

**GLOBAL CARE CAPITAL INC.**  
**(FORMERLY RESINCO CAPITAL PARTNERS INC.)**  
**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2020 AND 2019**

**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

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**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Continuous Disclosure Requirement, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Global Care Capital Partners Inc. (formerly Resinco Capital Partners Inc.) have been prepared by and are the responsibility of management. These condensed interim financial statements for the six months ended June 30, 2020 have not been reviewed or audited by the Company's independent auditors in accordance with standards established by the Chartered Professional Accountants of Canada.

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**GLOBAL CARE CAPITAL INC. (FORMERLY RESINCO CAPITAL PARTNERS INC.)  
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION  
(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

|   | Note | June 30, 2020        | December 31,<br>2019 |
|---|------|----------------------|----------------------|
| <b>ASSETS</b>                                     |      |                      |                      |
| Current Assets                                    |      |                      |                      |
| Cash and cash equivalents                         |      | \$ 670,095           | \$ 14,498            |
| Loan receivable                                   | 6    | 1,798,744            | 1,354,257            |
| Prepaid expenses                                  | 5    | 52,733               | -                    |
| Investments at fair value                         | 4    | 24,292,863           | 485,851              |
| <b>Total assets</b>                               |      | <b>\$ 26,814,435</b> | <b>\$ 1,854,606</b>  |
| <b>LIABILITIES</b>                                |      |                      |                      |
| Current Liabilities                               |      |                      |                      |
| Accounts payable and accrued liabilities          | 8    | \$ 274,530           | \$ 254,249           |
| <b>Total liabilities</b>                          |      | <b>274,530</b>       | <b>254,249</b>       |
| <b>SHAREHOLDERS' EQUITY</b>                       |      |                      |                      |
| Share capital                                     | 7    | 80,006,435           | 53,353,405           |
| Share-based reserves                              | 7    | 22,487,114           | 16,849,827           |
| Deficit   |      | (75,953,644)         | (68,602,875)         |
| <b>Total shareholders' equity</b>                 |      | <b>26,539,904</b>    | <b>1,600,357</b>     |
| <b>Total liabilities and shareholders' equity</b> |      | <b>\$ 26,814,435</b> | <b>\$ 1,854,606</b>  |

Nature of operations – Note 1

Subsequent events – Note 11

These condensed interim financial statements were approved for issue by the Board of Directors of the Company on August 31, 2020.

They are signed on the Company's behalf by:

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*"Alexander Somjen"* Director      \_\_\_\_\_  
*"Maciej Lis"* Director

- See accompanying notes to the condensed interim financial statements -

**GLOBAL CARE CAPITAL INC. (FORMERLY RESINCO CAPITAL PARTNERS INC.)**  
**CONDENSED INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS**  
**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

|   | Notes | Three months ended |               | Six months ended |               |
|---|-------|--------------------|---------------|------------------|---------------|
|   |       | June 30, 2020      | June 30, 2019 | June 30, 2020    | June 30, 2019 |
|   |       | \$                 | \$            | \$               | \$            |
| <b>Income</b>   |       |                    |               |                  |               |
| Net realized gain (loss) on disposal of investments                   | 4     | -                  | -             | 8,604            | (5,647)       |
| Net change in unrealized gain (loss) on investments                   |       | (1,828)            | (156,959)     | 22,989           | (390,707)     |
| Other income  |       | 2,268              | 1,147         | 4,512            | 5,642         |
|   |       | 440                | (155,812)     | 36,105           | (390,712)     |
| <b>Expenses</b>   |       |                    |               |                  |               |
| Consulting fees   | 8     | (262,000)          | (200,380)     | (330,600)        | (273,280)     |
| Corporate development   |       | -                  | (331,111)     | -                | (666,322)     |
| Insurance   |       | -                  | (47)          | -                | (2,898)       |
| Office and miscellaneous  |       | (13,160)           | 4,187         | (16,453)         | (52,154)      |
| Professional fees   |       | (115,331)          | (23,295)      | (132,300)        | (111,979)     |
| Regulatory and transfer agent fees                                    |       | (15,938)           | (5,958)       | (21,117)         | (12,967)      |
| Share-based compensation  | 7     | (1,753,892)        | -             | (1,783,696)      | -             |
| Transaction costs   |       | (4,300,850)        | -             | (4,300,850)      | (497,350)     |
| Advertising and promotion   |       | (831,662)          | -             | (831,662)        | -             |
|   |       | (7,292,833)        | (556,604)     | (7,386,874)      | (1,616,950)   |
| Net loss and comprehensive income (loss) for the period               |       | (7,292,393)        | (712,416)     | (7,350,769)      | (2,007,662)   |
| Net loss and comprehensive income (loss) per share, basic and diluted |       | (0.13)             | (0.15)        | (0.24)           | (0.20)        |
| Weighted average number of shares outstanding                         |       | 56,495,983         | 4,890,276     | 30,553,618       | 4,585,204     |

\*The share numbers have been adjusted to reflect a consolidation of the Company's share capital on a 25:1 basis effective March 13, 2020.

- See accompanying notes to the condensed interim financial statements -

**GLOBAL CARE CAPITAL INC. (FORMERLY RESINCO CAPITAL PARTNERS INC.)**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

| <b>Six month period ended</b>                              | <b>June 30, 2020</b> | <b>June 30, 2019</b> |
|--|----------------------|----------------------|
| <b>Operating activities</b>                                |                      |                      |
| Net income (loss) for the period                           | \$ (7,350,769)       | \$ (2,007,662)       |
| Items not affecting cash:                                  |                      |                      |
| Accrued interest on loan receivable                        | (4,488)              | -                    |
| Share-based compensation                                   | 1,753,892            | -                    |
| Realized loss (gain) on sale of investment                 | (8,604)              | 5,647                |
| Fair value change in investments                           | (22,989)             | 390,707              |
| Transactions costs   | 4,300,850            | 497,350              |
|  | (1,332,108)          | (1,113,958)          |
| <b>Changes in non-cash working capital items:</b>          |                      |                      |
| Prepaid expenses   | (52,733)             | (19,149)             |
| Accounts payable and accrued liabilities                   | 20,282               | 45,251               |
| <b>Net cash used in operating activities</b>               | <b>(1,364,559)</b>   | <b>(1,087,856)</b>   |
| <b>Investing activities</b>                                |                      |                      |
| Loan receivable  | (440,000)            | (1,200,780)          |
| Proceeds from sale of investments                          | 29,581               | 150,103              |
| <b>Net cash provided by (used in) investing activities</b> | <b>(410,419)</b>     | <b>(1,050,677)</b>   |
| <b>Financing activities</b>                                |                      |                      |
| Share subscription receivable                              | -                    | -                    |
| Private placement  | 2,255,575            | -                    |
| Options exercise   | 125,000              | -                    |
| Warrants exercise  | -                    | 18,250               |
| Proceeds from loan payable                                 | 50,000               | -                    |
| Net cash provided by investing activities                  | 2,430,575            | 18,250               |
| <b>Net increase (decrease) in cash</b>                     | <b>655,597</b>       | <b>(2,120,283)</b>   |
| <b>Cash, beginning of the period</b>                       | <b>14,498</b>        | <b>2,338,545</b>     |
| <b>Cash, end of the period</b>                             | <b>\$ 670,095</b>    | <b>\$ 218,262</b>    |

- See accompanying notes to the condensed interim financial statements -

**GLOBAL CARE CAPITAL INC. (FORMERLY RESINCO CAPITAL PARTNERS INC.)**  
**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

|   | Number of<br>Shares | Share<br>Capital     | Share-based<br>reserves | Deficit                | Total Shareholders'<br>Equity |
|---|---------------------|----------------------|-------------------------|------------------------|-------------------------------|
| <b>Balance, December 31, 2018</b>                     | <b>3,645,240</b>    | <b>\$ 45,644,400</b> | <b>\$ 16,938,232</b>    | <b>\$ (55,584,638)</b> | <b>\$ 6,997,994</b>           |
| Acquisition of Reformation shares                     | 1,160,000           | 7,105,000            | -                       | -                      | 7,105,000                     |
| Shares issued as finder fees                          | 81,200              | 497,350              | -                       | -                      | 497,350                       |
| Warrant exercise                                      | 6,800               | 3,750                | -                       | -                      | 3,750                         |
| Fair value re-allocation pursuant to warrant exercise | -                   | 88,405               | (88,405)                | -                      | -                             |
| Loss and comprehensive loss for the period            | -                   | -                    | -                       | (2,007,662)            | (2,007,662)                   |
| <b>Balance, June 30, 2019</b>                         | <b>4,893,240</b>    | <b>\$ 53,353,405</b> | <b>\$ 16,849,827</b>    | <b>\$ (57,992,300)</b> | <b>\$ 12,610,932</b>          |
| <b>Balance, December 31, 2019</b>                     | <b>4,893,240</b>    | <b>\$ 53,353,405</b> | <b>\$ 16,849,827</b>    | <b>\$ (68,602,875)</b> | <b>\$ 1,600,357</b>           |
| Private placement                                     | 25,000,000          | 2,500,000            | -                       | -                      | 2,500,000                     |
| Share issuance for investments                        | 51,000,000          | 23,805,000           | -                       | -                      | 23,805,000                    |
| Shares issued as finder fees                          | 2,400,000           | 1,692,000            | -                       | -                      | 1,692,000                     |
| Share issuance costs                                  | -                   | (194,425)            | -                       | -                      | (194,425)                     |
| Warrants issued as finder fees                        | -                   | (1,274,545)          | 1,274,545               | -                      | -                             |
| Stock options exercise                                | 250,000             | 125,000              | -                       | -                      | 125,000                       |
| Share based compensation                              | -                   | -                    | 1,753,892               | -                      | 1,753,892                     |
| Transaction cost                                      | -                   | -                    | 2,608,850               | -                      | 2,608,850                     |
| Loss and comprehensive loss for the year              | -                   | -                    | -                       | (7,350,769)            | (7,350,769)                   |
| <b>Balance, June 30, 2020</b>                         | <b>83,543,240</b>   | <b>\$ 80,006,435</b> | <b>\$ 22,487,114</b>    | <b>\$ (75,953,644)</b> | <b>\$ 26,539,905</b>          |

- See accompanying notes to the condensed interim financial statements -

**GLOBAL CARE CAPITAL INC. (FORMERLY RESINCO CAPITAL PARTNERS INC.)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2020**  
**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

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**1. NATURE OF OPERATIONS**

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Global Care Capital Inc. (formerly Resinco Capital Partners Inc.) (“Global Care Capital” or the “Company”) was incorporated under the laws of British Columbia on May 25, 2004. On April 13, 2020, the Company changed its name from Resinco Capital Partners Inc. to Global Care Capital Inc. The Company’s shares are listed for trading on the Canadian Securities Exchange (“CSE”) under the ticker symbol “HLTH”, the Frankfurt Stock Exchange under the symbol L6V1.F and in the US on the OTC market, under the symbol RSCZF. The registered office of the Company is Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

Global Care Capital is a global investment company which specializes in providing early-stage financing to private and public companies in the medical marijuana, pharmaceutical, technology, and mining sectors. The Company engages in new, early stage investment opportunities in previously underdeveloped assets and obtaining significant positions in early stage investment opportunities that adequately reflect the risk profile.

On March 13, 2020, the Company completed a share consolidation of its share capital on the basis of twenty-five (25) existing common shares for one (1) new common share. As a result of the share consolidation, the 122,331,000 common shares issued and outstanding were consolidated to 4,893,240 common shares. All common shares and per share amounts have been restated to give effect to the share consolidation (Note 7).

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. The impact on the Company is not currently determinable but management continues to monitor the situation.

**2. BASIS OF PRESENTATION**

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**Statement of compliance**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (“IAS 34”) as issued by the International Accounting Standards Board (“IASB”). The policies applied in these interim financial statements are based on International Financial Reporting Standards (“IFRS”) issued and outstanding as at the date the Board of Directors approved these interim financial statements for issue.

These interim financial statements do not include all of the information and disclosures required by IFRS for annual financial statements and therefore should be read in conjunction with the Company’s annual financial statements for the year ended December 31, 2019.

**Basis of presentation**

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

**Functional and presentation currency**

These financial statements are presented in Canadian dollars, which is the Company’s functional and presentation currency.

**Use of estimates and judgments**

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

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

**GLOBAL CARE CAPITAL INC. (FORMERLY RESINCO CAPITAL PARTNERS INC.)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

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

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Critical accounting estimates are estimates, judgments and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Impairment of investments

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

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

Fair value of private company investments – Where the fair values of investments in private companies recorded on the statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data is not available, judgment is required to establish fair value and this value may not be indicative of recoverable value.

Share-based payments – The fair value of share options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in the subjective input assumptions can materially affect the fair value estimate.

Recovery of deferred tax assets – Judgment is required in determining whether deferred tax assets are recognized in the statements of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statements of financial position could be impacted.

Additionally, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

The Company has not recorded any deferred tax assets.

**3. SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company as at and for the year ended December 31, 2019.



**GLOBAL CARE CAPITAL INC. (FORMERLY RESINCO CAPITAL PARTNERS INC.)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2020**  
**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

**4. INVESTMENTS AT FAIR VALUE**

At June 30, 2020, the Company held the following investments:

| Investee   | Number of Shares | Cost         | Fair Value   |
|--|------------------|--------------|--------------|
| <b>Public Companies</b>  |                  |              |              |
| Global Gaming Technologies Corp.   | 720,000          | \$ 2,160,001 | \$ -         |
| Metaverse Capital Corp.  | 5,058,583        | 101,172      | -            |
| Total of 5 other public company investments,<br>each valued under \$15,000 |                  | 185,345      | 11,862       |
|  |                  | 2,446,518    | 11,862       |
| <b>Private Companies</b>   |                  |              |              |
| CannBioRx Life Sciences Corp.<br>(formerly Katexco Pharmaceuticals Corp.)  | 263              | 200,000      | 286,000      |
| Vancity Green List Inc.  | 100              | 1,200,000    | -            |
| ReFormation Pharmaceuticals Corp.  | 56,000,000       | 10,750,000   | 1            |
| Pembrook Copper Corp.  | 320,000          | 452,000      | 190,000      |
| High Standard Health Care Ltd.   | 70               | 6,885,000    | 6,885,000    |
| ViraxClear Rapid Test Corp.  | 26,900,000       | 16,920,000   | 16,920,000   |
|  |                  | 36,407,000   | 24,281,001   |
|  |                  | \$38,853,518 | \$24,292,863 |

*High Standard Health Care Ltd.*

On June 5, 2020, the Company acquired 70% of High Standard Health Care Ltd. (“HSHC”) in exchange for 27,000,000 of the Company’s common shares, with a fair value of \$6,885,000. High Standard Health Care specializes in procuring personal protective equipment (“PPE”) including but not limited to respiratory masks, hand sanitizer, gowns, infrared thermometers and face shields and has been active in procurement during COVID-19 for hospitals, municipalities, long-term care facilities, fire departments and police departments.

*ViraxClear Rapid Test Corp.*

On April 17, the Company acquired 100% interest in ViraxClear Rapid Test Corp. (“ViraxClear”) in exchange for 24,000,000 of the Company’s common shares with a fair value of \$16,920,000. The Company paid transaction cost of 2,400,000 common shares with a fair value of \$1,692,000 to an arm’s-length party as payment of finder’s fees in connection with the acquisition by the Company of ViraxClear.

ViraxClear On February 14, 2020, HashChain Technology Inc. has changed its name to Digihost Technology Inc. and completed a consolidation of all of its issued and outstanding common shares on the basis of 40:1. The number of shares stated reflect the consolidation.

During the six months ended June 30, 2020, the Company sold 286,933 shares of Block X Capital Corp. for gross proceeds of \$14,661, and 23,750 shares of Digihost Tech Inc. for gross proceeds of \$14,920.

**GLOBAL CARE CAPITAL INC. (FORMERLY RESINCO CAPITAL PARTNERS INC.)**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2020**  
**(UNAUDITED – EXPRESSED IN CANADIAN DOLLARS)**

**4. INVESTMENTS AT FAIR VALUE (continued)**

At December 31, 2019, the Company held the following investments:

| Investee   | Number of Shares | Cost         | Fair Value |
|--|------------------|--------------|------------|
| <b>Public Companies</b>  |                  |              |            |
| Global Gaming Technologies Corp.   | 720,000          | \$ 2,160,001 | \$ -       |
| Hashchain Technology Inc.  | 950,000          | 246,975      | 9,500      |
| Metaverse Capital Corp.  | 5,058,583        | 101,172      | -          |
| Total of 5 other public company investments,<br>each valued under \$15,000 |                  | 5,205,872    | 14,350     |
|  |                  | 7,714,020    | 23,850     |
| <b>Private Companies</b>   |                  |              |            |
| CannBioRx Life Sciences Corp.<br>(formerly Katexco Pharmaceuticals Corp.)  | 263              | 200,000      | 272,000    |
| Vancity Green List Inc.  | 100              | 1,200,000    | -          |
| ReFormation Pharmaceuticals Corp.  | 56,000,000       | 10,750,000   | 1          |
| Pembroke Copper Corp.  | 320,000          | 452,000      | 190,000    |
|  |                  | 12,602,000   | 462,001    |
|  |                  | \$20,316,020 | \$485,851  |

*Block X Capital Corp.*

On January 23, 2018, Lions Gate Metals Inc. changed its name to Block X Capital Corp.

*CannBioRx Life Sciences Corp. (formerly Katexco Pharmaceuticals Corp.)*

On October 19, 2018, the Company subscribed for 2,000,000 common shares at \$0.10 per share for a total investment of \$200,000 in Katexco Pharmaceuticals Corp.

Katexco Pharmaceuticals Corp., 180 Therapeutics and CannBioRex Pharmaceuticals amalgamated into an entity called CannBioRx Life Sciences Corp (“CannBioRx”). CannBioRx signed a definitive business combination agreement with KBL Merger Corp. IV (NASDAQ:KBLM) (“KBLM”), KBLM is a blank check company that completed its IPO in June 2017, raising \$115 million with the goal of identifying and acquiring a company with strong value proposition in the U.S. healthcare or health-care related wellness industry.

During the year ended December 31, 2019, the number of CannBioRx common shares held was reduced to 263, as a result of CannBioRx completing a share consolidation. As at June 30, 2020, the fair value of the 263 CannBioRx common shares is \$297,000.

*Global Gaming Technologies Corp.*

On February 12, 2019, Global Blockchain Technologies Corp. changed its name to Global Gaming Technologies Corp (“Global”). On March 19, 2019, Global reverse-split its issued and outstanding shares on a 10:1 basis. The number of shares stated reflect the reverse-split.

On December 31, 2019, the Company recorded an impairment of its investment in Global of \$392,544 to reduce the fair value of its investment to \$Nil. The impairment is due to the fact that Global needs to raise a significant amount of capital to settle its debt and its ability to raise these funds in a timely manner is uncertain.

**GLOBAL CARE CAPITAL INC. (FORMERLY RESINCO CAPITAL PARTNERS INC.)**  
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**4. INVESTMENTS AT FAIR VALUE (continued)**

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*Metaverse Capital Corp.*

On June 20, 2019, the Company received 5,058,583 common shares of Metaverse Capital Corp. (“Metaverse”) valued at \$101,172 as a stock dividend, which was recorded as dividend income.

On December 31, 2019, the Company recorded an impairment of its investment in Metaverse of \$101,172 to reduce the fair value of its investment to \$Nil. The impairment is due to the fact that the Metaverse is delisted.

*ReFormation Pharmaceuticals Corp.*

On October 22, 2018, the Company acquired 48% of ReFormation Pharmaceuticals Corp. (“ReFormation”) in exchange for 1,080,000 of the Company’s common shares, with a fair value of \$3,645,000. ReFormation is a medical marijuana pharmaceutical company with its research and development team at the University of Oxford. ReFormation is focused on an innovative approach to repair vital organs by combining cannabinoids and an endogenous trigger of repair.

On January 16, 2019, the Company entered into an Amalgamation Agreement and acquired the remaining 52% of ReFormation in exchange for 1,160,000 of the Company’s common shares with a fair value of \$7,105,000. The Company issued 81,200 finder’s fee shares with a fair value of \$497,350, which are recorded as a transaction cost.

On December 31, 2019, the Company recorded a write-down of its investment in ReFormation of \$10,749,000 to reduce the fair value of the investment to \$1. The write-down of the investment was recorded since the fair value is not reliably measurable under IFRS 13.

*Vancity Green List Inc.*

On December 28, 2018, the Company acquired 100% of Vancity Green List Inc. (“Vancity”) by way of a three-cornered amalgamation. Vancity is a leading website application that connects personal use cannabis growers and local dispensaries. In consideration, the Company issued 600,000 common shares with a fair value of \$1,200,000. As at December 31, 2019, the fair value of Vancity was \$Nil. (2018 - \$Nil)

**5. PREPAID EXPENSES**

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As at June 30, 2020 the Company has a balance in its prepaid account of \$52,733. The amount is paid to an arms length vendor for marketing services. The Company had no prepaid balance as at June 30, 2019.

**6. LOAN RECEIVABLE**

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On March 15, 2019, through the Company’s wholly-owned investment, ReFormation, entered into a right of first negotiation with 180 Therapeutics LP (“180”). 180 is a clinical stage biopharmaceutical company focused on the discovery and development of novel biological therapies for the treatment of fibrosis. In partnership with 180, the Company will work with 180 to develop the effectiveness of the HMGB1 molecule; this molecule primes the body’s stem cells to accelerate repair and regeneration following injuries. ReFormation has agreed to fund the project of up to US \$1,200,000. On March 15, 2019 the Company advanced \$1,200,780 to 180 on behalf of ReFormation by way of loan to ReFormation Pharmaceuticals Corp (Note 8). The loan is due on demand and non-interest bearing.

On August 13, 2019, the Company entered into a promissory note agreement with Gen X and loaned Gen X \$150,000 for working capital purposes. The loan accumulates interest at 6% annually, not in advance, and is repayable on demand.

On April 16, 2020, pursuant to the terms of the ViraxClear Purchase Agreement, the Company agreed to advance

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**6. LOAN RECEIVABLE (continued)**

to ViraxClear a minimum of \$1,000,000, not subject to financing, over the subsequent six months, which will be allocated towards inventory management, working capital, and product development. The funding is in the form of a non-interest-bearing loan. As at June 30, 2020, the Company has loaned \$440,000 to ViraxClear

The continuity for loans receivable for the period ended June 30, 2020 is as follows:

|                   | Balance,<br>December 31, 2019 | Principal        | Accrued Interest | Balance,<br>June 30, 2020 |
|-------------------|-------------------------------|------------------|------------------|---------------------------|
| ReFormation       |                               |                  |                  |                           |
| - loan receivable | \$1,200,780                   | \$-              | \$-              | \$1,200,780               |
| Gen X             |                               |                  |                  |                           |
| - promissory note | 153,477                       | -                | 4,488            | 157,965                   |
| ViraxClear        |                               |                  |                  |                           |
| - loan receivable | -                             | 440,000          | -                | 440,000                   |
| <b>Total</b>      | <b>\$1,354,257</b>            | <b>\$440,000</b> | <b>\$4,488</b>   | <b>\$1,798,745</b>        |

**7. SHARE CAPITAL**

**a) Authorized share capital**

At June 30, 2020 the authorized share capital comprised an unlimited number of common shares without par value.

**b) Issued share capital**

At June 30, 2020 the Company had 83,543,235 common shares issued and outstanding (December 31, 2019 – 4,893,240).

During the six-month period ended June 30, 2020, the Company issued 250,000 common shares for gross proceeds of \$125,000 pursuant to stock options exercised.

On June 5, 2020, the Company issued 27,000,000 common shares, with a fair value of \$6,885,000 to acquire 70% of HSHC.

On April 17, 2020 the Company issued 24,000,000 of the Company's common shares with a fair value of \$16,920,000 to acquire 100% interest in ViraxClear. The Company has also issued an aggregate 2,400,000 common shares with a fair value of \$1,692,000 to an arm's-length party as payment of finder's fees.

On April 9, 2020 the Company closed a non-brokered private placement by issuance of 25,000,000 common shares and 25,000,000 half warrants, with each whole warrant convertible for one common share, for gross proceeds of \$2,450,000 and to settle outstanding debt of \$50,000 (Note 8). The Company paid \$194,425 in finders' fee and issued 1,944,250 finder warrants with a fair value of \$1,274,545, calculated using the Black-Scholes pricing model with the following assumptions: term of 2 years; expected volatility of 379.93%; risk-free rate of 0.41%; and expected dividends of zero. The Company re-allocated \$1,274,545 from share capital to share-based payments reserve.

On January 15, 2019, the Company issued 1,160,000 common shares with a fair value of \$7,105,000 pursuant to the acquisition of ReFormation (Note 4). The Company issued 81,200 common finders' fee shares with a fair value of \$497,350, which was measured on the basis of the Company's observable market price.

In 2019, the Company also issued 6,800 common shares pursuant to a warrant exercise for gross proceeds of

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**7. SHARE CAPITAL (continued)**

**b) Issued share capital (continued)**

\$18,250. The Company re-allocated \$88,405 from share-based payments reserve to share capital.

On November 1, 2018, the Company issued 1,080,000 common shares with a fair value of \$3,645,000 pursuant to the acquisition of ReFormation (Note 4). The Company issued 75,600 common finder shares with a fair value of \$255,150, which was measured on the basis of the Company's observable market price.

On November 16, 2018, the Company issued 4,000 common shares pursuant to a warrant exercise for gross proceeds of \$15,000. The Company re-allocated \$12,301 from share-based payments reserve to share capital.

On December 28, 2018, the Company issued 600,000 common shares with a fair value of \$1,200,000 pursuant to the acquisition of Vancity (Note 4). The Company issued 40,000 finder shares with a fair value of \$80,000, which was measured on the basis of the Company's observable market price.

**c) Stock options – Directors, officers, employees and consultants**

The Board of Directors of the Company may from time-to-time grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares, exercisable for a period of up to five years from the date of grant. The Company's stock option plan requires that options vest 20% immediately, with 20% vesting every six months thereafter; however, the Board may change such provisions at its discretion or as required on a grant-by-grant basis.

The continuity for stock options granted to directors, officers, employees and consultants of the Company for the six months ended June 30, 2020 is as follows:

| <b>Grant Date</b>               | <b>Expiry date</b> | <b>Number of options</b> | <b>Exercise price</b> |
|---------------------------------|--------------------|--------------------------|-----------------------|
| June 22, 2018                   | June 22, 2023      | 156,560                  | \$ 5.50               |
| April 9, 2020                   | April 9, 2022      | 2,299,463                | 0.66                  |
| April 17, 2020                  | April 15, 2022     | 500,000                  | 0.20                  |
| April 17, 2020                  | April 15, 2022     | 2,150,000                | 0.50                  |
| June 5, 2020                    | June 5, 2022       | 1,000,000                | 0.285                 |
| <b>Balance at June 30, 2020</b> |                    | <b>6,106,023</b>         | <b>\$ 0.629</b>       |

|                               | <b>Number of options</b> | <b>Weighted average exercise price</b> |
|-------------------------------|--------------------------|--|
| <b>At December 31, 2019</b>   | 164,560                  | \$ 5.50                                |
| Options granted               | 6,199,463                | 0.50                                   |
| Options exercised             | (250,000)                | 0.50                                   |
| Options cancelled and expired | (8,000)                  | 5.50                                   |
| <b>At June 30, 2020</b>       | <b>6,106,023</b>         | <b>\$ 629</b>                          |

During the six months ended June 30, 2020, 8,000 share options expired without being exercised upon the resignation of the former CFO and the former Corporate Secretary.

On April 9, 2020, the Company granted 2,299,463 share options with an exercise price of \$0.66 per share expiring on April 9, 2022. The fair value of the share options was estimated to be \$1,501,438 using the Black-Scholes pricing model with the following assumptions: term of 2 years; expected volatility of 380.52%; risk-free rate of 0.36%; and expected dividends of zero.

On April 17, 2020, the Company granted 500,000 share options with an exercise price of \$0.20 per share expiring on April 15, 2022, in connection with the acquisition of ViraxClear. The fair value of the share options was estimated

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**7. SHARE CAPITAL (continued)**

to be \$327,552 using the Black-Scholes pricing model with the following assumptions: term of 2 years; expected volatility of 380.52%; risk-free rate of 0.36%; and expected dividends of zero. The Company expensed the \$327,552 to transaction costs.

**c) Stock options – Directors, officers, employees and consultants (continued)**

On April 17, 2020, the Company granted 2,400,000 share options with an exercise price of \$0.50 per share expiring on April 15, 2022 in connection with the acquisition of ViraxClear. The fair value of the share options was estimated to be \$1,568,549 using the Black-Scholes pricing model with the following assumptions: term of 2 years; expected volatility of 380.52%; risk-free rate of 0.36%; and expected dividends of zero. The Company expensed the \$1,568,549 to transaction costs.

On April 22, 2020, the company received gross proceeds of \$125,000 for the exercising of 250,000 stock options.

On June 5, 2020, the Company granted 1,000,000 share options with an exercise price of \$0.29 per share expiring on June 5, 2022. The fair value of the share options was estimated to be \$282,258 using the Black-Scholes pricing model with the following assumptions: term of 2 years; expected volatility of 385.15%; risk-free rate of 0.32%; and expected dividends of zero.

As at June 30, 2020, 6,106,023 stock options were exercisable at weighted average exercise price of \$0.63.

The continuity for stock options granted to directors, officers, employees and consultants of the Company for the year ended December 31, 2019 is as follows:

| <b>Grant Date</b>                   | <b>Expiry date</b> | <b>Number of options</b> | <b>Exercise price</b> |
|-------------------------------------|--------------------|--------------------------|-----------------------|
| June 22, 2018                       | June 22, 2023      | 164,560                  | \$ 5.50               |
| <b>Balance at December 31, 2019</b> |                    | 164,560                  | \$ 5.50               |

|                               | <b>Number of options</b> | <b>Weighted average exercise price</b> |
|-------------------------------|--------------------------|--|
| <b>At December 31, 2018</b>   | 172,560                  | \$ 5.25                                |
| Options cancelled and expired | (8,000)                  | 11.63                                  |
| <b>At December 31, 2019</b>   | 164,560                  | \$ 5.50                                |

On June 22, 2018, the Company granted 172,560 share options with an exercise price of \$5.50 per share expiring on June 22, 2023. The fair value of the share options was estimated to be \$946,923 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 271.74%; risk-free rate of 1.99%; and expected dividends of zero. As at June 30, 2019, 164,560 stock options were exercisable.

**d) Finders' warrants**

The continuity for finders' warrants for the six months ended June 30, 2020 is as follows:

|                                 | <b>Number of warrants</b> | <b>Weighted average exercise price</b> |
|---------------------------------|---------------------------|--|
| <b>At December 31, 2019</b>     | -                         | \$ -                                   |
| Warrants granted                | 1,944,250                 | 0.10                                   |
| <b>Balance at June 30, 2020</b> | 1,944,250                 | \$ 0.10                                |

On April 9, 2020, the Company issued 1,944,250 finder's warrants with an exercise price of \$0.10 per share expiring on April 9, 2022 to various arms-length vendors in connection with the completed private placement. The 1,944,250 finder's warrants remained exercisable on June 30, 2020. The fair value of the finder's warrants was estimated to be \$1,274,545 using the Black-Scholes pricing model with the following assumptions: term of 2 years; expected volatility of 379.93%; risk-free rate of 0.41%; and expected dividends of zero.

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**7. SHARE CAPITAL (continued)**

**d) Finders' warrants (continued)**

The continuity for finders' warrants for the December 31, 2019 is as follows:

|                                     | Number of warrants | Weighted average<br>exercise price |
|-------------------------------------|--------------------|------------------------------------|
| <b>At December 31, 2018</b>         | 127,012            | \$ 8.00                            |
| Warrants exercised                  | (5,800)            | 2.50                               |
| Warrants granted                    | 2,900              | 3.75                               |
| Warrants expired                    | (124,112)          | 5.91                               |
| <b>Balance at December 31, 2019</b> | -                  | \$ -                               |

**e) Warrants**

The continuity for warrants for the six months ended June 30, 2020 is as follows:

|                                 | Number of warrants | Weighted average<br>exercise price |
|---------------------------------|--------------------|------------------------------------|
| <b>At December 31, 2019</b>     | -                  | \$ -                               |
| Warrants granted                | 17,444,250         | 0.230                              |
| <b>Balance at June 30, 2020</b> | 17,444,250         | \$ 0.230                           |

On April 7, 2020, the Company issued 12,500,000 warrants with an exercise price of \$0.20 and expire on April 9, 2022.

On June 5, 2020, the Company issued 3,000,000 warrants with an exercise price of \$0.375 per share expiring on June 5, 2021 to various arms-length vendors in connection with the acquisition of HSHC. The fair value of the warrants was estimated to be \$712,750 using the Black-Scholes pricing model with the following assumptions: term of 1 year; expected volatility of 385.15%; risk-free rate of 0.32%; and expected dividends of zero. The Company expensed the \$712,750 to transaction costs.

The continuity for warrants for year ended December 31, 2019 is as follows:

|                                     | Number of warrants | Weighted average<br>exercise price |
|-------------------------------------|--------------------|------------------------------------|
| <b>At December 31, 2018</b>         | 1,195,800          | \$ 8.77                            |
| Warrants exercised                  | (1,000)            | 3.75                               |
| Warrants expired                    | (1,194,800)        | 8.77                               |
| <b>Balance at December 31, 2019</b> | -                  | \$ -                               |

During the year ended December 31, 2019 the Company issued 1,000 common shares pursuant to a warrant exercise for gross proceeds of \$3,750. The Company re-allocated \$3,075 from share-based payments reserve to share capital.

**8. RELATED PARTY TRANSACTIONS**

The following directors and/or senior officers transacted with the Company in the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis. The aggregate value of transactions relating to key management personnel were as follows:

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

|   | June 30, 2020     | June 30, 2019     |
|---|-------------------|-------------------|
| Consulting fees paid to the CEO   | \$ 101,700        | \$ 101,700        |
| Consulting fees paid to the CFO   | 1,575             | -                 |
| Corporate fees paid to a company controlled by the former corporate secretary       | 3,125             | 45,675            |
| Rent, consulting and accounting fees paid to companies controlled by the former CFO | 6,850             | 22,050            |
| <b>Total</b>  | <b>\$ 113,250</b> | <b>\$ 169,425</b> |

As at June 30, 2020, there was \$279,388 (December 31, 2019 - \$132,150) due to current and former officers and management of the Company, and loan receivable of \$1,200,780 (December 31, 2019 - \$1,200,780) due from ReFormation Pharmaceuticals Corp (Note 6).

On January 17, 2020, the Company entered into a loan agreement in the amount of \$50,000 with a company jointly controlled by the former corporate secretary and CFO. The loan was due on demand and interest accrued on the principal amount at the rate of 8% per annum. On April 9, 2020, the loan was settled with common shares of the Company (Note 7).

**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

**Financial instruments**

The Company's financial instruments consist of cash, receivables, share subscriptions receivable, loan receivable, investments and trade and other payables. The carrying value of receivables, loan receivable, share subscriptions receivable and trade and other payables approximates their fair value due to the short-term nature. Cash is recorded at fair value using Level 1 of the fair value hierarchy. Investments are recorded at fair value using Level 1 to 3 of the fair value hierarchy.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.
- Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The following table presents the Company's investments, measured at fair value on the statements of financial position and categorized into levels of the fair value hierarchy:

|                   | Level 1   | Level 2 | Level 3       | Total         |
|-------------------|-----------|---------|---------------|---------------|
| June 30, 2020     | \$ 11,862 | \$ -    | \$ 24,281,001 | \$ 24,292,863 |
| December 31, 2019 | \$ 23,850 | \$ -    | \$ 462,001    | \$ 485,851    |



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**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

The Company holds investments in HSHC, ViraxClear, Pembroke, CannBioRx (formerly Katexco), ReFormation, Metaverse and Vancity Green, all private company investments are considered Level 3. The fair value of investments in Level 3 for Pembroke is determined by referring to the most recent equity financing the investee undertook during the period or by taking a weighted average of the net assets of the private company and the value of its historical share issuance transactions. The fair value of investments for CannBioRx (formerly Katexco) is based on the most recently completed private placement. The fair value for Vancity Green is based on the Company's most recent financings or transactions and an assessment as to whether there have been any adverse changes from the date of acquisition. The fair value for ReFormation is based on an assessment as to whether there have been any changes in the Company's circumstances since the date of acquisition. All changes in fair value of these private company investments are recognized in profit or loss on the statements of loss and comprehensive loss.

The amounts included in profit or loss are comprised entirely of unrealized gains and losses. There were no transfers between levels during the period.

The following table reconciles the Company's Level 3 fair value investments:

| Level 3                      | Six months ended<br>June 30, 2020 | Six months ended<br>June 30, 2019 |
|------------------------------|-----------------------------------|-----------------------------------|
| Balance, beginning of period | \$ 462,001                        | \$ 4,035,000                      |
| Additions                    | 23,805,000                        | 7,602,350                         |
| Unrealized (loss)/gain       | 14,000                            | -                                 |
| Balance, end of period       | 24,281,001                        | 11,637,350                        |

**Risk management**

The Company is or may be subject to certain risks including interest rate risk, currency risk, credit risk and market risk. Risk management strategies may expose the Company to further gains or losses, but serve to stabilize future cash flows, reduce the volatility of operating results and increase overall financial strength.

*Interest rate risk*

The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risks on cash and cash equivalents and on the Company's obligations are not considered significant.

*Currency risk*

The Company has foreign investments and is therefore subject to currency risk. Management believes these investment and transaction amounts are not significant and there are no material foreign currency commitments. The currency risk is therefore manageable and not significant. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign currency exchange rates.

*Credit risk*

Credit risk is the risk associated with the inability of a third party to fulfil its payment obligations. The Company is exposed to the risk that third parties that owe money or securities in connection with services provided, or for other purposes, will default on their underlying obligations.

Prior to accepting any service engagement or providing any loan, the Company assesses future recoverability by examining the entities' financial conditions, properties and assets, business development activities and management. The Company manages its exposure to credit risk by reviewing the outstanding balances on an ongoing basis, monitoring the amount attributable to each counterparty and the length of time taken for amounts to be settled. Where necessary, management takes appropriate action to follow up on those balances considered overdue.

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**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

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**Risk management (continued)**

*Liquidity risk*

Liquidity risk is the risk that the Company will have insufficient cash resources to meet its financial obligations as they become due. The Company's liquidity and operating results may be adversely affected if the Company does not have access to the capital markets, whether as a result of a downturn in general market conditions or related to matters specific to the Company, or if the value of the Company's investments decline, resulting in lower proceeds and/or losses on disposition. The Company generates cash flows primarily from the disposition of its investments and from its financing activities.

The Company's investments focus on early-stage companies which can at times be relatively illiquid and if the Company decides to dispose of certain securities, it may not be able to do so at favorable prices at that time, or at all. However, the Company has sufficient marketable securities which are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions such that, in the absence of overall market disruptions or exceptional circumstances, liquidity risk can be minimized.

*Market risk*

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices. The Company's investments are primarily concentrated in early-stage companies, which results in exposure to higher volatility than broader market investments and indexes. The Company's investments are accounted for at fair value and are sensitive to changes in market bid prices, such that changes in market prices result in a proportionate change in the carrying value of the Company's investments. A 10% change in the fair values of the Company's investments at June 30, 2020 would have a \$2,429,286 (2019- \$48,000) impact on operations.

*Concentration risk*

The Company is subject to concentration risk due to the nature of the Company's operations as an investment company and the number of investments held in the portfolio which consists primarily of early stage companies and their related technologies. As a result, the investment portfolio is directly exposed to the risks associated with companies operating in these industry sectors.

As at June 30, 2020, approximately 99% (2019-96%) of the fair value of the Company's investment portfolio consisted of investments in three companies with the largest single investment comprising 70% (2019-70%) of the total portfolio value.

**10. MANAGEMENT OF CAPITAL**

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The Company considers its common shares and options to comprise its capital.

The Company's objectives when managing capital are:

- (a) To ensure that the Company maintains the level of capital necessary to meet its operational requirements;
- (b) To allow the Company to respond to changes in economic and/or marketplace conditions by maintaining its ability to purchase new investments;

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**10. MANAGEMENT OF CAPITAL (continued)**

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- (c) To create sustained growth in shareholder value by increasing shareholders' equity and minimizing shareholder dilution; and
- (d) To maintain a flexible capital structure that optimizes the cost of capital at acceptable levels of risk.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to meet its objectives, in order of preference, by:

- (a) Realizing proceeds from the disposition of investments and provision of corporate services; and
- (b) Raising funds through equity financings.

The Company is not subject to any externally imposed capital requirements. Management monitors the Company's capital to ensure capital resources will be sufficient to discharge its liabilities on an ongoing basis.

**11. SUBSEQUENT EVENTS**

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On July 30, 2020, the Company sold all of the issued and outstanding shares of ReFormation Pharmaceuticals Corp. to 360 Life Sciences Corp pursuant to the share purchase agreement signed on June 24, 2020 in exchange for 800,000 of 360 Life Sciences Corp. common shares.

On August 6, 2020, the Company entered into a letter of intent for the acquisition by the Company of all of the issued and outstanding securities in the capital of Healthview Technologies Inc. in exchange for securities of Global Care ("the Transaction"). The material terms of the Transaction are as follows:

- In consideration for the Transaction, Global Care will issue of 20,000,000 common shares of the Company (the "Consideration Shares") to Healthview shareholders at a deemed price of \$0.09 per Consideration Share and issue to Healthview warrant holders an aggregate of 10,000,000 common share purchase warrants (the "Consideration Warrants").
- Each Consideration Warrant permits the holder thereof to acquire one common share of the Company at a price equal to \$0.05 until August 5, 2021.
- There is no hold period for the Consideration Shares or the Consideration Warrants pursuant to applicable securities laws.
- In addition, Global Care will issue up to an additional 20,000,000 common shares if and when Healthview meets certain performance milestones on or before December 31, 2021.
- 2,000,000 finders' shares will be issued to an arm's length finder in connection with the Transaction.