MYDECINE INNOVATIONS GROUP INC.
(Formerly NewLeaf Brands Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020 AND 2019

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of Mydecine Innovations Group Inc. (formerly NewLeaf Brands Inc.):

Opinion

We have audited the consolidated financial statements of Mydecine Innovations Group Inc. (formerly NewLeaf Brands Inc.) and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

Emphasis of matter - Restated Comparative Information

We draw attention to Note 22 to the consolidated financial statements, which explains that certain comparative information as at December 31, 2019 has been restated. Our opinion is not modified in respect of this matter.

The consolidated financial statements for the year ended December 31, 2019 excluding the adjustments that were applied to restate certain comparative information were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on November 30, 2020.

As part of our audit of the consolidated financial statements for the year ended December 31, 2020, we also audited the adjustments applied to restate certain comparative information presented. In our opinion, such adjustments are appropriate and have been properly applied.

Other than with respect to the adjustments that were applied to restate certain comparative information, we were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the year ended December 31, 2019. Accordingly, we do not express an opinion or any other form of assurance on those consolidated financial statements taken as a whole.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that as at December 31, 2020, the Company had an accumulated deficit and, during the year ended December 31, 2020, incurred a net loss and used cash from operating activities. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management’s Discussion and Analysis.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, 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 Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 Jo-Ann Lempert.

MNP SENCRL, srl[1]

Montréal, Québec

April 30, 2021

[1] FCPA auditor, FCA, public accountancy permit no. A122514

MYDECINE INNOVATIONS GROUP INC. (FORMERLY NEWLEAF BRANDS INC.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)

As at,	Note	December 31, 2020 $	December 31, 2019 (restated) (Note 22) $	January 1, 2019 (restated) (Note 22) $
Current assets				
Cash		**2,190,702**	18,209	11,085
Rent receivable	**18**	**27,746**	-	-
Loans receivable	**11**	**-**	12,015	216,537
Inventory		**47,262**	501,658	7,891
Sales tax receivable		**13,734**	-	-
Prepaids and deposits		**216,003**	69,149	257,831
Total current assets		**2,495,447**	601,031	493,344
Non-current assets				
Deposit on acquisition		**-**	66,170	98,070
Investment in joint venture	**6, 18**	**620,092**	-	-
Investment in associate	**7, 18**	**4,481,988**	-	-
Right-of-use asset	**13**	**223,645**	69,305	-
Investment properties	**10**	**1,418,345**	1,316,983	1,315,089
Property and equipment	**9**	**291,614**	6,254	8,212
Total assets		**9,531,131**	2,059,743	1,914,715
Current liabilities				
Accounts payable and accrued liabilities		**1,187,486**	168,917	103,731
Convertible debentures	**12**	**2,959,755**	-	1,440,909
Promissory notes		**-**	-	300,000
Derivative liabilities	**14**	**1,586,744**	-	-
Lease liability – current portion	**13**	**69,329**	38,238	-
Total current liabilities		**5,803,314**	207,155	1,844,640
Non-current liabilities				
Long-term portion of lease liability	**13**	**167,118**	24,143	-
Total liabilities		**5,970,432**	231,298	1,844,640
Shareholders' equity				
Share capital	**15**	**85,298,435**	62,366,182	39,948,724
Contributed surplus	**15**	**12,734,636**	7,239,998	6,461,551
Equity portion of convertible debentures	**12**	**254,690**	-	-
Accumulated other comprehensive income		**(444,803)**	(444,421)	(436,176)
Deficit		**(94,282,259)**	(67,333,314)	(45,904,024)
Total shareholders' equity		**3,560,699**	1,828,445	70,075
Total liabilities and shareholders' equity		**9,531,131**	2,059,743	1,914,715

Nature and continuance of operations (Note 1)

Subsequent events (Note 23)

Approved on behalf of the Board on April 30, 2021

"Damon Michaels"
Director – Damon Michaels

"David Joshua Bartch"
Director – David Joshua Bartch

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

MYDECINE INNOVATIONS GROUP INC. (FORMERLY NEWLEAF BRANDS INC.)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)

For the years ended,	Note	December 31, 2020 $	December 31, 2019 (Restated) (Note 22) $
Sales		**58,490**	125,572
Cost of goods sold		**(37,370)**	(94,048)
Gross margin		**21,120**	31,524
Expenses			
Finance cost	**12,13**	**(182,866)**	(80,517)
Corporate development		**(2,330,168)**	(71,511)
Amortization	**8,9,13**	**(90,199)**	(46,389)
Consulting fees		**(3,387,105)**	(813,006)
Director and management fees	**18**	**(539,347)**	(520,660)
Foreign exchange loss		**(107,870)**	(64,865)
Office and miscellaneous		**(381,796)**	(134,233)
Share of losses from investment in Joint Venture	**6**	**(93,035)**	-
Share of losses from investment in Associate	**7**	**426,635**	-
Professional fees		**(945,537)**	(196,446)
Regulatory and filing fees		**(201,818)**	(40,907)
Research and development		**(1,290,548)**	-
Share-based payments	**15**	**(2,487,509)**	(1,602,588)
Total expenses		**(11,611,163)**	(3,571,122)
Other income (expense)			
Change in fair value of derivative liabilities	**14**	**545,194**	-
Change in fair value of investment property	**10**	**134,147**	66,346
Loss on termination of lease	**13**	**(27,097)**	-
Impairment of intangible asset	**8**	**(284,890)**	-
Impairment of good will	**19**	**(4,747,077)**	-
Inventory write-off		**(458,921)**	-
Transaction costs		**(24,025)**	-
Rental income	**18**	**115,702**	151,200
Consideration paid in excess of net assets acquired from acquisitions	**4**	**(10,645,239)**	(18,050,589)
Gain (loss) on settlement of debts	**15**	**33,304**	(56,649)
		(15,358,902)	(17,925,692)
Net loss for the year		**(26,948,945)**	(21,429,290)
Foreign currency translation adjustment		**(382)**	(8,245)
Net loss and comprehensive loss for the year		**(26,949,327)**	(21,437,535)
Net loss per share – Basic and diluted		**(0.24)**	(0.96)
Weighted average number of shares outstanding – Basic and diluted		**113,714,260**	22,273,251

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

MYDECINE INNOVATIONS GROUP INC. (FORMERLY NEWLEAF BRANDS INC.)
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(EXPRESSED IN CANADIAN DOLLARS)

	Note	Number of Shares		Share Capital		Contributed Surplus		Equity Component of Convertible Debentures		Accumulated Other Comprehensive Income (Loss)		Deficit		Shareholders' Equity
Balance, December 31, 2018 (restated)		**7,040,181**	**$**	**39,948,724**	**$**	**6,461,551**	**$**	**-**	**$**	**(436,176)**	**$**	**(45,904,024)**	**$**	**70,075**
Private placement	15	2,154,580		657,147		-		-		-		-		657,147
Finder common shares	15	83,137		-		-		-		-		-		-
Exercise of options	15	345,778		826,600		-		-		-		-		826,600
Fair value of options transferred	15	-		824,141		(824,141)		-		-		-		-
Shares issued in acquisition of DFW	15	345,269		1,011,670		-		-		-		-		1,011,670
Shares issued in acquisition of Relyfe	15	9,276,510		8,627,155		-		-		-		-		8,627,155
Shares issued in acquisition of Tealief	15	9,276,510		8,627,155		-		-		-		-		8,627,155
Shares issued for debt settlements	15	4,916,240		1,843,590		-		-		-		-		1,843,590
Share-based compensation	15	-		-		1,602,588		-		-		-		1,602,588
Foreign currency translation adjustment		-		-		-		-		(8,245)		-		56,207
Net Loss for the year		-		-		-		-		-		(21,429,290)		(21,429,290)
Balance, December 31, 2019 (restated)		**33,438,205**	**$**	**62,366,182**	**$**	**7,239,998**	**$**	**-**	**$**	**(444,421)**	**$**	**(67,333,314)**	**$**	**1,828,445**
Private placements, net of share issuance costs	15	60,908,420		4,690,373		-		-		-		-		4,690,373
Non-cash share issuance costs	15	345,500		(891,114)		891,114		-		-		-		-
Shares issued for investment in joint venture	15	4,500,000		395,010		-		-		-		-		395,010
Shares issued for investment in associate	15	28,000,000		4,160,240		-		-		-		-		4,160,240
Shares issued for acquisition of 1220611 B.C. Ltd.	15	17,000,000		2,210,000		-		-		-		-		2,206,875
Issuance of finders shares for acquisition of 1220611 B.C. Ltd.	15	1,360,000		176,800		-		-		-		-		179,925
Shares issued for acquisition of Mindleap Health Inc	15	6,363,636		2,513,636		-		-		-		-		2,513,636
Shares issued for acquisition of Neuropharm Inc.	15	9,000,000		4,860,000		-		-		-		-		4,860,000
Shares issued for Neuropharm Inc. anti-dilution securities	15	1,426,764		1,299,441		(1,299,441)		-		-		-		-
Performance warrants issued to Neuropharm Inc.	4	-		-		2,752,572		-		-		-		2,752,572
Neuropharm Inc.'s anti-dilution clause	4	-		-		980,640		-		-		-		980,640
Shares issued for debt settlements	15	4,008,920		923,672		-		-		-		-		923,672
Warrants exercised	15	2,071,150		884,556		(293,873)		-		-		-		590,683
Options exercised	15	200,000		65,883		(23,883)		-		-		-		42,000
Conversion of convertible debentures	12,15	8,111,507		1,643,756		-		(136,977)		-		-		1,506,779
Equity component of convertible debentures	12,15	-		-		-		391,667		-		-		391,667
Share-based compensation	15	-		-		2,487,509		-		-		-		2,487,509
Foreign currency translation adjustment		-		-		-		-		(382)		-		(382)
Net Loss for the year		-		-		-		-		-		(26,948,945)		(26,948,945)
Balance, December 31, 2020		**176,734,102**	**$**	**85,298,435**	**$**	**12,734,636**	**$**	**254,690**	**$**	**444,803**	**$**	**(94,282,259)**	**$**	**3,560,699**

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

MYDECINE INNOVATIONS GROUP INC. (FORMERLY NEWLEAF BRANDS INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)

For the years ended,	Note		December 31, 2020		December 31, 2019 (restated) (Note 22)
Cash flows used in					
Operating activities					
Net Loss for the year		$	**(26,948,945)**	$	(21,429,290)
Items not affecting cash:					
Inventory write-off			**458,921**		-
Impairment of goodwill	19		**284,890**		-
Impairment of intangible assets	8		**4,747,077**		-
Amortization	8,9		**90,199**		46,389
Accretion	12,13		**179,878**		53,518
Change in fair value of investment property	10		**(134,147)**		(66,346)
Consideration paid in excess of net assets acquired from acquisitions	4		**10,645,239**		18,050,589
Change in fair value of derivative liability	14		**(545,194)**		-
Foreign exchange loss			**107,840**		-
Loss (gain) on settlement of debts	15		**(33,304)**		56,649
Loss on termination of lease	13		**27,097**		-
Share of losses from investment in Joint Venture	6		**93,035**		-
Share of income from investment in Associate	7		**(356,635)**		-
Share-based payments	15		**2,487,509**		1,602,588
			(8,896,540)		(1,685,903)
Changes in non-cash working capital items:					
Rent receivable			**(27,746)**		(1,387)
Prepaids and deposits			**(80,684)**		112,273
Inventory			**766**		(35,227)
Sales taxes receivable			**(6,113)**		-
Accounts payable and accrued liabilities			**1,886,025**		124,119
Cash used in operating activities			**(7,124,292)**		(1,486,125)
Investing activities					
Loan receivable			**12,015**		55,208
Purchases of property and equipment	9		**(292,671)**		-
Cash acquired from acquisition of Mindleap Health Inc.	5		**92,267**		-
Cash acquired from acquisition of Neuropharm Inc.	4		**411,457**		-
Cash advanced to Joint Venture	6		**(314,023)**		-
Internally generated intangible asset			**(112,391)**		-
Funds advanced to MindLeap	5		**(250,000)**		-
Lease termination payment	13		**(10,186)**		-
Lease payments	13		**(109,889)**		(50,765)
Net cash used in investing activities			**(573,421)**		4,443
Financing activities					
Proceeds from private placements, net of share issuance cost	15		**4,690,373**		657,147
Proceeds from Convertible debenture financing	12		**4,700,000**		-
Loan repayment			**(100,000)**		-
Options exercised	15		**42,000**		826,600
Warrants exercised	15		**590,683**		-
Net cash provided from financing activities			**9,923,056**		1,483,747
Foreign exchange on cash			**(52,850)**		5,059
Increase in cash and cash equivalents during the year			**2,225,343**		2,065
Cash, beginning of the year			**18,209**		11,085
Cash, end of the year		$	**2,190,702**	$	18,209

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Mydecine Innovations Group Inc. (formerly NewLeaf Brands Inc.) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on September 27, 2013, under the name 0981624 B.C. Ltd. The Company subsequently changed its name to New Age Farm Inc. on April 10, 2014, to New Age Brands Inc. on November 14, 2018, to NewLeaf Brands Inc. on April 12, 2019 and to Mydecine Innovations Group Inc. on May 27, 2020. The Company's common shares trade on the NEO exchange (NEO: MYCO), OTC exchange (OTC:MYCOF) and on the Frankfurt stock exchange (FSE:0NFA). The Company's principal activities are research, drug development, clinical trials, marketing, and distribution of Cannabidiol ("CBD") and Psilocybin products and operation of rental real estate properties in North America. The registered address, head office, principal address and records office of the Company are located at Suite 810 - 789 West Pender Street, Vancouver, British Columbia, V6C 1H2.

As at December 31, 2020 the Company has an accumulated deficit of $94,282,259 (December 31, 2019 - $67,333,314), cash of $2,190,702 (December 31, 2019 – $18,209), and a working capital deficit of $3,307,867 (December 31, 2019 – deficit of $393,876). Additionally, the Company incurred a net loss of $26,948,945 (December 31, 2019 - $21,429,290) during the year ended on December 31, 2020. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt as to the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these consolidated financial statements.

2. BASIS OF PREPARATION

Statement of Compliance

These consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standard ("IFRS"), as set out in the CPA Canada Handbook – Accounting ("CPA Handbook") as issued by the International Accounting Standards Board ("IASB"). The policies set out below have been consistently applied to all periods presented unless otherwise noted.

These consolidated financial statements were approved and authorized for issuance by the Company's Board of Directors on April 30, 2021.

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for derivative financial instruments, which are measured at fair value through profit and loss, as explained in the accounting policies below. Historical costs are generally based upon the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

2. BASIS OF PREPARATION (CONTINUED)

Functional Currency

All figures presented in the consolidated financial statements are reflected in Canadian dollars; however, the functional currency of the Company includes the Canadian dollar and the US dollar. The Company, Neuropharm Inc. and Mindleap Health Inc.s functional currency is the Canadian dollar whereas the remainder of the Company's subsidiaries' functional currency is the US dollar.

Foreign currency transactions are translated to the respective functional currencies of the Company's entities at the exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign exchange rate applicable at the statement of financial position date. Non-monetary items carried at historical cost denominated in foreign currencies are translated to the functional currency at the date of the transactions. Non-monetary items carried at fair value denominated in foreign currencies are translated to the functional currency at the date when the fair value was determined. Realized and unrealized exchange gains and losses are recognized through profit and loss.

On consolidation, the assets and liabilities of foreign operations reported in their functional currencies are translated into Canadian dollars, the Group's presentation currency, at period-end exchange rates. Income and expenses, and cash flows of foreign operations are translated into Canadian dollars using average exchange rates. Exchange differences resulting from translating foreign operations are recognized in accumulated other comprehensive income (loss).

Basis of Consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The following is a list of the Company's operating subsidiaries:

Name	Jurisdiction of incorporation	Interest
1220611 B.C. Ltd.	Canada	100%
1176392 B.C. Ltd.	Canada	100%
Kured Latin America LLC (inactive)	US	100%
Mindleap Health Inc.	Canada	100%
Neuropharm Inc.	Canada	100%
New Age Farm Washington, LLC	US	100%
Relyfe Brands, LLC	US	100%
Tealief Brands, LLC	US	100%
We are Kured, LLC	US	100%

All inter-company transactions and balances have been eliminated in the consolidated financial statement presentation.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies

The preparation of the consolidated financial statements requires that the Company's management make judgments and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period. Actual future outcomes could differ from present estimates and judgments, potentially having material future effects on the Company's consolidated financial statements. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The significant accounting policies used by the Company are as follows:

Equity accounted investments

Equity accounted investments are those entities in which the Company has significant influence but does not have control over the financial and operating policies of the investees. Significant influence is presumed to exist when the Company holds between 20 percent and 50 percent of the voting power of another entity. Joint arrangement entities are those over which the Company has joint control, established by contractual agreement and requiring unanimous consent for strategic, financial, and operating decisions. Joint ventures are joint arrangements whereby the parties have joint control of the arrangement and have rights to the net assets of the arrangement.

Investments in associates and joint ventures are accounted for by the equity method, whereby the original cost of the investment is adjusted for the Company's share of earnings or losses less dividends since significant influence was acquired. When net accumulated losses from an equity accounted investment exceed its carrying amount, the investment balance is reduced to $nil and additional losses are not provided for unless the Company is committed to provide other financial support to the investee. The Company resumes accounting for its portion of income (loss) of the investment when the entity subsequently reports net income and the Company's share of that net income exceeds the share of net losses not recognized during the period the equity method was suspended.

Profits or losses resulting from transactions between the Company and its associates are eliminated to the extent of the interest in the associate. The Company determines at each reporting date whether there is objective evidence that the investments in associates are impaired. The financial statements of associates are prepared for the same reporting period as the Company. Where necessary adjustments are made to bring the accounting policies of associates in line with those of the Company.

The Company accounts for the following using the equity method as the Company does not have control:

Name	Jurisdiction	Interest
Trellis Holdings LLC.	US	37.5%
Alternative Distribution LLC (Formerly, Levee Street Holdings LLC.)	US	50%

Convertible debentures

The convertible debentures which meet the fixed-for-fixed criteria (fixed consideration received and fixed number of shares issued upon conversion) are separated into their liability and equity components on the consolidated statements of financial position. The liability component is initially recognized at fair value, calculated as the net present value of the liability based upon non-convertible debt issued by comparable issuers and accounted for at amortized cost using the effective interest rate method. The effective interest rate used is the estimated rate for the non-convertible debt with similar terms in the time of issue. The fair value of the equity component is determined at the time of issue as the difference between the face value of the convertible debentures and the fair value of the liability component.

Transaction costs that are directly attributed to the issuance of the debentures are recorded against equity and loan components on a pro-rated basis. Transaction costs allocated to the liability component are accreted over the term of the loan using the effective interest rate method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets

The Company's intangible assets consist of software platform arising from the asset acquisition and business combination described in Note 5. Infinite life intangible assets are recorded at cost less accumulated impairment losses. Finite life intangible assets are recorded at cost and are amortized once they are in use on a straight-line basis over their estimated useful lives as follows:

Category	Useful life
Software platform	3 years

At the end of each reporting period, the Company assess whether there has been any indication that an asset may be impaired. If an impairment indicator exists, the recoverable amount is determined and compared to the carrying amount of the asset or the CGU to which the asset relates. If the recoverable amount is lower, any difference between the carrying amount and the recoverable amount is written off to the consolidated statement of loss as an impairment charge.

Financial instruments

The Company adopted all the requirements of IFRS 9 Financial Instruments on January 1, 2018. IFRS 9 utilizes a revised model for recognition and measurement of financial instruments in a single, forward-looking "expected loss" impairment model.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification
The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive 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 classifications under IFRS 9:

Financial assets/liabilities	**Classification under IFRS 9**
Cash and rent receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Convertible debentures	Amortized cost
Lease liability	Amortized cost
Derivative liability	FVTPL
Contingent consideration	FVTPL

Financial Instruments

Measurement

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (Continued)

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 loss and comprehensive loss. 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 loss and 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 other comprehensive loss.

Financial assets through other comprehensive income ("FVTOCI")
Financial assets that meet the following conditions are measured at FVTOCI:
- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not currently hold any financial instruments designated as FVTOCI.

Equity instruments designated as FVTOCI
On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity instrument, instead, it is transferred to retained earnings. The Company does not currently hold any equity instruments designated as FVTOCI.

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 comprehensive loss, 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.

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 loss and 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 loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers (“IFRS 15) specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. The Company’s accounting policy for revenue recognition under IFRS 15 is to follow a five-step model to determine the amount and timing of revenue to be recognized:

1. Identifying the contract with a customer
2. Identifying the performance obligations within the contract
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue from the sale of CBD and hemp products are recognized when the Company transfers control of the good to the customer. This evaluation was made based on whether the business obtains control of the product before transferring to the end consumer. Control of the product transfers at a point in time either upon shipment to or receipt by the customer, depending on the contractual terms. The Company recognizes revenue in an amount that reflects the consideration that the Company expects to receive considering any variation that may result from rights of return.

Rental income from rental properties is recognized per the terms of lease contracts, on a monthly basis, for each month the lessee has access to use the property. As at December 31, 2020, all rental income is generated from Trellis Holdings LLC., which the Company owns 37.5% and is accounted for as an equity accounted investment.

Property, plant and equipment

The Company records property, plant and equipment at cost less accumulated amortization and accumulated impairment losses. It recognizes amortization to write off the cost of assets less their residual values over their useful lives, using the following methods and rates:

Leasehold improvements – over lease term
Equipment – 5 years
Right-of-use assets – straight-line over term of lease

An item of property, plant and equipment is de-recognized 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 property, plant and equipment and deferred costs consist of major components with different useful lives, the components are accounted for as separate items of property, plant and equipment and deferred expenditures. Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Investment property

The company uses the cost method to account for real estate classified as investment properties. A property is determined to be an investment property when it is principally held either to earn rental income or for capital appreciation, or both. Investment properties also include properties that are under development or redevelopment for future use as investment property. Investment properties are initially measured at cost including transaction costs, or at fair value if acquired in a business combination. Subsequent to initial recognition, investment properties are carried at fair value. Gains or losses arising from changes in fair value are included in net income during the period in which they arise. As at December 31, 2020, the fair value of the Company’s investment properties was substantiated by a third-party appraiser expert.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Share-based Compensation

The Company operates an employee stock option plan. Share based payments to employees are measured at the fair value of the instruments issued and amortized over the relevant vesting periods. Share based payments 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 fair value of options is determined using a Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Inventory

Inventory is valued at the lower of cost and net realizable value. The Company's inventory is comprised of CBD products, and purchased finished goods for resale. The cost of inventory is calculated using the weighted average method and comprises all costs of purchase necessary to bring the goods to sale. Net realizable value represents the estimated selling price for products sold in the ordinary course of business less the estimated costs necessary to make the sale. Management uses the most reliable evidence available in determining the net realizable value of inventories. Actual selling prices may differ from estimates, based on market conditions at the time of sale. Allowances are made against obsolete or damaged inventory and charged to cost of sales. The reversal of any write-down of inventory arising from increase in the net realizable value is recognized as a reduction of cost of sales in the period in which the reversal occurred. During the year ended December 31, 2020, the Company wrote-off inventory of $458,921.

Goodwill

Goodwill represents the excess of the purchase price paid for the acquisition of an entity over the fair value of the net tangible and intangible assets acquired. Goodwill is allocated to the cash generating unit (“CGU”) or group of CGUs which are expected to benefit from the synergies of the combination. Goodwill is not subject to amortization.

The goodwill balance is assessed for impairment annually or when facts and circumstances indicate that it is impaired. Goodwill is tested for impairment at a CGU level by comparing the carrying value to the recoverable amount, which is determined as the greater of fair value less costs of disposal and value in use. Any excess of the carrying amount over the recoverable amount is the impaired amount. The recoverable amount estimates are categorized as Level 3 according to the fair value hierarchy. Impairment charges are recognized in the statement of comprehensive loss. Goodwill is reported at cost less any accumulated impairment. Goodwill impairments are not reversed.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of long-lived assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of testing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit, or "CGU"). An impairment loss is recognized for the amount, if any, by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and the value in use (being the present value of expected future cash flows of the asset or CGU). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount and the carrying amount that would have been recorded had no impairment loss been previously recognized, with the exception of goodwill and indefinite lived intangible assets.

Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease is recognized as a right-of-use asset and corresponding liability at the commencement date. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. The finance cost is recognized in "finance and other costs" in the consolidated statement of comprehensive (loss) income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability. Lease liabilities represent the net present value of fixed lease payments (including in-substance fixed payments); variable lease payments based on an index, rate, or subject to a fair market value renewal condition; amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if it is probable that the lessee will exercise that option.

The Company's lease liability is recognized net of lease incentives receivable. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the lessee's incremental borrowing rate. The period over which the lease payments are discounted is the expected lease term, including renewal and termination options that the Company is reasonably certain to exercise.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis in general and administration and sales and marketing expense in the consolidated statement of comprehensive (loss) income. Short term leases are defined as leases with a lease term of 12 months or less.

Variable lease payments that do not depend on an index, rate, or subject to a fair market value renewal condition are expensed as incurred and recognized in costs of goods sold, general and administration or sales and marketing expense, as appropriate given how the underlying leased asset is used, in the consolidated statement of comprehensive loss.

Right-of-use assets are measured at cost, which is calculated as the amount of the initial measurement of lease liability plus any lease payments made at or before the commencement date, any initial direct costs and related restoration costs. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset. The depreciation is recognized from the commencement date of the lease.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

Where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received or given up is not readily determinable, the fair market value of the shares is used to record the transaction. The fair market value of the shares is based on the trading price of those shares on the appropriate stock exchange on the date of the agreement to issue or receive shares as determined by the board of directors.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combination

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the fair value equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date when the Company obtains control of the acquiree. The identifiable assets acquired, and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Goodwill represents the difference between total consideration paid and the fair value of the net-identifiable assets acquired. Acquisition costs incurred are expensed in the statement of comprehensive loss.

Contingent consideration is measured at its acquisition date fair value and is included as part of the consideration transferred in a business combination, subject to the applicable terms and conditions. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9 Financial Instruments with the corresponding gain or loss recognized in the statement of comprehensive loss.

Based on the facts and circumstances that existed at the acquisition date, management will perform a valuation analysis to allocate the purchase price based on the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date. Management has one year from the acquisition date to confirm and finalize the facts and circumstances that support the finalized fair value analysis and related purchase price allocation. Until such time, these values are provisionally reported and are subject to change. Changes to fair values and allocations are retrospectively adjusted in subsequent periods.

In determining the fair value of all identifiable assets acquired and liabilities assumed, the most significant estimates generally relate to contingent consideration and intangible assets. Management exercises judgment in estimating the probability and timing of when earn-outs are expected to be achieved, which is used as the basis for estimating fair value. Identified intangible assets are fair valued using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on the fair value of the goods and services received. Asset acquisitions do not give rise to goodwill. Any consideration paid in excess of the identifiable assets and liabilities assumed is expensed to the statement of loss.

Loss per share

The Company calculates basic loss per share by dividing the loss for the year by the weighted average number of common shares outstanding during the year. It calculates diluted loss per share in a similar manner, except that it increases the weighted average number of common shares outstanding, using the treasury stock method, to include common shares potentially issuable from the assumed exercise of stock options and other instruments, if dilutive. In the Company’s case, these potential issuances are “anti-dilutive” as they would decrease the loss per share; consequently, the amounts calculated for basic and diluted loss per share are the same.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The following are the critical judgments and estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

Business combination and asset acquisition
Judgement is required to determine if the Company's acquisition represented a business combination or an asset purchase. More specifically, management concluded that most of the Company's acquisitions did not represent a business, as the assets acquired were not an integrated set of activities with inputs, processes and outputs. For acquisitions that represented the purchase of assets, no goodwill was recognized on the transactions and acquisition costs were capitalized to the assets purchased rather than expensed. As the Company concluded that most of the acquisition was an asset acquisition, an allocation of the purchase price to the individual identifiable assets acquired, including identifiable and unidentifiable intangible assets, and liabilities assumed based on their fair values at the date of purchase was required. The fair values of the net assets acquired were calculated using significant estimates and judgments. If estimates or judgments differed, this could result in a materially different allocation of net assets on the consolidated statement of financial position.

In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. In certain circumstances where estimates have been made, the Company may obtain third-party valuations of certain assets, which could result in further refinement of the fair-value allocation of certain purchase prices and accounting adjustments.

Functional Currency
The functional currency of the Company and each of the Company's subsidiaries is the currency of the primary economic environment in which the respective entity operates. Such determination involves certain judgements to identify the primary economic environment. The Company reconsiders the functional currency of an entity if there is a significant change in the events and/or conditions which determine the primary economic environment. In the event of a change of functional currency, the Company revaluates the classification of financial instruments. Upon the change in the parent Company's functional currency during the year, the financing warrants, which were initially classified as a derivative liability on the statement of financial position, were reassessed and reclassified as equity instruments at the fair value on the date of the functional currency change.

Valuation of share-based payments
The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting judgments and estimates (continued)

Impairment of long-lived assets
Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the carrying value of the asset may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or cash-generating unit). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Management evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Estimated useful life of long-lived assets
Judgment is used to estimate each component of a long-lived asset's useful life and is based on an analysis of all pertinent factors including, but not limited to, the expected use of the asset and in the case of an intangible asset, contractual provisions that enable renewal or extension of the asset's legal or contractual life without substantial cost, and renewal history. If the estimated useful lives were incorrect, it could result in an increase or decrease in the annual amortization expense, and future impairment charges or recoveries.

Income taxes
Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

The Company's effective income tax rate can vary significantly for various reasons, including the mix and volume of business in lower income tax jurisdictions and in jurisdictions for which no deferred income tax assets have been recognized because management believed it was not probable that future taxable profit would be available against which income tax losses and deductible temporary differences could be utilized.

Provisions
Provisions are accrued for liabilities with uncertain timing or amounts, if, in the opinion of management, it is both likely that a future event will confirm that a liability had been incurred at the date of the consolidated financial statements and the amount can be reasonably estimated. In cases where it is not possible to determine whether such a liability has occurred, or to reasonably estimate the amount of loss until the performance of some future event, no accrual is made until that time. In the ordinary course of business, the Company may be party to legal proceedings which include claims for monetary damages asserted against the Company. The adequacy of provisions is regularly assessed as new information becomes available.

Leases
Leases requires lessees to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Company generally uses the incremental borrowing rate when initially recording real estate leases as the implicit rates are not readily available as information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available.

The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company used an incremental borrowing rate of 15%.

Leases requires lessees to estimate the lease term. In determining the period which the Company has the right to use an underlying asset, management considers the non-cancellable period along with all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Significant accounting judgments and estimates (continued)

Fair values
Certain of the Company's assets and liabilities are measured at fair value. In estimating fair value, the Company uses market-observable data to the extent it is available. In certain cases where Level 1 inputs are not available the Company will engage third party qualified valuers to perform the valuation.

Information about the valuation techniques and inputs used in determining the fair value of derivative asset in Note 14, financial instruments in Note 17 and the acquired intangible assets in Note 8.

Going concern
Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the Company's financial results.

Recent Accounting Pronouncements

As at the date of authorization of these financial statements, the IASB and the IFRS Interpretations Committee had issued certain pronouncements that are mandatory for the Company's accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company, have been excluded. The Company had assessed that no material impact is expected upon the adoption of the following amendments on its consolidated financial statements:

Amendments to IAS 1

In January 2020, the IASB issued amendments to IAS 1 which clarify the requirements for classifying liabilities as either current or non-current by: (i) specifying that the conditions which exist at the end of the reporting period determine if a right to defer settlement of a liability exists; (ii) clarifying that settlement of a liability refers to the transfer to the counterparty of cash, equity instruments, other assets or services; (iii) clarifying that classification is unaffected by management's expectation about events after the balance sheet date; and (iv) clarifying the classification requirements for debt an entity may settle by converting it into equity.

The amendments clarify existing requirements, rather than make changes to the requirements, and so are not expected to have a significant impact on an entity's financial statements. However, the clarifications may result in reclassification of some liabilities from current to non-current or vice-versa, which could impact an entity's loan covenants. Because of this impact, the IASB has provided a longer effective date to allow entities to prepare for these amendments. In July 2020, the IASB issued an amendment to defer the effective date of the amendments by one year from its originally planned effective date to annual periods beginning on or after January 1, 2023 due to the impact of COVID-19. Early application is permitted.

Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37")

In May 2020, the IASB issued amendments to update IAS 37. The amendments specify that in assessing whether a contract is onerous under IAS 37, the cost of fulfilling a contract includes both the incremental costs and an allocation of costs that relate directly to contract activities. The amendments also include examples of costs that do, and do not, relate directly to a contract. These amendments are effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted.

EXPRESSED IN CANADIAN DOLLARS

4. ASSET ACQUSITIONS

1220611 B.C. Ltd. d/b/a Mydecine Innovation Group Inc.

On April 30, 2020, the Company acquired 100% of 1220611 B.C. Ltd. (d/b/a Mydecine Innovation Group Inc.) ("Mydecine"), a Colorado headquartered Company. Mydecine is an arm's length research and development Company in the mushroom and fungi industry. The Company issued 17,000,000 common shares of the Company with fair value of $2,210,000 and 1,360,000 finders shares with fair value of $176,800, based on level 1 inputs.

The acquisition of Mydecine does not constitute a business combination because this entity does not meet the definition of a business under IFRS 3 – Business Combination. As a result, the transaction has been measured at the fair value of equity consideration issued to acquire these entities.

The purchase price was determined based on IFRS 2 – *Share Based Payments*.

Purchase price	$
17,000,000 common shares	2,210,000
1,360,000 finders' common shares	176,800
Consideration paid in excess of net assets acquired	2,386,800

Mydecine was in the early stage of cultivation, processing, product development, and research and development of compounds that are found in various strains of mushroom and fungi. As such, the remaining unidentifiable asset did not meet the intangible asset criteria for capitalization. Accordingly, the Company expensed $2,386,800 in the Consolidated Statement of Loss and Comprehensive Loss.

Neuropharm Inc.

On July 14, 2020, the Company entered into a Share Exchange Agreement ("Neuropharm SEA") to acquire 100% of Neuropharm Inc. ("Neuropharm"). Neuropharm is an arm's length Canadian-based healthcare company that is conducting research and development of certain therapies for veterans, emergency medical service providers, and front-line personnel. The Neuropharm SEA closed on August 28, 2020 ("Neuropharm Closing Date").

As consideration, the Company agreed to issue 9,000,000 common shares, contingent anti-dilution securities, and 10,000,000 performance warrants (Collectively, "Neuropharm Consideration"). The terms of the Neuropharm Consideration are described below:

a) The Company issued 9,000,000 common shares on August 28, 2020 ("Neuropharm Closing Date") with a fair value of $4,860,000 that are subject to certain escrow conditions.

EXPRESSED IN CANADIAN DOLLARS

4. ASSET ACQUSITIONS (CONTINUED)

b) Pursuant to the terms of the Neuropharm SEA, the Company is obligated to issue additional common shares ("Neuropharm Anti-Dilution Securities"). Each Neuropharm Anti-Dilution Security is exercisable to acquire common shares on the Neuropharm Release Dates, for no additional consideration, in the event the volume-weighted average closing price of the Company's common shares on the Canadian Securities Exchange ("CSE") in the 20 trading days prior to the Neuropharm Release Dates is less than $0.70. This contingent consideration was accounted for as an equity instrument under IFRS 2 – *Share Based Payment* and was recorded at fair value at the date of acquisition. As at August 28, 2020, the Company's estimate of the fair value of the anti-dilutive securities was $2,752,572. On September 12, 2020, pursuant to the Neuropharm Anti-Dilution Securities clause, the Company issued additional 1,426,764 common shares and the Company reclassified $1,299,441 from reserve to share capital.

c) Pursuant to the terms of the Neuropharm SEA, the Company issued 10,000,000 performance warrants ("Performance Warrants") that vest as follows:
   - 900,000 Performance Warrants will vest upon each successful completion of a clinical trial designed to study psilocybin in Veterans, up to a maximum vesting of 5,400,000 Performance warrants; and,
   - 920,000 Performance Warrants will vest upon each filing by Neuropharm of a patent application in Canada and/or the United States, subject to the acceptance of the application by the regulatory authority to a maximum vesting of 4,600,000 Performance Warrants (Vested).

   As at December 31, 2020, 4,600,000 Performance Warrants (relating to the filing of patent applications) have vested. Each Performance Warrant expires five years from the date of issuance and is exercisable at a 20% discount to the Company's stock price on the NEO.

   The Performance Warrants were accounted for as an equity instrument under IFRS 2 – *Share Based Payments* and recorded at fair value at acquisition. As at August 28, 2020, the fair value of the Performance Warrants $980,640.

The acquisition of Neuropharm does not constitute a business combination because this entity does not meet the definition of a business under IFRS 3 – *Business Combination*. As a result, the transaction has been measured at the fair value of equity consideration issued to acquire these entities. The fair value of the consideration paid was determined based on the fair value of the assets received as determined based on IFRS 2 – *Share Based Payments*.

Purchase price:	$
9,000,000 common shares	4,860,000
Neuropharm – Anti-Dilution Securities	2,752,572
Performance Warrants	980,640
Total consideration paid	8,593,212
Cash	411,457
Liabilities assumed	(76,684)
Net assets assumed	334,773
Consideration paid in excess of net assets acquired	8,258,439
	8,593,212

Neuropharm was in the early stage of developing technologies to treat various mental health conditions targeting the treatment of disorders such as PTSD, depression, addiction, anxiety, and panic disorders as well as migraine and cluster headaches. At the time of acquisition, the Company was conducting research and was in the processes of drafting provisional patents related to psilocybin which did not meet the definition of intangible assets. As such, the remaining unidentifiable assets in the amount of $8,258,439 were expensed in the Consolidated Statement of Loss and Comprehensive Loss.

EXPRESSED IN CANADIAN DOLLARS

5. BUSINESS COMBINATION

On June 16, 2020, the Company entered into a Share Exchange Agreement ("Mindleap SEA") to acquire 100% of Mindleap Health Inc. ("Mindleap"). Mindleap is an arm's length Canadian-based healthcare Company that is developing a digital telehealth platform ("Telehealth Platform"). Mindleap's Telehealth Platform complements the Company's business plan as a mental health provider to its users. The Mindleap SEA closed on August 19, 2021 ("Acquisition Date").

As consideration, the Company agreed to issue 6,363,636 common shares, contingent anti-dilution securities, and certain milestone share-based payments (Collectively, "Mindleap Consideration"). The terms of the Mindleap Consideration are described below:

a) As consideration, the Company issued 6,363,636 common shares with a fair value of $2,513,636 that are subject to certain escrow conditions.

   As at December 31, 2020, there are 3,785,010 common shares held in escrow and will be released pursuant to the following schedule ("Mindleap Release Dates"):

12 months from the MindLeap Closing Date	¼ of escrowed securities
18 months from the MindLeap Closing Date	¼ of escrowed securities
24 months from the MindLeap Closing Date	¼ of escrowed securities

b) Pursuant to the terms of the agreement with Mindleap, the Company is obligated to issue additional common shares ("Mindleap Anti-Dilution Securities") subject to certain conditions. Each Mindleap Anti-Dilution Security is exercisable to acquire common shares on the Mindleap Release Dates, for no additional consideration, in the event the volume-weighted average closing price of the Company's common shares on the NEO Exchange in the 20 trading days prior to the Mindleap Release Dates is less than $0.55. This contingent consideration was accounted for as a derivative liability and revalued at period end. As at August 19, 2020 and December 31, 2020, the Company's estimate of the fair value of the anti-dilutive securities was $2,131,938 and $1,586,744, respectively.

c) The Company entered into a definitive bonus share agreement ("Bonus Share") providing for the issuance of up to an additional 9,750,000 common shares to designated officers, employees, and consultants of Mindleap upon the achievement of the following milestones ("Milestones"):

   - 500,000 common shares if Mindleap signs 100 revenue generating clinic partners by the end of 2021;
   - 250,000 common shares if Mindleap generates $250,000 in revenue for 2020;
   - 1,000,000 common shares if Mindleap signs up 1,000 specialists that are also actually engaged and paid subscribers generating revenue by 2021;
   - 3,000,000 common shares if Mindleap generates $5,000,000 in revenue in 2021; and
   - 5,000,000 common shares if Mindleap generates $10,000,000 in revenue in 2021.

   As at the Closing Date and December 31, 2020, the fair value of the Bonus Shares was $Nil as the probability of meeting the Milestones was low.

EXPRESSED IN CANADIAN DOLLARS

5. BUSINESS COMBINATION

The acquisition of Mindleap constituted a business combination because the Company met the definition of a business under IFRS 3 - Business Combination.

Purchase price:	$
6,363,636 common shares	2,513,636
Mindleap – Anti-Dilution Securities	2,131,938
Bonus Shares	-
Total consideration paid	4,645,574
Cash	92,267
Taxes receivable	7,622
Intangible asset – software platform	172,898
Accounts payable	(24,290)
Loan liabilities	(350,000)
Net liabilities assumed	(101,503)
Goodwill	4,747,077
Total	4,645,574

The Company determined that Mindleap's platform design, content and business objectives were synergistic with the Company's business plans and objectives. Goodwill consists of an assembled workforce, cost synergies and future economic potential of Mindleap.

Loan liabilities include $250,000 that relates to a working capital loan issued to MindLeap as per the conditions set in the Mindleap SEA.

During the period ended from August 19, 2020 to December 31, 2020, the Company recorded a net loss of $372,108 (excluding any impairment charge) in the Consolidated Statement of Loss and Comprehensive Loss in connection with Mindleap.

Net loss for the Company would have been higher by approximately $237,000, for the year ended December 31, 2020, if the acquisition had taken place on January 1, 2020. In connection with this transaction, the Company did not recognize any material transaction cost.

6. INVESTMENT IN JOINT VENTURE

On April 27, 2020, the Company acquired 50% of Alternative Distribution Company LLC (formerly Levee Street Holdings LLC) ("Alternative Distribution") via a share swap agreement ("Share Swap Agreement") and issued 4,500,000 common shares with a fair value of $395,010, based on a level 1 input. Alternative Distribution operates in Texas, U.S. and is a distributor of alternative products, including CBD products. The Company provides strategic funding and direction to Alternative Distribution.

Based on the terms of the Share Swap Agreement, management has determined that Alternative Distribution meets the definition of a joint venture. Accordingly, the investment is accounted for using the equity method in these consolidated financial statements.

	December 31, 2020 $
Opening balance, December 31, 2019	-
4,500,000 common shares issued for Joint Venture	395,010
Cash advanced (note 18)	314,023
Share of losses from investment in Joint Venture	(93,035)
Foreign exchange gain (loss)	4,094
Ending balance, December 31, 2020	620,092

EXPRESSED IN CANADIAN DOLLARS

6. INVESTMENT IN JOINT VENTURE (CONTINUED)

The following table summarizes the relevant financial information of the Company's associate and reflects the amounts presented in the financial statements of Alternative Distribution Company:

	December 31, 2020 $
Cash and cash equivalents	269,267
Current financial liabilities	(319,983)
Non-current financial liabilities	(774,951)
Depreciation and amortisation	51,630
Interest expense	7,487
	-

For the year ended December 31, 2020, Alternative Distribution Company reported revenues of $58,544 and expenses of $244,614, totalling a net loss of $186,070 on its financial statements.

7. INVESTMENT IN ASSOCIATE

On May 5, 2020, the Company acquired 37.5% of the issued and outstanding share capital of Trellis Holdings Oregon Op LLC ("Trellis"). Trellis has operated since 2015 and operates in the medical and recreational cannabis markets in the U.S. The Company issued 28,000,000 common shares with a fair value of $4,160,240, based on a level 1 input. At December 31, 2020, the Company held 37,500 units of Trellis, representing an ownership of 37.5%. The Company provides strategic funding and advice to Trellis.

Management has determined that Trellis meets the definition of an equity associate. Accordingly, the investment is accounted for using the equity method in these consolidated financial statements.

The following table summarizes the investment in associate:

	December 31, 2020 $
Opening balance, December 31, 2019	-
28,000,000 shares issued for investment in Associate	4,160,240
Proportionate share of rental income	(70,000)
Share of reported net income	426,635
Foreign exchange gain (loss)	(34,887)
Ending balance, December 31, 2020	4,481,988

The following table summarizes the financial information of the Company's associate and reflects the amounts presented in the financial statements of Trellis, amended in accordance with the accounting policies of the Company.

	December 31, 2020 $
Current assets	1,615,950
Non-current assets	221,846
Current liabilities	(2,062,541)
Non-current liabilities	(741,335)
Depreciation and amortization	(122,043)
Interest expense	(42,938)

EXPRESSED IN CANADIAN DOLLARS

8. INTANGIBLE ASSETS

Intangible assets consist of the following:

	Software platform $
Cost	
Balance, December 31, 2019	-
Additions from business combination (Note 5)	172,499
Additions relating to internal development	112,391
Balance, December 31, 2020	**284,890**
Impairment	
Balance, December 31, 2019	**-**
Impairment of intangible assets	**(284,890)**
Balance, December 31, 2020	**(284,890)**
Net book values	
December 31, 2019	**-**
December 31, 2020	**-**

As at December 31, 2020, management considered the existence of impairment indicators related to the platform as it existed at December 31, 2020. Due to the uncertainty of the future economic benefits associated with the stage of development of the software platform at December 31, 2020 acquired from Mindleap (Note 5), the Company realized an impairment of intangible assets of $284,890.

9. PROPERTY AND EQUIPMENT

	Leasehold improvements $	Equipment $	Total $
Cost			
Balance at December 31, 2018	-	23,960	23,960
Additions	-	-	-
Balance, December 31, 2019	-	23,960	23,960
Additions	216,584	76,087	292,671
Disposal		(6,553)	(6,553)
Foreign exchange		(1,810)	(1,810)
Balance, December 31, 2020	**216,584**	**91,684**	**91,684**
Accumulated amortization			
Balance at December 31, 2018	-	15,746	15,746
Amortization	-	1,960	1,958
Balance, December 31, 2019	-	17,706	17,704
Amortization	-	1,057	1,057
Disposal	-	(2,109)	(2,107)
Balance, December 31, 2020	**-**	**16,654**	**16,654**
Net book values			
December 31, 2019	-	6,254	6,254
December 31, 2020	**216,584**	**75,030**	**291,614**

As at December 31, 2020, leasehold improvements were not yet ready for their intended use. As such, no amortization has been recorded.

EXPRESSED IN CANADIAN DOLLARS

10. INVESTMENT PROPERTIES

The Company owns investment properties located in Oregon, U.S. During the year ended December 31, 2020, the Company recognized rental income and expenses of $115,702 and $Nil, respectively. The fair value of the Company's property assets is estimated based on an income capitalization. Management used an external valuator with experience in the Cannabis industry to assist with the investment property valuation. As at December 31, 2020, the fair value of the property was estimated to be approximately US$1,114,000 (CAD - $1,418,345) (2019 – US$1,014,000 (CAD - $1,316,983). As at December 31, 2020, there are no contractual obligations. The Company's properties are rented to a related party (refer to note 18).

	Total $
Balance at December 31, 2018 - Restated (Note 22)	1,315,089
Change in fair value	66,346
Foreign exchange	(64,452)
Balance, December 31, 2019 - Restated (Note 22)	1,316,983
Change in fair value	134,147
Foreign exchange	(32,785)
Balance, December 31, 2020	**1,418,345**

11. LOAN RECEIVABLE

	$
Balance, December 31, 2018	216,537
Amount collected	(45,458)
Acquisition of Tealief Brands	(148,327)
Loss on settlement of debt	(7,487)
Foreign exchange	(3,250)
Balance, December 31, 2019	12,015
Amount collected	(12,015)
Balance, December 31, 2020	**-**

During the year ended December 31, 2017, the Company loaned $387,063 (USD$300,000) to a third party. During the year ended December 31, 2019, the Company entered into a Settlement Agreement ("Settlement Agreement") to collect USD $50,000 (CAD $68,210). Pursuant to the terms of the Settlement Agreement, the Company will be repaid USD $5,000 per month for 10 months from the effective date. During the year ended December 31, 2020, the Company received $12,015 (December 31, 2019 - $45,458).

12. CONVERTIBLE DEBENTURES

During the year ended December 31, 2020, the Company closed a senior secured convertible debentures financing on a non-brokered private placement basis for gross proceeds of $4,700,000. The debentures bear annual interest of 10%, mature in 12 months and the principal and interest are convertible into units ("conversion units") at a conversion price of $0.20, at the option of the debenture holder. Each conversion Unit will consist of one (1) common share of the Company and one common share purchase warrant. Each warrant will entitle the holders to purchase one (1) additional common share of the Company at a price of $0.30 per Warrant Share for a period of twenty-four (24) months from the Maturity Date.

EXPRESSED IN CANADIAN DOLLARS

12. CONVERTIBLE DEBENTURES (CONTINUED)

The following table reconciles the recorded value of the liability and the equity components of the convertible debentures:

	Convertible debenture $	Equity component of convertible debenture $	Total $
Balance, December 31, 2019	-	-	-
Additions	4,308,333	391,667	4,700,000
Accretion expense	158,201	-	158,201
Conversion of convertible debentures	(1,506,779)	(136,977)	(1,643,726)
Balance, December 31, 2020	2,959,755	254,690	3,214,475

The convertible debentures are compound financial instruments. Management estimated that the fair value of the debt using a discount rate of 20% applicable to the Company's business, with the residual value allocated to the equity component of the convertible debenture.

13. RIGHT-OF-USE ASSET AND LEASE LIABILITIES

The Company's primary leases consist of a research and development facility and an office space. The Company used an incremental borrowing rate of 15%.

The following is a continuity schedule of right-of-use assets for the years ended December 31, 2020 and December 31, 2019:

Right-of-use assets	Research and development facility $	Office lease $	Total $
Balance, January 1, 2019	-	-	-
Addition	-	115,595	115,595
Depreciation	-	(44,790)	(44,790)
Foreign exchange	-	(1,500)	(1,500)
Balance, December 31, 2019	-	69,305	69,305
Addition	296,642	-	296,642
Depreciation	(56,023)	(39,324)	(95,347)
Foreign exchange	(16,974)	(231)	(17,205)
Lease termination	-	(29,750)	(29,750)
Balance, December 31, 2020	223,645	-	223,645

EXPRESSED IN CANADIAN DOLLARS

13. RIGHT-OF-USE ASSET AND LEASE LIABILITY (CONTINUED)

The following is a continuity schedule of lease liabilities for years ended December 31, 2020 and December 31, 2019:

Lease liabilities	Research and development facility $	Office lease $	Total $
Balance, January 1, 2019	-	-	-
Additions	-	115,595	115,595
Payments	-	(46,545)	(46,545)
Foreign exchange	-	(6,669)	(6,669)
Balance, December 31, 2019	-	62,381	62,381
Additions	296,642	-	296,642
Interest	21,677	6,620	28,297
Payments	(64,414)	(46,825)	(111,239)
Foreign exchange	(17,458)	5,034	(12,424)
Lease termination	-	(27,210)	(27,210)
Balance, December 31, 2020	236,447	-	236,447
Less: current portion	69,329	-	69,329
Non-current portion	167,118	-	167,118

On December 1, 2020, the Company terminated an office lease and paid additional rent of $10,732 and forfeited the Company's security deposit of $15,620. The Company recorded a loss on lease termination of $27,097.

The undiscounted lease liabilities are as follows:

Year ending December 31	**$**
2021	110,671
2022	100,271
2023	38,347
Total lease payments	249,289

14. DERIVATIVE LIABILITIES

The derivative liabilities consist of MindLeap's Anti-Dilution Securities (Note 5). The number of shares to be issued are variable.

	MindLeap Anti-dilution Securities $
Balance, December 31, 2019	-
Additions per business combination (Note 5)	2,131,938
Change in fair value of derivative liabilities	(545,194)
Balance, December 31, 2020	**1,586,744**

The fair value of the derivative liability at December 31, 2020 was estimated using the Monte Carlo pricing model and the following assumptions:

- Risk free interest rate:0.18%
- Volatility: 158.4%
- Market price of common shares: $0.425

15. SHARE CAPITAL AND CONTRIBUTED SURPLUS

(a) Authorized: Unlimited common shares without par value

Year ended December 31, 2020:

Issued: 176,734,102 common shares (December 31, 2019: 33,438,205 common shares)

On April 27, 2020, the Company acquired 50% of Alternative Distribution. As consideration, the Company issued 4,500,000 common shares at fair value of $395,010 (Note 6).

On April 30, 2020, the Company acquired 100% of Mydecine and issued 17,000,000 common shares with a fair value of $2,210,000 and 1,360,000 finder common shares with a fair value of $176,800. (Note 4).

On May 5, 2020, the Company acquired 37.5% of Trellis by issuing 28,000,000 common shares of the Company at fair value of $4,160,240 (Note 7).

On May 7, 2020, the Company completed a private placement and issued 52,908,420 common shares for gross proceeds of $2,645,421. The Company paid finder's fees of $71,419, issued 1,183,000 finder warrants, exercisable at $0.05 and expire on May 7, 2021. The grant date fair value of the finder warrants was measured at $237,513. The warrants were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.24; exercise price - $0.05; expected life - 1 years; volatility – 151%; dividend yield - Nil; and risk-free rate – 0.32%.

On June 19, 2020, the Company completed a private placement and issued 8,000,000 units for gross proceeds of $2,400,000. Each unit consists of one common share and one half of one share purchase warrants. Each whole warrant can be exercised into one additional common share at a price of $0.50 per share for a period of 2 years. The Company paid finder's fees of $283,629, issued 345,500 finder common shares, 172,750 finder warrants exercisable at $0.50 and expire on June 19, 2022. The fair value of the finder' warrants was measured at $117,649. The finder warrants were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.85; exercise price - $0.50; expected life - 2 years; volatility – 157%; dividend yield - Nil; and risk-free rate – 0.27%. In connection with the private placement that closed on June 19, 2020, the Company issued 560,000 agent's compensation options which can be exercised into units of the Company at a price of $0.30 per unit for a period of 2 years. Each unit has the same terms as the private placement units. The fair value of the agent's compensation options was measured at $535,931. The agent's options were measured using the Monte Carlo pricing model with the following assumptions: stock price - $0.85; exercise price (warrant one) - $0.30; exercise price (warrant two) - $0.50; expected life - 2 years; volatility – 120%; dividend yield - Nil; and risk-free rate – 0.30%.

On August 20, 2020, the Company issued 6,363,636 common shares with a fair value of $2,513,636 to acquire 100% of Mindleap (Note 5).

On August 28, 2020, the Company issued 9,000,000 common shares with a fair value of $4,860,000 to acquire 100% of Neuropharm. Pursuant to the terms of the agreement, the Company issued 1,426,764 anti-dilution shares with a fair value of $1,299,441, which was transferred from reserve to share capital.

During the year ended December 31, 2020, the Company issued 4,008,920 common shares with a fair value of $923,672 to settle debt of $945,551 and recorded a gain on settlement of debt of $21,879.

During the year ended December 31, 2020, the Company issued 2,071,150 common shares pursuant to warrant exercises for gross proceeds of $884,556. The Company re-allocated $293,873 from contributed surplus to share capital.

During the year ended December 31, 2020, the Company issued 200,000 common shares pursuant to option exercises for gross proceeds of $65,883. The Company re-allocated $23,883 from contributed surplus to share capital.

15. SHARE CAPITAL AND CONTRIBUTED SURPLUS (CONTINUED)

During the year ended December 31, 2020, the Company issued common share 8,111,507 pursuant to the conversion of convertible debt of $1,643,756. The Company transferred $136,977 from equity component of convertible debt to share capital.

Year ended December 31, 2019:

On July 25, 2019 and August 1, 2019, the Company completed a private placement and issued 2,154,580 common shares for gross proceeds of $657,147. The Company issued 83,137 finder common shares.

During the year ended December 31, 2019, 345,778 options at an exercise price ranging from $2.25 to $2.70 were exercised for gross proceeds of $826,600. Fair value of $824,141 was re-allocated from contributed surplus to share capital.

During the year ended December 31, 2019, the Company acquired a 100% interest in DFW. As consideration the Company issued 345,269 common shares of the Company for $1,011,670.

During the year ended December 31, 2019, the Company issued 9,276,510 common shares of the Company pursuant to the acquisition of ReLyfe Brands for $8,627,155.

(b) Stock Options

The Company has adopted an incentive stock option plan (the "Option Plan") dated which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with stock exchanges requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company and that the number of common shares reserved for issuance pursuant to options granted to all consultants or persons conducting investing relations activities will not exceed 2% of the issued and outstanding common shares within any 12-month period. At the discretion of the Board of Directors of the Company, options granted under the Option Plan can have a maximum exercise term of 5 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

On February 21, 2020, the Company granted 217,533 stock options at an exercise price of $0.095 per option with a term of five years expiring February 21, 2025. The grant date fair value of the options was measured at $16,145. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.10; exercise price - $0.10; expected life - 5 years; volatility – 98%; dividend yield - Nil; and risk-free rate – 1.34%.

On March 17, 2020, the Company granted 2,400,000 stock options with an exercise price of $0.06 and term of 5 years expiring on March 17, 2025. The grant date fair value of the options was measured at $127,804. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.07; exercise price - $0.06; expected life - 5 years; volatility –100%; dividend yield - Nil; and risk-free rate – 0.77%.

On March 20, 2020, the Company granted 234,000 stock options with an exercise price of $0.07 and term of 5 years expiring on March 20, 2025. The grant date fair value of the options was measured at $12,125. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.07; exercise price - $0.07; expected life - 5 years; volatility – 100%; dividend yield - Nil; and risk-free rate – 0.77%.

On August 5, 2020, the Company granted 250,000 stock options with an exercise price of $0.50 and term of 5 years expiring on August 5, 2025. The grant date fair value of the options was measured at $115,437. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.59; exercise price - $0.50; expected life - 5 years; volatility – 105%; dividend yield - Nil; and risk-free rate – 0.23%.

EXPRESSED IN CANADIAN DOLLARS

15. SHARE CAPITAL AND CONTRIBUTED SURPLUS (CONTINUED)

(b) Stock Options (continued)

On August 26, 2020, the Company granted 500,000 stock options with an exercise price of $0.40 and term of 1 years expiring on August 26, 2021. The grant date fair value of the options was measured at $133,045. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.54; exercise price - $0.40; expected life - 1 years; volatility – 161%; dividend yield - Nil; and risk-free rate – 0.33%.

On September 16, 2020, the Company granted 3,000,000 stock options with an exercise price of $0.24 and term of 5 years expiring on September 16, 2025. The grant date fair value of the options was measured at $535,201. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.24; exercise price - $0.24; expected life - 5 years; volatility – 105%; dividend yield - Nil; and risk-free rate – 0.32%.

On September 24, 2020, the Company granted 8,000,000 stock options with an exercise price of $0.21 and term of 5 years expiring on September 24, 2025. The grant date fair value of the options was measured at $1,279,515. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.21; exercise price - $0.21; expected life - 5 years; volatility – 105%; dividend yield - Nil; and risk-free rate – 0.31%.

On September 24, 2020, the Company granted 750,000 stock options with an exercise price of $0.21 and term of 1 year expiring on September 24, 2021. The grant date fair value of the options was measured at $63,196. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.21; exercise price - $0.21; expected life - 1 year; volatility – 105%; dividend yield - Nil; and risk-free rate – 0.23%.

On September 30, 2020, the Company granted 1,000,000 stock options with an exercise price of $0.26 and term of 5 years expiring on September 30, 2025. The grant date fair value of the options was measured at $193,469. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.26; exercise price - $0.26; expected life - 5 years; volatility – 105%; dividend yield - Nil; and risk-free rate – 0.31%.

On October 8, 2020, the Company granted 100,000 stock options with an exercise price of $0.30 and term of 1 year expiring on October 8, 2021. The grant date fair value of the options was measured at $11,573. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: stock price - $0.295; exercise price - $0.30; expected life - 1 year; volatility – 104%; dividend yield - Nil; and risk-free rate – 0.22%.

During the period ended December 31, 2020, the Company cancelled 5,034,664 stock options with an exercise price ranging from $0.06 to $9.00.

As at December 31, 2020, the Company had stock-options outstanding and exercisable enabling holders to acquire the following:

Number of Stock-Options	Exercise Price	Expiry Date
491,624	$0.47	June 21, 2024
217,533	$0.095	February 21, 2025
234,000	$0.06	March 20, 2025
250,000	$0.50	August 5, 2025
500,000	$0.40	August 26, 2021
3,000,000	$0.24	September 16, 2025
8,000,000	$0.21	September 24, 2025
550,000	$0.21	September 24, 2021
1,000,000	$0.26	September 30, 2025
100,000	$0.30	October 8, 2021
14,343,157	$0.24	

EXPRESSED IN CANADIAN DOLLARS

15. SHARE CAPITAL AND CONTRIBUTED SURPLUS (CONTINUED)

(b) Stock Options (continued)

A summary of the status of the Company's stock options outstanding and exercisable as at December 31, 2020 and December 31, 2019, and changes during those years is presented below:

	Number of Options Issued and Exercisable		Weighted Average Exercise Price
Balance, December 31, 2018	606,887	$	3.73
Granted	3,302,955		0.50
Expired/cancelled	(437,776)		(3.74)
Exercised	(345,778)		2.39
Balance, December 31, 2019	3,126,288	$	0.46
Granted	16,451,533		0.23
Expired/cancelled	(5,034,664)		(0.27)
Exercised	(200,000)		(0.21)
Balance, December 31, 2020	**14,343,157**	**$**	**0.24**

The stock options have a weighted average remaining life of 3.46 years.

(c) Warrants

In August 2020, the Company entered into voluntary lock-up agreements applying to resale restrictions on up to 35,737,460 common shares that were set to become free trading upon expiry of the applicable statutory hold period. The voluntary lock-up agreement stipulates that these shareholders will not offer to sell directly or indirectly, for a period of 120 days following the date that the original resale restriction was to lapse. As consideration for entering into the voluntary lock-up agreements, the Company issued 35,737,460 warrants ("Lock-up Warrants"). The Lock-up warrants convert into a common share on a four to one basis and is exercisable at $0.30 and expires on September 28, 2021. The fair value the Lock-Up Warrants was $1,738,391 using the Black-Scholes Pricing Model with the following assumptions: stock price - $0.27; exercise price - $0.30; expected life - 1 year; volatility – 151%; dividend yield - Nil; and risk-free rate – 0.23%.

As at December 31, 2020, the Company had warrants outstanding and exercisable enabling holders to acquire the following:

Number of Warrants Issued	Number of Warrants exercisable	Exercise Price	Expiry Date
994,350	994,350	$0.05	May 7, 2021
4,090,250	4,090,250	$0.50	June 19, 2022
560,000	560,000	$0.50	June 19, 2022
7,134,365	7,134,365	$0.30	September 28, 2021
7,602,740	7,602,740	$0.30	December 4 ,2022
508,767	508,767	$0.30	December 18, 2020
10,000,000	4,600,000	variable	September 25, 2025
30,890,472	25,490,472	$0.34	

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15. SHARE CAPITAL AND CONTRIBUTED SURPLUS (CONTINUED)

(b) Warrants (continued)

A summary of the status of the Company's warrants outstanding and exercisable as at December 31, 2020 and December 31, 2019, and changes during those years is presented below:

	Number of warrants Issued		Weighted Average Exercise Price
Balance, December 31, 2018	174,889		8.81
Expired	(88,888)		(10.80)
Balance, December 31, 2019	86,001		6.75
Issued	32,961,622		0.23
Exercised	(2,071,150)		(0.29)
Expired	(86,001)		6.75
Balance, December 31, 2020	**30,890,472**	$	0.22

(c) Agent Compensation Options

In connection with the private placement that closed on June 19, 2020, the Company issued 560,000 agent's compensation options which can be exercised into units of the Company at a price of $0.30 per unit for a period of 2 years. Each unit has the same terms as the private placement units. The fair value of the agent's compensation options was measured at $535,931. The agent's options were measured using the Monte Carlo pricing model with the following assumptions: stock price - $0.85; exercise price (warrant one) - $0.30; exercise price (warrant two) - $0.50; expected life - 2 years; volatility – 120%; dividend yield - Nil; and risk-free rate – 0.30%.

As at December 31, 2020, a total of 560,000 agent's compensation options remains outstanding.

16. CAPITAL DISCLOSURES

The Company's objective when managing capital is to maintain adequate cash resources to support planned activities which include administrative costs and general expenditures. In the management of capital, the Company includes cash, and the components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Historically, funding for the Company's plan is primarily managed through the issuance of additional common shares, through its commercial activities and through obtaining financing. There are no assurances that funds will be made available to the Company when required.

In order to carry out the planned development and pay for administrative costs, the Company will spend its existing working capital and expects to raise additional amounts as needed. The Company will continue to assess new business and seek to acquire an interest in additional business if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly rated financial instruments, such as cash, and all are held in major Canadian financial institutions. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2020. The Company is not subject to externally imposed capital requirements.

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17. FINANCIAL INSTRUMENTS AND RISK FACTORS

(a) Fair values

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The fair value of transactions is classified according to the following hierarchy based on the amount of observable inputs used to value the instrument.

• Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
• Level 2 – Inputs are other than quoted prices in Level 1 that are either directly or indirectly observable for the asset or liability.
• Level 3 – Inputs for the asset or liability that are not based on observable market data.

Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy level.

The following is an analysis of the Company's financial assets and liabilities at fair value as at December 31, 2020.

	As at December 31, 2020					
		Level 1		Level 2		Level 3
Cash	$	2,190,702	$	-	$	-
Rent receivable		27,746		-		-
Total financial assets	**$**	**2,218,448**	**$**	**-**	**$**	**-**
Accounts payable and accrued liabilities	$	1,037,486	$	-	$	-
Lease Liability		236,447		236,447		-
Convertible debentures		-		2,959,755		-
Derivative liabilities		-		1,586,744		-
Total financial liabilities	**$**	**1,273,933**	**$**	**4,782,946**	**$**	**-**

(b) Credit risk

Credit risk is the risk of loss associated with a counter party's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with major financial institutions, from which management believes the risk of loss to be minimal. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's exposure to liquidity risk is dependent on raising of funds to meet commitments and sustain operations. The Company controls liquidity risk by management of working capital and cash flows. The Company ensures that sufficient funds are raised from private placements or loans to meet its operating requirements, after taking into account existing cash. The Company's cash is held in business accounts which are available on demand for the Company's business and are not invested in any asset-backed deposits or investments. All of the financial liabilities of the Company are due within 12 months to the exception of lease liabilities (refer to note 13).

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17. FINANCIAL INSTRUMENTS AND RISK FACTORS (CONTINUED)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. If interest rates decrease, the Company will generate smaller interest revenue. The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary assets. The Company is not susceptible to interest rate fair value risk on its convertible debenture, note payables that bear fixed interest rates.

(d) Currency risk

The Company is exposed to currency risk related to the fluctuation of foreign exchange rates and the degree of volatility of those rates. Currency risk is limited to the portion of the Company's business transactions and balances denominated in currencies other than the United States dollar.

18. RELATED PARTY TRANSACTIONS

The Company incurred the following related party transactions, with associated persons or corporations as follows:

a) Key management includes directors, executive officers and officers which constitutes the management team. The Company paid or accrued compensation in form of consulting fees to companies controlled by directors, executive officers and officers as follows:

Management Compensation *Year ended December 31, 2020*	$
Director and management fees paid to a director of the Company	181,730
Director and management fees paid to a former director of the Company	82,504
Director and management fees paid to the CEO of the Company	152,560
Management fees paid to the chief operations officer	128,681
Management fees paid to other officers of the Company	160,205
Share-based compensation	1,656,319
Total	2,361,999

Management Compensation *Year ended December 31, 2019*	$
Director, management and legal fees paid to a director of the Company	145,799
Director and management fees paid to Benjamin Martch, CEO of WAK	134,963
Director and management fees paid to Joshua Bartch, CEO Of the Company	237,537
Total	518,299

As at December 31, 2020, accounts payable and accrued liabilities were due to related parties of $116,311 (December 31, 2019 - Nil).

The Company has a rent receivable of $27,746 from Trellis as at December 31, 2020 and during the year ended December 31, 2020, the Company recorded rental income from Trellis for $115,702 (2019 - $151,200) and advanced cash to Alt distribution totalling $314,023.

On May 5, 2020, the Company acquired 37.5% of Trellis from two related parties of the Company. There are no ongoing contractual or other commitments resulting from the transaction. Joshua Bartch, CEO received 25,000,000 common shares and Benjamin Martch, the former Chief Marketing Officer, received 3,000,000 common shares of the Company in exchange for the investment.

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

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19. IMPAIRMENT OF GOODWILL

Management has identified three CGUs which represents the lowest level within the Company at which goodwill is monitored for internal management purposes, Mydecine, 1175987 BC Ltd ("Realty Co"), and We Are Kured. For the purpose of the goodwill impairment testing, goodwill arising on the acquisition of Mydecine has been allocated to the Mydecine CGU.

The aggregate carrying amounts of goodwill was allocated as follows:

	$ 2020
December 31, 2019	
Additions	4,747,077
Impairment	(4,747,077)
December 31, 2020	-

For the purposes of testing impairment, the recoverable amount of each CGU comprising goodwill was based on the fair values less cost of disposal, estimated using discounted cash flows. As Mindleap is an early-stage Company with limited historical information and has not yet begun earning revenues, management was unable to support probable flow of future economic benefits at this early stage in a manner sufficient to satisfy the requirements of IAS 36. As such, as at December 31, 2020, the CGU was considered to be impaired and the Company impaired goodwill by $4,747,077.

20. SEGMENT INFORMATION

The Company operates within two geographic areas, Canada and U.S.

	Canada $	U.S. $	Total $
Year ended December 31, 2020			
Revenue	-	58,492	58,492
	-	58,492	58,492
Year ended December 31, 2019			
Revenue	-	276,772	276,772
	-	276,772	276,772
As at December 31, 2020			
Total non-current assets	-	7,034,812	7,034,812
As at December 31, 2019			
Total non-current assets	-	24,143	24,143

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21. INCOME TAXES

The following schedule reconciles the expected income tax expense (recovery) at the Canadian combined federal and provincial statutory rate of 27% (2019 - 27%) to the amounts recognized in the consolidated statements of loss and comprehensive loss:

		December 31, 2020		**December 31, 2019**
Net Income (Loss) before recovery of income taxes	$	(26,948,945)	$	(21,429,290)
Expected income tax (recovery) expense		(7,276,220)		(5,785,908)
Difference in foreign tax rates		35,790		-
Tax rate changes and other adjustments		600,770		(61,869)
Share-based compensation and non-deductible expenses		807,440		5,329,556
Excess consideration from asset acquisitions		2,139,150		-
Impairment of goodwill		1,281,710		-
Change in tax attributes not recognized		2,411,360		518,221
Income tax (recovery) expense	$	-	$	-

The following table summarizes the components of deferred tax:

Deferred Tax Assets		**December 31, 2020**		**December 31, 2019**
Share issuance costs	$	35,950	$	-
Non-capital losses carried forward		164,030		-
Deferred Tax Liabilities				
Convertible debenture		(49,330)		-
Property, plant and equipment		(35,950)		-
Right-of-use Asset		(60,380)		-
Equity Investment		(43,440)		-
Other temporary differences		(10,880)		-
Net deferred tax liability	$	-	$	-

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

EXPRESSED IN CANADIAN DOLLARS

21. INCOME TAXES (CONTINUED)

	December 31, 2020	**December 31, 2019**
Inventory	458,920	-
Intangible assets	354,670	-
Property and equipment	4,463,190	3,528,481
Contingent liability	1,586,740	-
Lease liability	236,450	-
Financing fees	284,040	3,312
Excess consideration	19,806,550	-
Non-capital losses carried forward	24,182,040	22,527,816
Other temporary differences	168,940	81,649
Total unrecognized deductible temporary differences	51,541,540	26,141,258

The non-capital loss carry forwards will begin to expire in 2034.

Share issue and financing costs will be fully amortized in 2024. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

22. CORRECTION OF ERRORS

For the year ended December 31, 2019, management has determined that these consolidated financial statements needed to be restated to correct for the fair value of the Company's investment properties. It was determined that the fair value of the investment properties was not properly recorded for the years ended December 31,2018 and 2019.

Adjustments were made as at January 1, 2019 to correct the following material values assigned to:

- Adjust the initial recognition of the Company's investment properties by $519,612;
- Record a fair value change of $2,413,840; and,
- Reverse depreciation expense of $20,897.

Adjustments were made as at December 31, 2019 to correct the following material values assigned to:

- Reduce the fair value of the investment property by $66,346; and,
- Reverse depreciation expense of $62,690.

The effects of the restatement on the consolidated statement of financial position as at January 1, 2019 and December 31, 2019 are summarized below.

EXPRESSED IN CANADIAN DOLLARS

22. CORRECTION OF ERRORS (CONTINUED)

Consolidated Statement of Financial Position as at December 31, 2019:

	Previously reported $	January 1, 2019 restatement $	Current year adjustments $	Restated $
Assets				
Current assets	601,031	-	-	601,031
Deposit on acquisition	66,170	-		66,170
Right-of-use asset	69,305	-		69,305
Investment property	-	1,315,809	1,894	1,316,983
Property and equipment	4,551,728	(4,608,164)	62,690	6,254
Total assets	5,288,234	(3,293,075)	64,584	2,059,743
Liabilities				
Current liabilities	207,155	-	-	207,155
Non-current liabilities	24,143	-	-	24,143
Total liabilities	231,298	-	-	231,298
Shareholders' equity				
Share capital	62,885,794	(519,612)	-	62,366,182
Accumulated other comprehensive loss	551	(380,520)	(64,452)	(444,421)
Contributed surplus	7,239,998	-	-	7,239,998
Deficit	(65,069,407)	(2,392,943)	129,036	(67,333,314)
Total shareholders' equity	5,056,936	(3,293,075)	64,584	1,828,445
Total liabilities and shareholders' equity	5,288,234	(3,293,075)	64,584	2,059,743

Consolidated Statement of Financial Position as at January 1, 2019:

	Previously reported $	Adjustments $	Restated $
Assets			
Current assets	493,344	-	493,344
Deposit on acquisition	98,070	-	98,070
Investment property	-	1,315,089	1,315,089
Property and equipment	4,616,376	(4,608,164)	8,212
Total assets	5,207,790	(3,293,075)	1,914,715
Liabilities			
Current liabilities	1,844,640	-	1,844,640
Total liabilities	1,844,640	-	1,844,640
Shareholders' equity			
Share capital	40,468,336	(519,612)	39,948,724
Accumulated other comprehensive loss	(55,656)	(380,520)	(436,176)
Contributed surplus	6,461,551	-	6,461,551
Deficit	(43,511,081)	(2,392,943)	(45,904,024)
Total shareholders' equity	3,363,150	(3,293,075)	70,075
Total liabilities and shareholders' equity	5,207,790	(3,293,075)	1,914,715

23. SUBSEQUENT EVENTS

On February 8, 2021, the Company issued 92,654 common shares and settled debt of $43,084.

On February 12, 2021, the Company issued 30,000,000 units pursuant to a private placement for gross proceeds of $15,000,000. Each Unit consists of one common share of the Company and one common share purchase warrant. Each Warrant entitles the holder to purchase one common share of the Company at an exercise price of $0.70 per Warrant Share for a period of 36 months. The Company issued 4,500,000 finder Units and 862,500 Finance Fee Units. Each Finder Unit and Finance unit consists of one common share and one share purchase warrant. Each share purchase warrant is exercisable to acquire one additional common share at any time until February 12, 2024, at an exercise price of $0.70 per warrant.

On March 11, 2021, the Company issued 206,184 common shares pursuant to a consulting agreement.

On March 17, 2021, the Company issued 83,526 common shares pursuant to an employment agreement.

Subsequent to the year ended December 31, 2020, the Company issued 13,795,350 common shares pursuant to a conversion of the Convertible Debenture and converted principal and interest of $2,759,070.

Subsequent to the year ended December 31, 2020, the Company issued 10,000,775 common shares pursuant to warrant exercises for gross proceeds of2,867,145.

On March 12, 2021, the Company issued 440,587 common shares, pursuant to Mindleap's Anti-Dilution clause.