GLOBAL CARE CAPITAL INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2021 AND 2020

(EXPRESSED IN CANADIAN DOLLARS)

Mao & Ying LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **Global Care Capital Inc.**

Opinion

We have audited the financial statements of **Global Care Capital Inc.** (the "Company"), which comprise the statement of financial position as at December 31, 2021, and the statements of loss and comprehensive loss, changes in equity (deficiency) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significate doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

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Auditor’s responsibilities for the Audit of the Financial Statements
Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor’s report is Linda Zhu.

The financial statements of the Company for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on these financial statements on April 29, 2021.

Mao & Ying LLP

Vancouver, Canada,
May 2, 2022

Chartered Professional Accountants

GLOBAL CARE CAPITAL INC.
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31
(EXPRESSED IN CANADIAN DOLLARS)

	Notes		2021		2020
ASSETS					
Current Assets					
Cash and cash equivalents		**$**	**617,714**	$	321,608
Investments			**5,412**		223,670
			623,126		545,278
Non-Current Assets					
Investments	**4**		**2,337,488**		166,669
Total assets		**$**	**2,960,614**	$	711,947
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	**5,7**	**$**	**821,417**	$	371,356
Contingent consideration liability	**4**		**-**		1,700,000
Total liabilities			**821,417**		2,071,356
SHAREHOLDERS' EQUITY (DEFICIENCY)					
Share capital	**6**		**122,245,263**		96,909,265
Share-based payments reserve	**6**		**29,987,250**		23,714,464
Accumulated deficit			**(150,093,316)**		(121,983,138)
Total shareholders' equity (deficiency)			**2,139,197**		(1,359,409)
Total liabilities and shareholders' equity (deficiency)		**$**	**2,960,614**	$	711,947

Going concern (Note 1)
Subsequent events (Note 11)

These financial statements were approved for issue by the Board of Directors of the Company on May 2, 2022, and were signed on its behalf by:

"Alexander Somjen" Director *"Maciej Lis"* Director

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

GLOBAL CARE CAPITAL INC.
STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS
FOR THE YEARS ENDED DECEMBER 31
(EXPRESSED IN CANADIAN DOLLARS)

	Notes	**2021** $	2020 $
Investment income (loss)			
Loss on change in fair value of loans receivable		-	(1,821,946)
Net realized loss on disposal of investments	**4**	(209,443)	(5,237,921)
		(209,443)	(7,059,867)
Interest income		-	9,048
Net investment loss		**(209,443)**	(7,050,819)
Expenses			
Consulting fees	**7**	(299,510)	(488,250)
Corporate development		(290,167)	(1,031,825)
Office and miscellaneous		(14,108)	(31,270)
Professional fees		(264,793)	(229,496)
Regulatory and transfer agent fees		(36,460)	(36,920)
Share-based compensation	**6**	(478,480)	(1,753,892)
Transaction costs		-	(8,051,030)
		(1,383,518)	(11,622,683)
Loss before other income (expense)		**(1,592,961)**	(18,673,502)
Other income (expense)			
Accounts payable write off		-	6,248
Gain on re-measurement of contingent liabilities		-	750,000
Fair value adjustment on investments	**4**	(26,517,217)	(35,463,010)
		(26,517,217)	(34,706,762)
Net loss and comprehensive loss for the year		**(28,110,178)**	(53,380,264)
Net loss per share, basic and diluted		**(0.10)**	(0.84)
Weighted average number of shares outstanding		**284,519,716**	63,856,112

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

GLOBAL CARE CAPITAL INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31
(EXPRESSED IN CANADIAN DOLLARS)

		2021		2020
Operating activities				
Net loss for the year	$	**(28,110,178)**	$	(53,380,263)
Items not affecting cash:				
Accrued interest on loan receivable		**-**		(9,025)
Fair value adjustment on investments		**26,517,217**		35,463,010
Loss on change in fair value of loan receivables		**-**		1,821,946
Realized loss on sale of investments		**209,443**		5,237,921
Share-based compensation		**478,480**		1,753,892
Shares issued for service		**35,200**		-
Gain on re-measurement of contingent liabilities		**-**		(750,000)
Transaction costs		**-**		8,051,030
		(869,838)		(1,811,489)
Changes in non-cash working capital items:				
Accounts receivable		**(126,231)**		-
Accounts payable and accrued liabilities		**450,063**		117,107
Issuance of loans receivable		**-**		(458,665)
Proceeds from sale of investments		**202,112**		29,582
Net cash used in operating activities		**(343,894)**		(2,123,465)
Financing activities				
Proceeds from issuance of units		**-**		2,500,000
Finders' fees paid in cash		**-**		(194,425)
Exercise of stock options		**-**		125,000
Exercise of warrants		**640,000**		-
Net cash provided by financing activities		**640,000**		2,430,575
Net change in cash		**296,106**		307,110
Cash and cash equivalents, beginning of the year		**321,608**		14,498
Cash and cash equivalents, end of the year	$	**617,714**	$	321,608
Non-cash transactions				
Share issued to Healthview Technologies		**1,700,000**		-
Share issued to ASIC		**11,500,000**		-
Share and warrants issued to CCM		**16,528,104**		-
Share issued to CCM loan		**727,000**		-
Share issued for investments				36,363,000
Share issued as finder fees		**-**		1,822,000
Warrants issued as finder fees		**24,591**		189,715
Transaction cost		**-**		8,051,030

The accompanying notes are an integral part of these financial statements

GLOBAL CARE CAPITAL INC.
STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
FOR THE YEARS ENDED DECEMBER 31
(EXPRESSED IN CANADIAN DOLLARS)

	Number of Shares		Share Capital		Share-based payments reserve		Accumulated deficit		Total Shareholders' Equity (deficiency)
Balance, December 31, 2019	4,893,240	$	53,353,405	$	16,849,827	$	(68,602,875)	$	1,600,357
Private placement	25,000,000		2,500,000		-		-		2,500,000
Share issuance for investments	71,000,000		36,363,000		-		-		36,363,000
Shares issued as finder fees	4,400,000		1,822,000		-		-		1,822,000
Share issuance costs	-		(194,425)		-		-		(194,425)
Warrants issued as finder fees	-		(189,715)		189,715		-		-
Stock options exercise	250,000		125,000		-		-		125,000
Share based compensation	-		-		1,753,892		-		1,753,892
Transaction cost	-		3,130,000		4,921,030		-		8,051,030
Loss and comprehensive loss for the year	-		-		-		(53,380,263)		(53,380,263)
Balance, December 31, 2020	105,543,240	$	96,909,265	$	23,714,464	$	(121,983,138)	$	(1,359,409)
Share issued to Healthview Technologies	20,000,000		1,700,000		-		-		1,700,000
Share issued to ASIC	100,000,000		11,500,000		-		-		11,500,000
Warrants exercise	12,325,000		1,510,539		(870,539)		-		640,000
Finder warrants	-		(24,591)		24,591		-		-
Share issued to CCM Technologies Inc.	94,170,001		9,887,850		6,640,254		-		16,528,104
Share issued to settle CCM loan	8,077,774		727,000		-		-		727,000
Share issued for service	541,538		35,200						35,200
Share based compensation	-		-		478,480		-		478,480
Loss and comprehensive loss for the year	-		-		-		(28,110,178)		(28,110,178)
Balance, December 31, 2021	**340,657,553**	**$**	**122,245,263**	**$**	**29,987,250**	**$**	**(150,093,316)**	**$**	**2,139,197**

The accompanying notes are an integral part of these financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Global Care Capital 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 1500 - 1055 W. Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

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.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2021, the Company has a working capital deficiency of $198,291 (December 31,2020 - $1,526,078) and accumulated deficit of $150,093,316 (December 31, 2020 - $121,983,138). These factors indicate the existence of a material uncertainty that may raise significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate cash flows from additional equity financing and/or through the sales of investments. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern, in which case such adjustments could be material.

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

Statement of compliance

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

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.

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

2. BASIS OF PRESENTATION (continued)

common shares and per share amounts have been restated to give effect to the share consolidation (Note 6).

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. 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:

Loans receivable - 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.

Investments in private companies – 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 (also see Note 3).

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.

2. BASIS OF PRESENTATION (continued)

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.

Contingent consideration liabilities – Judgment is required in determining whether contingent consideration is classified as a liability or equity. Estimates are required in determining the probabilities and amount due under contingent consideration arrangements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all years presented in these consolidated financial statements, unless otherwise indicated.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits in banks and highly liquid investments with an original maturity of three months or less. As at December 31, 2021 and 2020, the Company does not have any cash equivalents.

IFRS 9, Financial Instruments

IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition: those measured at fair value through profit and loss (FVTPL), those measured at fair value through other comprehensive income (FVTOCI), and those measured at amortized cost. Measurement and classification of financial assets is dependent on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company classifies its accounts payable and accrued liabilities as other financial liabilities. These financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

The Company has assessed the classification and measurement of financial assets and financial liabilities in the following table:

	Measurement Category
Financial assets:	
Cash and cash equivalents	FVTPL
Investments	FVTPL
Financial liabilities:	
Accounts payable and accrued liabilities	Amortized cost
Contingent consideration liability	FVTPL

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

All investments are classified upon initial recognition at fair value through profit or loss, with changes in fair value recognized in the statements of net loss and comprehensive loss. Purchases and sales of investments are recognized on the settlement date.

Investments at fair value through profit or loss are initially recognized at fair value. Transaction costs are expensed as incurred in the statements of comprehensive income (loss). Investments are derecognized when the rights to receive cash flows from the investments have expired or the Company has transferred the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9.

Subsequent to initial recognition, all investments are measured at fair value. Gains and losses arising from changes in the fair value of the investments at fair value through profit or loss category are presented in the statements of net loss and comprehensive loss within net change in unrealized gains or losses on investments in the period in which they arise.

The determination of fair value requires judgment and is based on market information where available and appropriate. At the end of each financial reporting period, the Company's management estimates the fair value of investments based on the criteria below and reflects such valuations in the financial statements.

The Company is also required to disclose details of its investments (and other financial assets and liabilities for which fair value is measured or disclosed in the financial statements) within three hierarchy levels (Level 1, 2, or 3) based on the transparency of inputs used in measuring the fair value, and to provide additional disclosure in connection therewith (Note 8).

Investment in controlled subsidiaries

From time to time, the Company is holding the controlling interest in the investees. The Company applied exemption of IFRS 10 *Consolidation*, not to consolidate a subsidiary when entity is an investment entity when it obtains control of another entity, and instead, an investment entity shall measure an investment in subsidiary at fair value through profit or loss in accordance with IFRS 9.

Public investments

Securities, including shares, which are traded in an active market, such as on a recognized securities exchange and for which no sales restrictions apply, are presented at fair value based on quoted closing bid prices at the statement of financial position dates or the closing bid price on the last day the security traded if there were no trades at the statement of financial position date. These are included in Level 1 in Note 8.

Private investments

All privately held investments are initially recorded at the transaction price, being the fair value at the time of acquisition. Thereafter, at each reporting period, the fair value of an investment may, depending upon the circumstances, be adjusted using one or more of the valuation indicators described below. These are included in Level 3 in Note 8.

The determinations of fair value of the Company's privately held investments at other than initial cost is subject to certain limitations. Financial information for private companies in which the Company has investments may not be available and, even if available, that information may be limited and/or unreliable.

Use of the valuation approach described below may involve uncertainties and determinations based on the Company's judgment and any value estimated from these techniques may not be realized or realizable.

Company-specific information is considered when determining whether the fair value of a privately held investment

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will consider trends in general market conditions and the share performance of comparable publicly traded companies when valuing privately held investments.

The absence of the occurrence of any of these events, any significant change in trends in general market conditions, or any significant change in share performance of comparable publicly traded companies indicates generally that the fair value of the investment has not materially changed.

The fair value of a privately held investment may be adjusted if:

a. there has been a significant subsequent equity financing provided by outside arm's length investors, at a valuation above or below the current value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place;

b. there has been significant corporate, political or operating events affecting the investee company that, in management's opinion, have an impact on the investee company's prospects and therefore its fair value. In these circumstances, the adjustment to the fair value of the investment will be based on management's judgment and any value estimated may not be realized or realizable;

c. the investee company is placed into receivership or bankruptcy;

d. based on financial information received from the investee company, it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern;

e. receipt/denial by the investee company of environmental, mining, aboriginal or similar approvals, which allow the investee company to proceed/prohibit with its project(s);

f. filing by the investee company of a National Instrument 43-101 technical report in respect of a previously non-compliant resource;

g. release by the investee company of positive/negative exploration results; and

h. important positive/negative management changes by the investee company that the Company's management believes will have a very positive/negative impact on the investee company's ability to achieve its objectives and build value for shareholders.

Adjustments to the fair value of a privately held investment will be based upon management's judgment and any value estimated may not be realized or realizable. The resulting values for non-publicly traded investments may differ from values that would be realized if a ready market existed.

In addition, the amounts at which the Company's privately held investments could be disposed of currently may differ from the carrying value assigned.

Investment Income (Loss)

Purchases and sales of investments are recognized on the settlement date. Realized gains and losses on disposal of investments and fair value adjustments of investments are reflected in the statements of net loss and comprehensive loss.

All transaction costs associated with the acquisition and disposition of investments are expensed to the statements of loss and comprehensive loss as incurred. Dividend income is recorded on the declaration date and when the right to receive the dividend has been established.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest income is recorded on an accrual basis when reasonable assurance exists regarding measurement and collectability.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the statement of loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of loss

Share-based payments

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payments expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of share options is credited to share capital and the fair value of the options is reclassified from reserves to share capital.

The fair value is measured at the grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of share options that are expected to vest.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital

Proceeds from the exercise of share options and warrants, in addition to the estimated fair value attributable to these equity instruments, are recorded as share capital when exercised. In a unit offering, the Company prorates the proceeds between common shares and warrants using the relative fair value method. Share issuance costs are recorded as a reduction of share capital.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit and loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for shares held. Diluted loss per share is calculated by dividing the earnings (loss) by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. These instruments are currently excluded from the calculation of diluted earnings per share as they are antidilutive for the periods presented.

Income taxes

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

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

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(EXPRESSED IN CANADIAN DOLLARS)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Leases

The Company adopted IFRS 16, Leases, on January 1, 2019. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, from the perspective of the lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 Leases and, instead, introduces a single lessee accounting model. When applying that model, a lessee is required to recognize assets and liabilities. A lessor continues to classify its leases as operating leases or finance leases, and accounts for those two types of leases differently. There was no material impact on the Company's financial statements upon adoption of this standard. During the year ended December 31, 2021 and 2020, the Company does not have material lease agreements.

Accounting standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended December 31, 2021 and have not been applied in preparing these consolidated financial statements. None of these pronouncements are expected to have material impact on the Company's financial statements.

4. INVESTMENTS

At December 31, 2021, the Company held the following investments:

Investee	Number of Shares	Cost $	Fair Value $
Public Companies			
Metaverse Capital Corp.	5,058,583	101,172	3,584
Shoal Point Energy Ltd.	8,600	28,995	259
Coinsmart Financial Inc.	15,566	-	1,569
		130,167	5,412
Private Companies			
ASIC Power Corporation	100,000,000	12,213,779	519,250
CCM Technologies Inc.	102,247,775	17,255,104	729,496
Healthview Technologies Inc.	20,000,000	3,250,000	-
High Standard Health Care Ltd.	27,000,000	6,885,000	-
Pembrook Copper Corp.	320,000	452,000	1
Vancity Green List Inc.	100	1,200,000	-
ViralClear Rapid Test Corp.	24,000,000	30,554,645	1,088,740
360 Life Sciences Corp.	800,000	10,750,000	1
		82,560,528	2,337,488
		82,690,695	2,342,900

(EXPRESSED IN CANADIAN DOLLARS)

4. INVESTMENTS (continued)

At December 31, 2020, the Company held the following investments

Investee	Number of Shares	Cost $	Fair Value $
Public Companies			
Global Gaming Technologies Corp.	720,000	575,111	63,253
Metaverse Capital Corp.	5,058,583	101,172	-
180 Life Sciences Corp	44,240	272,000	153,771
Total of 2 other public company investments, each valued under $15,000		40,598	6,646
		988,881	223,670
Private Companies			
Pembrook Copper Corp.	320,000	452,000	1
Vancity Green List Inc.	100	1,200,000	-
High Standard Health Care Ltd.	27,000,000	6,885,000	-
ViralClear Rapid Test Corp.	24,000,000	30,554,645	166,666
Healthview Technologies Inc.	20,000,000	3,250,000	-
360 Life Sciences Corp.	800,000	10,750,000	-
		53,091,645	166,666
		54,080,526	390,336

Healthview Technologies Inc.

On September 14, 2020, the Company acquired all of the issued and outstanding securities in the capital of Healthview Technologies Inc. ("Healthview") in exchange for 20,000,000 common shares of the Company with an estimated fair value of $1,300,000 and 20,000,000 contingently issuable shares with an estimated fair value of $1,950,000. Healthview provides wellness support and mental health solutions and services to both employers and employees. As at December 31, 2020, the contingent consideration liability was re-measured to $1,700,000. As at December 31, 2021, the estimated fair value of Healthview was $nil (December 31, 2020 - $nil).

During the year ended December 31, 2021, Healthview achieved its two earn-out milestones by onboarding its first customers across the retail, hospitality, medical, finance and transportation industries to offer Mental Health Services and by generating revenue. As a result, the Company issued 20,000,000 common shares (the "Earn-Out Shares") with a fair value of $1,700,000. The Earn-Out Shares are not subject to any hold period under applicable securities laws.

4. INVESTMENTS (continued)

360 Life Sciences Corp.

On August 4, 2020, the Company sold of all of the issued and outstanding shares of its wholly owned subsidiary ReFormation Pharmaceuticals Corp. ("ReFormation") to 360 Life Sciences Corp. (the "Purchaser") pursuant to the share purchase agreement between Global Care and the Purchaser signed on June 24, 2020. The Purchaser acquired all the issued and outstanding shares of ReFormation in exchange for 800,000 common shares of the Purchaser with an estimated fair value of $nil.

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 an estimated fair value of $6,885,000. HSHC 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.

Under the agreement, the Company will pay $5,000,000 cash or issue common shares (“Performance Shares”) at the discretion of the Company at the time a Milestone Target is met for every $14,300,000 in gross revenue generated by HSHC effective upon HSHC reaching $21,430,000 in revenue (“Milestone Targets”) up to a maximum of $286,000,000 in gross revenue or 20 Milestone Targets on or before May 31, 2025 for total value of up to $100,000,000 if all Milestone Targets are achieved. The Company may issue up to 26,500,000 Payment Shares in satisfaction of met Milestone Targets. The Company recognized a contingent consideration liability with an estimated fair value of $500,000. As at December 31, 2020, the contingent consideration liability was re-measured to $nil and a gain of $500,000 on re-measurement was recorded in the statement of net loss and comprehensive loss. As at December 31, 2020, management determined that the investment in HSHC was not expected to be recoverable and recorded a loss on investments of $7,385,000 and reduced the estimated fair value of the investment to $nil. As at December 31, 2021, the fair value of the investment remained at $nil.

ViralClear Rapid Test Corp.

On April 17, 2020, the Company acquired 100% interest in ViralClear Rapid Test Corp. (“ViralClear”) in exchange for 24,000,000 of the Company’s common shares with an estimated fair value of $30,554,645. The Company paid finders’ fees to an arm’s-length party of 2,400,000 common shares with an estimated fair value of $3,055,465 which has been recorded as transaction costs in the statement of net loss and comprehensive loss. ViralClear does not have material operations other than holding 324,062 class A ordinary shares of Virax Biolabs Group Limited (“Virax Biolabs”), which represents the substantial all of the assets of ViralClear. On January 29, 2021, the ViralClear entered a settlement agreement with Virax Biolabs, pursuant to which, the ViralClear is released all the obligations as required by the investment agreement dated April 14, 2020. As at December 31, 2020, the fair value of the investment in ViralClear was estimated to be $166,666 using a net asset approach. As at December 31, 2021, the fair value of the investment in ViralClear is estimated to be $1,088,741 by reference to the per share price of a private placement completed by Virax Biolabs around the valuation date.

180 Life Sciences Corp.

On November 6, 2020, the Company acquired 100% of 180 Life Sciences Corp (“180”) by exchanging 263 CannaBioRX shares the Company held for 44,240 180 Life Sciences Corp shares at a fair value of $153,771. As at December 31, 2021, the fair value of 180 is $nil (December 31, 2020 - $153,771). During the year ended December 31, 2021, the Company disposed all the investment in 180 and recorded a loss on investments of $201,943.

(EXPRESSED IN CANADIAN DOLLARS)

4. INVESTMENTS (continued)

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, 2021, the fair value of Vancity was $nil. (December 31, 2020 - $nil)

ASIC Power Company.

On January 28, 2021, the Company acquired all of the issued and outstanding securities in the capital of ASIC in exchange for 100,000,000 common shares of the Company with a fair value of $11,500,000 measured based on the Company stock's trading price at share issuance date. ASIC's only operation is royalty income from a cryptocurrency royalty contract. As December 31, 2021, included in the accounts payable and accrued liabilities, the Company had a balance owing to ASIC in the amount of $236,445. As at December 31, 2021, the fair value of the investment in ASIC was estimated to be $519,250 by reference to the ASIC royalty income.

CCM Technologies Inc.

On June 2, 2021, the Company acquired 100% of the issued and outstanding common shares and warrants of 1290369 B.C. Ltd. (d/b/a CCM Technologies Inc.) ("CCM") by way of a share exchange agreement. The Company issued from treasury to the shareholders and warrant holders of CCM pro rata 94,170,001 common shares with a fair value of $9,887,850 measured based on the Company stock's trading price at share issuance date and 65,000,000 common share purchase warrants with a fair value of $6,640,254 using the Black-Scholes pricing model with the weighted average assumptions used as fully disclosed in Note 6, respectively. Each warrant provides the holder with an option to purchase one common share of the Company at a price of $0.05 and of which 50,000,000 warrants expire on March 1, 2023, and the reminder of 15,000,000 warrants expire on April 20, 2023. There is no hold period for the shares or warrants pursuant to applicable securities laws, however, 89,170,001 shares will be subject to voluntary hold periods (the "Voluntary Restrictions") with 44,170,000 being released on the date that is 4 months from June 2, 2021 (the "Closing Date"), being October 3rd, 2021, and an additional 7,500,000 being released on each of the 6, 12, 18-, 24-, 30- and 36-month anniversaries of the Closing Date.

On June 8, 2021, the Company issued 8,077,774 common shares with a fair value of $727,000 measured based on the Company stock's trading price at share issuance date to a creditor of CCM for the debt assumed by the Company pursuant to the terms of the agreement between CCM and the Company.

The total investment in CCM was re-measured at its estimated fair value of $729,496 as at December 31, 2021 using a net asset approach.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities are as follows:

	December 31, 2021 $	December 31, 2020 $
Accounts payable and accrued liabilities	268,916	97,206
Due to related parties	552,501	274,150
Total	821,417	371,356

6. SHARE CAPITAL

a) Authorized share capital

At December 31, 2021 the authorized share capital comprised an unlimited number of common shares without par value.

b) Issued share capital

At December 31, 2021, the Company had 340,657,553 (December 31, 2020 – 105,543,240) common shares issued and outstanding.

During the year ended December 31, 2021:

On January 28, 2021, the Company issued 100,000,000 common shares with a fair value of $11,500,000 to ASIC shareholders (Note 4).

On February 2, 2021, the Company issued 10,000,000 common shares to Healthview with a fair value of $900,000 in connection in achieving the first earn-out milestone whereby they onboarded their first customers across the retail, hospitality, medical, finance and transportation industries to offer Mental Health Services (Note 4).

On March 4, 2021, the Company issued 10,000,000 common shares to Healthview with a fair value of $800,000 in connection with achieving its second and final of two earn-out milestones by generating revenue (Note 4).

During the year ended December 31, 2021, the Company issued 12,325,000 common shares for total proceeds of $640,000 pursuant to warrants exercised. In addition, $870,539 previously recorded fair value amount relating to these warrants was reclassified from share-based payment reserve to share capital.

On June 2, 2021, the Company issued 94,170,001 common shares with a fair value of $9,877,850 and 65,000,000 common share purchase warrants with a fair value of $6,640,254 to the shareholders of CCM (Note 4).

On June 8, 2021, the Company issued 8,077,774 common shares with a fair value of $727,000 to a creditor of CCM for the debt assumed by the Company pursuant to the terms of the agreement between CCM and the Company (Note 4).

On July 7, 2021, the Company issued 541,538 common shares with a fair value of $35,200 for a serviced provided.

6. SHARE CAPITAL (continued)

During the year ended December 31, 2020:

During the year ended December 31, 2020, the Company issued 25,000,000 common shares for gross proceeds of $2,500,000 pursuant to private placements and issued 250,000 common shares for gross proceeds of $125,000 pursuant to stock options exercised.

On September 15, 2020, the Company issued 20,000,000 common shares, with a fair value of $1,300,000 to acquire 100% of Healthview Technologies Inc. The Company also issued 2,000,000 common shares for a fair value of $130,000 for finder's fee pursuant to the acquisition.
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 June 5, 2020, the Company issues 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 $30,000,000 to acquire 100% interest in ViralClear. The Company has also issued an aggregate 2,400,000 common shares with a fair value of $3,000,000 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 12,500,000 warrants of each whole warrant is convertible for one common share, for gross proceeds of $2,450,000 and to settle outstanding debt of $50,000. The Company paid $194,425 in finders' fee and issued 1,944,250 finder warrants with a fair value of $189,715, calculated using the Black-Scholes pricing model with the following assumptions: term of 2 years; expected volatility of 318%; risk-free rate of 0.40%; and expected dividends of zero. The Company re-allocated $189,715 from share capital to share-based payments reserve.

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 nine 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 year ended December 31, 2021 is as follows:

(EXPRESSED IN CANADIAN DOLLARS)

6. SHARE CAPITAL (continued)

Grant Date	Expiry date	Number of options outstanding and exercisable		Exercise price
June 22, 2018	June 22, 2023	156,560	$	5.500
April 9, 2020	April 9, 2022*	2,299,463		0.660
April 17, 2020	April 15, 2022*	500,000		0.200
April 17, 2020	April 15, 2022*	2,150,000		0.500
June 5, 2020	June 5, 2022	1,000,000		0.290
February 4, 2021	February 4, 2026	3,650,000		0.115
Balance at December 31, 2021		9,756,023	$	0.440

* These options expired subsequent to the year ended December 31, 2021.

	Number of options		Weighted average exercise price
Balance at December 31, 2020	6,106,023	$	0.630
Options granted	11,650,000		0.240
Options exercised	-		-
Options forfeited	(8,000,000)		0.300
Balance at December 31, 2021	9,756,023	$	0.440

The continuity for stock options granted to directors, officers, employees and consultants of the Company for the year ended December 31, 2020 is as follows:

	Number of options		Weighted average exercise price
Balance at December 31, 2019	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
Balance at December 31, 2020	6,106,023	$	0.63

On February 4, 2021, the Company granted 3,650,000 stock options with an exercise price of $0.115 per share expiring on February 4, 2026. The fair value of the stock options was estimated to be $417,247 using the Black-Scholes pricing model with the following assumptions: term - 5 years; expected volatility – 267.40%; risk-free rate - 0.32%; and expected dividends - zero.

On June 23, 2021, the Company granted 4,000,000 incentive stock options to an officer of the Company. 1,500,000 options are exercisable at a price of $0.08 per Share; 1,250,000 options are exercisable at a price of $0.30 per share; and 1,250,000 options are exercisable at a price of $0.75 per Share. The options will vest as to 50% every six (6) months and have an expiry date of June 23, 2026. The fair value of the stock options was estimated to be $317,970 using the Black-Scholes pricing model with the following assumptions: term - 5 years; expected volatility – 261%; risk-free rate - 0.86%; and expected dividends - zero.

(EXPRESSED IN CANADIAN DOLLARS)

6. SHARE CAPITAL (continued)

On July 12, 2021, the Company granted 4,000,000 incentive stock options to an officer of the Company. 2,500,000 options are exercisable at a price of $0.06 per Share; 750,000 options are exercisable at a price of $0.30 per share; and 750,000 options are exercisable at a price of $0.75 per Share. The options will vest as to 50% every six (6) months and have an expiry date of July 12, 2026. The fair value of the stock options was estimated to be $238,262 using the Black-Scholes pricing model with the following assumptions: term - 5 years; expected volatility – 254%; risk-free rate - 0.84%; and expected dividends - zero.

On July 28, 2021, 8,000,000 incentive stock issued to an officer of the Company on June 23, 2021 and July 12, 2021 were cancelled upon resignation.

d) Finders' warrants

The continuity for finders' warrants for the year ended December 31, 2021 is as follows:

Grant Date	Expiry date	Number of warrants		Exercise price
April 9, 2020	April 9, 2022*	1,694,250	$	0.100
February 22, 2021	April 9, 2022*	125,000		0.200
Balance at December 31, 2021		1,819,250	$	0.110

*These warrants expired subsequent to the year ended December 31, 2021.

	Number of warrants		Weighted average exercise price
Balance at December 31, 2020	1,944,250	$	0.10
Warrants granted	125,000		0.20
Warrants exercised	(250,000)		0.10
Balance at December 31, 2021	1,819,250	$	0.11

The continuity for finders' warrants for the year ended December 31, 2020, is as follows:

	Number of warrants		Weighted average exercise price
Balance at December 31, 2019	-	$	-
Warrants granted	1,944,250		0.10
Balance at December 31, 2020	1,944,250	$	0.10

On February 21, 2021, the Company issued 125,000 finder's warrants with an exercise price of $0.20 per share expiring on April 9, 2022, in connection with a private placement completed on April 9, 2020. The 125,000 finder's warrants remained exercisable on December 31, 2021. The fair value of the finder's warrants was estimated to be $24,591 using the Black-Scholes pricing model with the following assumptions: term – 1.13 years; expected volatility – 303.48%; risk-free rate - 0.41%; and expected dividends - zero.

(EXPRESSED IN CANADIAN DOLLARS)

6. SHARE CAPITAL (continued)

e) Warrants

The continuity for warrants for the period ended December 31, 2021, is as follows:

Grant Date	Expiry date	Number of warrants		Exercise price
April 9, 2020	April 9, 2022*	12,425,000	$	0.200
June 2, 2021	March 1, 2023	63,000,000		0.050
Balance at December 31, 2021		75,425,000	$	0.070

*These warrants expired subsequent to the year ended December 31, 2021.

	Number of warrants	Weighted average exercise price	
Balance at December 31, 2020	25,500,000	$	0.16
Warrants granted	65,000,000		0.05
Warrants exercised	(12,075,000)		0.05
Warrants expired	(3,000,000)		0.38
Balance at December 31, 2021	75,425,000	$	0.07

The continuity for warrants for the year ended December 31, 2020 is as follows:

	Number of warrants	Weighted average exercise price	
Balance at December 31, 2019	-	$	-
Warrants granted	25,500,000		0.16
Balance at December 31, 2020	25,500,000	$	0.16

On June 2, 2021, the Company issued 65,000,000 warrants with an exercise price of $0.05. 50,000,000 warrants expire on March 1, 2023 and 15,000,000 warrants expire on April 20, 2023. The fair value of the warrants was determined to be $6,640,254 calculated using the Black-Scholes Option Pricing Model with the following weighted average assumptions: expected life of options – 1.78 years; expected volatility – 316.29%; expected dividend yield – 0%; and risk-free rate – 0.32%.

7. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions have been measured at the exchange amount of consideration agreed between the related parties. Related party transactions not disclosed elsewhere in these financial statements are listed below (also see Notes 4, 5 and 11(b)):

	December 31, 2021 $	December 31, 2020 $
Consulting fees paid to a company controlled by the former CEO	166,250	203,400
Consulting fees paid to the CEO	10,000	-
Consulting and accounting fees and rent paid to the former CFO and companies controlled by the former CFO	199,674	14,700
Share-based compensation to directors and officers	478,480	-
Total	854,404	218,100

7. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

As at December 31, 2021, there was $314,542 (December 31, 2020 - $273,850) due to current and former officers and management of the Company (Note 5).

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.

The Company's key management includes the CEO, CFO and the board of directors. The total remuneration to the key management has been disclosed in above table. Key management personnel were not paid post-employment benefit, termination fees or other long-term benefits during the years ended December 31, 2021 and 2020.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments

The Company's financial instruments consist of cash and cash equivalents, investments, accounts payable and accrued liabilities and contingent consideration liability. The carrying value of accounts payable and accrued liabilities approximates their fair value due to the short-term nature. Cash and cash equivalents and contingent consideration liability are recorded at fair value using Level 1 of the fair value hierarchy. As at December 31, 2021, investments in public companies of $5,412 (December 31, 2020 - $223,670) are recorded at fair value using Level 1 of the fair value hierarchy and investments in private companies of $2,337,488 (December 31, 2020 - $166,669) are recorded at fair value using level 2 and 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 marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

(EXPRESSED IN CANADIAN DOLLARS)

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

December 31, 2021	Level 1 $	Level 2 $	Level 3 $	Total $
Cash and cash equivalents	617,714	-	-	617,714
Investments	5,412	1,818,238	519,250	2,342,900

December 31, 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Cash and cash equivalents	321,608	-	-	321,608
Investments	223,670	166,669	-	390,339
Contingent consideration liability	-	-	1,700,000	1,700,000

There were no transfers between levels during the years ended December 31, 2021 and 2020. The following table reconciles the Company's Level 3 fair value investments:

Level 3	2021 $	2020 $
Balance, beginning	-	462,001
Additions	11,500,000	40,641,687
Net change in fair value adjustment on investments	(10,980,750)	(41,103,688)
Balance, ending	519,250	-

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.

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.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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.

The Company expects accounts payable and accrued liabilities and contingent consideration liabilities to be settled within 12 months of December 31, 2021.

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 in publicly traded companies are accounted for their quoted market price 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 December 31, 2021 would have a $234,290 (2020 - $39,034) 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 December 31, 2021, approximately 99.9% (December 31, 2020 - 82%) of the fair value of the Company's investment portfolio consisted of investments in three (December 31, 2020 – two) companies.

(EXPRESSED IN CANADIAN DOLLARS)

9. MANAGEMENT OF CAPITAL

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.
(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.

10. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	Year Ended December 31	
	2021	2020
	$	$
Effective tax rate	27%	27%
Net loss for the year	(28,110,178)	(53,380,264)
Expected income tax expense (recovery)	(7,589,748)	(14,412,671)
Items not deductible for tax purpose	7,345,388	14,128,506
Tax loss not utilized	244,360	284,165
Total income tax expense (recovery)	-	-

The significant components of the Company's unrecorded non-tax effected deferred tax assets are as follows:

	Year Ended December 31	
	2021	2020
	$	$
Deferred tax assets		
Canadian non-capital losses available for future periods	115,458,000	114,553,000
Share issue costs	250,000	312,000
Net capital losses	543,000	438,000
Total unrecognized deferred tax assets	116,251,000	115,303,000

The Company's non-capital losses expire between 2028 and 2041.

11. SUBSEQUENT EVENTS

(a) In March 2022, The Company completed a convertible security financing by issuance of an unsecured zero-coupon convertible securities with a principal amount of US$744,000 for a purchase price of US$600,000 and 6,339,872 shares in satisfaction of a fee payable to the investor at a deemed price of $0.05 per share.

(b) On March 29, 2022, the Company entered a debt settlement agreement with a company controlled by its former CEO, pursuant to which, the Company agreed to settle $150,000 debt by issuance of 3,000,000 common shares at a price of $0.05 per share.

(c) On March 29, 2022, the Company entered a debt settlement agreement, pursuant to which the Company agreed to settle $373,717 debt owed by CCM by issuance of 6,874,336 common shares at a price of $0.05 per share.

Also see note 6