other material Liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other individual or entity, or make any loans or advances, other than the Personnel Obligations and fees payable to legal and accounting advisors in the Ordinary Course and reasonable fees payable to legal, accounting, engineering and financial advisors in connection with the Transaction and matters contemplated by this Agreement;

(vi) authorize, recommend or propose any release or relinquishment of any material contractual right;

(vii) enter into any agreements with its directors or officers or their respective associates;

(viii) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;

(ix) make any capital expenditure or commitment in excess of $50,000;

(x) discharge any secured or unsecured obligation or Liability;

(xi) remove the auditor or any director or terminate any officer;

(xii) cancel or waive any material claims or rights;

(xiii) enter into any compromise or settlement of any Legal Proceeding or governmental investigation relating to the assets or properties or assets of Britannia;

(xiv) cancel or reduce any of its insurance coverage;

(xv) declare or pay any dividend;

(xvi) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire shares other than in accordance with the terms of currently outstanding securities;

(xvii) other than as agreed to in writing by RISE, make any payment of any nature to or for the benefit of a Related Person (as defined in CSE Policies);

(xviii) other than as set out in the Britannia Disclosure Letter or as agreed to in writing by RISE, pay any person, firm or corporation acting or purporting to act at the request of Britannia, any brokerage or finder's fee in connection with the transactions contemplated herein; or

(xix) agree, whether or not in writing, to do any of the foregoing.

(2) **Affirmative Covenants**. Without derogating from the obligation of Britannia in Section 6.1(1)(ii), Britannia will, and will cause the Britannia Subsidiary to:

(i) maintain all Books and Records in the usual, regular and ordinary manner;

(ii) use reasonable commercial efforts to preserve intact the current business organization of Britannia and the Britannia Subsidiary;

(iii) take all such actions as is within its power to control and to use its reasonable commercial efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 6.1 and Section 6.3 including, using reasonable commercial efforts ensuring that during the period from the date of this Agreement to Closing and at Closing, there is no breach of any of their representations and warranties in Section 3.1; and

(iv) using reasonable commercial efforts, conduct the Business in such a manner that on the Closing Date, the representations and warranties contained in this Agreement shall be true, correct and complete as if such representations and warranties were made on and as of such date.

Section 4.2 Conduct of Business Prior to Closing - RISE

(1) **Transaction**. During the period from the date of execution of this Agreement to the Closing Date, RISE will seek to complete the Transaction and shall otherwise conduct its operations in the Ordinary Course.

(2) **Negative Covenants**. Other than as may contemplated or permitted by this Agreement and without limiting the generality of Section 4.2(1) and without derogating from the obligation of RISE in Section 6.2(1)(ii), RISE will not, and will cause the RISE Subsidiaries to not, without the consent of Britannia, such consent not to be unreasonable withheld:

(i) amend its Governing Documents;

(ii) sell, transfer or otherwise dispose of any of its property or assets;

(iii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or make any investment either by purchase of shares or securities, contributions of capital or property transfer;

(iv) acquire any material assets;

(v) incur any indebtedness for borrowed money, other than pursuant to existing facilities, or any other material Liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other individual or entity, or make any loans or advances, other than the Personnel Obligations and fees payable to legal and accounting advisors in the Ordinary Course and reasonable fees payable to legal, accounting, engineering and financial advisors in connection with the Transaction and matters contemplated by this Agreement;

(vi) authorize, recommend or propose any release or relinquishment of any material contractual right;

(vii) enter into any agreements with its directors or officers or their respective associates;

(viii) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;

(ix) make or commit to make payments in excess of $50,000, other than (i) an Allowable Payment, or (ii) with the prior written approval of Britannia;

(x) remove the auditor;

(xi) cancel or waive any material claims or rights;

(xii) enter into any compromise or settlement of any Legal Proceeding or governmental investigation relating to the assets or properties or assets of RISE;

(xiii) cancel or reduce any of its insurance coverage;

(xiv) declare or pay any dividend;

(xv) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire shares other than to settle amounts outstanding under the RISE Convertible Debentures or other existing debt owing by RISE or the RISE Subsidiary, or in accordance with the terms of the RISE Warrants or RISE Options;

(xvi) other than as agreed to in writing by Britannia, pay any person, firm or corporation acting or purporting to act at the request of RISE, any brokerage or finder's fee in connection with the transactions contemplated herein;

(xvii) otherwise than as agreed to in writing by Britannia, make any payment of any nature to or for the benefit of a Related Person (as defined in CSE Policies);

(xviii) subject to the trade halt previously or hereafter instituted by the CSE with respect to the Transaction, take any action which would be reasonably expected to result in the delisting or suspension of the RISE Shares from the Exchange and shall comply, in all material respects, with the CSE Policies, and the rules and regulations thereof; or

(xix) agree, whether or not in writing, to do any of the foregoing.

(3) **Affirmative Covenants**. Without limiting the generality of Section 4.2(1) and without derogating from the obligation of RISE in Section 6.2(1)(ii), RISE and each of the RISE Subsidiaries will:

(i) comply with all Authorizations and contractual obligations other than acts of non-compliance or violations which would not have a Material Adverse Effect in respect of the RISE Parties;

(ii) maintain all Books and Records in the usual, regular and ordinary manner;

(iii) use reasonable commercial efforts to preserve intact the current business organization of the RISE Parties;

(iv) using reasonable commercial efforts, conduct its operations in such a manner that on the Closing Date, the representations and warranties contained in this Agreement shall be true, correct and complete as if such representations and warranties were made on and as of such date; and

(v) take all such actions as are within their respective power to control and to use their reasonable commercial efforts to cause other actions to be taken which are not within their power to control, so as to ensure compliance with all of the conditions set forth in Section 6.2 and Section 6.3 including ensuring that during the period from the date of this Agreement to Closing and at Closing, there is no breach of any of its representations and warranties set forth in Section 3.2. For the avoidance of doubt, RISE shall support the Transaction and take all such steps to ensure that the RISE Shareholder Approval shall be obtained.

Section 4.3 Mutual Covenants Prior to Closing

(1) Each of the Parties covenants that prior to Closing it shall not, directly or indirectly, do or permit to occur any of the following, except as otherwise contemplated herein:

(i) redeem, purchase or otherwise acquire any of its outstanding shares or other securities including, without limitation, under an issuer bid;

(ii) split, combine or reclassify any of its shares;

(iii) reduce its stated capital; or

(iv) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing.

Section 4.4 Access to Information

(1) **Provision for Access**. From April 30, 2021 until the earlier of the Closing and the termination of this Agreement, subject to Applicable Law, each Party shall give the other Parties and its respective representatives (i) upon reasonable written notice, reasonable access during normal business hours to its and its Subsidiaries' (a) premises, (b) property and assets (including all books and records, whether retained internally or otherwise), (c) Contracts, leases and Authorizations, and (d) senior personnel, so long as the access does not unduly interfere with the Ordinary Course conduct of the business of the Party; and (ii) such financial and operating data or other information with respect to the assets or business of the Party as the other Party from time to time reasonably requests in order to permit Britannia to be in a position to efficiently complete the Transaction.

(2) **Confidentiality**. Until the Closing and in the event of termination of this Agreement without Closing, each Party (the "**Receiving Party**") shall keep confidential any Confidential Information obtained from the other Party (the "**Disclosing Party**") or its respective agents and representatives, unless such Confidential Information: (i) is or becomes generally available to the public other than as a result of a disclosure in violation of this Agreement, (ii) becomes available to the Receiving Party on a non-confidential basis from a source other than the Disclosing Party or its respective agents and representatives, unless the Receiving Party knows that such source is prohibited from disclosing the information to the Receiving Party by a contractual, fiduciary or other legal obligation to the Disclosing Party, or (iii) was known to the Receiving Party on a non-confidential basis before its disclosure to the Receiving Party by the Disclosing Party or its respective agents and representatives. In the event the Receiving Party is required by Applicable Law or by any by-law, rule or policy of any stock exchange to disclose any confidential information, the Receiving Party will, to the extent not prohibited by Applicable Law or by any by-law, rule or policy of any stock exchange, provide the Disclosing Party with prompt notice of such requirements so that the Disclosing Party may seek a protective order or other appropriate remedy or waive compliance with the provisions of this

Section 4.4(2). Subject to the next sentence, if this Agreement is terminated, promptly after such termination the Receiving Party will return or cause to be returned or destroyed all documents, work papers and other material (whether in written, printed, electronic or computer printout form and including all copies) obtained from the Disclosing Party or its respective agents and representatives in connection with this Agreement and not previously made public. The Receiving Party may retain one copy of all such documents, work papers and other materials in a sealed envelope left with its solicitors, which sealed envelope is not to be opened except in circumstances where this Agreement or the transaction contemplated herein are the subject of litigation or otherwise with the consent of the Disclosing Party.

Section 4.5 Shareholder Approvals and Related Matters

(1) **Britannia Shareholder Approval**. Prior to Closing, Britannia shall have obtained the Britannia Shareholder Approval.

(2) **RISE Shareholder Meeting**. Prior to Closing and only if required by the CSE, RISE shall have called and held the RISE Shareholder Meeting and shall put forward to the RISE Shareholders resolutions approving, among other things, the Transaction, the conditional election of the Director Nominees, the Consolidation (if applicable), the Equity Incentive Plans Amendment, the Name Change (if applicable), the New By-Laws and related matters along with any general matters of business in accordance with the CBCA and the CSE Policies (the “**RISE Shareholder Approval**”).

Section 4.6 Filings and Authorizations

(1) **Approval for Securities Exchange**. Britannia and RISE shall, as promptly as practicable after the execution of this Agreement, will: (i) make, or cause to be made, all such filings and submissions under all Applicable Laws, as may be required for to consummate the Securities Exchange in accordance with the terms of this Agreement, (ii) use all reasonable commercial efforts to obtain, or cause to be obtained, all Authorizations necessary or advisable to be obtained by it in order to consummate such exchange, and (iii) use all reasonable efforts to take, or cause to be taken, all other actions necessary, proper or advisable in order for it to fulfil its obligations under this Agreement. Britannia and RISE will coordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by each in connection with the foregoing including, without limitation, providing each other with all notices and information supplied or filed with any Government Authority or the Exchange (except for notices and information which Britannia or RISE, in each case acting reasonably, considers highly confidential and sensitive which may be filed on a confidential basis), and all notices and correspondence received from any Government Authority or the Exchange.

Section 4.7 Required Consents

(1) **Britannia Consents**. Britannia will use all reasonable commercial efforts to obtain, prior to Closing:

(i) consent for the change of control as required by any Lease or other Material Contract to which Britannia or an Affiliate is a party; and

(ii) the Britannia Shareholder Approval.

(2) **RISE Consents**. RISE will use all reasonable commercial efforts to obtain, prior to Closing, the written acceptance or approval from the Exchange and approval of the RISE Shareholders of the Transaction, in each case, if required by the CSE.

Section 4.8 RISE Circular, News Releases and Required Exchange Disclosure

(1) RISE shall with the assistance of Britannia prepare and file with the Securities Authorities on a timely basis, the RISE Circular together with any other documents as required by Applicable Laws in Canada.

(2) RISE shall file with the CSE, on a timely basis, all necessary documents required or requested by the CSE (in a form and content satisfactory to the CSE).

(3) Britannia covenants and agrees that, from the date of this Agreement until the Closing Date or termination of this Agreement, except with the prior written consent of RISE (such consent not to be unreasonably withheld or delayed), and except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, it will:

(i) provide RISE with all Britannia Information required for the RISE Circular in a timely manner and ensure that such information provided by it expressly for inclusion in the RISE Circular does not, at the time of filing of the RISE Circular, contain any Misrepresentation;

(ii) indemnify and save harmless RISE and its directors, officers, employees, advisors and agents from and against any and all liabilities, claims, demands, Losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which RISE or its directors, officers, employees advisors and agents may be subject or which RISE or its directors, officers, employees, advisors or agents may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:

(a) any Misrepresentation contained solely in any Britannia Information included in the RISE Circular that was provided to RISE expressly for inclusion in the RISE Circular or any other document provided by Britannia to RISE for purposes of filing with the Securities Authorities or the CSE, other than in respect of information provided by or related to the RISE Parties; and

(b) any Order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any Misrepresentation in the RISE Circular solely with respect to Britannia Information, or in any material filed by or on behalf of Britannia in compliance or intended compliance with Applicable Securities Laws or filed with the CSE;

except that Britannia will not be liable in any such case to the extent that any such liabilities, claims, demands, Losses, costs, damages and expenses arise out of any information contained in the RISE Circular, other than Britannia Information that was provided to RISE by Britannia expressly for inclusion in the RISE Circular, or the negligence of RISE or the non-compliance by RISE with any requirement of Applicable Laws in connection with the transactions contemplated by this Agreement;

(4) RISE covenants and agrees that, from the date of this Agreement until the Closing Date or termination of this Agreement, except with the prior written consent of Britannia (such consent not to be unreasonably withheld or delayed), and except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, it will:

(i) if a Britannia Circular is required, provide Britannia with all RISE Circular Information required for the Britannia Circular in a timely manner and ensure that such information provided by it expressly for inclusion in the Britannia Circular does not, at the time of the mailing of the Britannia Circular, contain any Misrepresentation;

(ii) subject to compliance by Britannia with its obligations set forth in Section 4.8(3), as soon as practicable after the execution and delivery of this Agreement, prepare the RISE Circular together with any other documents required by Applicable Laws in connection with the RISE Shareholder Meeting required to be filed or prepared by RISE and, subject to Section 4.8(3), as soon as practicable after the execution and delivery of this Agreement, RISE shall, unless otherwise agreed by Britannia, cause the RISE Circular and other documentation required in connection with Transaction to be sent to the Exchange and be filed as required by Applicable Laws and shall make an application to the CSE for approval of the Transaction;

(iii) convert all RISE Convertible Debentures on the terms and conditions set forth in Section 1.1(103) and Section 6.2(1)(vi)(b), at or prior to the Closing Time;

(iv) provide Britannia and its legal counsel with the information required to prepare the RISE Circular and other documents to be filed with, or to be sent to the Exchange in connection with the Transaction, and will give reasonable consideration to any comments made by Britannia and its legal counsel, provided that all information included in the RISE Circular and any other documents to be sent to the Exchange in connection with the Transaction relating to Britannia will be in form and content satisfactory to Britannia, acting reasonably;

(v) ensure that the RISE Circular (other than any Britannia Information that was provided to RISE by Britannia expressly for inclusion in the RISE Circular) complies with Applicable Laws and, without limiting the generality of the foregoing, that the RISE Circular will not contain a Misrepresentation;

(vi) indemnify and save harmless Britannia and its directors, officers, employees, advisors and agents from and against any and all liabilities, claims, demands, Losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which Britannia or its directors, officers, employees, advisors and agents may be subject or which Britannia or its directors, officers, employees, advisors and agents may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:

(a) any Misrepresentation in the RISE Circular other than in respect of Britannia Information contained therein or in any material filed by RISE, other than in respect of information provided by or related to Britannia or the Britannia Subsidiary, in connection with the transactions contemplated by this Agreement in compliance or intended compliance with any Applicable Laws;

(b) if a Britannia Circular is required, any Misrepresentation contained solely in any RISE Circular Information included in the Britannia Circular, that was provided to Britannia expressly for inclusion in the Britannia Circular; and

(c) any Order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any Misrepresentation in the RISE Circular other than in respect of Britannia Information or in any material filed by or on behalf of RISE in compliance or intended compliance with Applicable Securities Laws;

except that RISE will not be liable in any such case to the extent that any such Liabilities, claims, demands, Losses, costs, damages and expenses arise out of any Britannia Information included in the RISE Circular that was provided to RISE expressly for inclusion in the RISE Circular, or the negligence of either of Britannia or the non-compliance by Britannia with any requirement of Applicable Laws in connection with the transactions contemplated by this Agreement; and

(vii) promptly inform Britannia of any requests or comments made by Securities Authorities in connection with the RISE Circular; and each of the Parties will cooperate with the other and will diligently do all such acts and things as may be necessary in the manner contemplated in the context of the preparation of the RISE Circular and use its reasonable commercial efforts to resolve all requests or comments made by Securities Authorities with respect to the RISE Circular and any other required filings under Applicable Laws as promptly as practicable after receipt thereof.

Section 4.9 Exclusive Dealing

Except as provided by this Agreement, each Party agrees that, as and from April 30, 2021 through the earlier of: (i) the Closing Date; and (ii) the termination of this Agreement, subject to the written consent of the other Parties, each Party shall not nor permit any of its or its Subsidiaries' officers, directors, Employees, consultants, advisors, representatives, agents or other parties acting on its behalf, to solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Transaction, and without limiting the generality of the foregoing, not to sell any of its material assets or its business or induce or attempt to induce any other person to initiate any shareholder proposal or "takeover bid," exempt or otherwise, within the meaning of the *Securities Act* (Ontario), for securities of the Party or the Parties' assets, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Transaction from any Person (other than the Parties), nor with respect to the RISE Parties only result in the issuance or sale of any securities of a Party, and including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. In the event a Party, including any of its Subsidiaries officers or directors, receives any formal written form of offer or inquiry, such Party shall forthwith (in any event within one business day following receipt) notify the other Parties of such offer or inquiry and provide the other Parties with such details as it may request.

ARTICLE 5
OTHER COVENANTS

Section 5.1 Representations and Warranties

(1) Britannia covenants and agrees that from April 30, 2021 until the termination of this Agreement, it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 3.1 being untrue or misleading in any material respect.

(2) Each of RISE and RISE Subco covenants and agrees that, from April 30, 2021 until the termination of this Agreement, it shall not take any action, or fail to take any action, or shall cause a Subsidiary not to take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 3.2 being untrue or misleading in any material respect.

Section 5.2 Public Disclosure

All public announcements regarding this Agreement or the Amalgamation shall be subject to review and reasonable consultation of all Parties hereto as to form, content and timing, before public disclosure, always provided that a party shall be entitled to make such public announcement if required by applicable law or regulatory requirements to immediately do so and it has taken reasonable efforts to comply herewith.

Section 5.3 Notice of Material Change

(1) From April 30, 2021 until the termination of this Agreement, each Party shall promptly notify the other Parties in writing of:

(i) any material change (actual, anticipated, contemplated or, to the knowledge of such Party threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of such Party taken as whole;

(ii) any Material Adverse Change;

(iii) any change in the facts relating to any representation or warranty set out in Section 3.1 or Section 3.2 hereof, as applicable, which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect; or

(iv) any material fact which arises and which would have been required to be stated herein had the fact arisen on or prior to the date of this Agreement.

(2) Each of RISE and Britannia shall in good faith discuss with the other any change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other pursuant to this section.

Section 5.4 Other Filings

The Parties shall, as promptly as practicable hereafter, prepare and file all filings required under Applicable Securities Laws, the rules of the Exchange or any other Applicable Laws relating to the Transaction contemplated hereby.

Section 5.5 Additional Agreements

(1) Subject to the terms and conditions of this Agreement and subject to fiduciary obligations under Applicable Laws, each of the Parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the Transaction contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including, as applicable, using commercially reasonable efforts:

(i) to obtain all necessary waivers, consents and approvals from other parties to material agreements and other Contracts or agreements;

(ii) to defend all lawsuits or other Legal Proceedings challenging this Agreement or the consummation of the Transaction contemplated hereby;

(iii) to cause to be lifted or rescinded any injunction or restraining Order or other Order adversely affecting the ability of the Parties to consummate the Transaction contemplated hereby;

(iv) to affect all necessary registrations and other filings and submissions of information requested by Government Authorities; and

(v) to fulfill all conditions and satisfy all provisions of this Agreement.

(2) For purposes of the foregoing, the obligation to use **"commercially reasonable efforts"** to obtain waivers, consents and approvals to loan agreements, leases and other contracts shall not include any obligation to agree to a materially adverse modification of the terms of such documents or to prepay or incur additional material obligations to such other parties.

ARTICLE 6
CLOSING CONDITIONS

Section 6.1 Conditions Precedent to the obligations of the RISE Parties

(1) The completion of the Transaction and the Securities Exchange is subject to the following conditions to be fulfilled or performed prior to Closing by Britannia or an Affiliate, which conditions are for the exclusive benefit of the RISE Parties and may be respectively waived, in whole or in part, by the RISE Parties in their sole discretion.

(i) **Truth of Representations and Warranties**. All of the representations and warranties of Britannia contained in or made pursuant to this Agreement shall have been true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date, except where any failures or breaches of representations and warranties would not either individually or in the aggregate, have a Material Adverse Effect on Britannia, and a senior officer of Britannia shall have executed and delivered a certificate to that effect to the RISE Parties at Closing. The receipt of such certificate and the Closing shall not constitute a waiver by RISE of any of the representations and warranties of Britannia which are contained in this Agreement. Upon the delivery of such certificate, the representations and warranties of the Britannia made in Section 3.1 shall be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date.

(ii) **Performance of Covenants**. Britannia shall have, in all material respects, fulfilled or complied with all of the obligations, covenants and agreements contained in this Agreement to be fulfilled or complied with by each of them at or prior to the Closing, and a senior officer of Britannia shall have executed and delivered a certificate to that effect to the RISE Parties at Closing. The receipt of such certificate and the Closing shall not constitute a waiver by the RISE Parties of the covenants of Britannia which are contained in this Agreement.

(iii) **No Material Adverse Change**. Between April 30, 2021 and the Closing Time, there will not have occurred any Material Adverse Change with respect Britannia or the Britannia Subsidiary, and a senior officer of Britannia shall have executed and delivered a certificate to that effect to the RISE Parties at Closing.

(iv) **Approvals**. All third party consents, waivers, permits, orders and approvals required in connection with the consummation of the Transaction will have been provided or obtained on terms and conditions acceptable to the Parties, acting reasonably, at or before the Closing Time, except where the failure to provide or obtain such would not have a Material Adverse Effect, would not materially adversely affect the RISE Parties or would not prevent or materially impede the completion of the Transaction contemplated hereby.

(v) **CSE Escrow Agreement**. The Britannia Securityholders shall have entered into the CSE Escrow Agreement and Britannia shall have provided RISE with a copy of the CSE Escrow Agreement executed by the Britannia Securityholders in the form required by the Exchange pursuant to CSE Policies.

(vi) **Director Appointments**. RISE shall have received consents from Peter Shippen, Scott Secord and Greg Taylor, or such other proposed directors of the Resulting Issuer that Britannia in its sole discretion may determine (the "**Director Nominees**"), to act as directors of RISE with effect as of the Closing Time.

(vii) **No Action**. No act, action, suit, Legal Proceeding, objection or opposition shall have been commenced, pending, threatened, taken, entered or promulgated before or by any Government Authority or by any other Person, and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, in any case: (a) to cease trade, enjoin, prohibit or impose material conditions on the Transaction or the transactions contemplated therein or herein; (b) to cease trade, enjoin, prohibit or impose material conditions on the rights of RISE to own or exercise full rights of ownership of Amalco, including the rights to vote the Amalco Shares, upon the completion of the Transaction or conduct the Business conducted by Britannia; (c) to prohibit or restrict the completion of the Transaction in accordance with the terms hereof or otherwise relating to the Transaction; or (d) that would have a Material Adverse Effect, or would materially adversely affect either of the RISE Parties.

(viii) **Deliveries**. Britannia shall have completed such acts and delivered all items contemplated by this Section 6.1 and by Section 7.2.

Section 6.2 Conditions Precedent to the Obligations of Britannia

(1) The completion of the Transaction and the Securities Exchange is subject to the following conditions to be fulfilled or performed prior to the Closing by the RISE Parties, which conditions are for the exclusive benefit of Britannia and may be waived, in whole or in part, by Britannia in its sole discretion:

(i) **Truth of Representations and Warranties**. The representations and warranties of the RISE Parties contained in this Agreement and the CSE Escrow Agreement, as applicable, shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date, except where any failures or breaches of representations and warranties would not either individually or in the aggregate, have a Material Adverse Effect on the RISE Parties, and each of the RISE Parties shall have executed and delivered a certificate of a senior officer to that effect. The receipt of such certificate and the Closing shall not constitute a waiver of the representations and warranties of the RISE Parties which are contained in this Agreement. Upon delivery of such declaration, the representations and warranties of RISE in or made pursuant to this Agreement shall be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date.

(ii) **Performance of Covenants**. The RISE Parties shall, in all material respects, have fulfilled or complied with all obligations, covenants and agreements contained in this Agreement and the CSE Escrow Agreement, as applicable, to be fulfilled or complied with by it at or prior to the Closing and each of the RISE Parties shall have executed and delivered a certificate of a senior officer to that effect. The receipt of such certificate and the Closing shall not constitute a waiver by Britannia of the covenants of the RISE Parties which are contained in this Agreement or the CSE Escrow Agreement.

(iii) **No Material Adverse Change**. Between April 30, 2021 and the Closing Time, there will not have occurred any Material Adverse Change with respect to the RISE Parties, and a senior officer of each of the RISE Parties shall have executed and delivered a certificate to that effect to Britannia at Closing.

(iv) **Share Capital.** The representations and warranties provided by RISE in Section 3.2(5) and Section 3.2(6) shall be true and correct as of the Closing Time and no issuances of securities shall be made, other than in accordance with the terms and conditions herein.

(v) **Payments.** Between April 30, 2021 and the Closing Time, RISE shall have complied with Section 4.2(2)(ix).

(vi) **RISE Convertible Debentures.**

(a) All of the RISE Debentureholders shall have agreed in writing with RISE to amend the terms of the RISE Convertible Debentures held by such RISE Debentureholder such that the RISE Convertible Debentures are convertible at a conversion price of $0.065 per RISE Share on the principal amount of the RISE Convertible Debenture and $0.05 per RISE Share on the accrued and unpaid interest thereof.

(b) All RISE Debentureholders shall have either:

(A) exercised their conversion right prior to the Closing Time; or

(B) delivered completed and executed RISE Conversion Notices which will become effective at the Closing Time,

such that no RISE Convertible Debentures will be outstanding immediately following the Closing Time.

(vii) **Approvals**. All third party consents, waivers, permits, orders and approvals required in connection with the consummation of the Transaction will have been provided or obtained on terms and conditions acceptable to the Parties, acting reasonably, at or before the Closing Date, except where the failure to provide or obtain such would not have a Material Adverse Effect, would not materially adversely affect Britannia or would not prevent or materially impede the completion of the Transactions contemplated hereby.

(viii) **No Action**. No Legal Proceeding or opposition shall have been commenced, pending, threatened, taken, entered or promulgated before or by any Government Authority or by any other Person, and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, in any case: (a) to cease trade, enjoin, prohibit or impose material conditions on the Transaction or the transactions contemplated therein or herein; (b) to cease trade, enjoin, prohibit or impose material conditions on the rights of RISE to own or exercise full rights of ownership of the Amalco Shares, including the rights to vote the Amalco Shares, upon the completion of the Transaction or conduct the Business conducted by Britannia; (c) to prohibit or restrict the completion of the Transaction in accordance with the terms hereof or otherwise relating to the Transaction; or (d) that would have a Material Adverse Effect, or would materially adversely affect Britannia.

(ix) **Management Appointments.** RISE shall have received written resignations and releases from each director and officer of RISE, in each case with effect from the Closing Time, in a form satisfactory to Britannia, acting reasonably.

(x) **Resulting Issuer Equity Incentive Plans.** RISE shall have conditionally adopted, and the RISE Shareholders shall have approved, new equity incentive plans as requested by, and in form and substance satisfactory to Britannia, acting reasonably (the "**Equity Incentive Plans Amendment**"), which shall become effective at the Closing Time;

(xi) **Board Change**. RISE shall have conditionally elected or appointed the Director Nominees to the board of directors of the Resulting Issuer and the CSE shall not have objected to the election of the such Britannia board nominees;

(xii) **Name Change, New By-Laws and the Consolidation.** If such matters have been proposed for inclusion in the RISE Circular by Britannia, the RISE Shareholders shall have approved the Name Change (if applicable), the New By-Laws and the Consolidation (if applicable).

(xiii) **CSE Escrow Agreement**. RISE shall have entered into the CSE Escrow Agreement and shall have provided Britannia with a copy of the CSE Escrow Agreement executed by RISE in the form required by the Exchange pursuant to CSE Policies.

(xiv) **Deliveries**. The RISE Parties shall have completed such acts and delivered all items contemplated by this and by this Section 6.2 and by Section 7.3.

Section 6.3 Mutual Conditions Precedent

(1) The respective obligations of the Parties hereto to complete each step of the Transaction are subject the following conditions precedent to be fulfilled or performed prior to the Closing, each of which may be waived only by the mutual consent of the Parties:

(i) Britannia shall have obtained the Britannia Shareholder Approval;

(ii) RISE shall have held the RISE Shareholder Meeting whereat the RISE Shareholder Approval is obtained;

(iii) there shall not be in force any Order or decree restraining or enjoining the consummation of the Transaction;

(iv) this Agreement shall not have been terminated pursuant to Article 8;

(v) the Subscription Receipts shall have been converted into RISE Shares and RISE Warrants in accordance with the Subscription Receipt Agreement;

(vi) the distribution of the Resulting Issuer Shares pursuant to the Transaction shall be exempt from the prospectus and registration requirements of Applicable Securities Laws either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of exemptions under Applicable Securities Laws and shall not be subject to resale restrictions under Applicable Securities Laws (other than as applicable to control persons or pursuant to Section 2.6 of National Instrument 45-102 – *Resale of Securities*);

(vii) the Exchange shall have conditionally accepted the Transaction, the listing of the Resulting Issuer Shares issuable pursuant to the Transaction (including Resulting Issuer Shares issuable upon the exercise of the Britannia Warrants or Britannia Options), the Name Change (if applicable) and the Consolidation (if applicable); and

(viii) all Regulatory Approvals shall have been obtained.

Section 6.4 Notice and Effect of Failure to Comply with Covenants or Conditions

(1) Each Party shall give prompt notice to the other of the occurrence, or failure to occur, at any time from April 30, 2021 to the Closing Date, of any event or state of facts that would, or would be likely to, (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect, or (ii) result in the failure to comply with or satisfy any covenant or condition to be complied with or satisfied by any Party hereunder; provided, however, that no such notification shall affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.

(2) If any of the conditions precedent set out in any of Section 6.1, Section 6.2 or Section 6.3 is not satisfied or waived by the Party for whose benefit such condition is provided on or before the date required for the satisfaction thereof, then the Party for whose benefit the condition precedent is provided may, in addition

to any other remedies it may have at law or equity, terminate this Agreement as provided for in Section 8.1(1)(ii), provided that the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters that the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition or conditions precedent and shall provide in such notice that the other Party shall be entitled to cure any breach of a covenant or representation and warranty or other matters within five Business Days after receipt of such notice (except that no cure period shall be provided for a breach that, by its nature, cannot be cured and, in no event, shall any cure period extend beyond the Outside Date). More than one such notice may be delivered by a Party.

ARTICLE 7
CLOSING ARRANGEMENTS AND PUBLICITY

Section 7.1 Closing of the Amalgamation and Closing Date

Subject to the satisfaction or waiver by the applicable Party of the conditions in favour of each Party set out in Article 6, the Parties shall hold the Closing on the Closing Date, at such time as agreed to by Britannia and RISE (on behalf of itself and RISE Subco) and to be conducted electronically via the exchange of applicable documents or at such other place as agreed to by Britannia and RISE (on behalf of itself and RISE Subco) and shall immediately thereafter deliver to the Director the Articles of Amalco and such other documents as may be required to give effect to the Amalgamation. The Amalgamation shall become effective at the Closing Time on the Closing Date.

Section 7.2 Closing Deliveries of Britannia

(1) Britannia shall deliver or cause to be delivered to RISE the following, in form and substance satisfactory to RISE acting reasonably:

(i) the certificates referred to in Section 6.1(1)(i), Section 6.1(1)(ii) and Section 6.1(1)(iii);

(ii) certified true copies of (i) the Governing Documents of Britannia, and (ii) all resolutions of the board of directors of Britannia approving the Transaction, the Agreement and all other matters related to the Transaction;

(iii) a certificate of incumbency of the directors and officers of Britannia delivered from a senior officer of Britannia;

(iv) a certificate of status, compliance, good standing or like certificate with respect to Britannia issued by the Director and the appropriate government officials of each jurisdiction in which Britannia carries on its business dated within three days of the Closing Date;

(v) a certificate of status, compliance, good standing or like certificate with respect to the Britannia Subsidiary, issued by the appropriate government officials in its jurisdiction of incorporation and in each jurisdiction in which such Britannia Subsidiary carries on its business dated within three days of the Closing Date;

(vi) a certificate of a senior officer of Britannia confirming that dissent rights under the OBCA have not been exercised with respect to more than 5% of the issued and outstanding Britannia Shares in connection with the Amalgamation;

(vii) certified copy of the Britannia Shareholders' resolutions or copy of the minutes of the meeting of the Britannia Shareholders, as applicable, evidencing the Britannia Shareholder Approval and related matters;

(viii) original share and securities registers, share transfer ledgers, minute books and corporate seals (if any) of Britannia, the Britannia Subsidiary, and their respective Books and Records;

(ix) certificates from each Britannia Shareholder that is a U.S. Person acknowledging and representing that such person qualifies for an exemption from the RISE Circular and registration requirement under the US Securities Act pursuant to an exemption in Regulation D;

(x) evidence of the required consents pursuant to Section 4.7(1);

(xi) the CSE Escrow Agreement required by the Exchange duly executed by the parties to such agreement (other than RISE);

(xii) the Articles of Amalco duly executed by Britannia; and

(xiii) such other documentation as RISE reasonably requests on a timely basis in order to establish the completion of the Transaction and the taking of all corporate proceedings in connection with the Transaction (as to certification and otherwise), in each case in form and substance satisfactory to RISE, acting reasonably.

Section 7.3 Closing Deliveries of RISE and RISE Subco

(1) RISE and RISE Subco shall deliver or cause to be delivered to Britannia the following, in form and substance satisfactory to Britannia, acting reasonably:

(i) the certificates referred to in Section 6.2(1)(i), Section 6.2(1)(ii) and Section 6.2(1)(iii);

(ii) RISE shall have issued and delivered the securities contemplated by the Securities Exchange;

(iii) a certificate of status, compliance, good standing or like certificate with respect to RISE issued by the Director and the appropriate government officials of each jurisdiction in which RISE carries on its business dated within three days of the Closing Date;

(iv) a certificate of status, compliance, good standing or like certificate for RISE Subco issued by the Director under the OBCA and the appropriate government officials in each jurisdiction in which such RISE Subco carries on its business dated within three days of the Closing Date;

(v) a certified copy of the Governing Documents of each of the RISE Parties;

(vi) a certificate of incumbency for each of the RISE Parties delivered from a senior officer of each of the RISE Parties;

(vii) a certified copy of the central securities register of RISE evidencing that the number of issued and outstanding RISE Shares as of the Closing Time does not exceed 300,469,032 RISE Shares and a share issuance report reflecting that any issuances of RISE Shares have been made in accordance with the terms contemplated herein;

(viii) evidence of the conversion of the RISE Convertible Debentures and copies of duly executed RISE Conversion Notices for all RISE Debentureholders which were and shall be effective at or prior to the Closing Time, in accordance with Section 6.2(1)(vi);

(ix) evidence of the Debt Settlement having been completed in accordance with the terms of the Debt Disclosure;

(x) evidence that RISE is a reporting issuer not in default of Applicable Securities Laws from the Securities Authorities in each of the Reporting Jurisdictions dated within three days of the Closing Date;

(xi) a certified copy of the minutes of the RISE Shareholder Meeting and the scrutineer's report from RISE's Transfer Agent concerning the results thereof;

(xii) the CSE Escrow Agreement executed by RISE and the Escrow Agent;

(xiii) a certified copy of the resolutions of all of the directors of RISE dated on or prior to the Closing Date, authorizing the approval of the Agreement, the Transaction and all related matters;

(xiv) a certified copy of the shareholder resolution of the sole shareholder of RISE Subco (being RISE) approving the Amalgamation;

(xv) the written resignations and releases of all directors and officers of RISE dated effective as of the Closing Date;

(xvi) evidence satisfactory to Britannia that RISE has received conditional approval of the Exchange for the Transaction, Name Change (if applicable) and Consolidation (if applicable);

(xvii) the Articles of Amalco duly executed by RISE Subco; and

(xviii) such other documentation as Britannia reasonably requests on a timely basis in order to establish the completion of the Transaction and the taking of all corporate proceedings in connection with the Transaction (as to certification and otherwise), in each case in form and substance satisfactory to RISE, acting reasonably.

Section 7.4 Publicity

So long as this Agreement is in effect, RISE and Britannia shall advise, consult and cooperate with each other prior to issuing, or permitting any of their directors, officers, employees or agents to issue, any press release or other written public or private statement to the press with respect to this Agreement and the Transaction contemplated hereby from April 30, 2021 until the Closing Date. Each such Party shall not issue any such press release or make any such written public or private statement prior to such consultation, except as may be required by Applicable Laws or by obligations pursuant to any listing agreement with the Exchange and only after using its reasonable efforts to consult with the other Parties taking into account the time constraints to which it is subject as a result of such Applicable Law or obligation.

ARTICLE 8
TERMINATION AND AMENDMENT

Section 8.1 Termination

(1) This Agreement may be terminated by written notice promptly given to the other Parties hereto, at any time prior to the Closing Date:

(i) by mutual agreement in writing by the Parties;

(ii) by either Party as provided in Section 6.4(2) provided that the failure to satisfy the particular condition precedent being relied upon as a basis for termination of this Agreement did not occur as a result of a breach by the Party seeking to rely on the condition precedent of any of its covenants or obligations under the Agreement; or

(iii) the Closing Date has not occurred by the Outside Date.

Section 8.2 Effect of Termination

In the event of the termination of this Agreement as provided in Section 8.1 hereof, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of Britannia, RISE or RISE Subco hereunder except as set forth in Section 4.4(2), Section 7.4, and Section 9.2 hereof, and this Section 8.2, which provisions shall survive the termination of this Agreement. Nothing herein shall relieve any Party from liability for any breach of this Agreement.

Section 8.3 Amendment

This Agreement may, at any time on or before the Closing Date, be amended by mutual agreement between the Parties hereto. This Agreement may not be amended except by an instrument in writing signed by the appropriate officers on behalf of each of the Parties hereto.

Section 8.4 Waiver

A Party may (i) extend the time for the performance by any other Party of the obligations owed to it; (ii) waive compliance with any other Party's agreements or the fulfillment of any of its conditions contained herein; or (iii) waive inaccuracies in another Party's representations or warranties owed to it and contained herein or in any document delivered by such other Party hereto; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Parties.

ARTICLE 9
GENERAL

Section 9.1 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by email or sent by prepaid overnight courier to the Parties at the following addresses (or at such other addresses as shall be specified by the Parties by like notice):

if to Britannia:

Britannia Bud Canada Holdings Inc.
120 Adelaide St. W., Suite 2400
Toronto, ON M5H 1T1

Attention: **Peter Shippen**
Telephone No.: *[Redacted - Personal Information]*
Email: *[Redacted - Personal Information]*

with a copy, which shall not constitute notice to:

Bennett Jones LLP
Suite 3400
Once First Canadian Place
Toronto, ON M5X 1A4

Attention: **James Clare and Andrew Disipio**
Telephone No.: *[Redacted - Personal Information]*

Email: *[Redacted - Personal Information]*

if to RISE or RISE Subco:

RISE Life Science Corp.
120 Adelaide St. West, Suite 2210
Toronto, Ontario
M5H 1T1

Attention: **Scott Secord, Chief Executive Officer**
Telephone No.: *[Redacted - Personal Information]*
Email: *[Redacted - Personal Information]*

with a copy, which shall not constitute notice to:

Irwin Lowy
217 Queen Street West, Suite 401
Toronto, ON
M5V 0R2

Attention: **Eric Lowy**
Telephone No.: *[Redacted - Personal Information]*
Email: *[Redacted - Personal Information]*

or to such other address as the Party to or upon whom notice is to be given or served has communicated to the other Parties by notice given or served in the manner provided for in this section. In the case of delivery or email transmission, notice shall be deemed to be given on the date of delivery and in the case of mailing, notice shall be deemed to be given on the third Business Day after such mailing.

Section 9.2 Expenses

The Parties hereto shall be responsible for the payment of their own professional fees (including but not limited to legal and accounting fees) and other expenses incurred by them in connection with this Agreement.

Section 9.3 Assignment

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties hereto without the prior written consent of the other Parties.

Section 9.4 Further Assurances

Each Party hereto shall, from time to time, and at all times hereafter, at the request of the other Parties hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments, and do or cause to be done all such acts and other things which may be reasonably required or advisable to fully perform and carry out the terms, intent and matters contained in this Agreement.

Section 9.5 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 9.6 Governing Law, Choice of Forum

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the Parties attorns and submits to the exclusive jurisdiction of the Superior Court of Justice (Ontario) with respect to any matter arising under or related to the Agreement.

Section 9.7 Non-Merger

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall not merge on and shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of any Party, shall continue in full force and effect. Closing shall not prejudice any right of one Party against any other Party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

Section 9.8 Entire Agreement

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior correspondence, agreements, negotiations, discussions and understandings, written or oral. Except as specifically set out in this Agreement, there are no representations, warranties, conditions or other agreements or acknowledgements, whether direct or collateral, express or implied, written or oral, statutory or otherwise, that form part of or affect this Agreement or which induced any Party to enter into this Agreement. No reliance is placed on any representation, warranty, opinion, advice or assertion of fact made either prior to, concurrently with, or after entering into, this Agreement, or any amendment or supplement hereto or thereto, by any Party to this Agreement or its representatives, to any other Party or its representatives, except to the extent the representation, warranty, opinion, advice or assertion of fact has been reduced to writing and included as a term in this Agreement, and none of the Parties has been induced to enter into this Agreement or any amendment or supplement by reason of any such representation, warranty, opinion, advice or assertion of fact. There is no liability, either in tort or in Contract, assessed in relation to the representation, warranty, opinion, advice or assertion of fact, except as contemplated in this Section.

Section 9.9 Counterpart Execution and Electronic Delivery

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or transmitted electronically in legible form, including in a tagged image format file (TIFF) or portable document format (PDF), shall be equally effective as delivery of a manually executed counterpart of this Agreement.

[Remainder of page intentionally left blank. Signature page follows]

IN WITNESS WHEREOF the Parties have caused this Amalgamation Agreement to be duly executed as of the date first written above.

RISE LIFE SCIENCE CORP.

Per: *signed "Scott Secord"*
Scott Secord
Chief Executive Officer

2830026 ONTARIO INC.

Per: *signed "Scott Secord"*
Scott Secord
President

BRITANNIA BUD CANADA HOLDINGS INC.

Per: *signed "Peter Shippen"*
Peter Shippen
Chief Executive Officer

SCHEDULE "A"
ARTICLES OF AMALCO

THIS IS SCHEDULE "A" ATTACHED TO AND FORMING PART OF AN AMENDED AND RESTATED AMALGAMATION AGREEMENT BETWEEN RISE LIFE SCIENCE CORP., 2830026 ONTARIO INC. AND BRITANNIA BUD CANADA HOLDINGS INC. DATED OCTOBER 29, 2021.

Ontario

Ministry of Government and Consumer Services

Articles of Amalgamation
Business Corporations Act

For questions or more information to complete this form, please refer to the instruction page.

Fields marked with an asterisk (*) are mandatory.

1. Applicant Information

Corporation Name * i
Britannia Bud Canada Holdings Inc.

Ontario Corporation Number (OCN) *	Company Key *
2693685	000000000

2. Contact Information

Please provide the following information for the person we should contact regarding this filing. This person will receive official documents or notices and correspondence related to this filing. By proceeding with this filing, you are confirming that you have been duly authorized to do so.

First Name *	Middle Name	Last Name *
Kristin		Kightley

Telephone Country Code	Telephone Number *	Extension
1	416-777-5782	

Email Address * i
kightleyk@bennettjones.com

3. Amalgamating Corporations

Amalgamating Corporation 1

Corporation Name *
Britannia Bud Canada Holdings Inc.

Ontario Corporation Number (OCN) *	Adoption/Approval Date * i
2693685	

Amalgamating Corporation 2

–

Corporation Name *
2830026 Ontario Inc.

Ontario Corporation Number (OCN) *	Adoption/Approval Date * i
2830026	

Add a Corporation (+)

4. Method of Amalgamation

Please select your method of amalgamation * i ☑ Long-Form ☐ Short-Form

5. Corporation Name

Please indicate whether you would like to use the name of one of the amalgamating corporations or if you would like to use a new name for the name of the amalgamated corporation.

Options: *

☑ I want to use the name of one of the amalgamating corporations

I-60

☐ I want to use a new name (including number name)

6. General Details

Requested Date for Amalgamation *	Primary Activity Code *

Official Email Address *
TorCorp-OBR@bennettjones.com

An official email address is required for administrative purposes and must be kept current. All official documents or notices and correspondence to the corporation will be sent to this email address.

7. Address

Every corporation is required to have a registered office address in Ontario. This address must be set out in full. A post office box alone is not an acceptable address.

Registered Office Address *

☑ Standard Address ☐ Lot/Concession Address

8. Director(s)

Please specify the number of directors for your Corporation *

☐ Fixed Number ☑ Minimum/Maximum

9. Shares and Provisions

Every corporation must be authorized to issue at least one class of shares. You must describe the classes of shares of the corporation and the maximum number of shares the corporation is authorized to issue for each class. If the corporation has more than one class of shares, you must specify the rights, privileges and conditions for each class.

Description of Classes of Shares

The classes and any maximum number of shares that the corporation is authorized to issue:

Enter the Text *
An unlimited number of common shares.

Rights, Privileges, Restrictions and Conditions

Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors' authority with respect to any class of shares which may be issued in series. If there is only one class of shares, enter "Not Applicable":

Enter the Text *
Not applicable.

Restrictions on Share Transfers

The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows. If none, enter "None":

Enter the Text *
The right to transfer shares of the Corporation shall be restricted in that no holder of such shares shall be entitled to transfer any shares without either:

(a) if the transfer of such shares is restricted by any shareholders' agreement, complying with such restrictions in such agreement; or

(b) if there are no such restrictions, either:

(i) the approval of the directors of the Corporation expressed by a resolution passed by a majority of the directors at a meeting of the board of directors or by a resolution in writing signed by all of the directors of the Corporation; or

(ii) the approval of the holders of at least a majority of the shares of the Corporation entitling the holders thereof to vote in all circumstances (other than a separate class vote of the holders of another class of shares of the Corporation) for the time being outstanding expressed by a resolution passed at a meeting of the holders of such shares or by a resolution in writing signed by all of the shareholders of the Corporation entitled to vote on that resolution (other than a separate class vote of the holders of another class of shares of the Corporation).

Restrictions on Business or Powers

Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise. If none, enter “None”:

Enter the Text *
No restrictions.

Other Provisions, if any

Enter other provisions, or if no other provisions enter “None”:

Enter the Text *
The right to transfer securities of the Corporation (other than non-convertible debt securities of the Corporation) shall be restricted in that no holder of such securities shall be entitled to transfer any securities without either:

(a) if the transfer of such securities is restricted by any security holders' agreement, complying with such restrictions in such agreement; or

(b) if there are no such restrictions, either:

(i) the approval of the directors of the Corporation expressed by a resolution passed by a majority of the directors at a meeting of the board of directors or by a resolution in writing signed by all of the directors of the Corporation; or

(ii) the approval of the holders of at least a majority of the securities of the Corporation entitling the holders thereof to vote in all circumstances for the time being outstanding expressed by a resolution passed at a meeting of the holders of such securities or by a resolution in writing signed by all of the security holders of the Corporation entitled to vote on that resolution.

10. Authorization

☑ * I, Kristin Kightley

confirm that this form has been signed by all the required persons:

Caution - The Act sets out penalties, including fines, for submitting false or misleading information.

Required Signature i

Corporation Name, Full Name and Position	Signature
Britannia Bud Canada Holdings Inc. Peter Shippen, Chief Executive Officer	

Corporation Name, Full Name and Position	Signature
2830026 Ontario Inc. Scott Secord, President	

Add Signature (+)

Save Form Print Form Clear Form