GLOBAL HEALTH CLINICS LTD.

Condensed Consolidated Interim
Financial Statements
For the Three Months Ended October 31, 2020 and 2019
(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Global Health Clinics Ltd.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

As at		October 31, 2020		July 31, 2020
		(Unaudited)		(Audited)
ASSETS				
Current assets				
Cash	$	160,037	$	89,858
Accounts receivable (note 8)		21,798		36,991
GST recoverable		18,414		163,578
Deposit (note 20)		15,000		15,000
Prepaid expenses (note 9)		51,673		38,668
Total current assets		266,922		344,095
Non-current assets				
Equipment		3,581		3,803
Intangible asset (notes 11 and 14)		405,333		215,950
Total non-current assets		408,914		219,753
Total assets	$	675,836	$	563,848
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable (notes 12 and 15)	$	505,759	$	394,860
Accrued liabilities		30,000		73,078
Deferred revenue (note 16)		52,515		66,622
Loan payable (note 17)		28,263		27,452
Total current liabilities		616,537		562,012
Shareholders' equity				
Share capital (note 18)		18,309,342		18,099,342
Reserves		5,788,503		5,788,503
Accumulated deficit		(24,038,546)		(23,886,009)
Total shareholders' equity		59,299		1,836
Total liabilities and shareholders' equity	$	675,836	$	563,848

Nature of operations (note 1)
Subsequent events (note 20)

Approved on behalf of the Board of Directors:

"Jatinder Dhaliwal" (signed) Director
Jatinder Dhaliwal, Director

"Usama Chaudhry" (signed) Director
Usama Chaudhry, Director

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

Global Health Clinics Ltd.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

For the Three Months Ended October 31,		2020		2019
REVENUE				
Sales	**$**	**71,730**	$	90,397
COST OF SALES				
Doctor fees		**11,987**		55,568
Gross Profit		**59,743**		34,829
Operating Expenses				
Amortization (note 11 and 14)		**20,617**		-
Depreciation (note 10)		**222**		318
Bank charges, interest and accretion		**1,910**		3,730
Consulting and referral fees (note 15)		**24,458**		119,884
Filing and listing fees		**3,059**		2,095
Legal and professional fees		**-**		32,721
Management fees (note 15)		**71,000**		6,750
Office and general expenses		**76,545**		152,092
Salaries and wages		**16,107**		29,647
Transfer agent fees		**2,945**		1,810
Loss before other item		**(157,120)**		(314,218)
Other item				
Interest income		**4,583**		-
Net loss and comprehensive loss	**$**	**(152,537)**	$	(314,218)
Basic and diluted net loss per share (note 19)	**$**	**(0.01)**	$	(0.06)
Weighted average number of common shares outstanding - basic and diluted		**12,824,021**		4,943,891

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

Global Health Clinics Ltd.

Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

For the Three Months Ended October 31,		2020		2019
Operating activities				
Net loss for the period	$	(152,537)	$	(314,218)
Items not affecting cash:				
Amortization and depreciation		20,839		318
Accretion		811		-
Changes in non-cash working capital items:				
Accounts receivable		15,193		3,731
GST recoverable		145,164		(8,647)
Prepaid expenses		(13,005)		(11,289)
Accounts payable and accrued liabilities		67,821		(147,126)
Deferred revenue		(14,107)		14,653
Net cash provided by (used in) operating activities		70,179		(462,578)
Net change in cash		70,179		(462,578)
Cash, beginning of period		89,858		922,284
Cash, end of period	$	160,037	$	459,706

Non-Cash Transaction				
Shares issued for acquisition of intangible asset	$	210,000	$	-

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

Global Health Clinics Ltd.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
For the Three Months Ended October 31, 2020 and 2019
(Expressed in Canadian Dollars)
(Unaudited)

	Common Share Capital		Preferred Share Capital		Reserves				
	Number of Shares (i)	Amount	Number of Shares (i)	Amount	Share-Based Payments	Warrants	Contributed Surplus	Deficit	Total
Balance, July 31, 2018	**4,943,890**	**$ 17,078,423**	**2,000**	**$ 100,000**	**$ 1,154,630**	**$ 4,607,573**	**$ 26,300**	**$ (22,181,682)**	**$ 785,244**
Net loss for the period	-	-	-	-	-	-	-	(314,218)	(314,218)
Balance, October 31, 2019	**4,943,890**	**$ 17,078,423**	**2,000**	**$ 100,000**	**$ 1,154,630**	**$ 4,607,573**	**$ 26,300**	**$ (22,495,900)**	**$ 471,026**
Balance, July 31, 2020	**11,959,890**	**$ 17,999,342**	**2,000**	**$ 100,000**	**$ 1,154,630**	**$ 4,607,573**	**$ 26,300**	**$ (23,886,009)**	**$ 1,836**
Shares issued for acquisition of intangible asset (note 14 and 18)	1,500,000	210,000	-	-	-	-	-	-	210,000
Net income for the period	-	-	-	-	-	-	-	(152,537)	(152,537)
Balance, October 31, 2020	**13,459,890**	**$ 18,209,342**	**2,000**	**$ 100,000**	**$ 1,154,630**	**$ 4,607,573**	**$ 26,300**	**$ (24,038,546)**	**$ 59,299**

(i) After effect of share consolidation on a 1 to 10 basis (note 18)

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

1. Nature of Operations

Global Health Clinics Ltd. (the "Company") was incorporated on March 18, 2013 in the Province of British Columbia. On August 24, 2018, the Company changed its name to Global Health Clinics Ltd. following the acquisition of Green Life Clinics Ltd. ("GLC"). The Company was previously engaged in the business of acquisition and exploration of mining properties in Canada. Following the acquisition of GLC, the Company has entered the cannabis industry. The head office of the Company is located at 837 West Hasting Streets, Suite 400, Vancouver, BC, Canada V6C 3N6.

On August 24, 2018, the Company acquired all of the issued and outstanding securities of GLC which holds all of the issued and outstanding securities of Patient Access Pavilions Ltd. ("PAP") and MCRCI Medicinal Cannabis Resource Centre Inc. ("MCRCI").

PAP is a marketing technology company that utilizes a digital platform generating qualified leads through storefront kiosks operating in, among other areas, marijuana dispensaries in British Columbia. PAP offers sorting and recording of patient information as well as verification, and allows a gateway between health service providers and medical marijuana patients.

The principal business carried on by MCRCI is the operation of medical clinics which guides patients through the process of becoming legal users of medical marijuana. MCRCI currently operates a virtual clinic in British Columbia via affiliate agreements with doctors.

The acquisition was completed via a three-corner amalgamation with GLC and its wholly-owned subsidiary 1125076 B.C. Ltd. Under the amalgamation, the shareholders of GLC received one common share of the Company for each GLC share held, resulting in the aggregate issuance of 1,860,000 of the Company's common shares being issued. The Company also paid to GLC $3,225,000 in cash, which funds were utilized to repay shareholder loan and to secure and complete the PAP acquisition. GLC is now a wholly-owned subsidiary of the Company. Following the completion of the acquisition, the Company conducts the principal business of GLC, being the integration of the businesses of PAP and MCRCI (note 13).

The Company commenced trading on the Canadian Securities Exchange under the symbol MJRX on August 29, 2018.

On May 5, 2020, the Company acquired all of the issued and outstanding shares of Anytime Health Corp. ("AHC"), a private British Columbia corporation, through issuance of 3,000,000 common shares (note 14).

On May 22, 2020, the Company consolidated its issued and outstanding share capital on the basis of up to one post-consolidation share for each ten pre-consolidation common shares. All share figures and references have been retrospectively adjusted (note 18).

2. Going Concern Assumption

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern under International Financial Reporting Standards ("IFRS"). The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations.

The Company's operations to date have been financed by issuing common shares and debt instruments. The Company's ability to continue as a going concern is dependent upon its ability to commence profitable operations, generate funds therefrom and raise additional financing in order to meet current and future obligations. The current cash position on hand and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational needs. Therefore, the Company will need funding through equity or debt financing, joint venture arrangements or a combination thereof. There is no assurance that additional funding or suitable joint venture arrangements will be available on a timely basis or on terms acceptable to the Company. These conditions indicate the existence of a material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to arrange such financing in the future depends in part upon the prevailing capital market conditions as well as the business

2. Going Concern Assumption (continued)

performance of the Company. If additional financing is raised by the issuance of shares from the treasury of the Company existing shareholders may have their interest diluted. If adequate financing is not available, the Company may be required to relinquish rights to certain of its assets or terminate its operations.

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact of the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Company anticipates this outbreak might increase the difficulty in capital raising which may negatively impact the Company's business and financial condition.

During the three months ended October 31, 2020, the Company recorded net loss of $152,537 (2019 - $314,218). As at October 31, 2020, the Company had a working capital deficit of $349,615 (July 31, 2020 - $217,917) and had an accumulated deficit of $24,038,546 (July 31, 2020 - $23,886,009). The Company is actively seeking additional sources of financing. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. These uncertainties are material and, therefore, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. Accordingly, the condensed consolidated interim financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed consolidated interim financial statements. These adjustments could be material.

3. Statement of Compliance and Basis of Presentation

(a) Statement of compliance

The policies applied in these condensed consolidated interim financial statements are based on IFRS as issued by the International Accounting Standards Board ("IASB"), in particular International Accounting Standards ("IAS") 34, Interim Reporting, and interpretations issued by the Interpretation Financial Reporting Interpretations Committee ("IFRIC"). The board of directors approved the condensed consolidated interim financial statements on December 29, 2020.

(b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on a going concern basis, under the historical cost convention, except for certain financial instruments which may be measured at fair value in subsequent periods and have been prepared using the accrual basis of accounting except for cash flow information.

(c) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company, AHC, MCRCI, PAP, and its wholly-owned subsidiary, 1177181 B.C., from amalgamation of 1125076 B.C. Ltd and GLC. Control is achieved when the Company has the power to govern the financial operating policies of an entity so as to obtain benefits from its activities. The subsidiaries are consolidated from the date on which control is transferred to the Company until the date on which control ceases. All inter-company transactions, balances, income and expense are eliminated upon consolidation.

4. Significant Accounting Policies

These condensed consolidated interim financial statements have been prepared by management in accordance with IFRS and IFRIC. Outlined below are those policies considered particularly significant:

Cash
Cash in the consolidated statements of financial position comprise cash in bank.

Financial instruments

Classification
The Company classifies its financial instruments under IFRS 8 in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Cash	FVTPL
Accounts receivable	Amortized cost
Accounts payable	Amortized cost
Loan payable	Amortized cost

Measurement
Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of net (loss) income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in the statement of comprehensive loss.

Impairment of financial assets at amortized cost
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 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.

4. Significant Accounting Policies (continued)

Financial instruments (continued)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive loss.

Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of comprehensive loss.

Equipment

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Equipment is depreciated annually on the following basis:

- Equipment - 55%
- Office equipment - 20%
- Furniture and equipment - 20%

Depreciation commences when an item of equipment becomes available for use.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment comprises major components with different useful lives, the components are accounted for separately. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Client list and customer relationship

Client list and customer relationship that are acquired by the Company that have a finite useful life are measured at acquisition cost less accumulated amortization and accumulated impairment losses.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the license from the date that it is available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The Company continually evaluates the remaining useful life of its intangible assets being amortized to determine whether events and circumstances warrant a revision to the remaining period of amortization. Intangible assets with finite lives are amortized over the following periods:

- Client list - 1.83 years
- Customer relationship - 2.86 years
- Web-based applications - 3 years

4. Significant Accounting Policies (continued)

Impairment of non-current assets
The carrying amount of the Company's long-lived assets with finite useful lives (which include equipment and intangible assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of comprehensive loss.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent the revised carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized in profit or loss.

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if indicators of impairment exist.

Functional currency
The Company's presentation and functional currency is the Canadian dollar.

Share capital
Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares.

Loss per share
Loss per share is calculated based on the weighted average number of common shares issued and outstanding during the period. In the years when the Company reports a net loss, the effect of potential issuances of common shares are anti-dilutive, therefore, basic and fully diluted loss per common share is the same. The diluted loss per share reflects the potential dilution of common share equivalents, such as the conversion of outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. The treasury stock method is used for the assumed proceeds upon exercise of the options and warrants.

Share-based compensation
The costs of share-based compensation with employees are measured by reference to the fair value at the date on which they are granted. Stock-based compensation to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve.

4. Significant Accounting Policies (continued)

Share-based compensation (continued)
The costs of share-based compensation are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled and vested, ending on the date on which the relevant employees become fully entitled to the award ("the vesting period or date"). The cumulative expense is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share-based compensation reserve.

When the share-based payment arrangement has been cancelled or the terms have expired the fair value assigned to the share-based payment arrangement is transferred to reserve.

Business combination
Business combinations are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the fair values (at the date of exchange) of assets acquired and liabilities incurred or assumed. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3, Business Combinations, are recognized at their fair values at the acquisition date. Acquisition costs are expensed as incurred.

Revenue recognition
The Company has adopted IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"). IFRS 15 utilizes a methodical framework for entities to follow in order to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The Company derives its revenue from membership fees, educational grants and operating expenses reimbursements. Membership fees are normally received from patients on annual prepayments. Therefore, the Company recognizes the deferred revenue for the membership prepayments received during the year and recognise the associated revenue on a straight-line basis over the one-year service period with a corresponding reduction in deferred revenue.

Revenue from the rendering of services, including education grants, is recognized upon transfer of control of products or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for the products or services. This is achieved through applying the following five-step model:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligation in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligation in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

Interest from cash and cash equivalents, if applicable, are recorded on an accrual basis when collection is reasonably assured.

Related party disclosures
Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. 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.

4. Significant Accounting Policies (continued)

Income taxes
Income tax expense consisting of current and deferred tax expense is recognized in the statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred income taxes are provided using the liability method on temporary differences at the date of the statement of financial position between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Taxable temporary differences associated with investments in associates and interests in joint ventures, where the timing in the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date of the consolidated statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date of the consolidated statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is expected to be realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position. Deferred income taxes relating to items recognized directly in equity are recognized in equity and not in the consolidated statement of comprehensive loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset’s carrying amount and the present value of the estimated future cash flows, discounted at the financial asset’s original effective interest rate.

4. Significant Accounting Policies (continued)

Leases
The Company adopted all of the requirements of IFRS 16 *Leases* which replaces IAS 17 *Leases* and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019. The adoption of IFRS 16 had no impact on the Company's consolidated financial statements as the Company has two lease agreements which are both 12 month leases and are scoped out of IFRS 16.

Government Grant
A government grant is recognized when there is reasonable assurance it will be received, and all related conditions will be complied with. The Company recognises government grants in profit or loss on a systematic basis and in line with its recognition of the expenses that the grants are intended to compensate. The Company carefully determines whether the grant compensates expenses already incurred or future costs.

Future accounting policies
Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

5. Significant Accounting Estimates and Judgments

The preparation of these condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in both the period of revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies
Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed consolidated interim financial statements within the next financial year are discussed below:

(a) Income taxes
The Company is subject to income taxes in various jurisdictions and subject to various rates and rules of taxation. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain.

The Company recognizes liabilities for anticipated tax audit issues based on the Company's current understanding of the tax laws. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

In addition, the Company has not recognized deferred tax assets relating to tax losses carried forward. Future realization of the tax losses depends on the ability of the Company to satisfy certain tests at the time the losses are recouped, including current and future economic conditions and tax law.

5. Significant Accounting Estimates and Judgments (continued)

Critical judgments in applying accounting policies (continued)

(a) Going concern risk assessment
The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to generate future income and to raise sufficient capital to meet certain operating expenses and liabilities. There is no assurance it will be able to raise funds in the future. These condensed consolidated interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed consolidated interim financial statements.

(b) Impairment of non-financial assets
Judgment is involved in assessing whether there is any indication that an asset or cash-generating unit may be impaired. This assessment is made based on the analysis of, amongst other factors, changes in the market or business environment, events that have transpired that have impacted the asset or cash-generating unit, and information from internal reporting.

Key sources of estimation uncertainty
The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the condensed consolidated interim financial statements.

(a) Allowance for doubtful accounts
The Company must make an assessment of whether accounts receivable are collectible from debtors. Accordingly, management establishes an allowance for estimated losses arising from non-payment, taking into consideration customer credit, current economic trends and past experience. If future collections differ from estimates, future earnings would be affected.

(b) Impairment
Assets, including equipment and intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed their recoverable amounts.

(c) Estimated useful lives of equipment and intangible assets
The Company makes estimates and utilizes assumptions in determining the useful lives of equipment and intangible assets, and the related depreciation and amortization. Uncertainties in these estimates relate to technical obsolescence and the average life of a patient relationship that may change the utilization of certain assets.

(d) Share-based compensation
The Company records all share-based compensation using the fair value method. The Company uses the Black-Scholes Option Pricing Model to determine the fair value of share-based compensation. This estimate also requires determining the most appropriate inputs to the valuation model. The main factor affecting the estimates of the fair value of stock options is the stock price, expected volatility used and the expected duration of the instrument. The Company currently estimates the expected volatility of its common shares based on comparable information derived from the trading history of guideline public companies which are in a similar situation to the Company taking into consideration the expected life of the options.

While management believes the estimates contained within these condensed consolidated interim financial statements are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

6. Financial Risk Management

Financial risk management objectives and policies
The Company is exposed to various financial risks resulting from its financial instruments. The Company's management, with the Board of Directors oversight, manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Financial risks

(a) Fair value risk

The Company's financial instruments consist of cash, accounts receivables, deposit, accounts payable, and loan payable.

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs that are not based on observable market data.

Accounts receivables, accounts payable and loan payable approximate their fair value due to their short-term maturities. Cash under the fair value hierarchy is based on Level 1 quoted prices in active markets for identical assets or liabilities.

(b) Market risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and price risk and are disclosed as follows:

Currency risk
Currency risk is the risk of change in profit or loss that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company has only a nominal amount of assets or liabilities denominated in foreign currencies and engages in very few transactions denominated in a foreign currency; therefore, its exposure to currency risk is limited.

Interest rate risk
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates.

(c) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

All the Company's cash is held through a Canadian chartered bank and accordingly, the Company's exposure to credit risk is considered to be limited. The Company's GST recoverable and other receivable are refunds due from the Government of Canada and the exposure to credit risk on these amounts are considered to be limited.

6. Financial Risk Management (continued)

Financial Risks (continued)

The Company's accounts receivable consists of amounts due from various customers. The maximum exposure to credit risk is equal to the carrying value of accounts receivable. The business models of the Company's respective segments require analysis of credit risk specific to each business line. The Company's historic rate of bad debts is low.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables are assessed primarily on days past due combined with the Company's knowledge of past bad debts.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At October 31, 2020, the Company's cash balance of $160,037 is not able to settle current liabilities of $616,537. The Company manages its liquidity risk by attempting to maintain sufficient cash and cash equivalents balances to enable settlement of transactions on the due date. Accounts payable, accrued liabilities and loan payable are all current. As the Company has limited sources of revenue, it may require additional financing to accomplish its long-term strategic objectives. Liquidity risk is assessed as high.

7. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its operation and to ensure it continues as a going concern. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's managements to sustain future development of the business.

As at October 31, 2020, the Company's capital resources amounted to its share capital, reserves and deficit of $59,299 (July 31, 2020 - $1,836).

The Company's capital management objectives, policies and processes have been directed towards the cannabis industry during the year ended July 31, 2020 and the period ended October 31, 2020. The Company is not subject to any externally imposed capital requirement. There were no changes in the Company's approach to capital management during the period.

8. Accounts Receivable

The Company generally does not hold any collateral as security for trade receivables. As at October 31, 2020, four customers have receivable balances greater than 10% of the total accounts receivable balance (July 31, 2020 - three customers) and account for 11%, 12%, 13% and 13% of receivables, respectively (July 31, 2020 - 11% and 26% of receivables, respectively).

9. Prepaid Expenses

The prepaid expenses of $51,673 (July 31, 2020 - $38,668) comprise of a prepaid rent deposit of $7,625 (July 31, 2020 - $7,625), prepaid insurance of $13,201 (July 31, 2020 - $Nil), prepaid legal fees of $15,000 (July 31, 2020 - $15,000) and other prepaid expense of $15,847 (July 31, 2020 - $16,043).

(Expressed in Canadian Dollars)

10. Leasehold Improvement

During the year ended July 31, 2020, the Company incurred $55,000 on leasehold improvements which was capitalized and depreciated over the lease term of one year. Accordingly, the Company recorded depreciation expense on leasehold improvements of $55,000 during the year. Amortization on other equipment was $222 (2019 - $318) during the three months ended October 31, 2020.

11. Intangible Assets

		Web-based application (note 14)
Cost		
Balance at July 31, 2019	$	-
Additions (note 14)		215,950
Balance at July 31, 2020		215,950
Additions (note 14)		210,000
Balance at October 31, 2020	**$**	**425,950**
Amortization		
Balance at July 31, 2019 and 2020	$	-
Charge for the period		(20,617)
Balance at October 31, 2020	**$**	**(20,617)**
Net book value		
Balance at July 31, 2020	$	215,950
Balance at October 31, 2020	**$**	**405,333**

12. Debt Settlement

During the year ended July 31, 2020, the Company issued 4,016,000 common shares of the Company with a fair value of $783,120 to settle an outstanding debt of $502,000, of which 1,100,000 common shares with a fair value of $214,500 were issued to a director to settle debt of $137,000 (note 18). A loss on debt settlement of $281,120 was recognized in the statement of loss and comprehensive loss during the year ended July 31, 2020.

13. Acquisition of Green Life Clinics Ltd.

Pursuant to the agreement, on July 6, 2017, the Company advanced $3,225,000 to GLC. This payment was utilized by GLC to repay shareholder loans incurred in relation to GLC's acquisition of MCRCI Medicinal Cannabis Resource Centre Inc. (“MCRCI”) and to secure and complete the acquisition of PAP. This payment was financed by the proceeds raised from the Company's non-brokered financing. At October 31, 2020, the Company had loaned a total of $2,244,535 consisting of cash advances made and consulting fees paid on behalf of GLC, MCRCI and PAP. These amounts are eliminated on consolidation.

On July 3, 2018, the Company entered into an amended amalgamation agreement with GLC under which the Company will acquire 100% of the issued and outstanding shares of GLC pursuant to a three-corner amalgamation by which GLC will amalgamate with 1125076 B.C. Ltd., and the shareholders of GLC will receive one common share of the Company for each GLC share held, resulting in the aggregate issuance of 1,860,000 of the Company’s shares issued pursuant to the amalgamation. On July 3, 2018, the number of GLC Class B shares issued was reduced to adjust the cost base from $0.025 to $0.25. Two shareholders returned a total of 6,400,000 Class B shares so as to increase their cost from $0.025 to $0.25 per share (from 8,000,000 Class B shares to 1,600,000 Class B shares). Two other shareholders elected to pay up their shares by paying additional consideration of $2,000,000. As a result of a re-capitalization, GLC had 9,599,995

(Expressed in Canadian Dollars)

13. Acquisition of Green Life Clinics Ltd. (continued)

Class B Shares outstanding which resulted in an aggregate consideration of $2,400,000 paid by the shareholders.

Additionally, GLC paid $2,000,000 in cash and issued 5,000,000 Class C shares to the shareholders of PAP for the acquisition of PAP.

During the year ended July 31, 2019, the Company incurred fees of $37,694 (2018 - $59,619) related to the acquisition.

On August 24, 2018, the Company completed the acquisition of GLC through amalgamation, upon which 1177181 B.C. Ltd from the three-corner amalgamation owns 37.62% of the then outstanding common shares of the Company. For accounting purposes, the acquisition of GLC was considered a business combination and accounted for using the acquisition method. The results of operations from GLC are included in the consolidated financial statements from the date of acquisition.

The fair value of the total consideration has been allocated as below:

Fair value of shares issued (1,860,000 shares at $5.00 per share)	$	9,299,998
Cash consideration		3,225,000
Amounts due from GLC forgiven		2,229,176
Total consideration	$	14,754,174
Allocated as follows:		
Identified fair value of net assets:		
Cash	$	2,467,956
Accounts receivable		54,111
Prepaid expenses		7,625
Property and equipment		6,995
Client list		1,166,712
Customer relationship		278,579
Goodwill		13,398,564
Trade and other payables		(2,051,877)
Deferred revenue		(110,137)
Loans payable		(74,125)
Deferred income tax		(390,229)
	$	14,754,174

The fair value of the 1,860,000 shares issued was estimated to be $5.00 per share using the price of the Company's most recent private placement.

The MCRCI clinics client list acquired had a fair value of $1,166,712, and an expected life of 1.83 years. The Company recognized amortization expenses of $595,582 during the year ended July 31, 2019. As at July 31, 2019, management estimated the recoverable value of client list to be $Nil. During the year ended July 31, 2019, the carrying value of $571,130 was fully impaired.

The PAP customer relationships had a fair value of $278,579, and an expected life of 2.86 years. The Company recognized amortization expenses of $90,992 during the year ended July 31, 2019. As at July 31, 2019, management estimated the recoverable value of customer relationships to be $Nil. During the year ended July 31, 2019, the carrying value of $187,587 was fully impaired.

The Company recognized goodwill of $13,398,564 as the excess of the fair value of consideration transferred over the fair value of identifiable assets acquired and liabilities assumed. As at July 31, 2019, management estimated the recoverable value of goodwill to be $Nil. During the year ended July 31, 2019, the carrying amount of $13,398,564 was fully impaired.

(Expressed in Canadian Dollars)

14. Acquisition of Anytime Health Corp.

On May 8, 2020, the Company closed and acquired all of the issued and outstanding shares of AHC. The Company issued 3,000,000 common shares of the Company to AHC shareholders with a fair value of $137,799 (note 18). AHC owns a developmental stage web-based application to assist the Company with medical records and scheduling of daily appointments for medical clinics and medical offices. The parties also agreed that an aggregate of 1,500,000 shares shall be issued to AHC shareholders upon the delivery, to the satisfaction of the Company in its sole discretion, of an encryption enhancement to the application (the "Performance Share Condition"). These shares were issued at $0.14 per share on September 8, 2020 (notes 11 and 18).

The transaction is an arm's length transaction and did not constitute a fundamental change for the Company, nor would it result in a change of control of the Company within the meaning of applicable security laws and the policies of the Canadian Securities Exchange. The transaction was accounted for as an acquisition of assets by way of share-based payment under IFRS 2, Share-Based Payment. The fair value of the total consideration has been allocated as below:

Fair value of shares issued (3,000,000 shares*) (note 18)	**$**	**137,799**
Fair value of AHC's assets acquired, net of liabilities		
Cash	$	39,999
Intangible asset – web-based application (note 11)		215,950
Trade and other payables		(118,150)
Net assets acquired	**$**	**137,799**

*The fair value of the 3,000,000 shares issued as consideration for the acquisition was determined using the fair value at acquisition date of the net assets acquired.

15. Related Party Transactions and Disclosures

GLC was controlled by the former CFO of the Company at the acquisition date (note 13).

During the three months ended October 31, 2020, the Company paid consulting fees of $Nil (2019 - $45,000) to a company controlled by the former CFO and director of the Company.

During the three months ended October 31, 2020, the Company paid consulting fees of $Nil (2019 - $40,650) to a company controlled by a former director of the Company.

Key management remuneration

During the three months ended October 31, 2020, the Company incurred management fees of $59,000 (2019 - $2,750) to directors and officers of the Company.

At October 31, 2020, the Company had a net balance of $21,245 (July 31, 2020 - $21,245) due to a former CFO and the companies controlled by the former CEO, a balance of $31,500 (July 31, 2020 - $22,050) due to the CFO, a balance of $112,485 (July 31, 2020 - $67,485) due to the CEO, and a balance of $Nil (July 31, 2020 - $2,000) due to a director. As at October 31, 2020, the Company has a balance of $3,406 (July 31, 2020 - $3,406) owing to GreenBank Capital Inc., a company with a former director in common. The amounts have been included in accounts payable.

All the amounts payable to related parties are unsecured, non-interest bearing and have no specific terms of repayment.

During the year ended July 31, 2020, the Company issued 1,100,000 common shares with a fair value of $214,500 to settle a debt of $137,000 owing to a director of the Company (note 12).

(Expressed in Canadian Dollars)

16. Deferred Revenue

Deferred revenue consists of membership prepaid by patients. Deferred revenues are recognized as revenue on a straight-line over the term of service, which is one year.

17. Loan Payable

On May 15, 2020, the Company received a loan of $40,000 from the Canadian federal government under Canada Emergency Business Account (CEBA) as a business support measure for COVID-19. The fair value of loan as at May 15, 2020 was $26,791 using the present value of the monthly payments commencing on January 2023 discounted by 12% per annum. The Company recorded government grant income of $13,209 during the year ended July 31, 2020. The carrying value of the loan as at October 31, 2020 is as follows:

		Loan payable
Fair value of loan, May 15, 2020	$	26,791
Accretion		661
Balance, July 31, 2020		27,452
Accretion		811
Balance, October 31, 2020	**$**	**28,263**

18. Share Capital

(i) The Company's authorized share capital consists of:

- an unlimited number of common shares with no par value; and
- an unlimited number of Series A preferred shares - non-voting, non-retractable, non-redeemable without dividend, no par value.

Issuance of shares and warrants

Three months ended October 31, 2020
On September 8, 2020, the Company issued 1,500,000 common shares at a fair value of $210,000 in connection with the Performance Share Condition to the shareholders of Anytime Health (Note 14).

Year ended July 31, 2020
On May 22, 2020, the Company consolidated its issued and outstanding share capital on the basis of one post-consolidation share for each ten pre-consolidation common shares. All share figures and references are retrospectively adjusted.

On June 5, 2020, the Company issued 4,016,000 common shares of the Company with a fair value of $783,120 to settle an outstanding debt of $502,000. A loss on debt settlement of $281,120 was recognized in the statement of loss and comprehensive loss during the year ended July 31, 2020 (note 12).

During the year ended July 31, 2020, the Company issued 3,000,000 common shares at fair value of $137,799 related to the acquisition of Anytime Health Corp. (note 14).

(Expressed in Canadian Dollars)

18. Share Capital (continued)

Escrow shares
During the three months ended October 31, 2020, 107,985 common shares (July 31, 2020 - 323,955 common shares) in escrow were released pursuant to the escrow agreement. The 215,969 common shares remaining in escrow as at October 31, 2020 are scheduled to be released as follows:

Date	Number of common shares
February 27, 2021	107,985
August 27, 2021	107,984

(ii) Warrants

There were no warrants issued and outstanding during the three months ended October 31, 2020 and year ended July 31, 2020.

(iii) Stock options

The Company has adopted a stock option plan (the "Plan"). Pursuant to the Plan, the Board of Directors may from time to time in its discretion, and in accordance with the Exchange Requirements, grant non-transferable options to purchase shares to directors, officers, founders, employees, persons engaged to provide investor relations activities and consultants of the Company.

The options granted under the Plan together with all of the Company's other previously established stock option plans or grants, shall not result at any time in:

- the number of Common Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the outstanding Common Shares;
- the grant to Insiders within a 12-month period, of a number of Options exceeding 10% of the outstanding Common Shares;
- the grant to any once optionee within a 12-month period, of a number of options exceeding 5% of the issues and outstanding Common Shares unless the Company obtains the requisite disinterested shareholder approval; and
- the grant to all persons engaged by the Corporation to provide investor relations activities, within any 12-month period, of options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Company's issued and outstanding Common Shares; other grant to any one consultant, in any 12-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Company's issued and outstanding Common Shares.

An optionee shall be entitled to exercise an Option granted to at any time prior to the expiry of the option period and to vesting limitations imposed by the Board of directors at the time such Option is granted. Exercise prices shall be determined by the Board of Directors. The exercise price shall not be less than the closing price (the "market price") of the shares on the exchange immediately preceding the day on which the Board grants the options and provides such notice to the exchange.

(iv) Reserves

The share-based payment reserve records the fair value of stock options granted for services until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital.

The warrant reserve records the fair value of warrant issued in private placements until such time that the warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Contributed surplus records the fair value of stock options and warrant upon cancellation and forfeiture.

19. Net Loss Per Common Share

The calculation of basic and diluted loss per share for the three months ended October 31, 2020 was based on the loss attributable to common shareholders of $152,537 (2019 - $314,218) and the post-consolidation weighted average number of common shares outstanding of 12,824,021 (2019 - 4,943,891). Outstanding options are excluded from the calculation of diluted loss per share because their effect was anti-dilutive.

20. Subsequent Events

- The Company completed a letter of intent with Integrative Alternative Health Services ("IAHS") to purchase all the property and assets of IAHS for $15,000 cash and 8,000 common shares. The Company paid the cash consideration of $15,000 during the year ended July 31, 2019, which was recorded as a deposit. The acquisition has not completed as at October 31, 2020.

- On November 12, 2020, the Company signed a definitive share purchase agreement with 2770914 Ontario Inc. (H2H) and the shareholders of H2H to acquire all of the outstanding share capital H2H. H2H holds the ownership of Heart2Heart, a developmental stage application that assists with connecting and locating medical professionals in the areas of mental health. Users of Heart2Heart will also have the ability to connect with fellow uses to discuss and build a community around mental health awareness.

  Pursuant to the agreement, the Company acquired all of the issued and outstanding shares of H2H through the issuance of an aggregate of 12,000,000 of its common shares to the shareholders of H2H in exchange for every share of H2H that they held. The transaction closed on November 18, 2020. The Company is at arm's length from H2H and its shareholders. In connection with the transaction, the Company also issued 1,200,000 common shares to an arm's-length party who assisted with facilitating the transaction.

- On November 27, 2020, the Company closed a non-brokered private placement of 6,971,740 units at a price of $0.115 per unit for a gross proceeds of $801,750. Each unit consists of one common share of the Company and one share purchase warrant, entitling the holder to acquire an additional share at a price of $0.14 per share for a period of 12 months following the date of issue.

  In connection with the private placement, the Company paid a cash finder's fee of $18,510 and issued 160,957 broker warrants at an exercise price of $0.14 expiring 12 months from the date of issue. All securities issued in the offering are subject to a hold period expiring on March 28, 2021.

- On December 10, 2020, the Company signed a definitive share purchase agreement with Wonder Scientific ("Wonder") and the shareholders of Wonder to acquire all of the outstanding share capital of 2756407 Ontario Ltd. (Wonder). Wonder is a development-stage plant medicine company focused on the mental health and natural health and wellness marketplace - and in particular research related to psilocybin. Wonder's mission is to unlock the healing properties of new plant medicines sourced from unique locations around the world, transforming them into regulated and safe pharmaceutical products for global commercialization and sales. Wonder's researchers and product development experts are seeking to create custom, naturally derived, active pharmaceutical ingredients (API) to supply the growing global clinical and commercial demand for psychedelics.

  Pursuant to the agreement, the Company will acquire all of the issued and outstanding shares of Wonder through the issuance of an aggregate of 26,000,000 of its common shares to the shareholders of Wonder, at a deemed price of $17.25 per share based on the discounted closing price of the Company's common shares on December 10, 2020, in exchange for every share of Wonder that they held. All outstanding debentures of Wonder will be converted into equity of Wonder prior to closing and will form part of the purchase price. In connection with the transaction, a nominee of Wonder is expected to join the board of the Company. The transaction is expected to close early next week.

20. Subsequent Events (continued)

The Company is at arm's length from Wonder and its shareholders. The consideration shares will be subject to a voluntary pooling arrangement and (a) 1,085,218 of the consideration shares will be subject to a 12-month pooling arrangement, whereby 50% of such shares will be released six months from the closing of the transaction and the remaining 50% of such shares will be released six months after that; and (b) 24,914,782 of the consideration shares will be subject to a four-month-and-one-day pooling arrangement, whereby 33% of such shares will be released on closing, 33% will be released two months after closing, and the remaining 34% will be released four months and one day after closing. The transaction will neither constitute a fundamental change nor a change of business for the Company, nor will it result in a change of control of the Company within the meaning of applicable securities laws and the policies of the Canadian Securities Exchange. In connection with the completion of the transaction, the Company will also issue 2,100,000 common shares to arm's-length parties that are assisting with the transaction.