

**GLOBAL CARE CAPITAL INC.**  
**BUSINESS ACQUISITION REPORT**  
**FORM 51-102F4**

**Item 1. Identity of Company**

**1.1 Name and Address of Company**

Global Care Capital Inc. (formerly Resinco Capital Partners Inc.). (the  
“**Company**”)  
789 West Pender Street, Suite 810  
Vancouver, BC V6C 1H2

**1.2 Executive Officer**

The following executive officer of the Company is knowledgeable about the significant acquisition and this business acquisition report:

Alex Somjen, President & Chief Executive Officer  
Telephone: 416-319-5744

**Item 2. Details of Acquisition**

**2.1 Nature of Business Acquired**

The Company has completed the acquisition (the “**Acquisition**”) of ViralClear Rapid Test Corp. (d/b/a ViraxClear) (“**ViralClear**”) pursuant to a share exchange agreement among the Company, ViralClear, the holders of all of the issued and outstanding shares of ViralClear (the “**Shareholders**”) and the holders of all of the issued and outstanding options of ViralClear (the “**Optionholders**”) dated April 15, 2020 (the “**Agreement**”).

**2.2 Date of Acquisition**

The Company completed the Acquisition on April 17, 2020.

**2.3 Consideration**

Pursuant to the terms of the Agreement and as consideration of the Acquisition, the Company issued 24,000,000 common shares in the capital of the Company (the “**Payment Shares**”) at a deemed value of CDN\$0.705 per Payment Share on April 17, 2020 (the “**Closing Date**”) pro rata to the Shareholders. The Company has also issued 2,900,000 options pro rata to the Optionholders for the purchase of common shares in the capital of the Company (the “**Shares**”) at a price of \$0.50 per Share on or before April 15, 2022.

## **2.4 Effect on Financial Position**

The Company does not have any current plans or proposals for material changes in its business affairs or the affairs of any of its subsidiaries, including ViralClear, which may have a significant effect on the results of operations and financial position of the Company.

## **2.5 Prior Valuations**

Not Applicable

## **2.6 Parties to the Transaction**

The Acquisition was not with an informed person, associate or affiliate of the Company as defined in Section 1.1 of National Instrument 51 – 102 *Continuous Disclosure Obligations*.

## **2.7 Date of Report**

August 12, 2020

## **Item 3. Financial Statements**

The following financial statements are attached to this Business Acquisition Report:

- audited financial statements of ViralClear for the period from incorporation on April 1, 2020 to April 15, 2020.

The Company has obtained the consent of the auditor of ViralClear to incorporate the auditor's report for the audited financial statements for the period from incorporation on April 1, 2020 to April 15, 2020 in this Business Acquisition Report.

**FINANCIAL STATEMENTS OF VIRALCLEAR RAPID TEST CORP.**

# **VIRALCLEAR RAPID TEST CORP.**

## **FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM INCORPORATION ON APRIL 1, 2020  
TO APRIL 15, 2020**

(Expressed in Canadian Dollars)

UNIT# 168  
4300 NORTH FRASER WAY  
BURNABY, BC, V5J 5J8

T: 604.318.5465  
F: 778.375.4567

**Adam Kim**

**ADAM SUNG KIM LTD.  
CHARTERED PROFESSIONAL ACCOUNTANT**

## **INDEPENDENT AUDITOR'S REPORT**

To: the Shareholders of  
ViralClear Rapid Test Corp.

### **Opinion**

I have audited the financial statements of ViralClear Rapid Test Corp. (the "Company"), which comprise the statement of financial position as at April 15, 2020, and the statement of loss and comprehensive loss, statement of cash flows and statement of changes in equity for period from the date of incorporation April 1, 2020 to April 15, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 15, 2020, and its financial performance and its cash flow for the period from the date of incorporation April 1, 2020 to April 15, 2020 in accordance with International Financial Reporting Standards (IFRSs).

### **Basis for Opinion**

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

### **Material Uncertainty Related to Going Concern**

I draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$2,080,765 during the year ended April 15, 2020 and, as of that date, the Company had not yet achieved profitable operations, had accumulated losses of \$2,080,765 since its inception, and expects to incur further losses in the development of its business. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. My opinion is not modified in respect of this matter.

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Adam Kim, CPA, CA.

***"Adam Sung Kim Ltd."***  
Chartered Professional Accountant

Unit# 168 – 4300 North Fraser Way  
Burnaby, BC, Canada V5J 5J8  
August 5, 2020

# ViralClear Rapid Test Corp.

Statement of Financial Position

(Expressed in Canadian Dollars)

As at

	<b>April 15, 2020</b>
	<b>(\$)</b>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash	105,275
Receivables	318
	<b>105,593</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>	
<b>Current liabilities</b>	
Accounts payable and accrued liabilities (Note 5)	34,958
<b>Shareholders' equity</b>	
Share capital (Note 7)	120,000
Subscription receivable (Note 7)	(15,000)
Reserves (Note 7)	2,046,400
Deficit	(2,080,765)
	<b>70,635</b>
	<b>105,593</b>

**Nature of Operations and Going Concern (Note 1)**

**Subsequent Events (Note 11)**

On behalf of the Board of Directors:

***"Ranjeet Sundher"***

Director

See accompanying notes to the financial statements

## **ViralClear Rapid Test Corp.**

Statement of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

	<b>For the period from Incorporation on April 1, 2020 to April 15, 2020</b>
	(\$)
<b>EXPENSES</b>	
General and administrative	1,350
Professional fees	33,015
Stock-based compensation (Note 6)	2,046,400
	<hr/>
<b>Loss and comprehensive loss for the period</b>	<b>(2,080,765)</b>
	<hr/>
<b>Basic and diluted loss per share:</b>	<b>(1.30)</b>
	<hr/>
<b>Weighted average common shares outstanding:</b>	
Basic	1,600,001
Diluted	1,600,001
	<hr/>

See accompanying notes to the financial statements



## ViralClear Rapid Test Corp.

Statement of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	<u>Share capital</u>					
	<u>Number of</u>	<u>Amount</u>	<u>Subscription</u>	<u>Reserves</u>	<u>Deficit</u>	<u>Total</u>
	<u>Shares</u>	<u>(\$)</u>	<u>Receivable</u>	<u>(\$)</u>	<u>(\$)</u>	<u>(\$)</u>
<b>Balance at April 1, 2020</b>	-	-	-	-	-	-
Common share issued on incorporation	1	-	-	-	-	-
Common shares issued for cash	23,999,999	120,000	(15,000)	-	-	105,000
Stock options vested	-	-	-	2,046,400	-	2,046,400
Loss for the period	-	-	-	-	(2,080,765)	(2,080,765)
<b>Balance at April 15, 2020</b>	<b>24,000,000</b>	<b>120,000</b>	<b>(15,000)</b>	<b>2,046,400</b>	<b>(2,080,765)</b>	<b>70,635</b>

See accompanying notes to the financial statements

# ViralClear Rapid Test Corp.

## Statement of Cash Flows

(Expressed in Canadian Dollars)

	<b>For the period from Incorporation on April 1, 2020 to April 15, 2020</b>
	(\$)
<b>CASH PROVIDED BY (USED IN)</b>	
<b>OPERATING ACTIVITIES</b>	
Loss for the period	(2,080,765)
Items not affecting cash	
Stock-based compensation	2,046,400
Changes in non-cash working capital items:	
GST receivable	(318)
Accounts payable and accrued liabilities	34,958
	<u>275</u>
<b>FINANCING ACTIVITIES</b>	
Common shares issued for cash	105,000
	<u>105,000</u>
Change in cash during the period	105,275
<b>Cash - beginning of period</b>	<u>-</u>
<b>Cash - end of period</b>	<u>105,275</u>
<hr/>	
<b>Supplemental cash flow information</b>	
Taxes paid	\$ -
Interest paid	\$ -

See accompanying notes to the financial statements

## **VIRALCLEAR RAPID TEST CORP.**

Notes to the Financial Statements

For the period from Incorporation on April 1, 2020 to April 15, 2020

(Expressed in Canadian dollars)

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

ViralClear Rapid Test Corp. (the “Company”) was incorporated on April 1, 2020 under the Business Corporations Act (British Columbia). The Company invests in products and businesses focused on the healthcare industry. The Company’s registered and records office is located at 810 – 789 West Pender Street, Vancouver, BC V6C 1H2.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. The Company has no sources of revenue, ongoing losses and a deficit of \$2,080,765.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

The Company’s continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. If for any reason, the Company is unable to continue as a going concern, then this could result in adjustments to the amounts and classifications of assets and liabilities in the Company’s financial statements and such adjustments could be material. The above conditions cast significant doubt on the Company’s ability to continue as a going concern.

### **2. BASIS OF PREPARATION**

#### ***Statement of compliance***

The Company prepares its financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations from the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements were approved by the Company’s Board of Directors on August 5, 2020.

#### ***Basis of measurement***

All references to dollar amounts in these financial statements and related notes are in Canadian dollars, unless otherwise indicated.

These financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information.

#### ***Functional and Presentation Currency***

The functional currency of the Company is the Canadian dollar, which is also the presentation currency of the financial statements.

#### ***Use of Estimates and Judgments***

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates.

## **VIRALCLEAR RAPID TEST CORP.**

Notes to the Financial Statements

For the period from Incorporation on April 1, 2020 to April 15, 2020

(Expressed in Canadian dollars)

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### **2. BASIS OF PREPARATION (continued)**

These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

#### Income taxes

The calculation of income taxes requires judgment in applying tax laws and regulations, estimating the timing of the reversals of temporary differences, and estimating the reliability of deferred tax assets. These estimates impact current and deferred income tax assets and liabilities, and current and deferred income tax expense (recovery).

Significant judgments that management has made at the end of the reporting period are as follows:

#### Going Concern

The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

#### Fair value of stock options and other share-based payments

Management assesses the fair value of stock options and other share-based payments granted in accordance with the accounting policy stated in Note 3 to the financial statements. The fair value of the options granted is measured using the Black-Scholes model, taking into account the terms and conditions upon which the options are granted. Changes in assumptions concerning volatilities, interest rates and expected life could have significant impact on the fair valuation attributed to the Company's stock options.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### *Loss per share*

Basic loss per share is calculated by dividing the loss of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees. The calculation assumes that proceeds received from the exercise of in-the-money stock options are used to repurchase common shares at the average market price. For the period presented, this calculation proved to be anti-dilutive.

## **VIRALCLEAR RAPID TEST CORP.**

Notes to the Financial Statements

For the period from Incorporation on April 1, 2020 to April 15, 2020

(Expressed in Canadian dollars)

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### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### ***Share based payments***

The Company has a stock option plan. Share based payments are measured at the fair value of the instruments issued and recognized over the term of vesting. The corresponding amount is recorded to the option reserve. The fair value of options is determined using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the options granted shall be based on the number of options that eventually vest. If and when stock options are ultimately exercised, the amount of cash received as well as the applicable amount of the associated reserve is transferred to share capital. The value associated with expired options remains in reserves.

#### ***Income taxes***

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the jurisdictions where the Company operates and generates taxable income.

Deferred income tax is provided based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders the services.

## **VIRALCLEAR RAPID TEST CORP.**

Notes to the Financial Statements

For the period from Incorporation on April 1, 2020 to April 15, 2020

(Expressed in Canadian dollars)

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### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### *Financial instruments*

##### Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income (“FVOCI”); or (iii) fair value through profit or loss (“FVTPL”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are classified as FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income/loss.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash and receivables are classified as FVTPL and amortized cost, respectively.

##### Impairment

An “expected credit loss” impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

##### Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Accounts payable and accrued liabilities are classified as amortized cost.

As at April 15, 2020, the Company does not have any derivative financial liabilities.

IFRS 9 provides three different measurement categories for non-derivative financial assets – subsequently measured at amortized cost, fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income – while all non-derivative financial liabilities are classified as subsequently measured at amortized cost. The category into which a financial asset is placed and the resultant accounting treatment is largely dependent on the nature of the business of the entity holding the financial asset. All financial instruments are initially recognized at fair value.

## VIRALCLEAR RAPID TEST CORP.

Notes to the Financial Statements

For the period from Incorporation on April 1, 2020 to April 15, 2020

(Expressed in Canadian dollars)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial assets

The Company initially recognizes financial assets at fair value on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

#### *Leases*

IFRS 16 distinguishes between leases and service contracts on the basis of whether the customer controls the asset being leased. For those contracts determined to meet the definition of a lease, IFRS 16 requires a lessee to recognize on the statement of financial position a lease asset along with the associated lease liability which reflects future lease payments, similar to current finance lease accounting. There are limited exceptions for leases with a term of less than 12 months or leases of assets which have a low value. As a result of the adoption of IFRS 16, operating leases which were previously only recognized in profit or loss will be recognized on the statement of financial position.

The purpose of the standard is to provide users of the financial statements with a more accurate picture of a company's leased assets and associated liabilities, while also improving the comparability of companies that lease assets to those that purchase them.

As at April 15, 2020, the Company did not have any leases that would result in a right-of-use asset or lease liability.

### 4. INVESTMENT IN SHANGHAI BIOTECHNOLOGY DEVICES LTD.

On April 14, 2020, the Company entered into an investment agreement wherein it will acquire a 50% ownership interest in Shanghai Biotechnology Devices Ltd. ("SBDL") in exchange for staged cash payments as follows:

<u>Date</u>	<u>Amount</u>
	(\$)
On Closing	250,000
90 Days following Closing	250,000
180 Days following Closing	500,000
	<u>1,000,000</u>

SBDL is a Hong Kong based corporation that contracts with Shanghai Liangrun Biomedicine Technology Co. Ltd., a manufacturer of COVID-19 test kits, to brand, market and distribute test kits to the marketplace under the brand ViraxClear. The Company completed the acquisition of a 50% interest in SBDL on April 21, 2020 (Note 11).

**VIRALCLEAR RAPID TEST CORP.**

Notes to the Financial Statements

For the period from Incorporation on April 1, 2020 to April 15, 2020

(Expressed in Canadian dollars)

**5. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES**

	<b>April 15, 2020</b>
	(\$)
Trade payables	1,418
Accrued liabilities	33,540
	<u>34,958</u>

**6. RELATED PARTY TRANSACTIONS**

Key management personnel include the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), and certain directors and officers and companies controlled or significantly influenced by them. There was a total of \$417,500 in share-based payments paid to an officer of the Company in connection with vested stock options.

There were no amounts owing to related parties as at April 15, 2020.

**7. SHARE CAPITAL AND RESERVES*****Authorized share capital***

The Company’s authorized share capital consists of an unlimited number of common shares without par value.

***Issued share capital*****Period ended April 15, 2020**

On April 1, 2020, the Company issued 1 common share at \$0.005 per share pursuant to the incorporation of the Company.

On April 15, 2020, the Company issued 23,999,999 shares at \$0.005 for gross proceeds of \$120,000. Out of \$120,000 proceeds, \$15,000 was received subsequent to April 15, 2020.

***Stock options***

On April 15, 2020, the Company issued 2,900,000 incentive stock options at prices ranging from \$0.20 to \$0.50. The options vested immediately and were determined to have a value of \$2,046,400 based on the Black-Scholes option pricing model using the following assumptions:

Risk-free interest rate	0.33%
Expected life of options	2 yrs
Volatility	100%
Expected dividend yield	Nil
Forfeiture rate	Nil



**VIRALCLEAR RAPID TEST CORP.**

Notes to the Financial Statements

For the period from Incorporation on April 1, 2020 to April 15, 2020

(Expressed in Canadian dollars)

**7. SHARE CAPITAL AND RESERVES (continued)**

The following table summarizes the stock options outstanding as at April 15, 2020:

<b>Expiry Date</b>	<b>Number of Warrants Outstanding</b>	<b>Weighted Average Exercise Price</b>	<b>Weighted Average Remaining Contractual Life</b>
		<b>(\$)</b>	<b>(yrs)</b>
April 15, 2022	500,000	0.20	2.00
April 15, 2022	2,400,000	0.50	2.00
	2,900,000	0.45	2.00

**8. FINANCIAL RISK MANAGEMENT**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

***Credit risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to risk is on its cash. The Company holds its cash in substantial financial institutions to mitigate risk. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk.

***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company prepares general operating budget to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company uses its best efforts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

The Company's financial liabilities consist of accounts payable and accrued liabilities, all of which are due within twelve months.

The Company's main source of funding has been through the issuance of equity securities for cash. The Company's access to financing is always uncertain. The Company is exposed to liquidity risk.

***Interest rate risk***

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

***Foreign exchange risk***

The Company's functional currency is the Canadian dollar. The Company is exposed to the currency risk related to potential global sales derived from its investment in SBDL. A significant change in the currency exchange rates between the Canadian dollar and other global currencies could have an effect on the Company's results of operations, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations.

## **VIRALCLEAR RAPID TEST CORP.**

Notes to the Financial Statements

For the period from Incorporation on April 1, 2020 to April 15, 2020

(Expressed in Canadian dollars)

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### **8. FINANCIAL RISK MANAGEMENT (continued)**

#### *Classification of financial instruments*

The Company classifies its other financial assets and other financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

Financial assets included in the statement of financial position are cash. Financial liabilities included in the statement of financial position include accounts payable and accrued liabilities. The fair value of cash is measured using Level 1 of the fair value hierarchy. The fair value of accounts payable and accrued liabilities approximate the carrying amount due to their short term to maturity. The effect of changes in the Company's credit risk do not have a significant impact on the fair value due to the short term to maturity.

#### *Capital Management*

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of the components of shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the period ended April 15, 2020.

### **9. SEGMENTED INFORMATION**

The Company operates in one reportable operating segments being the investment in products and companies in the healthcare sector.

**VIRALCLEAR RAPID TEST CORP.**

Notes to the Financial Statements

For the period from Incorporation on April 1, 2020 to April 15, 2020

(Expressed in Canadian dollars)

**10. INCOME TAX**

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before taxes. These differences result from the following items:

	<u>2020</u>
	(\$)
Loss before income taxes	(2,080,765)
Canadian federal and provincial income tax rates	<u>27.00%</u>
Income tax recovery based on the above rates	(561,807)
Increase (decrease) due to:	
Permanent differences	552,528
Tax effect of tax losses and temporary differences not recognized	<u>9,279</u>
Income tax (recovery) expense	<u>-</u>

The components of deferred income taxes are as follows:

	<u>2020</u>
	(\$)
<i>Deferred income tax assets</i>	
Non-capital losses	<u>9,279</u>
Total deferred income tax assets	9,279
Unrecognized deferred tax asset	<u>(9,279)</u>
Net deferred tax asset	<u>-</u>

In assigning the realization of deferred tax assets, management considers whether it is probable that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company has approximately \$34,000 of non-capital losses available, which will expire through to 2040 and may be applied against future taxable income. At April 15, 2020, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

**VIRALCLEAR RAPID TEST CORP.**

Notes to the Financial Statements

For the period from Incorporation on April 1, 2020 to April 15, 2020

(Expressed in Canadian dollars)

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**11. SUBSEQUENT EVENTS**

Subsequent to April 15, 2020:

- a) all of the outstanding share in the Company were acquired by Global Care Capital Inc. (“Global Care”), a publicly traded corporation listed on the Canadian Securities Exchange, in exchange for the issuance of 24,000,000 common shares of Global Care. In connection with this transaction, all of the Company’s outstanding incentive stock options were cancelled and the optionees were issued replacement options from Global Care.
- b) the Company invested \$1,000,000 in SBDL and acquired a 50% ownership interest in the corporation.