Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

Britannia Life Sciences Inc.

December 31, 2021 and 2020
(Unaudited)

To our Shareholders

The accompanying unaudited condensed interim consolidated financial statements of Britannia Life Sciences Inc. ("BLS") have been prepared by and are the responsibility of BLS' 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 March 31, 2021.

Britannia Life Sciences Inc.

Condensed Interim Consolidated Statements of Financial Position

Expressed in Canadian Dollars

(Unaudited)

As at	Note	December 31, 2021	March 31, 2021
		$	$
Assets			
Current assets:			
Cash		1,533,778	828,321
Accounts receivable		1,723,018	1,686,152
Prepaid expenses		90,830	-
Total current assets		3,347,626	2,514,473
Non-current assets:			
Property and equipment	3	612,722	702,684
Goodwill and intangible assets	4	17,479,369	18,234,344
Total non-current assets		18,092,091	18,937,028
Total assets		**21,439,717**	**21,451,501**
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	10	3,415,040	2,031,506
Interest payable	7	-	163,076
Current portion of lease liability	6	49,663	42,906
Director's loan	8	-	225,000
Sellers' loan	5, 9	4,978,182	7,726,776
Total current liabilities		8,442,885	10,189,264
Non-current liabilities:			
Lease liability	6	151,394	188,173
Convertible notes	7	-	2,363,154
Embedded derivative	7	-	2,982,172
Warrant liability	8	645,705	543,124
Put option liability	5	1,677,592	2,435,100
Other debt	7, 13	126,284	-
Deferred income taxes	10	76,677	87,904
Total non-current liabilities		2,679,652	8,599,627
Total liabilities		11,122,537	18,788,891
Shareholders' equity:			
Share capital	11	16,492,175	441,204
Contributed surplus	11	157,101	157,101
Non-controlling interest		3,975,388	2,864,935
Warrant reserve		1,272,445	-
Options reserve		149,622	-
Accumulated other comprehensive loss		(846,586)	(61,579)
Deficit		(10,882,965)	(739,051)
Total shareholders' equity		10,317,180	2,662,610
Total liabilities and shareholders' equity		**21,439,717**	**21,451,501**

Subsequent events (note 18)

These condensed interim consolidated financial statements were approved for issue on February 24, 2022 by the board of directors and signed on its behalf by:

"Peter Shippen"	*"Greg Taylor"*
Director	Director

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

Britannia Life Sciences Inc.

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

Expressed in Canadian Dollars

(Unaudited)

Periods ended December 31,		Three months 2021	Three months 2020	Nine months 2021	Nine months 2020
		$	$	$	$
Product sales and other income		1,658,611	-	5,553,178	-
Cost of sales	13	434,221	-	1,297,410	-
Gross Margin		1,224,390	-	4,255,768	-
Expenses					
Selling, general and administration	14	453,548	84,821	1,905,864	245,034
Finance		279,326	-	1,047,908	-
Share-based compensation	11	149,622	-	149,622	-
		882,496	84,821	3,103,394	245,034
Income (loss) from operations		341,894	(84,821)	1,152,374	(245,034)
Other income (expense)					
Change in fair value of embedded derivative	7	236,201	-	598,722	-
Foreign currency translation gain (loss)		39,263	-	167,152	-
Change in fair value of put option liability	5	211,895	-	757,507	-
Change in fair value of warrant liability	7, 8	(78,953)	-	55,842	-
Accretion expense	7	(237,422)	-	(1,077,164)	-
Listing fees	5	(9,933,566)	-	(9,933,566)	-
		(9,762,582)	-	(9,431,507)	-
Loss before income taxes		(9,420,688)	(84,821)	(8,279,133)	(245,034)
Provision for (recovery of) income taxes					
Current income taxes	10	232,152	-	728,315	-
Deferred income taxes	10	(3,807)	-	(9,227)	-
Total income taxes		228,345	-	719,088	-
Net loss		(9,649,033)	(84,821)	(8,998,221)	(245,034)
Other comprehensive income (loss)					
Currency translation differences		34,319	11,848	(820,247)	25
Comprehensive loss for the period		(9,614,714)	(72,973)	(9,818,468)	(245,009)
Net income (loss) for the period attributable to:					
Non-controlling interest		317,898	-	1,145,693	-
Equity shareholders of the Company		(9,966,931)	(84,821)	(10,143,914)	(245,034)
Total		(9,649,033)	(84,821)	(8,998,221)	(244,855)
Other comprehensive income (loss) for the period attributable to:					
Non-controlling interest		(32,494)	-	(35,240)	-
Equity shareholders of the Company		66,813	11,848	(785,007)	25
Total		34,319	11,848	(820,247)	25
Basic and diluted weighted average shares outstanding	11	119,988,319	75,826,332	90,600,524	75,826,332
Basic and diluted loss per share		(0.08)	(0.001)	(0.11)	(0.003)

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

Britannia Life Sciences Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

For the nine months ended December 31, 2021 and 2020
Expressed in Canadian Dollars
(Unaudited)

	Number of common shares	Share capital	Contributed surplus	Warrant reserve	Options reserve	Deficit	Accumulated other comprehensive loss	Equity (deficiency) attributable to shareholders of the Company	Non-controlling interest	Total
		$	$	$	$	$	$	$	$	$
Balance at March 31, 2020	77,626,332	441,981	157,101	-	-	(581,889)	(12,207)	4,986	-	4,986
Share issuance costs	-	(777)	-	-	-	-	-	(777)	-	(777)
Net loss for the period	-	-	-	-	-	(245,034)	-	(245,034)	-	(245,034)
Other comprehensive income for the period	-	-	-	-	-	-	25	25	-	25
Balance at December 31, 2020	**77,626,332**	**441,204**	**157,101**	**-**	**-**	**(826,923)**	**(12,182)**	**(240,800)**	**-**	**(240,800)**
Balance at March 31, 2021	**77,626,332**	**441,204**	**157,101**	**-**	**-**	**(739,051)**	**(61,579)**	**(202,325)**	**2,864,935**	**2,662,610**
Share issuance costs	-	(12,937)	-	-	-	-	-	(12,937)	-	(12,937)
Shares issued on conversion of debt	50,956,116	7,882,384	-	-	-	-	-	7,882,384	-	7,882,384
Equity issued for amalgamation	30,301,940	8,181,524	-	1,272,445	-	-	-	9,453,969	-	9,453,969
Options issued	-	-	-	-	149,622	-	-	149,622	-	149,622
Net loss for the period	-	-	-	-	-	(10,143,914)	-	(10,143,914)	1,145,693	(8,998,221)
Other comprehensive loss for the period	-	-	-	-	-	-	(785,007)	(785,007)	(35,240)	(820,247)
Balance at December 31, 2021	**158,884,388**	**16,492,175**	**157,101**	**1,272,445**	**149,622**	**(10,882,965)**	**(846,586)**	**6,341,792**	**3,975,388**	**10,317,180**

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

Britannia Life Sciences Inc.

Condensed Interim Consolidated Statements of Cash Flows

Expressed in Canadian Dollars

(Unaudited)

	Note	For the nine months ended December 31, 2021	For the nine months ended December 31, 2020
		$	$
OPERATING ACTIVITIES			
Net Income (loss)		**(8,998,221)**	(245,034)
Adjustments for items not involving cash			
Depreciation and amortization	3, 4	**143,581**	-
Non-cash listing fees	5	**10,078,561**	-
Share-based compensation	11	**149,622**	-
Interest on lease liability	6	**26,767**	-
Foreign currency translation gain		**(415,650)**	(25)
Change in fair value of embedded derivative	7	**(598,722)**	-
Change in fair value of put liability	5	**(757,507)**	-
Change in fair of warrant liability	7, 8	**(55,842)**	-
Accretion expense	7	**1,077,164**	-
Deferred income tax	10	**(9,227)**	-
Allocation to non-controlling interest		**1,110,453**	-
		1,750,979	(245,059)
Changes in non-cash working capital items			
Accounts receivable		**52,181**	393
Prepaid expenses		**(84,020)**	-
Accounts payable and accrued liabilities		**788,420**	(107,789)
Total changes in non-cash working capital items		**756,581**	(107,396)
NET CASH FLOWS FROM OPERATING ACTIVITIES		**2,507,560**	(352,455)
INVESTING ACTIVITIES			
Cash acquired on reverse takeover	5	**741,032**	
Purchase of equipment	3	**(73,162)**	-
NET CASH FLOWS FROM INVESTING ACTIVITIES		**667,870**	**-**
FINANCING ACTIVITIES			
Proceeds on issuance of convertible debt	7	**1,628,855**	-
Director's loan	9	**-**	225,000
Share issuance costs	11	**-**	(777)
Principal and interest payment on Sellers' loan	9	**(3,439,102)**	
Costs incurred related to reverse takeover	5	**(596,037)**	
Lease payments	6	**(57,217)**	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		**(2,463,501)**	224,223
Effect of exchange rate changes on cash and cash equivalents		**(6,472)**	-
Increase (decrease) in cash and cash equivalents		**705,457**	(128,232)
Cash and cash equivalents at beginning of period		**828,321**	140,894
Cash and cash equivalents at end of period		**1,533,778**	12,662

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

1. Nature and Continuance of Operations

Britannia Life Sciences Inc. ("BLS") (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's registered 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.

On November 12, 2021, Britannia Bud Canada Holdings Inc. ("BBCH") completed its reverse takeover transaction ("RTO") with Rise Life Science Corp ("RISE") (formerly RLSC: CSE). As part of the RTO, BBCH and 2830026 Ontario Inc., a wholly owned subsidiary of RISE ("RISE Subco"), amalgamated by way of a triangular amalgamation under the Business Corporations Act (Ontario) (the "Amalgamation"). RISE has changed its name to BLS and continues as the reporting issuer (BLAB: CSE).

Upon the Amalgamation, shareholders of BBCH (the "BBCH Shareholders") exchanged their BBCH shares for BLAB Shares, at an exchange ratio of 120:1, which resulted in the RTO of RISE. Immediately prior to the effective time of the Amalgamation, the convertible debentures of BBCH automatically converted to BBCH shares at US$1.55 per BBCH share, and the BBCH shares issued pursuant to the conversion were exchanged alongside other BBCH shares for BLS Shares in accordance with the terms of the RTO. In connection with the transaction, the Company concurrently consolidated all issued and outstanding shares on the basis of one post consolidation BLS share for each ten pre-consolidation BLS shares (note 5).

The RTO has been accounted for as a reverse takeover by BBCH, such that these condensed interim consolidated financial statements reflect the accounts of BBCH acquiring RISE, and the comparative information is for BBCH.

2. Basis of Preparation

(a) Statement of compliance

These condensed interim consolidated financial statements for the three and nine-months ended December 31, 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.

These condensed interim consolidated financial statements as at, and for the three and nine months ended, December 31, 2021 were approved and authorized for issued by the board of directors on February 24, 2022.

(b) Basis of consolidation

The condensed interim consolidated financial statements comprise the financial statements of the Company, its wholly owned subsidiaries Britannia Bud Canada Holdings Inc. ("BBCH"), Britannia Bud Company Limited ("BBCL"), Jamaica-Blu Ltd, Rise Research Inc., Scout Assessment Corp., Rise Life Science (Colorado), LLC, Brand Max Inc. dba Cultivate Kind, Life Bloom Organics, LLC and Advanced Development and Safety Laboratories Ltd. ("ADSL") of which the Company owns 60% (the "Group"). BBCL and ADSL operate in the United Kingdom and have a functional currency of UK pounds sterling. Life Bloom Organics, Brand Max Inc. dba Cultivate Kind, and Rise Life Science (Colorado), LLC are domiciled in the United States of America.

All intercompany transactions and balances between and among the Company 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 the Company. 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 the Company 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 and cash flows relating to transactions between the Company and its subsidiaries 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.

(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 the Company's functional currency and the overall presentation currency. The Company's U.K. operations have a functional currency of UK pounds sterling. The Company's US operations have a functional currency of USD. 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.

(Expressed in Canadian Dollars, except per share amounts)

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.

(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 December 31, 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	65,775	7,387	-	73,162
Effect of foreign exchange	(5,911)	(212)	(5,604)	(11,727)
Balance, December 31, 2021	**559,801**	**25,108**	**213,873**	**798,782**
Depreciation				
Balance, March 31, 2021	27,465	862	6,336	34,663
Depreciation	100,285	4,556	36,706	141,547
Effect of foreign exchange	(468)	202	10,116	9,850
Balance, December 31, 2021	**127,282**	**5,620**	**53,158**	**186,060**
Net book value, March 31, 2021	**472,472**	**17,071**	**213,141**	**702,684**
Net book value, December 31, 2021	**432,519**	**19,488**	**160,715**	**612,722**

(Expressed in Canadian Dollars, except per share amounts)

4. Goodwill and intangibles

	Website	Goodwill	Total
	$	$	$
Cost			
Balance March 31, 2021	4,953	18,229,845	18,234,798
Effect of foreign exchange	(59)	(752,893)	(752,952)
Balance, December 31, 2021	**4,894**	**17,476,952**	**17,481,846**
Amortization			
Balance, March 31, 2021	454	-	454
Amortization	2,034	-	2,034
Effect of foreign exchange	(11)	-	(11)
Balance, December 31, 2021	**2,477**	**-**	**2,477**
Net book value, December 31, 2021	**4,499**	**18,229,845**	**18,234,344**
Net book value, December 31, 2021	**2,417**	**17,476,952**	**17,479,369**

5. Business Developments

(a) Advanced Development and Safety Laboratories (“ADSL”)

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 the Company 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 anniversaries of the Completion Date, the Company 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 the Company has not acquired all the shares, the Sellers shall have the right to require the Company 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 the Company’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 the Company of the total enterprise value for ADSL.

As at December 31, 2021, the Company has issued notice to the Sellers to exercise their option to purchase an additional 10% of the share capital of 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% per annum and assuming the transaction would take place on February 9, 2024. As at December 31, 2021, the fair value of the put liability was remeasured to $1,677,592 (GBP 979,266), generating a gain on the change in fair value of the put liability for the three and nine months ended December 31, 2021 of $211,895 and $757,507, respectively.

As at December 31, 2021, the Company has issued notice to the Sellers to exercise their option to purchase an additional 10% of the share capital of ADSL.

(Expressed in Canadian Dollars, except per share amounts)

(b) Reverse Takeover
On November 12, 2021, the Company completed its reverse takeover transaction with RISE. The RTO was completed by way of a share exchange between the shareholders of RISE and the Company. In exchange for their BBCH Shares, BBCH Shareholders received Resulting Issuer Shares at an exchange ratio of 120 BLS shares for each one BBCH Share (the "Exchange Ratio").

The RTO constituted a reverse takeover of RISE by BBCH and has been accounted for as a reverse takeover transaction in accordance with IFRS 2, Share-based payments. The Company did not meet the definition of a business in accordance with IFRS 3, Business combinations, as such, the RTO does not constitute a business combination.

Immediately prior to the effective time of the Amalgamation, the convertible debentures of BBCH automatically converted to BBCH shares at US$1.55 per BBCH share, and the BBCH shares issued pursuant to the conversion were exchanged alongside other BBCH shares for BLAB Shares in accordance with the terms of the RTO. In connection with the transaction, the Company consolidated all issued and outstanding shares on the basis of one post-consolidation BLAB share for each ten pre-consolidation BLAB shares (the “Share Consolidation”).

The effects of the Exchange Ratio and the Share Consolidation have been applied retroactively in these condensed interim consolidated financial statements.

The purchase results in a share capital increase of $10,050,149 which represents the fair value of the resulting issuer shares, options and warrants issued to RISE security-holders to affect the RTO. The difference between the aggregate fair value of the BLS shares, warrants and options issued to RISE shareholders, option-holders and warrant-holders and the fair value of monetary net assets of RISE acquired of $116,583, such difference being $9,933,566, has been charged to consolidated deficit and consolidated net loss as a listing expense.

	$
Consideration	
Fair value of 30,301,940 common shares	8,181,524
Warrant reserve	1,272,445
Options reserve	143
Transaction costs	596,037
Total consideration	**10,050,149**
Net assets acquired (liabilities assumed):	
Cash	741,032
Accounts receivable	89,047
Prepayments	6,810
Accounts payable and accrued liabilities	(595,114)
Loans	(125,192)
Total net assets acquired (liabilities assumed)	**116,583**
Listing fees	**9,933,566**

(Expressed in Canadian Dollars, except per share amounts)

6. Lease liability

	$
Balance as at March 31, 2021	231,079
Lease payments	(57,217)
Lease interest	26,767
Effect of foreign exchange	428
Balance as at December 31, 2021	**201,057**
Current	49,663
Non-current	151,394
Balance as at December 31, 2021	**201,057**

7. Convertible 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 with interest payable annually on December 31, and mature two years from the respective Closing Dates. Each Debenture is convertible, at the option of the holder, at any time prior to six months before the maturity 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 BBCH 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 such date to require the Company to redeem the Debentures at a price equal to US$1,500 per Debenture then outstanding.

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 had a maturity date of January 29, 2023. 1,465,440 BBCH 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 had a maturity date of February 2, 2023. 1,653,780 BBCH 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 had a maturity date of April 7, 2023. 832,695 BBCH common share purchase warrants were issued.

The Debentures converted into BBCH common shares upon the RTO. Upon the RTO, any accrued and unpaid interest with respect to the Debentures were paid to the holder by the Company in BBCH shares at a deemed price per share equal to the Debenture Conversion Price. Such BBCH shares were then converted to BLS common shares at the Exchange Ratio.

The Debentures were denominated in US dollars, while convertible in Canadian dollars. As the conversion price in a different currency required a variable number of shares to settle the Debentures, the Debentures were treated as having an embedded derivative that was treated as a financial liability under IFRS. The Company recorded the fair value of the embedded derivative immediately prior to conversion upon the RTO to be $3,200,928 ($2,982,182 as at March 31, 2021).

For the three and nine-month periods ended December 31, 2021, the Company incurred interest expense of $91,670 (USD$70,502) and $468,325 (USD$377,962) (2020 – $nil), respectively. Pursuant to the terms of the subscription agreement, all interest accrued up to the liquidity event was converted to common shares by the Company. Total accrued interest of $567,311 (USD$454,837) was converted into 3,521,277 shares.

The Company recorded accretion expense of $237,136 and $1,076,878 in relation to the convertible debentures and foreign currency translation gain (loss) of $(49,678) and $8,380 for the three and nine-month periods ended December 31, 2021, respectively.

For the three and nine-month periods ended December 31, 2021, $8,839 and $46,029 (2020 - $nil), respectively, of interest was incurred with related parties. The outstanding interest payable was $nil as at December 31, 2021 ($98,987 as at March 31, 2021).

Prior to conversion upon the RTO, the fair value of the embedded derivative related to the January 29, 2021 Units was determined using the Black Scholes valuation model using the following assumptions on November 12, 2021: stock price of $1.35; expected life of 1.21 years; $nil dividends; 80% volatility; risk-free interest of 0.98%; foreign exchange rate of 1.2565; and the exercise price of $1.23.

Prior to conversion upon the RTO, the fair value of the embedded derivative related to the February 2, 2021 Units was determined using the Black Scholes valuation model using the following assumptions on November 12, 2021: stock price of $1.35; expected life of 1.22 years; $nil dividends; 80% volatility; risk-free interest of 0.98%; foreign exchange rate of 1.2565; and the exercise price of $1.23.

Prior to conversion upon the RTO, the fair value of the embedded derivative related to the April 7, 2021 Units was determined using the Black Scholes valuation model using the following assumptions on November 12, 2021: stock price of $1.35; expected life of 1.40 years; $nil dividends; 80% volatility; risk-free interest of 0.98%; foreign exchange rate of 1.2565; and the exercise price of $1.23.

The total amount of the convertible debenture conversion reclassified to equity on November 12, 2021 is $4,114,145. The total amount of the embedded derivative reclassified to equity on November 12, 2021 is $3,246,562. In accordance with the terms of the subscription agreement, the Company issued 3,521,277 BLS shares to settle $567,311 of accrued interest upon the RTO.

On July 31, 2016, a private lender subscribed to a secured convertible note issued by RISE 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 common share. Total interest payable at December 31, 2021 is $36,337. As of December 31, 2021, the note and accrued interest is still outstanding and is included as part of other debt in the condensed interim consolidated financial statements.

8. Warrant Liabilities

Certain of the common share purchase warrants have exercise prices denominated in US dollars and therefore their exercise would represent a variable number of common shares. As a result, these common share purchase warrants do not meet the fixed- for-fixed criteria under IFRS to be classified as equity and are therefore treated as a financial liability under IFRS.

Convertible Debenture Warrants

See note 7 for details of warrants issued in conjunction with the convertible debentures.

Each common share purchase warrant has a two-year term and a post RTO exercise price of CAD$0.21 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 CAD$0.26 or more for 20 or more consecutive trading days on the Canadian Securities Exchange.

4,200,498 warrants are held in escrow at December 31, 2021.

(Expressed in Canadian Dollars, except per share amounts)

Brokers' Warrants

On July 14, 2021, the Company issued 893,100 compensation warrants of the Company to brokers, with each compensation warrant being exercisable to acquire one common share at a price of USD $2.00 for a period of 24 months (see note 11).

The fair value of the warrant derivative liability as at December 31, 2021 of $645,705 ($543,124 as at March 31, 2021) 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	Jul 14, 2021 Issuance
Expected life in years	1.08	1.09	1.27	1.53
Market Price	0.19	0.19	0.19	0.19
Strike price	USD $0.17	USD $0.17	USD $0.17	USD $0.17
Risk free interest rate	0.95%	0.95%	0.95%	0.95%
Dividend yield	0%	0%	0%	0%
Expected volatility	80%	80%	80%	80%
Forfeiture rate	75%	75%	75%	75%

The continuity of the warrant liability is as follows:

	Convertible Debenture Warrants	Brokers' Warrants	Total
Balance as at March 31, 2021	$ 543,124	$ -	$ 543,124
Additions	-	12,937	12,937
Allocation of additions to warrant liability	145,486	-	145,486
Change in fair value	(57,246)	1,404	(55,842)
Balance as at December 31, 2021	**$ 631,364**	**$ 14,341**	**$ 645,705**

Changes in the number of these warrants outstanding during the nine-month period ended December 31, 2021 are as follows:

	Warrants	Amount	Weighted Average Exercise Price
Balance, March 31, 2021	37,430,640	$ 543,124	$ 0.21
Granted April 7, 2021	9,992,340	145,486	0.21
Granted July 14, 2021	893,100	12,937	0.21
Change in fair value		(55,842)	-
Balance, December 31, 2021	48,316,080	$ 645,705	$ 0.21
Weighted average remaining contractual life (years)			1.13

(Expressed in Canadian Dollars, except per share amounts)

9. 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 directors, Chief Executive Officer, President, Chief Technical Officer and Chief Financial Officer are key management personnel.

	Three months ended December 31, 2021	2020	Nine months ended December 31, 2021	2020
Interest expense	**$ 267,412**	$ -	**$ 998,492**	$ -
Salaries, fees and short-term employee benefits	**127,561**	-	**269,478**	-
Share-based compensation	**109,184**	-	**109,184**	-
	$ 504,157	$ -	**$ 1,377,154**	$ -

Director's loan

During the year ended March 31, 2021 a director extended a loan of $225,000 to the Company to cover expenses related to working capital and growth needs of the Company. The loan was 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 statements of cash flows.

Sellers' Loan

On February 9, 2021, the Company and the Sellers entered into a Sellers' Loan agreement. In connection to this agreement, the Sellers loaned £4,456,813 ($7,631,400) to the Company, 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. On December 20, 2021 the Company made a principal repayment of £1,551,033 (reducing the principal balance outstanding to £2,905,780 - $4,978,182 CAD) and extending the deadline for repayment to February 28, 2022.

10. Income Taxes

The reconciliation of the 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 December 31, 2021	2020	For the nine-months ended December 31, 2021	2020
Income (loss) before income taxes for the period	**$ (9,420,688)**	$ (84,821)	**$ (8,279,133)**	$ (245,034)
Expected income tax expense (recovery)	**(2,496,482)**	(22,478)	**(2,193,970)**	(64,934)
Non-cash listing fees	**2,474,520**	-	**2,474,520**	-
Accretion on convertible debt	**62,917**	-	**285,449**	-
Share-based compensation	**39,650**	-	**39,650**	-
Other non-deductible expenses	**23,222**	-	**38,283**	-
Warrant liability	**(3,429)**	-	**-**	-
Change in fair value of warrant liability	**20,923**	-	**(14,798)**	-
Change in fair value of embedded derivative	**(62,593)**	-	**(158,661)**	-
Change in fair value of put liability	**(56,152)**	-	**(200,739)**	-
Difference between statutory rates	**(59,556)**	191	**(253,580)**	1,320
Change in tax benefits not recognized	**285,325**	22,287	**702,934**	63,614
Income tax expense	**$ 228,345**	$ -	**$ 719,088**	$ -

The Company's income tax expense is as follows:

	For the three-months ended December 31, 2021	2020	For the nine-months ended December 31, 2021	2020
Current income tax expense	**$ 232,152**	$ -	**$ 728,315**	$ -
Deferred income tax recovery	**(3,807)**	-	**(9,227)**	-
Income tax expense	**$ 228,345**	$ -	**$ 719,088**	$ -

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:

	December 31, 2021	March 31, 2021
Non-capital loss carryforwards	**$ 1,028,539**	$ 325,605
Intangible assets	**(459)**	(855)
Property and equipment, net of lease liability	**(78,218)**	(87,049)
	949,862	237,701
Valuation allowance	**(1,028,539)**	(325,605)
	$ (78,677)	$ (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 will be able to use these benefits.

Loss carryforwards

As at December 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
2042	2,508,675
	3,586,008

As at September 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	202,265
	308,892

(Expressed in Canadian Dollars, except per share amounts)

11. Share Capital

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

Issued
The continuity of the outstanding share capital is as follows:

	Shares	Proceeds	Share issuance costs	Total
	#	$	$	$
As at March 31, 2021	77,626,332	441,981	(777)	441,204
Shares issued on conversion of debt (Note 7)	50,956,116	7,882,384	(12,937)	7,869,447
Equity issued for amalgamation	30,301,940	8,181,524	-	8,181,524
As at December 31, 2021	158,884,388	16,505,889	(13,714)	16,492,175

The RTO was completed by way of a share exchange between the shareholders of RISE and the Company. Upon the Amalgamation, shareholders of BBCH exchanged their BBCH shares for BLS shares, at an effective exchange ratio of 12:1, resulting in the issuance of 71,157,471 shares. Immediately prior to the effective time of the Amalgamation, the convertible debentures of BBCH automatically converted to BBCH shares at US$1.55 per BBCH share, and the BBCH shares issued pursuant to the conversion, and all accrued and unpaid interest, were exchanged alongside other BBCH shares for 50,956,116 BLAB Shares in accordance with the terms of the RTO. In connection with the RTO, all previously issued RISE shares on amalgamation were consolidated at a ratio of 10:1 resulting in 30,301,940 shares.

62,991,206 common shares are held in escrow at December 31, 2021.

Brokers' Warrants
On July 14, 2021, the Company issued 893,100 compensation warrants of the Company to brokers, with each compensation warrant being exercisable to acquire one common share at a price of USD $2.00 for a period of 24 months (note 8).

The fair value of the warrant liability related to the July 14, 2021 issuance of $12,937 was determined using the Black Scholes valuation model using the following assumptions on issuance: stock price of $1.24; expected life of 2.00 years; $nil dividends; 80% volatility; risk-free interest of 0.45%; foreign exchange rate of 1.2497; and the exercise price of USD $2.00.

Warrants
In connection with the completion of the RTO, the company has warrants that were issued in RISE and are classified as equity.

The continuity of the outstanding warrants is as follows:

	Number of Warrants	Weighted average of exercisable price
		$
As at March 31, 2021	-	-
Granted on amalgamation with RISE	10,797,735	0.26
Outstanding as at December 31, 2021	10,797,735	0.26
Exercisable as at December 31, 2021	10,797,735	0.26

(Expressed in Canadian Dollars, except per share amounts)

The Company estimated the aggregate fair value of these warrants using the Black-Scholes option pricing model to be $1,272,445 with the following assumptions:

	Apr 30, 2017 Issuance	Jan 19, 2019 Issuance	May 12, 2021 Issuance
Risk free interest rate	0.98%	0.98%	0.98%
Expected volatility	80%	80%	80%
Expected life in years	0.45	0.17	1.48
Expected dividend yield	0%	0%	0%
Share price	$0.27	$0.27	$0.27
Exercise price	$1.40	$1.40	$0.21
Outstanding number	395,000	100,000	10,301,940

The following summarizes information about the equity warrants outstanding at December 31, 2021:

Expiry Date	Warrants issued	Warrants outstanding	Warrants exercisable	Weighted average of exercisable price	Estimated grant date fair value	Weighted average remaining outstanding contractual life
				$	$	
Jan 18, 2022	100,000	100,000	100,000	1.40	-	0.05
April 30, 2022	395,795	395,795	395,795	1.40	-	0.33
May 12, 2023	10,301,940	10,301,940	10,301,940	0.21	1,272,445	1.36
	10,797,735	10,797,735	10,797,735	0.26	1,272,445	1.31

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 to the number of options outstanding for the nine months ended December 31, 2021 are as follows:

	Options	Weighted average Exercise price
As at March 31, 2021	-	-
Granted on completion of RTO	13,320,000	0.21
RISE, Granted August 3, 2018	150,000	3.00
RISE, Granted May 15, 2018	15,000	4.00
Outstanding as at December 31, 2021	13,485,000	0.25
Exercisable as at December 31, 2021	165,000	3.09

On completion of the RTO, the Company issued 13,320,000 options to directors, officers and employees for services provided and to be provided. Each option entitles the holder to acquire one Common Share for $0.21 for a period of 24 months from the date of issuance. The vesting period is as follows:

- 7,992,000 options vest after 12 months from the date of issuance
- 5,328,000 options vest after 24 months from the date of issuance

(Expressed in Canadian Dollars, except per share amounts)

The company estimated the aggregate fair value of these options using the Black-Scholes option pricing model to be $1,564,706 with the following assumptions:

	May 15, 2018 Issuance	Aug 3, 2021 Issuance	Aug 3, 2021 Issuance	Nov 18, 2021 Issuance
Risk free interest rate	0.98%	0.98%	0.98%	0.98%
Expected volatility	80%	80%	80%	80%
Expected life in years	0.24	0.24	1.66	1.27
Expected dividend yield	0%	0%	0%	0%
Share price	$0.27	$0.27	$0.27	$0.27
Exercise price	$4.00	$3.00	$3.00	$0.21
Outstanding number	15,000	100,000	50,000	13,320,000

The following summarizes information about the options outstanding at December 31, 2021:

Expiry Date	Options issued	Options outstanding	Options exercisable	Weighted average of exercisable price	Estimated grant date fair value	Weighted average remaining outstanding contractual life
				$	$	
Feb 12, 2022	100,000	100,000	100,000	3.00	-	0.12
Feb 12, 2022	15,000	15,000	15,000	4.00	-	0.12
Nov 12, 2023	13,200,000	13,200,000	-	0.21	149,622	1.87
July 17, 2023	50,000	50,000	50,000	3.00	-	1.54
	13,485,000	13,485,000	165,000	3.09	149,622	1.85

The Company recognized share-based compensation expense related to the issuance of stock options for the three and nine months ended December 31, 2021 of $149,622.

The outstanding options and warrants disclosed above were anti-dilutive for the current period and did not impact the calculation of the loss per share.

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, warrant reserve, options reserve 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 per share amounts)

13. Government Assistance

For the three and nine-month periods ended December 31, 2021, the Company received £nil ($nil) and £3,294 ($5,657) 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.

On April 15, 2020 and February 2, 2021, RISE obtained $40,000 and $20,000, respectively, from the Government of Canada under the Canada Emergency Business Account ("CEBA") COVID-19 Economic Response Plan. Effective January 1, 2024, any outstanding balance is to bear interest at a rate of 5% per annum. The CEBA loan matures on December 31, 2025. If $40,000 of the outstanding balance is repaid on or before December 31, 2023, the remaining $20,000 is to be forgiven. The Company intends to repay $40,000 by December 31, 2023 so that the remaining balance will be forgiven. The Company has used a 5% per annum discount rate to determine the fair value of the interest-free period. The fair value of the CEBA loan at inception has been estimated at $39,661, reflecting the anticipated forgiveness and its interest-free nature. This amount is being accreted to the amount anticipated to be payable at December 31, 2023 of $40,000. The difference between the amount received and the fair value of the CEBA loan has been accounted for as government assistance in the condensed interim consolidated statement of loss and comprehensive loss.

Balance, March 31, 2021	$	-
Acquired from amalgamation with RISE		39,661
Accretion expense		286
Balance, December 31, 2021	$	39,947

14. Selling, general and administrative expense

Included in selling, general, and administrative expense for the three and nine-month periods ended December 31, 2021 and 2020 are the following:

	For the three-months ended December 31,		For the nine-months ended December 31,	
	2021	**2020**	**2021**	**2020**
Office and general	**$ 139,803**	$ 27,923	**$ 732,416**	$ 88,931
Payroll, consulting and benefits	**353,200**	48,259	**805,777**	139,057
Professional fees expense (recovery)	**(90,396)**	8,639	**215,764**	17,046
Amortization and depreciation	**47,065**	-	**143,581**	-
Travel and other	**3,876**	-	**8,326**	-
	$ 453,548	$ 84,821	**$ 1,905,864**	$ 245,034

15. 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 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.

(Expressed in Canadian Dollars, except per share amounts)

16. Financial Instruments and Risk Management:

The Company has classified its financial instruments as follows:

	December 31, 2021	March 31, 2021
	$	$
FVTPL, measured at fair value:		
Cash	**1,533,778**	828,321
Warrant liability	**645,705**	543,124
Embedded derivative	**-**	2,982,172
Put option liability	**1,677,592**	2,435,100
Financial assets, measured at amortized cost:		
Accounts receivable	**1,633,762**	1,686,152
Financial liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities	**1,937,269**	1,190,386
Interest payable	**-**	163,076
Sellers' loan agreement	**4,978,182**	7,726,776
Director's loan	**-**	225,000
Lease liability	**201,057**	231,079
Other debt	**126,284**	-
Convertible notes	**-**	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	1,533,778	-	-	**1,533,778**
As at December 31, 2021	**1,533,778**	**-**	**-**	**1,533,778**
Financial liabilities				
Warrant liability	-	645,705	-	**645,705**
Put option liability	-	1,677,592	-	**1,677,592**
As at December 31, 2021	**-**	**2,323,297**	**-**	**2,323,297**

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 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 three and nine-month periods ended December 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 December 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	$ 1,937,269	$ -	$ -	$ 1,937,269
Lease liability	78,379	135,343	52,574	266,296
Sellers' loan	5,073,899	-	-	5,073,899
Other debt	146,337	-	-	146,337
	$ 7,235,884	$ 135,343	$ 52,574	$ 7,423,801

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

	Payment due by Period			
	< 1 year	**2 - 3 years**	**4 - 5 years**	**Total**
Put liability – consideration for non-controlling interest	$ -	$ 22,465,328	$ -	$ 22,465,328
	$ -	$ 22,465,328	$ -	$ 22,465,328

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 December 31, 2021, the Company had the following financial instruments denominated in foreign currencies:

Denominated in:	**USD**	**GBP**
Due to related party	-	2,905,780
Warrant liability	509,311	-
Put liability	-	979,266
	509,311	3,885,046
Foreign currency rate	1.2678	1.7132
Equivalent in Canadian dollars	645,704	6,655,861

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 $64,570 and a 10% change in the GBP against the CDN would impact net loss and comprehensive loss by $665,586.

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.

17. Reclassification of comparative figures

In connection with the completion of the RTO, the Company has reclassified legal expenses in the amount of $596,037 previously classified as selling, general and administrative expenses to listing fees (see note 5).

18. Subsequent Events

(a) Refinancing of the Sellers' loan
On February 16, 2022 Britannia executed a term sheet with an external lender that is to be used to facilitate repayment of the Sellers' loan and the acquisition of an additional 10% of ADSL's share capital. The total loan principal value is £5,000,000, bearing interest at the higher of 9.5% per annum and 8.5% per annum plus the SONIA (Sterling Over Night Indexed Average).

(b) Related party transaction
On January 5, 2022, as consideration for the extension of the Seller's loan from December 31, 2021 to February 28, 2022, the Company issued 3,000,000 common shares to its Chief Technical Officer.