*A copy of this preliminary prospectus has been filed with the securities regulatory authorities in British Columbia, Alberta and Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.*

*This preliminary prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities. This preliminary prospectus does not constitute a public offering of securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "US Securities Act"), or the securities laws of any state of the United States (as that term is defined in Regulation S of the US Securities Act)(the "United States") and may not be offered, sold or delivered, directly or indirectly, in the United States or to or for the account or benefit of a U.S. Person (as that term is defined in Regulation S of the US Securities Act) except pursuant to an exemption from the registration requirements of the US Securities Act and any applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States.*

**PRELIMINARY PROSPECTUS**

**NEW ISSUE PROSPECTUS** **January 14, 2022**

**PANGENOMIC HEALTH INC.**
Suite 103, 3800 Wesbrook Mall
Vancouver, BC V6S 2L9

Up to 10,000,000 Units issuable upon the deemed conversion of up to 10,000,000 Subscription Receipts

**No securities are being offered pursuant to this Prospectus.**

This non-offering preliminary prospectus (the "Prospectus") is being filed with the British Columbia Securities Commission (the "BCSC"), the Alberta Securities Commission and the Ontario Securities Commission (collectively the "**Qualifying Jurisdictions**") for the purpose of complying with Policy 2 – Qualifications for Listing of the Canadian Securities Exchange (the "CSE" or the "Exchange") to permit the PanGenomic Health Inc. (the "Company") to meet one of the eligibility requirements for the listing of the Class A Common Shares (the "Common Shares") of the Company on the CSE. Since no securities are being sold pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Company from its general funds.

This Prospectus seeks to qualify the distribution of up to an aggregate of [up to 10,000,000] units (each a "Unit") of the Company issuable upon the deemed conversion of [up to 10,000,000] subscription receipts (the "Subscription Receipts") of the Company. The Subscription Receipts were issued on a non-brokered private placement basis which closed between ♦ and ♦, 2022 at a price of $0.30 per Subscription Receipt (the "Subscription Receipt Offering") to purchasers resident in the Qualifying Jurisdictions pursuant to certain exemptions from the prospectus requirements of applicable securities legislation in the Qualifying Jurisdictions, and to purchasers resident in the United States pursuant to exemptions from the registration requirements under the US Securities Act and applicable state securities laws. Each Subscription Receipt entitles the holder thereof to receive, without any further action by the holder, and for no additional consideration, one Unit upon (i) 4 business days having passed from the date that a receipt is issued for a final prospectus to qualify the distribution of the Units issuable upon conversion of the Subscription Receipts, and (ii) the receipt of conditional approval for the listing of the Common Shares on the CSE (collectively, the "Escrow Release Conditions"). Each Unit consists of one Common Share (a "Unit Share") and one share purchase warrant (a "Unit Warrant"), with each Unit Warrant entitling the holder to purchase one additional Common Share at a price of $0.60 per share for a period ending 24 months from the conversion date of the Subscription Receipts, subject to the Company's right to accelerate the expiration date of the Unit Warrants. If the Escrow Release Conditions are not met by 5:00PM (Vancouver Time) on June 30, 2022 (the "Release Deadline"), the Company will be required to return the subscription proceeds for the Subscription Receipts plus a pro rata share of any interest earned thereon.

In connection with the Subscription Receipt Offering, the Company paid and issued an aggregate of [up to $180,000] and [up to 600,000] SR Finder Warrants (as defined herein) in finders fees.

**There is no market through which the Company's securities may be sold and purchasers may not be able to the resell securities described in this Prospectus. This may affect the pricing of the Company's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "Risk Factors".**

**As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securitise, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).**

The Company has applied to list its Common Shares on the CSE. Listing of the Common Shares is subject to the Company fulfilling all of the listing requirements of the CSE.

**Investors should consider an investment in the securities of the Company to be speculative and should review the risk factors outlined on page 30 of this Prospectus under "Risk Factors".**

**No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.**

**No person is authorized by the Company to provide any information or to make any representations other than those contained in this Prospectus in connection with the issue and sale of the Company's securities.**

TABLE OF CONTENTS

## GLOSSARY OF DEFINED TERMS

The following definitions and terms apply throughout this document unless the context otherwise requires. Expressions used in this Prospectus and other terms and expressions may be defined throughout this Prospectus. This is not an exhaustive list of defined terms used in this Prospectus and additional terms are defined throughout. Terms and abbreviations used in the financial statements included in the Schedules hereto are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

| | |
|---|---|
| **$0.10 Performance Warrant** | a warrant exercisable for one Common Share at a price of $0.10 per share for a period ending on January 21, 2023, with 50% of the $0.10 Performance Warrants vested and became exercisable upon completion of the acquisition of PGT, with the remaining 50% to vest and become exercisable upon the listing of the Common Shares on the Exchange. |
| **$0.10 Warrant** | a warrant exercisable for one Common Share at a price of $0.10 per share for a period ending 24 months from the date of issuance, subject to the Company's right to accelerate the expiry date of these warrants if the closing price of the Common Shares is equal to or greater than $0.60 per share for 10 consecutive trading days. |
| **$0.15 Performance Warrant** | a warrant exercisable for one Common Share at a price of $0.15 per share for a period ending on February 1, 2025, vesting and become exercisable as described under "Options to Purchase Securities – Performance Warrants". |
| **$0.30 Finder Warrant** | a warrant exercisable for one Common Share at a price of $0.30 per share for a period of 24 months from the date of issuance, subject to the Company's right to accelerate the expiry date of these warrants if the closing price of the Common Shares is equal to or greater than $0.60 per share for 10 consecutive trading days. |
| **$0.30 Warrant** | a warrant exercisable for one Common Share at a price of $0.30 per share for a period of 24 months from the date of issuance, subject to the Company's right to accelerate the expiry date of these warrants if the closing price of the Common Shares is equal to or greater than $0.60 per share for 10 consecutive trading days. |
| **"Active User"** | a user that logs into the Nara App at least once during the relevant period. |
| **"Articles"** | the articles of the Company. |
| **"BCA"** | the *Business Corporations Act* (British Columbia). |
| **"BCSC"** | British Columbia Securities Commission. |
| **"Board"** | the Board of Directors of the Company. |
| **"Common Shares"** | the Class A Common Shares in the capital of the Company without par value. |
| **"Company" or "PanGenomic"** | PanGenomic Health Inc. |
| **"Escrow Agreement"** | the escrow agreement among the Company, TSX Trust and certain securityholders of the Company dated ♦, 2022. |
| **"Escrow Release Conditions"** | (i) 4 business days have passed after the date that a receipt has been issued for a final prospectus to qualify the distribution of the Unit Shares and the Unit Warrants issuable upon the conversion of the Subscription Receipts and (ii) the receipt of conditional approval from the CSE for the listing of the Common Shares on the CSE. |
| **"Escrowed Securities"** | the 9,738,866Common Shares, 500,000 $0.30 Finder Warrants, 1,975,000 Options, 500,000 $0.10 Performance Warrants, 10,000,000 $0.15 Performance Warrants, 500,000 $0.10 Warrants and 500,001 $0.30 Warrants escrowed pursuant to the Escrow Agreement. |
| **"ETC3"** | ETC3 Holdings Ltd. |
| **"Excelar"** | Connected Displays Inc., doing business as Excelar Technologies. |
| **"Excelar Platform"** | Excelar's digital health platform acquired by the Company. |
| **"Exchange" or "CSE"** | the Canadian Securities Exchange. |
| **"Form 51-102F6V"** | Form 51-102F6V – Statement of Executive Compensation – Venture Issuers. |
| **"General Availability Release"** | the release of a particular product to the general public. |
| **"Listing Date"** | the date on which the Common Shares are listed on the CSE. |
| **"IFRS"** | International Financial Reporting Standards. |
| **"LivNao"** | LivNao Technologies Inc. |
| **"LivNao Agreement"** | the Intellectual Property Asset Purchase Agreement dated January 10, 2022 between the Company and LivNao. |
| **"LivNao IP"** | the intellectual property rights relating to a passive data collection system for early mental health interventions acquired by the Company from LivNao. |
| **"MD&A"** | management's discussion and analysis. |
| **"Nara App"** | the Company's mental health mobile application for consumers. |

| | |
|---|---|
| **“NI 52-110”** | National Instrument 52-110 - Audit Committees. |
| **“NP 46-201”** | National Policy 46-201 - Escrow for Initial Public Offerings. |
| **Options** | the stock options of the Company granted pursuant to the Stock Option Plan. |
| **“PGT”** | PanGenomic Technologies Corp. |
| **“PGT Acquisition Agreement”** | the Share Purchase Agreement among the Company, PGT and the shareholders of PGT dated as of October 4, 2021, pursuant to which the Company acquired all of the outstanding PGT Shares. |
| **“PGT Shares”** | the common shares in the capital of PGT. |
| **“PlantGx Platform”** | the Company’s digital therapeutics clinic platform for healthcare practitioners. |
| **“Preferred Shares”** | the Class B Preferred Shares in the capital of the Company without par value. |
| **“Pro Forma Financial Statements”** | the pro forma financial statements of the Company attached hereto as Schedule “C”. |
| **“Prospectus”** | this non-offering preliminary prospectus of the Company. |
| **“Qualifying Jurisdictions”** | British Columbia, Alberta and Ontario. |
| **“Release Deadline”** | 5:00p.m. (Vancouver Time) on June 30, 2022. |
| **“Saturna Group”** | Saturna Group Chartered Professional Accountants LLP. |
| **“SEDAR”** | System for Electronic Document Analysis and Retrieval. |
| **“Series 1 Preferred Shares”** | the Class B Preferred Series 1 Convertible Shares in the capital of the Company without par value. |
| **“Stock Option Plan”** | the stock option plan of the Company, as adopted by the Board on December 27, 2021. |
| **“SR Finder Warrant”** | [a warrant exercisable for [one Common Share at a price of $0.30 per share for a period of 24 months from the date of issuance, subject to the Company’s right to accelerate the expiry date of these warrants if the closing price of the Common Shares is equal to or greater than $0.60 per share for 10 consecutive trading days]. |
| **“Subscription Receipts”** | the subscription receipts of the Company issued pursuant to the Subscription Receipt Offering, each such subscription receipt convertible into one Unit on satisfaction of the Escrow Release Conditions. |
| **“Subscription Receipt Offering”** | the private placement by the Company of [up to 10,000,000] Subscription Receipts at a price of $0.30 per Subscription Receipt for aggregate gross proceeds of [up to $3,000,000]. |
| **“TSX Trust”** | TSX Trust Company. |
| **“Unit”** | a unit of the Company comprised of Unit Shares and Unit Warrants. |
| **“Unit Share”** | a Common Share partially comprising a Unit. |
| **“Unit Warrant”** | a warrant partially comprising a Unit, each such warrant entitling the holder thereof to purchase one Common Share at a price of $0.60 per share for a period of 24 months from the date the Subscription Receipts are converted into Units, subject to the Company’s right to accelerate the expiry date of such warrant if the closing price of the Common Shares is equal to or greater than $1.20 per share for 10 consecutive trading days. |
| **“United States”** | has the meaning set forth in Rule 902 of Regulation S under the US Securities Act. |
| **“U.S. Person”** | has the meaning set forth in Rule 902 of Regulation S under the US Securities Act. |
| **“US Securities Act”** | the United States Securities Act of 1933, as amended. |

## CURRENCY

All dollar amounts in this Prospectus are in Canadian dollars unless otherwise indicated, and all references to $ in this Prospectus are to Canadian dollars unless otherwise indicated.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performance of the Company and its views of future events.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors and assumptions include, among others, uncertainty relating to the Company's ability to successfully execute its business plans and intentions, the ability of the Company to raise additional capital to complete its business plans and fund its research and development activities, the commercial viability of the Company's products under development, the continued availability of key leadership personnel and the ability to attract and retain qualified personnel, general business, economic, and competitive uncertainties; the limited operating history of the Company; the ability to protect, maintain and enforce intangible property rights; future growth plans and the ability to meet business objectives; the acceptance by customers and the marketplace of new products; ability to attract and retain personnel; the ability to manage growth; the ability to integrate acquired businesses and other assets; the ability to protect health data and other confidential and private information; the regulation of medical devices; COVID-19; the ability to meet obligations as a benefit company; potential physical and mental harm or legal consequences from the use of products; and expectations with respect to advancement and adoption of new product lines.

While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company's management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws.

For a more detailed discussion of certain of these risk factors, see "Risk Factors".

Investors are cautioned against placing undue reliance on forward-looking statements.

## PROSPECTUS SUMMARY

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. This summary does not contain all of the information you should consider before purchasing the Offered Shares. You should read this entire Prospectus carefully, especially the “Risk Factors” section of this Prospectus and the financial statements and the notes thereto appearing elsewhere in this Prospectus, before making an investment decision. Certain capitalized terms used in this summary are defined under “Glossary of Defined Terms”.

| | |
|---|---|
| The Company: | The Company was incorporated under the *Business Corporations Act* (British Columbia) (the “BCA”) on December 11, 2015 under the name of “Zetta Capital Corp.” On December 6, 2021, the Company changed its name to “PanGenomic Health Inc”. The Company's registered office is located at 595 Howe Street, Suite 704, Vancouver, BC, V6C 2T5. |
| Business of the Company: | The Company is a precision health company that has developed a self-care digital platform to deliver personalized, evidence-based information about natural treatments to support mental health. The Company’s mobile app, the Nara App, provides consumers with a knowledge base tailored to an individual's unique user profile, developed by tracking a user's treatment regimen and their specific genomic, proteomics and microbiomic data. The Company's digital therapeutics clinic platform, the PlantGx Platform, provides health practitioners with access to a consumer's Nara App data in order to assist them to optimize the identification of appropriate natural remedies and monitor a patient's prognosis during treatment. |
| Listing: | The Company has applied to have the Common Shares listed on the CSE. Listing of the Common Shares on the CSE is subject to the Company fulfilling all of the requirements of the CSE. See “Plan of Distribution”. |
| No Proceeds Raised | The Company will not receive any proceeds from the sale of securities under this Prospectus. This Prospectus is being filed for the purpose of meeting the eligibility requirements for the listing of the Common Shares on the CSE and the qualify the distribution of ♦[up to 10,000,000] Units issuable upon conversion of ♦[up to 10,0000,000] outstanding Subscription Receipts. The Company expects to receive gross proceeds of ♦[up to $3,000,000] from the sale of Subscription Receipts. Since no proceeds will be raised, all expenses incurred in connection with the preparation and filing of this Prospectus will be paid for by the Company.<br><br>In connection with the Subscription Receipt Offering, the Company paid and issued an aggregate of [up to $180,000] and [up to 600,000] SR Finder Warrants in finders fees.<br><br>See “Plan of Distribution”. |
| Subscription Receipts | This Prospectus is being filed to qualify the distribution in the Qualifying Jurisdictions of ♦[up to 10,000,000] Units issuable upon the conversion of ♦[up to 10,000,000] outstanding Subscription Receipts. The Subscription Receipts were issued between ♦ and ♦, 2022 at a price of $0.30 per Subscription Receipt. Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt will entitle the holder to receive, without any further action on the part of the holder, and for no additional consideration, one Unit consisting of Unit Share and one Unit Warrant. If the Escrow Release Conditions are not satisfied on or before the Release Deadline, each Subscription Receipt will be deemed null and void, and the Company will return to the holders of the Subscription Receipts the subscription price paid for those Subscription Receipts plus a pro rata portion of any interest earned thereon. |
| Directors and Officers: | The Directors and Officers of the Company are as follows:<br><br>Vincent Lum — Director and Chief Executive Officer<br>Robert Nygren — Director and Executive Chair<br>Peter Green — Director<br>Jonathan Lutz — Director<br>Tammy Gillis — Chief Financial Officer, Treasurer and Secretary<br>Colin Quon — Chief Technology Officer<br>Kaidong Zhang — Chief Scientific Officer |
| Use of Available Funds: | The Company received aggregate gross proceeds of [up to $3,000,000] from the sale of Subscription Receipts under the Subscription Receipt Offering before deducting the costs of the Subscription Receipt Offering estimated to be [up to $200,000]. The Company will not receive any additional proceeds from the conversion of the Subscription Receipts into Units comprised of Unit Shares and Unit Warrants upon satisfaction of the Escrow Release Conditions. |

As of December 31, 2021, being the most recent month end prior to the date of this Prospectus, the Company had working capital of approximately $1,209,000. Together with the net proceeds from the Subscription Receipt Offering of ♦[up to $2,800,000], the Company expects to have available funds of $♦[up to 4,009,000]. The Company intends to use its estimated available funds of [up to $4,009,000] as follows during the next 12 months:

| **Principal Purpose** | **Estimated Amount ($)** |
|---|---|
| Business Objectives and Milestones | 700,000 |
| Marketing and Investor Relations | 300,000 |
| Estimated Costs of the Prospectus and Listing on the CSE | 100,000 |
| Estimated General and Administrative Expenses for the Next 12 months | 400,000 |
| Unallocated Working Capital | [up to 2,509,000] |
| **Available Funds:** | **[up to 4,009,000]** |

The Company intends to spend the funds available as stated in this Prospectus. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary. See "Use of Available Funds."

Summary of Financial Information:

The Company

The following table sets out selected information for and as of the periods indicated. The financial information is derived from the Company's financial statements for the year ended December 31, 2020 (audited) and the nine month period ended September 30, 2021 (unaudited) which are included in this Prospectus. The following financial information should be read in conjunction with the Company's financial statements for the year and interim period so ended, and the related MD&As.

| | **Nine Months Ended Sept. 30, 2021 (unaudited) ($)** | **Year Ended Dec. 31, 2020 (audited) ($)** |
|---|---|---|
| Total revenues | - | - |
| Total expenses | (268,026) | (136,949) |
| Net loss and comprehensive loss | (258,078) | (139,988) |
| Basic and diluted loss per share | (0.02) | (0.02) |
| | | |
| Total assets | 2,836,221 | 147,225 |
| Total liabilities | 82,089 | 136,273 |

PGT

The following table sets out selected information for and as of the periods indicated. The financial information is derived from PGT's audited financial statements for the period from inception on September 17, 2020 to December 31, 2020 and the nine month period ended September 30, 2021. The following financial information should be read in conjunction with PGT's financial statements for the periods so ended and the related MD&As.

| | **Nine Months Ended Sept. 30, 2021 (audited) ($)** | **Period from Sept. 17, 2020 to Dec. 31, 2020 (audited) ($)** |
|---|---|---|
| Total revenues | - | - |
| Total expenses | (758,708) | (63,234) |
| Net loss and comprehensive loss | (770,784) | (63,512) |
| Basic and diluted loss per share | (0.07) | (0.05) |
| | | |
| Total assets | 214,145 | 117,177 |
| Total liabilities | 990,108 | 152,689 |

Pro Forma Financial Information

The following table contains certain unaudited pro forma consolidated financial information for the Company as at and for the interim period ended September 30, 2021 and gives effect to the acquisition of PGT as if it had occurred as of January 1, 2021. This information should be read together with the Pro Forma Consolidated Financial Statements, attached as Schedule "C", along with the financial statements of the Company and PGT.

| | **Sept. 30, 2021 (unaudited) ($)** |
|---|---|
| Total revenues | - |
| Total expenses | (200,183) |
| Net loss and comprehensive loss | (1,234,166) |
| Basic and diluted loss per share | (0.07) |
| | |
| Total assets | 3,166,033 |
| Total liabilities | 372,197 |

Risk Factors:

An investment in the Company's securities should be considered highly speculative, and investors may incur a loss on their investment. The Company has no history of operations, success, revenue or earnings. An investment in the Company's securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk loss of their entire investment. Investors should consult with their professional advisors before making an investment in the Company's securities.

There are risks associated with an investment in the Company's securities include, but are not limited to, the Company still being in the phase of developing its products, the effects of the COVID-19 outbreak, competition, capital requirements, access to capital markets, the limited operating history and negative cash flow of the Company, governmental regulations, the Common Shares of the Company being speculative, market responses to publicity relating to the Company or its products, vulnerability to market changes, product liability claims against the Company, the ability of the Company to obtain satisfactory results in its efforts to commercialize and market its research and development, the Company's dependency on third-party sellers, potential conflicts of directors and officers, unexpected operating expenses, costs for legal and financial compliance, adequacy of disclosure controls and procedures and internal controls over financial reporting, and the other factors discussed under "Risk Factors". In assessing the risks of an investment in the Company's securities, investors must rely upon the ability and integrity of the management of the Company. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk and other aspects of an investment in the Company's Securities. See "Risk Factors".

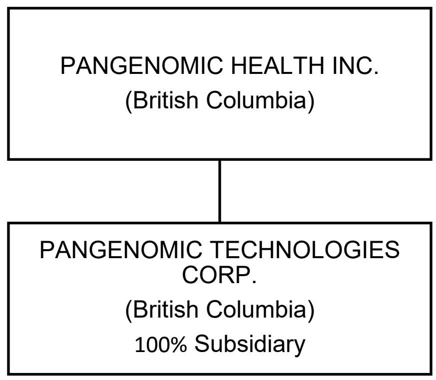
## CORPORATE STRUCTURE

### Name Address and Jurisdiction of Incorporation

The Company was incorporated pursuant to the *BCA* under the name “Zetta Capital Corp.” on December 11, 2015. The Company changed its name to "PanGenomic Health Inc." on December 6, 2021. The Company’s head office is located at 3800 Wesbrook Mall, Suite 103, Vancouver, BC V6S 2L9. The Company’s registered address is located at 595 Howe Street, Suite 704, Vancouver, BC, V6C 2T5.

### Intercorporate Relationships

The operations of the Company are carried on through its wholly owned subsidiary PanGenomic Technologies Corp. (“PGT”), a company incorporated pursuant to the BCA. The Company acquired all of the issued and outstanding PGT Shares on October 4, 2021 pursuant to the terms of the PGT Acquisition Agreement.




## BUSINESS OF THE COMPANY

The Company is a precision health company that has developed a self-care digital platform to deliver personalized, evidence-based information about natural treatments to support a user's specific health needs. The Company’s mobile app, the Nara App, provides consumers with a knowledge base tailored to an individual's unique user profile, developed by tracking treatment regimen and their multidimensional biomarkers (gene, protein, metabolite, microbiota). The Company's digital therapeutics clinic platform, the PlantGx Platform, provides health practitioners with access to the consumer's Nara App data and their diagnostic reports in order to improve identification of appropriate natural remedy treatments. The Company's initial focus will be to provide information on personalized natural mental health solutions that may alleviate anxiety and depression.

### History and Development of the Business

<u>The Company</u>

The Company was incorporated under the laws of British Columbia on December 11, 2015. Prior to the acquisition of PGT, the Company had no active operations.

*Financing Activities*

On January 22, 2018, the Company issued a total of 5,242,855 Common Shares at a price of $0.035 per share, for total gross proceeds of $183,500.

On January 13, 2021, the Company issued a total of 4,322,198 Common Shares at a price of $0.05 per share, for total gross proceeds of $158,500 and to settle debt in the aggregate amount of $57,610.

Between April 22, 2021 and September 16, 2021, the Company issued a total of 16,891,753 units, each unit comprised of one Common Share and one $0.30 Warrant, at a price of $0.15 per unit, for total gross proceeds of $2,511,396 and to settle debt in the aggregate amount of $22,367. In connection with the unit financing, the Company issued 15,960 $0.30 Warrants to eligible finders.

Between August 31, 2021 and December 14, 2021, the Company issued a total of 10,000,000 Series 1 Preferred Shares at a price of $0.05 per share for total gross proceeds of $500,000.

Between ♦ and ♦, 2022, the Company issued a total of [up to 10,000,000] Subscription Receipts at a price of $0.30 per Subscription Receipt for total gross proceeds of [up to $3,000,000]. In connection with the Subscription Receipt Offering, the Company paid and issued an aggregate of [up to $180,000] and [up to 600,000] SR Finder Warrants in finders fees.

*Acquisition of PGT*

On October 4, 2021, the Company acquired all of the outstanding PGT Shares pursuant to the terms of the PGT Acquisition Agreement. To acquire PGT, the Company issued one Common Share for every PGT Share outstanding at an agreed price of $0.15 per PGT Share, being 11,666,667 PGT Shares in the aggregate, having an agreed upon value of $1,750,000. As a result of the acquisition, PGT is now a wholly owned subsidiary of the Company.

*Adoption of Benefit Company Provisions*

On December 14, 2021, the Company altered its Notice of Articles and Articles to become a benefit company pursuant to the provisions of the *BCA*. The Company's Articles provide that the Company commits to promoting the following public benefits:

> To promote and improve the health and wellness of people and society by providing a technology platform that identifies plant-based solutions tailored to the health profile of each individual, as the Company's board of directors may from time to time determine to be appropriate.

The Company's Articles further provide that the Company commits to conducing the Company's business in a responsible and sustainable manner, and to promote the above public benefits.

*Acquisition of LivNao Intellectual Property*

Effective January 10, 2022, the Company entered into the LivNao Agreement. Under the terms of the LivNao Agreement, the Company has agreed to purchase from LivNao all of LivNao's rights, titles and interests to the LivNao IP for 500,000 Common Shares to be issued at an agreed upon value of $0.30 per share, plus $1,000 in cash. Under the terms of the LivNao Agreement, the Company has agreed to issue to LivNao up to 1,500,000 additional Common Shares upon satisfaction of the of the following milestones on or before March 31, 2023:

(a) 500,000 Common Shares upon the Nara App having 100,000 Active Users;
(b) 500,000 Common Shares upon the Nara App having 500,000 Active Users; and
(c) 500,000 Common Shares upon the Nara App having 1,000,000 Active Users.

Completion of the acquisition of the LivNao IP is conditional upon approval by the Board and the board of directors of LivNao.

<u>PanGenomic Technologies Corp.</u>

PGT was incorporated under the laws of British Columbia on September 17, 2020 as 1266123 B.C. Ltd. On November 19, 2020, PGT changed its name to "PanGenomic Health Corp." PGT was formed for the purpose of developing a digital health platform to give greater personal control over mental health treatments. PGT's personalized system of insights helps individuals and healthcare practitioners connect with precision natural remedy mental wellness options.

PGT was formed by two life science and technology industry executives, Vincent Lum and Robert Nygren, in collaboration with the ETC3 Holdings Ltd. ("ETC3") technology innovation centre located in the South Research Campus of The University of British Columbia. PGT has assembled software development and life science research teams with expertise in digital therapeutic platforms and scientific research into herbal remedies.

On February 4, 2021, PGT purchased intellectual property rights relating to a digital health platform for managing clinical health data (the "Excelar Platform") from Connected Displays Inc. doing business as "Excelar Technologies" ("Excelar") in consideration for 1,666,667 PGT Shares. The Excelar Platform was developed in 2019 and has been deployed since at several health authorities in British Columbia, including in the $7 million iTARGET Autism Early Diagnosis Project at BC Children's Research Institute, the $750,000 SaveBC St. Paul's Hospital Cardiovascular Disease Management Project and the $3 million ActionADE BC Ministry of Health Adverse Drug Event Compliance Reporting Project.

PGT has developed an alpha version of its Nara App for natural treatments using the Excelar Platform. PGT plans to release its beta version of the Nara App for limited public use in Q1 2022, to be followed by a release for the general public in Q3 2022.

PGT has also developed an alpha version of its PlantGx Platform using the Excelar Platform. PGT plans to make its initial PlantGx Platform available to clinic practitioners in Q2 2022.

*Financing Activities of PGT*

On December 7, 2020, PGT issued a total of 3,800,000 PGT Shares at a deemed price of $0.005 per share in respect of the settlement of an aggregate of $19,000 in debt.

On December 7, 2020, PGT issued a total of 1,800,000 PGT Shares at a price of $0.005 per share for total gross proceeds of $9,000

On January 17, 2021, PGT issued a total of 3,400,000 PGT Shares at a price of $0.005 per share for total gross proceeds of $17,000.

On April 6, 2021, PGT issued a total of 350,000 PGT Shares at a price of $0.005 per share for total gross proceeds of $1,750.

On April 8, 2021, PGT issued a total of 650,000 PGT Shares at a price of $0.005 per share for total gross proceeds of $3,250.

## BUSINESS OF THE COMPANY

The Company is a precision health company that has developed a self-care digital platform to deliver personalized, evidence-based information about natural treatments to support a user's specific health needs. The Company's vision is that all people will have access to affordable and effective natural remedies for better health and wellness. The Company's mission is to improve the health and wellness of people by providing a technology platform that identifies natural treatments tailored to the health profile of each individual. The Company's initial focus is to provide information on personalized natural mental health solutions that can help alleviate anxiety and depression.

The Company is developing its products using machine learning functionality to enable predictive analytics and personalization of mental health support resources. Community-based supported resources are curated by leveraging machine learning models using sentiment analysis.

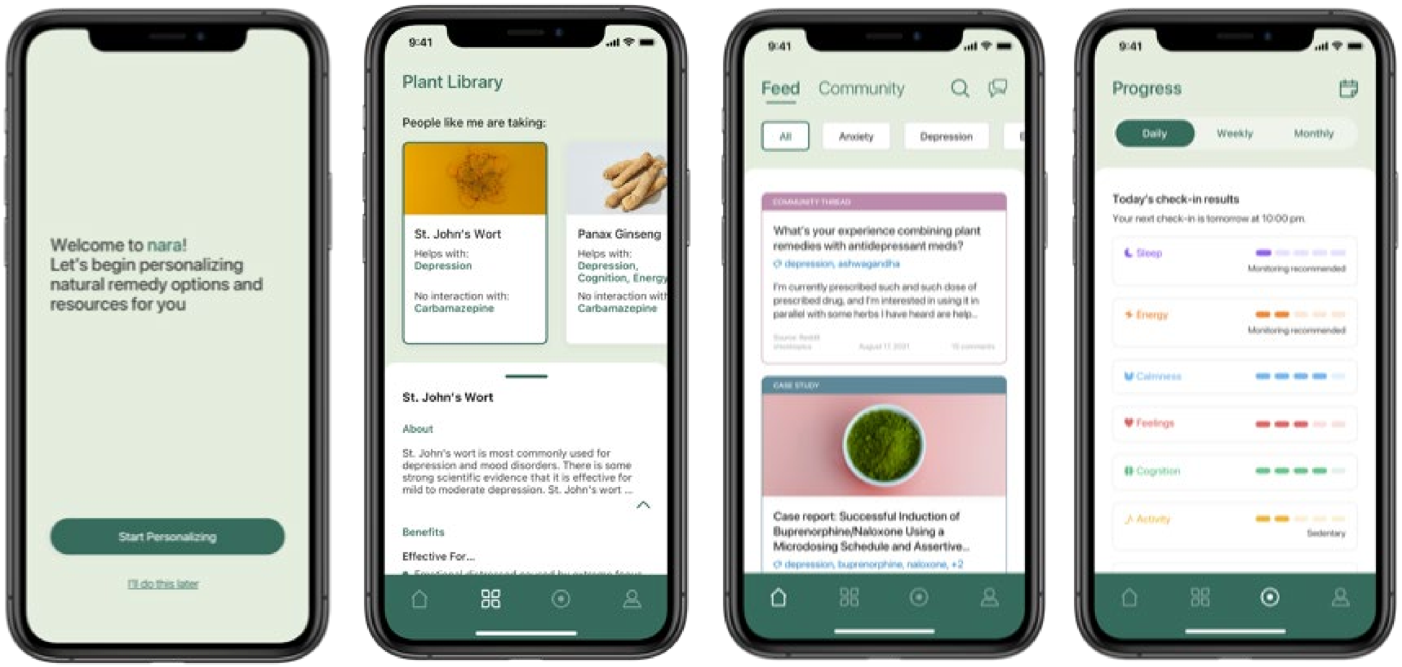
The core products offered by the Company are the Nara App and the PlantGx Platform. The Nara App is a mobile app that will provide consumers with a knowledge base tailored to an individual's unique user profile, leveraging input from mental health questionnaires, current drug treatment regimen, genomic sequence analysis, as well as their proteomics and microbiomic biomarker reports. The PlantGx Platform will provide health practitioners with access to the consumer's Nara App data and their diagnostic reports. This enhances identification of appropriate natural remedy treatments and allows practitioners to track their patient's natural treatment progress and effectiveness. The Company's planned lab based services will provide health practitioners with pangenomic genetic and protein biomarkers that will be developed to assist in tracking patient response to natural treatments.

The Company anticipates that its initial revenue will be earned from monthly subscription fees and one-time fees paid by consumers for access to premium services on the Nara App. Revenue will also be earned from monthly subscription fees paid by health practitioners for access to an advanced knowledge base and treatment analytics, as well as fees earned for new patient and diagnostic test referrals.

### ***Products and Services***

*App for Consumers*

The Company's Nara App provides users with personalized information about non-pharmaceutical alternatives to address mental health concerns. The freemium Nara App will be launched in Canada and the United States in the first quarter of 2022 with planned updates to be released each subsequent quarter. The Company anticipates that the Nara App will be used by a wide-range of consumers interested in information about alternative plant-based medicine.




As the Nara App develops a deeper profile of the consumer through questionnaires, journaling and biomarker and genomics testing, it will provide more tailored information to the consumer about natural treatments. At appropriate stages, the Nara App will refer consumers to a local health practitioner for professional treatment, and the individual will have the option to make their Nara App data available to the practitioner.

The Nara App will allow an individual to:

- conduct assessment questionnaires to understand and determine the user's mental health state;
- track health metrics & progress analytics;
- understand drug-herbal interactions;
- receive customized and curated information about natural treatments for mental health conditions;
- access chat rooms for one-to-one and one-to-many discussions about natural treatments;
- develop a trust-based connection with a personalized AI agent
- obtain referrals to local health practitioners;
- connect to the PlantGx digital therapeutics clinic platform for genomic, proteomic and other omics testing; and
- track the efficacy of treatments prescribed by health practitioners.

The Nara App handles highly personal health data, and the Company plans to ensure that such data will be strongly encrypted. Data shared within the Nara App is owned by the user and will not be shared with third party organizations without the user's consent. The Company will adhere to the health data and privacy laws in relevant jurisdictions, such as compliance with the Health Insurance Portability and Accountability Act (HIPAA) in the United States and the *Personal Information Protection and Electronic Documents Act* ("PIPEDA") in Canada.

The Company plans that any revenue derived from the collection of health data analytics will be shared with the Nara App users and used by the Company to support its public benefit purpose.

*Digital Therapeutics Clinic Platform for Health Practitioners*

The Company is developing the PlantGx Platform, which will provide health practitioners with access to user health data enabled from the Nara App by the patient and to receive patient referrals. The Company expects to launch the PlantGx Platform in Canada and the United States in the second quarter of 2022 with planned updates to be released each subsequent quarter. The Company anticipates that the PlantGx Platform will be used by a variety of health-practitioners including medical doctors, naturopathic doctors, pharmacists, herbalists and counsellors.

The PlantGx Platform includes proprietary algorithms to enable:

- integrated assessment, multi-omic tests, and patient self-reporting, as well as passive conditional independence data;
- an adaptive reinforced and deep learning machine learning model;
- personalized resource content matching using synthetic polymorphic keywords based on patient risk scores and journey patterns and trends;
- analysis of drug-herbal interactions;
- connection with health practitioners who are within the user's location; and
- user security and protection of personal data.

The PlantGx Platform accesses and analyzes data from pharmacogenomics, proteomics, nutrigenomics and ethnobotany research, together with data from an individual's genome sequence (whole genome, whole exome or single nucleotide polymorphisms), an individual's protein biomarkers and gut microbiome profile. By aggregating and curating health data from active and passive sources, the PlantGx Platform translates data into concise, actionable insights for a health practitioner that provide targeted information for effective treatment of patients using a variety of natural treatments.

Many natural remedy compounds contain active ingredients that bind to and activate key receptors in the brain. One of the challenges of using natural treatments is the differential individual patient dose responses, change in tolerance within individual patients and the inability to effectively monitor patients undergoing treatment effectively in a quantitative manner. Monitoring a patient's protein levels, determining appropriate dosing and confirming efficacy will assist in driving appropriate usage and demand for natural compounds.

Underpinning the Company's products, the scalable Excelar Platform acquired by the Company provides:

- a secure data capture and analytics platform;
- proven privacy & security compliance data management;
- electronic health/medical records integration;
- cross linking and integration of data across patient continuum of care; and
- user consent support for research data and data sharing for clinical referrals.

***Principal Markets***

*Market Overview and Trends*

The global market for pharmaceutical drugs to treat mental health disorders was forecasted to reach US$27.4 billion in 2020, and is expected to reach US$40.9 billion by 2025.[1]

The use of antidepressant pharmaceutical drugs, such as Selective Serotonin Reuptake Inhibitors (SSRIs) and Monoamine Oxidase Inhibitors (MAOIs), to treat mental health conditions has increased significantly over recent decades. This rise is despite lower efficacy rates compared to drug treatments for non-depression ailments and links to side effects, such as birth defects. There is growing demand for non-pharmaceutical alternatives to current therapeutic treatments for depression and other mental health issues.[2] Herbal-based medicines also are widely used to treat mental health conditions and have attracted strong attention around the world as part of a growing consumer enthusiasm for natural products.[3] In 2019 the World Health Organization (WHO) published a report on traditional and complementary medicine and found that 88 per cent of WHO member states acknowledge use of traditional herbal medicine among their population.[4]

Challenges confronting wider use of traditional and complementary medicine (T&CM) include the lack of research data, lack of financial support for research on T&CM, lack of mechanisms to monitor safety of T&CM practices, and lack of education and training for T&CM providers.[5] Although the United States has a strong natural health product industry through regulated dietary supplements,

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[1] Benefits Canada, "Global sales of mental-health drugs could hit US$40B by 2025 due to coronavirus" (https://www.benefitscanada.com/news/bencan/global-sales-of-mental-health-drugs-could-hit-us40b-by-2025-due-to-coronavirus/).

[2] Haller H, Anheyer D, Cramer H, et al, "Complementary therapies for clinical depression: an overview of systematic reviews", July 2019 (https://bmjopen.bmj.com/content/9/8/e028527).

[3] Center for the Promotion of Imports, Netherlands Enterprise Agency, "What is the demand for natural ingredients for health products on the European market?", December 2020 (https://www.cbi.eu/market-information/natural-ingredients-health-products/what-demand).

[4] WHO Global Report on Traditional and Complementary Medicine 2019. Geneva: World Health Organization; 2019. Licence: CC BY-NC-SA 3.0 IGO (https://www.who.int/traditional-complementary-integrative-medicine/WhoGlobalReportOnTraditionalAndComplementaryMedicine2019.pdf).

[5] WHO Global Report on Traditional and Complementary Medicine 2019. Geneva: World Health Organization; 2019. Licence: CC BY-NC-SA 3.0 IGO (https://www.who.int/traditional-complementary-integrative-medicine/WhoGlobalReportOnTraditionalAndComplementaryMedicine2019.pdf).

the U.S. Food & Drug Administration (FDA) has only approved a few botanical drug solutions to treat diseases since the first approval of a botanical drug in 2006.[6] There have been over 800 Investigational New Drug (IND) applications submitted since the FDA published guidance for botanical drug development in 2016.[7]

*Consumers*

The principal market for the Nara App comprises users of mental health applications, who have mental health concerns and are unsatisfied with their current usage of prescription pharmaceuticals. Such users are searching for natural, plant-based alternatives to better address mental health concerns. The freemium offering will include basic assessment questionnaires, mood and symptom tracking and a knowledge base for no charge. For a fee, premium users will have value-added access to more personalized natural remedy treatment information through an AI agent, community chat and precision medicine diagnostic testing.

*Health Practitioners*

The principal market for the PlantGx Platform comprises health practitioners who have received patient referrals from the Nara App. Such health practitioners will gain access to user health data enabled from the Nara App by the patient. The health practitioner will receive a free trial period for limited access to the health data from the Nara App and have the option to upgrade to a full access subscription for the health professional knowledge base and additional patient referral rights.

***Intellectual Property***

The Company protects its intellectual property rights through a combination of patents, trademarks and trade secret laws as well as contractual provisions. The Company uses non-disclosure agreements with business partners, prospective customers, and other relationships where disclosure of proprietary information may be necessary. The Company also uses such agreements with its employees and consultants which assign to the Company all intellectual property developed in the course of their employment or engagement. The Company also secures from such individuals obligations to execute such documentation as is reasonably required by the Company to evidence its ownership of such intellectual property.

The Company has filed trademark applications in Canada covering the word marks: "Nara", "Nustasis", "PanGenomic", and "PlantGx". As a result of the completion of the acquisition of the LivNao IP on ⧫, 2022, the Company also has rights to pending patent claims from an international Patent Treaty Cooperation application filed in January 2021 for a "Mental Health Management Platform" (the “Patent Claims”) based on two provisional patent applications filed with the U.S. Patent & Trademark Office in January 2020. The Patent Claims are related to "systems and methods for monitoring an individual's behaviour, via passive collection of data associated with the individual, and determining a mental health status of the individual based on such behaviour".

The Company uses machine learning primarily for predictive analytics and personalization of mental health support resources for the end users. A significant portion of the Company’s proprietary technology focuses on data collection and data normalization including data categorization and labeling.

The Nara App collects a diverse set of user data including user demographic profile information, lifestyle data such as alcohol and substance use as well as mental health risk factors relating to the user’s health conditions such as specific chronic diseases. The Nara App captures standardized GAD7 (general anxiety disorder) and PHQ9 (patient health questionnaire) depression questionnaire data, as well as normalized user journey data including mood, sleep, and cognition, and tracks changes in the user parameters over time. User medication regimen data includes anti-anxiety, anti-depression, as well as other pharmaceutical medications, and natural treatments. The predictive personalization model is augmented by user feedback based on support resources that the user found useful, shared, or liked. Community-based supported resources are curated leveraging machine learning models using sentiment analysis.

The Company's data model domains also include multi-dimensional biomarkers such as gene, protein, metabolite, and microbiome. As the Company’s system uses a multi-domain approach, the machine learning model being developed uses a distributed machine learning approach to overlay and enhance the personalization based on available user data.

The LivNao IP includes iOS/Android applications for passively collecting sensor data, conducting periodic user surveys and querying a scalable backend to obtain predictions from the machine learning algorithm and to return predictions to users.

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[6] Charles Wu et al, “Scientific and Regulatory Approach to Botanical Drug Development: A U.S. FDA Perspective” (https://pubmed.ncbi.nlm.nih.gov/31977211/).

[7] Charles Wu et al, “Scientific and Regulatory Approach to Botanical Drug Development: A U.S. FDA Perspective” (https://pubmed.ncbi.nlm.nih.gov/31977211/).

***Seasonality***

The Company's business is not anticipated to be cyclical or seasonal.

***Competition and Competitor Analysis***

The Company expects to face competition from other digital health and diagnostic companies, some of which will have longer operating histories, greater financial resources and more experience in the applicable industries. Increased competition from such companies could have a material adverse effect on the Company's business, financial condition and operations. As the Company operates in an early-stage industry of digital health for consumers, it expects to face additional competition from new entrants. To remain competitive, the Company will need to engage in continued research and development for new innovative products and carry out significant marketing and sales activities.

*Mental Health App Companies*

The digital health consumer market has a wide range of mobile applications providing users with mental health and wellness management and improvement tools. Key mental health and wellness apps with freemium pricing models include Calm, Noom Mood and Sanvello. Free apps that provide information about mental health conditions include PTSD Coach, MindShift and WebMD.

The Nara App will market competitive solutions to existing mental health and wellness applications. It will differentiate itself from competitors by offering additional features. Key product differentiators compared to mental health apps include integration of multi-omics diagnostic testing reports with evidence-based research into natural treatments for mental health.

*Health Diagnostic Companies*

The health diagnostic industry offers many solutions for consumers and their health practitioners to understand the connection between an individual's health condition and their genes, proteins, metabolites and microbiome. Pharmacogenetics tests provide information regarding the role genetics may play in an individual's reaction to drugs. These tests inform consumers of genetic variants that may be related to how therapeutic drugs are metabolized in the body, or whether an individual is likely to respond to or have adverse reactions from certain therapeutics. Pharmacogenetics tests marketed in Canada and the United States require approval from Health Canada and the FDA, respectively, before a company can sell their tests with health claims.

Key DNA sequencing companies with direct-to-consumer (DTC) health apps include 23andMe, Toolbox and SelfDecode. Other DNA sequencing companies with business-to-business (B2B) clinic services for patient health include Opus23, PureGenomics and Nutrigenomix.

The Company intends to compete with diagnostic companies by focusing on mental health conditions, not general health conditions, and by specializing in natural remedy treatment research, not pharmaceutical drug treatments. It is anticipated that the Company's PlantGx Platform may assist in the approval of botanical drugs by the FDA through the collection of observational and clinical study data about the use of natural treatments to treat mental health conditions.

***Research and Development***

The Company is focused on research and development to identify, develop and commercialize innovative products that support mental health and wellness. Such activities include research and development relating to machine learning algorithms that better identify relevant natural remedy information for a specific individual.

The Company also plans to conduct research into biomarkers that are associated with mental health conditions and to develop proprietary genetic and protein biomarker panels for use in diagnostic testing. The Company is focused on developing an efficient, multi-dimensional biomarker system to help health practitioners identify patient segments that can benefit from a specific natural remedy. The Company’s biomarker development plans include the following major panels:

- Polygenetic: Mental disorder is the result of both genetic and environmental factors. Instead of tackling genetic risk factors for mental health, the Company is focused on how an individual’s genetic composition impacts the effectiveness of natural remedies. This polygenetic model includes evidence-based pathologic, pharmacologic, epigenetic and nutrigenetic genes;

- Biochemistry: The biochemistry panel includes protein and small molecular metabolites, which can be used to monitor patients’ response to natural remedies. These biomarkers could be further developed into affordable and rapid Point-Of-Care Tests (POCTs) enabling clinicians to make timely treatment adjustment through on-site assay readout; and

- Gut microbiota: Gut-brain-Axis research supports the relevance between the gut microbiota/its metabolites and mental health. The Company will identify the most related microbes and their functional metabolites for a specific mental disorder, such as major depression disorder, and explore their potentials as treatment response or disease status biomarkers.

***Employees, Specialized Skill and Knowledge***

The Company has 5 full time employees and 8 full and part time contractors, including researchers, software engineers and data scientists. Specialized skills and knowledge are required in business, finance, marketing, technology, artificial intelligence, life sciences and bioinformatics in order to develop and operate a digital therapeutics platform for mental health,

***Foreign Operations***

The Company intends to market the Nara App and PlantGx Platform to consumer and clinic practitioners, respectively, in Canada and the United States initially. The freemium service may be accessed by users globally subject to national restrictions.

***Response to COVID-19***

The Company does not provide services directly related to the treatment of COVID-19, however, COVID-19 has impacted the mental health of persons affected by the virus. The Company is aware of this impact on individuals from early consumer and clinic practitioner experience where natural treatments for anxiety and depression conditions are being investigated. COVID-19 has not impacted the Company's business plans, milestones or budget, however, the Company believes COVID-19 could accelerate adoption of the Company's products and services.

***Regulatory Overview***

Many countries have enacted laws and regulations to protect the data privacy of their citizens, and in particular, health data, such as the US Health Insurance Portability and Accountability Act ("HIPAA"), Canada's *Personal Information Protection and Electronic Documents Act* ("PIPEDA") and the EU's *General Data Protection Regulation* ("GDPR"). The Company's Nara App and PlantGx Platform will have access to personal health data, and the Company intends to comply with all such applicable laws and regulations.

The Company's products may also be subject to regulations pertaining to medical devices, such as the US FDA's *Safe Medical Device Act*, Health Canada's *Food and Drugs Act* and *Medical Devices Regulations*, and the EU *Medical Device Regulation*. In 2014 the International Medical Device Regulators Forum established globally harmonized vocabulary for such software applications and defined the term "Software as a Medical Device ("SaMD)".

The Company anticipates that its future products may require approval under the SaMD category by relevant health regulators, if product functionality includes diagnosis, cure, mitigation, treatment, or prevention of diseases and other health conditions. The Company would be required to carry out clinical studies in support of any SaMD approval process. In the US, the Company would seek approval from the FDA through 510(k) pre-market authorization for a Class II medical device. The FDA has approved at least six medical devices that are termed "Prescription Digital Therapeutics" or "PDTs". PDTs are a new therapeutic class that use software to treat health conditions, including software deployed as mobile apps. PDTs are developed in a GMP-compliant environment, tested in randomized controlled trials to demonstrate safety and effectiveness, evaluated for authorization by health regulators, and used under the supervision of a prescribing health practitioner. PDTs are designed to collect real world data for use by prescribing clinicians and for population health management by payers and health systems.

The market for non-drug natural remedies is subject to various national laws, regulations and policy frameworks, such as the US *Federal Food, Drug, and Cosmetic Act* and *Dietary Supplement Health and Education Act*, Canada's *Food and Drugs Act* and *Natural Health Products Regulations* and EU's *Herbal Directive*. The Company's Nara App and PlantGx Platform products are designed to provide information about non-drug natural remedies that complies with applicable laws and regulations. The Company anticipates that its PlantGx Platform may facilitate the collection of real-world evidence to support third party applications for regulatory approvals of medicinal herbal treatments, such as approval of new botanical drugs by the US FDA.

***Social Policies***

The Company is registered as a benefit company under the BCA. Benefit companies are a new class of for-profit corporations that are intended to produce a public benefit and to operate in a responsible and sustainable manner. Benefit companies must also promote one or more public benefits. Public benefits must have a positive effect for a group of people (other than business shareholders), communities, organizations, or the environment. Benefit companies are required to identify in their articles the public benefit or benefits they will promote. Their directors have a duty to manage the affairs of the corporation in a manner that balances the pecuniary interests of the stockholders, the best interests of those materially affected by the corporation's conduct and the specific public benefit or public benefits identified in the public benefit corporation's certificate of incorporation.

An annual benefit report outlining how its unique public benefit has been expressed in the operation of the business must be made available to the public on the Company's website (www.pangenomic.com). A generally accepted third-party standard must be used as the measuring stick for impact. Directors of a benefit company are empowered to act beyond the best interest of the business, and to "conduct business in a responsible and sustainable manner and promote the company's specified public benefits."

The Company has adopted the following benefit statement in the Articles: "To improve the health and wellness of people by providing a technology platform that identifies plant-based solutions tailored to the health profile of every individual."

To promote the public benefit of improved health, the Company plans to undertake the following types of initiatives:

1. support the benefit sharing objectives of the *Nagoyo Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization* under the UN's *Convention on Biological Diversity* (the "Nagoya Protocol") through initiatives with groups stewarding plant-based medicines that originate in their region. The Nagoya Protocol provides for appropriate access to genetic resources and transfer of relevant technologies, taking into account all rights over those resources and to technologies, and by appropriate funding, thereby contributing to the conservation of biological diversity and the sustainable use of its components;

2. use the Company's proprietary data analytics and AI platform to create, maintain and regularly update an evolving, comprehensive evidence-based health data platform about the use protocols and efficacy of plant-based medicines. Data sources will include users, practitioners, best practices among established Western protocols and indigenous traditions; and

3. develop a reliable set of protocols to support submissions for plant-based medicine approvals. Categories of proportional oversight will be developed with stratified and tailored regulatory requirements for plant-based medicines. The guidelines will include tailored approval requirements tested outside traditional marketing authorization that are supported by published evidence and established medical practice, as well as some flexible regulatory tools to manage risks while permitting real-world testing as well as a range of clinical trials. These will be consistent with emerging trends to harmonize approval of plant-based medicines among the FDA, Health Canada and the European Medicines Agency.

## USE OF AVAILABLE FUNDS

### Proceeds

The Company is not raising any funds in conjunction with the filing of this Prospectus. Accordingly there will be no proceeds to the Company in connection with the filing of this Prospectus.

The Company received aggregate gross proceeds of [up to $3,000,000] from the sale of Subscription Receipts under the Subscription Receipt Offering before deducting the costs of the Subscription Receipt Offering estimated to be [up to $200,000]. The Company will not receive any additional proceeds from the conversion of the Subscription Receipts into Units comprised of Unit Shares and Unit Warrants upon satisfaction of the Escrow Release Conditions.

As of December 31, 2021, being the most recent month end prior to the date of this Prospectus, the Company had working capital of approximately $1,209,000. Together with the net proceeds from the Subscription Receipt Offering of ♦[up to $2,800,000], the Company expects to have available funds of $♦[up to 4,009,000].

The Company intends to use its estimated available funds of [up to $4,521,500] as follows during the next 12 months:

**Funds Available and Use of Available Funds.**

| | ($) |
|---|---|
| **Funds Available** | |
| Working Capital as of December 31, 2021 | 1,209,000 |
| Net proceeds of the Subscription Receipt Offering | [up to 2,800,000] |
| Total Expected Funds Available | [up to 4,009,000] |
| | |
| **Principal Purposes** | |
| Business Objectives and Milestones | 700,000 |

| | |
|---|---|
| Marketing and Investor Relations | 300,000 |
| Estimated Costs of the Prospectus and Listing on the CSE | 100,000 |
| Estimated General and Administrative Expenses for the Next 12 Months | 400,000 |
| Unallocated Working Capital | [up to 2,509,000] |
| **Total** | **[up to 4,009,000]** |

**Estimated General and Administrative Expenses**

The Company expects to incur approximately $400,000 in general and administrative costs over the next twelve (12) months. A breakdown of the estimated general and administrative costs for that period is as follows:

| | **($)** |
|---|---|
| Employee Salaries and Consultant Fees | 310,000 |
| Audit Fees | 40,000 |
| Office Expenses | 15,000 |
| Rent | 15,000 |
| Insurance | 20,000 |
| **Total** | **400,000** |

The Company intends to spend its available funds as stated in this Prospectus. There may be circumstances, however, where for sound business reasons, a reallocation of funds may be necessary. Due to the uncertain nature of the industry and markets in which the Company will operate, the Company's projects may be frequently reviewed and reassessed. Accordingly, while it is currently intended by management that the available funds will be expended as set forth above, actual expenditures may in fact differ from these amounts and allocations. See "Risk Factors".

**Negative Operating Cash Flow**

Since inception, the Company has had negative operating cash flow and incurred losses. The Company's negative operating cash flow and losses are expected to continue until its products become well established in the marketplace. The Company cannot predict when it will reach positive operating cash flow, if ever. Due to the expected continuation of negative operating cash flow, the Company may be reliant on future financings in order to meet its cash needs. There is no assurance that such future financings will be available on acceptable terms or at all. See "Risk Factors". The Company's unallocated funds will be added to the working capital of the Company.

**Business Objectives and Milestones**

During the next 12 months, the Company will seek to accomplish the following business objectives and milestones:

| Business Objectives | Estimated Time to Completion | Expected Costs ($) |
|---|---|---|
| Launch *Nara* App. | Phase 1 Q1 2022<br>Phase 2 Q3 2022 | 125,000<br>175,000 |
| Launch *PlantGx* Platform. | Phase 1 Q2 2022<br>Phase 2 Q4 2022 | 175,000<br>225,000 |
| Total | | 700,000 |

*Launch Nara App*

The Company has two software development phases planned for the Nara App in 2022:

1. The focus of Phase 1 will be to launch a beta version of the Nara App for limited public use in the first quarter of 2022 at a remaining development cost of $125,000.
2. Contingent on the successful completion of Phase 1, the focus of Phase 2 will be to launch a general release for the public in the third quarter of 2022 at a development cost of $175,000.

*Launch PlantGx Platform*

The Company has two software development phases planned for the PlantGx Platform in 2022:

1. The focus of Phase 1 will be to launch a beta version of the PlantGx Platform for limited health practitioner use in the second quarter of 2022 at a development cost of $175,000.

2. Contingent on the successful completion of Phase 1, the focus of Phase 2 will be to launch a general release for health practitioners in the fourth quarter of 2022 at a development cost of $225,000.

The Company is developing the Nara App and the PlantGx Platform using internal resources and external software development consultants, all based in Canada. Development of alpha versions of the Nara App and the PlantGx Platform were completed in December 2021, having been developed on the Excelar Platform.

The Company recognizes that it may, from time to time, be required to comply with the applicable rules and regulations of certain regulatory bodies. The Company will ensure that it has understood the requirements in each market it operates in and will maintain and develop protocols, systems and controls to address compliance.

## DIVIDENDS OR DISTRIBUTIONS

The Company has never declared, nor paid, any dividend since its incorporation and does not foresee paying any dividend or distribution in the near future since all available funds will be used to achieve its business objectives and milestones and for marketing and investor relations, costs related to the Prospectus and listing on the CSE, general and administrative expenses and unallocated working capital. Any future payment of dividends or distributions will depend on the financing requirements and financial condition of the Company and other factors which the Board, in its sole discretion, may consider appropriate and in the best interests of the Company.

Under the BCA, the Company is prohibited from declaring or paying dividends or distributions if there are reasonable grounds for believing that the Company is insolvent or the payment of dividends or distributions would render the Company insolvent.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Selected Annual Information

The Company

The following selected financial information has been derived from and is qualified in its entirety by the financial statements of the Company for the years ended December 31, 2019 (audited) and December 31, 2020 (audited) and should be read in conjunction with those financial statements and related notes thereto, along with the MD&A relating thereto and included in this Prospectus. All financial statements are prepared in accordance with IFRS. The Company's financial year end is December 31.

| | **Year Ended Dec. 31, 2020 (audited) ($)** | **Year Ended Dec. 31, 2019 (audited) ($)** |
|---|---|---|
| Total revenues | - | - |
| Total expenses | (136,949) | (3,438) |
| Net loss and comprehensive loss | (139,988) | (3,438) |
| Basic and diluted loss per share | (0.02) | - |
| | | |
| Total assets | 147,225 | 5,608 |
| Total liabilities | 136,273 | 3,168 |

PGT

The following selected financial information has been derived from and is qualified in its entirety by the audited financial statements of PGT for the period from inception on September 17, 2020 to December 31, 2020 and should be read in conjunction with those financial statements and related notes thereto, along with the MD&A relating thereto and included in this prospectus. All financial statements are prepared in accordance with IFRS. PGT's financial year end is December 31.

| | **Period from Sept. 17, 2020 to Dec. 31, 2020 (audited) ($)** |
|---|---|
| Total revenues | - |

| | |
|---|---|
| Total expenses | (63,234) |
| Net loss and comprehensive loss | (63,512) |
| Basic and diluted loss per share | (0.05) |
| | |
| Total assets | 117,177 |
| Total liabilities | 152,689 |

Pro Forma Financial Information

The following table contains certain unaudited pro forma consolidated financial information for the Company as at and for the interim period ended September 30, 2021 and gives effect to acquisition of PGT as if it had occurred as of January 1, 2021. This information should be read together with the Pro Forma Consolidated Financial Statements, attached as Schedule "C", along with the financial statements of the Company and PGT.

| | **Sept. 30, 2021 (unaudited) ($)** |
|---|---|
| Total revenues | - |
| Total expenses | (200,183) |
| Net loss and comprehensive loss | (1,234,166) |
| Basic and diluted loss per share | (0.07) |
| | |
| Total assets | 3,166,033 |
| Total liabilities | 372,197 |

**Management's Discussion and Analysis**

The Company

The Company's MD&A for the fiscal year ended December 31, 2020 and the interim period ended September 30, 2021 are included as Schedule "A" to this Prospectus and should be read in conjunction with the Company's financial statements for the periods so ended and the related notes thereto, also included in this Prospectus as Schedule "A" and to which the Company's MD&As relates.

PGT

PGT's MD&A for each of the period from inception on September 17, 2020 to December 31, 2020 and the interim period ended September 30, 2021 are included as Schedule "B" to this Prospectus and should be read in conjunction with PGT's financial statements for the periods so ended and the related notes thereto, also included in this Prospectus as Schedule "B" and to which the PGT MD&As relates.

## DESCRIPTION OF THE SECURITIES DISTRIBUTED

**Authorized Capital**

The authorized capital of the Company consists of an unlimited amount of Common Shares, of which 38,749,973 Common Shares were issued and outstanding as at the date of this Prospectus, an unlimited number of undesignated Preferred Shares, of which none are issued and outstanding as at the date of this Prospectus other than the Series 1 Preferred Shares, and 10,000,000 Series 1 Preferred Shares, all of which were issued and outstanding as of the date of this Prospectus.

**Common Shares**

The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Company and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Company. The holders of the Common Shares, subject to the prior rights, if any, of the Preferred Shares, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to participate, subject to the prior rights, if any, of the holders of the Preferred Shares, in the remaining property and assets of the Company rateably with all other holders of Common Shares.

**Preferred Shares**

The Preferred Shares of the Company may be issued in one or more series and, subject to the BCA, the directors may, by resolution passed prior to the issuance of any Preferred Shares of the particular series, alter the Articles of the Company and authorize the alteration of the Notice of Articles of the Company, as the case may be, to do one or more of the following: (1) determine the maximum number of shares of any of those series of Preferred Shares that the Company is authorized to issue, determine that there is no such maximum number, or alter any determination made under this item (1) or otherwise in relation to a maximum number of those shares; (2) create an identifying name by which the shares of any of those series of Preferred Shares may be identified, or alter any identifying name created for those shares; and (3) attach special rights or restrictions to the shares of any of those series of Preferred Shares, or alter any special rights or restrictions attached to those shares.

Other than the Series 1 Preferred Shares, as of the date of this Prospectus, the Company has not designated any series of Preferred Shares.

**Series 1 Preferred Shares**

The holders of Series 1 Preferred Shares are not entitled to receive notice of, or to attend, meetings of the shareholders of the Company other than meetings called for the purpose of authorizing the dissolution of the Company or the sale of all or substantially all of the Company's undertaking. The holders of Series 1 Preferred Shares are not entitled to receive dividends, and In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Series 1 Preferred Shares are entitled to receive the paid up amount in respect of those Series 1 Preferred Shares in priority to any distribution made on the Common Shares, but thereafter are not entitled to participate in the remaining property and assets of the Company.

Holders of the Series 1 Preferred Shares have the right, exercisable at the option of the holder, for a period of 30 days following the receipt of a final Prospectus filed by the Company, to convert their Series 1 Preferred Shares into Common Shares on the basis of 2.5 Common Shares for every one Series 1 Preferred Share (subject to adjustment in the case of certain recapitalizations of the Company's securities). If the conversion rights attached to the Series 1 Preferred Shares are not exercised within the time period set forth above, the Series 1 Preferred Shares will cease to be convertible into Common Shares. The Series 1 Preferred Shares are not transferrable except with the prior consent of the directors, which consent may be refused for any reason.

**Subscription Receipts**

Each Subscription Receipt will entitle the holder to receive, without any further action on the part of the holder, and for no additional consideration, one Unit consisting of Unit Share and one Unit Warrant upon satisfaction of the following escrow release conditions (the "Escrow Release Conditions"):

(a) 4 business days have passed after the date that a receipt has been issued for a final prospectus to qualify the distribution of the Unit Shares and the Unit Warrants issuable upon the conversion of the Subscription Receipts; and

(b) the receipt of conditional approval from the CSE for the listing of the Common Shares on the CSE.

Each Unit Warrant entitles the holder thereof to purchase one additional Common Share at a price of $0.60 per share for a period ending 24 months from the date that the Escrow Release Conditions are satisfied, subject to the Company's right to accelerate the expiration date of the Unit Warrants if the closing price of the Common Shares is $1.20 or greater for a periodof at least ten (10) consecutive trading days.

If the Escrow Release Conditions are not satisfied on or before the Release Deadline, each Subscription Receipt will be deemed null and void, and the Company will return to the holders of the Subscription Receipts the subscription price paid for those Subscription Receipts plus a pro rata portion of any interest earned thereon.

## CONSOLIDATED CAPITALIZATION

The following table summarizes changes in the Company's capitalization as at September 30, 2021, the date of the Company's most recently completed financial period included in this Prospectus, and as at the date of this Prospectus:

| | As at September 30, 2021 (unaudited) | As at the date hereof (unaudited) |
|---|---|---|
| Common Shares | 27,083,306 | 38,749,973 (9)(10) |
| Series 1 Preferred Shares | 9,000,000 | 10,000,000 (9) |
| $0.10 Performance Warrants(1) | 500,000 | 500,000 |
| $0.15 Performance Warrants(2) | - | 10,000,000 |
| $0.10 Warrants(3) | 4,322,198 | 4,322,198 |
| $0.30 Warrants(4) | 16,907,713 | 16,907,713 |
| $0.30 Finder Warrants(5) | - | 500,000 |
| Subscription Receipts(6) | - | [up to 10,000,000] |
| Options(7) | - | 3,065,000 |
| SR Finder Warrants(8) | - | [up to 600,000] |

Notes:

(1) Each $0.10 Performance Warrant is exercisable for one Common Share at a price of $0.10 per share for a period ending on January 21, 2023. 50% of the $0.10 Performance Warrants vested and became exercisable upon completion of the acquisition of PGT, with the remaining 50% to vest and become exercisable upon the listing of the Common Shares on the Exchange.

(2) Each $0.15 Performance Warrant is exercisable for one Common Share at a price of $0.15 per share for a period ending on January 1, 2025. The $0.15 Performance Warrants vest and become exercisable as follows:

| No. of $0.15 Performance Warrants Vesting | Milestone |
|---|---|
| 3,400,000 Warrants | The completion of an accretive acquisition of a business or related business assets complementary to the Business, and having an acquisition value of at least $2,000,000, as approved by the Board. |
| 3,300,000 Warrants | The Company's Nara app having 10,000 Active Users in each of any two consecutive months during the term. |
| 3,300,000 Warrants | The Company's Nara app having 100,000 Active Users in each of any two consecutive months during the term. |

(3) Each $0.10 Warrant is exercisable for one Common Share at a price of $0.10 per share for a period ending 24 months from the date of issuance, subject to the Company's right to accelerate the expiry date of these warrants if the closing price of the Common Shares is equal to or greater than $0.60 per share for 10 consecutive trading days.

(4) Each $0.30 Warrant is exercisable for one Common Share at a price of $0.30 per share for a period of 24 months from the date of issuance, subject to the Company's right to accelerate the expiry date of these warrants if the closing price of the Common Shares is equal to or greater than $0.60 per share for 10 consecutive trading days.

(5) Each $0.30 Finder Warrant is exercisable for one Common Share at a price of $0.30 per share for a period of 24 months from the date of issuance, subject to the Company's right to accelerate the expiry date of these warrants if the closing price of the Common Shares is equal to or greater than $0.60 per share for 10 consecutive trading days.

(6) Each Subscription Receipt is convertible into one Unit consisting of one Unit Share and one Unit Warrant, without any further action, or the payment of any further consideration, on the part of the holder upon (i) 4 business days having passed after the issuance of a receipt in respect of a final prospectus to qualify the distribution of the Unit Shares and Unit Warrants, and (ii) the receipt of conditional approval from the Exchange to the proposed listing of the Common Shares on the Exchange (the "Escrow Release Conditions"). Each Unit Warrant will entitle the holder thereof to purchase one additional Common Share at a price of $0.60 per share for a period of 24 months from the date the Subscription Receipts are converted into Units, subject to the Company's right to accelerate the expiry date of the Unit Warrants if the closing price of the Common Shares is equal to or greater than $1.20 per share for 10 consecutive trading days.

(7) Each Option exercisable for one Common Share at a price of $0.15 per share for a period of 3 years from the date of grant.

(8) Each SR Finder Warrant is exercisable for [one Common Share at a price of $0.30 per share for a period of 24 months from the date of issuance, subject to the Company's right to accelerate the expiry date of these warrants if the closing price of the Common Shares is equal to or greater than $0.60 per share for 10 consecutive trading days].

(9) Holders of the Series 1 Preferred Shares have the right, exercisable at the option of the holder, for a period of 30 days following the receipt of a final Prospectus filed by the Company, to convert their Series 1 Preferred Shares into Common Shares on the basis of 2.5 Common Shares for every one Series 1 Preferred Share (subject to adjustment in the case of certain recapitalizations of the Company's securities).

(10) Does not include up to 2,000,000 Common Shares issuable to LivNao pursuant to the LivNao Agreement.

## OPTIONS TO PURCHASE SECURITIES

### Stock Option Plan

The Directors of the Company adopted a stock option plan on December 27, 2021 (the "Stock Option Plan"). The purpose of the Stock Option Plan is to (a) enable the Company to attract and retain the types of employees, consultants, officers and directors that will contribute to the Company's long range success, (b) to provide incentives to align the interests of employees, consultants, officers and directors with those of the Company's security holders, and (c) to promote the success of the Company's business. The Stock Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance will be 20% of the number of Common Shares issued and outstanding at the time such Options are granted. The Stock Option Plan will be administered by the Company's Board, which will have full and final authority with respect to the granting of all Options thereunder.

Options may be granted under the Stock Option Plan to such directors, officers, employees, management or consultants of the Company and its affiliates, if any, as the Board may from time to time designate. The exercise price of Option grants will be determined by the Board, but after listing on the Exchange will not be less than the closing market price of the Common Shares on the Exchange less allowable discounts at the time of grant. The Stock Option Plan provides that, under the Stock Option Plan alone or when combined with all other security-based compensation arrangements of the Company, (i) Options for no more than 5% of the outstanding Common Shares may be granted to any one person in any one year period, (ii) Options for no more than 2% of the outstanding Common Shares may be granted to all participants providing investor relations services may be granted in any one year period, (iv) Options for no more than 10% of the outstanding Common Shares may be outstanding at any time, or granted in any one year period, under the Stock Option Plan for all directors, officers, and affiliate (as defined in *National Instrument 45-106 – Prospectus Exemptions*) of the Company, greater than 10% shareholders, promoters of the Company and any persons providing investor releations services to the Company as a group. All Options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such Options are granted. Unless otherwise provided for in the option agreement relating to an individual Option grant under the Stock Option Plan, Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 60 days from date of termination other than for cause; (iii) 30 days from the date of termination (for the vested portion) and immediately (for the unvested portion) in the case of a voluntary resignation, and (iv) one year from the date of death or retirement. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

### Stock Options Granted

Options granted under the Stock Option Plan and outstanding as of the date of this Prospectus will continue to be exercisable upon completion of those transactions. There were 3,065,000 Options outstanding under the Stock Option Plan immediately prior to the date of this Prospectus, as follows:

| | No. of Options | Exercise Price | Expiry date |
|---|---|---|---|
| Executive Officers of the Company | 1,100,000 | $0.15 | December 27, 2024 |
| Directors of the Company (other than Executive Officers of the Company) | 125,000 (1)<br>1,000,000 | $0.15 | December 27, 2024<br>January 10, 2025 |
| Employees of the Company (other than Executive Officers or Directors of the Company) | Nil | - | - |
| Consultants of the Company (other than Executive Officers or Directors of the Company) | 840,000 | $0.15 | December 27, 2024 |
| Executive Officers of all Subsidiaries of the Company | Nil | - | - |
| Directors of all Subsidiaries of the Company | Nil | - | - |
| Employees of all Subsidiaries of the Company | Nil | - | - |
| **Total** | **3,065,000** | - | - |

Note:

(1) The Options were granted to Peter Green as a consultant and prior to Mr. Green's appointment as a director of the Company on January ♦, 2022.

**Performance Warrants**

On January 21, 2021, the Company issued 500,000 performance warrants (the "$0.10 Performance Warrants") to the Company's former VP Finance. Each $0.10 Performance Warrants is exercisable for one Common Share at a price of $0.10 per share for a period ending on January 21, 2023. 50% of the $0.10 Performance Warrants became vested and exercisable upon completion of the acquisition of PGT, with the remaining 50% to vest and become exercisable upon the listing of the Common Shares on the Exchange.

On [February 1, 2022], the Company issued an aggregate of 10,000,000 performance warrants (the "$0.15 Performance Warrants") to certain executive officers of the Company. Each $0.15 Performance Warrants is exercisable for one Common Share at a price of $0.15 per share for a period ending on [February 1, 2025], and vest as follows:

| No. of $0.15 Performance Warrants Vesting | Milestone |
|---|---|
| 3,400,000 Warrants | The completion of an acquisition of a business or related business assets complementary to the Business, and having an acquisition value of at least $2,000,000, as approved by the Board. |
| 3,300,000 Warrants | The Company's Nara app having 10,000 Active Users in each of any two consecutive months during the term. |
| 3,300,000 Warrants | The Company's Nara app having 100,000 Active Users in each of any two consecutive months during the term. |

## PRIOR SALES

During the twelve months prior to the date of this Prospectus, the Company issued the following Common Shares and securities convertible, exchangeable or exercisable into Common Shares:

| Date of Issue | No. and Type of Securities | Issue Price per Security | Notes |
|---|---|---|---|
| January 13, 2021 | 4,322,198 Units(1) | $0.05 | Private placement. |
| January 21, 2021 | 500,000 $0.10 Performance Warrants(2) | n/a | Issued as partial consideration for services provided by the Company's former VP Finance. |
| April 22, 2021 | 4,098,453 Units(3) | $0.15 | Private placement. |
| July 23, 2021 | 6,929,334 Units(3) | $0.15 | Private placement. |
| July 23, 2021 | 15,960 $0.30 Warrants(4) | $0.30 | Issued in connection with the July 23, 2021 private placement. |
| August 31, 2021 | 1,600,000 Series 1 Preferred Shares | $0.05 | Private placement. |
| September 16, 2021 | 5,863,966 Units(3) | $0.15 | Private placement. |
| September 24, 2021 | 7,400,000 Series 1 Preferred Shares | $0.05 | Private placement. |
| October 4, 2021 | 11,666,667 Common Shares | $0.15 | Issued in connection with the acquisition of PGT |
| October 4, 2021 | 500,000 $0.30 Finder Warrants(5) | n/a | Issued upon completion of the acquisition of PGT |
| December 14, 2021 | 1,000,000 Series 1 Preferred Shares | $0.05 | Private placement. |

| | | | |
|---|---|---|---|
| [February 1, 2022] | 10,000,000 $0.15 Performance Warrants(6) | N/A | Issued as partial consideration for services provided by the Company's CEO and Executive Chair. |
| ♦ to ♦, 2022 | [up to 10,000,000] Subscription Receipts(7) | $0.30 | Subscription Receipt Offering. |
| ♦ to ♦, 2022 | [up to 600,000 SR Finder Warrants] | N/A | Issued in connection with the Subscription Receipt Offering. |

Notes:

(1) Each Unit consisted of one Common Share and one Common Share purchase warrant exercisable at a price of $0.10 per share for a period ending 24 months from the date of issuance, subject to the Company's right to accelerate the expiry date of these warrants if the closing price of the Common Shares is equal to or greater than $0.60 per share for 10 consecutive trading days.

(2) Each $0.10 Performance Warrant is exercisable for one Common Share at a price of $0.10 per share for a period ending on January 21, 2023. 50% of the $0.10 Performance Warrants vested and became exercisable upon completion of the acquisition of PGT, with the remaining 50% to vest and become exercisable upon the listing of the Common Shares on the Exchange.

(3) Each Unit consisted of one Common Share and one $0.30 Warrant exercisable at a price of $0.30 per share for a period ending 24 months from the date of issuance, subject to the Company's right to accelerate the expiry date of these warrants if the closing price of the Common Shares is equal to or greater than $0.60 per share for 10 consecutive trading days.

(4) Each $0.30 Warrant is exercisable for one Common Share at a price of $0.30 per share for a period of 24 months from the date of issuance, subject to the Company's right to accelerate the expiry date of these warrants if the closing price of the Common Shares is equal to or greater than $0.60 per share for 10 consecutive trading days.

(5) Each $0.30 Finder Warrant is exercisable for one Common Share at a price of $0.30 per share for a period of 24 months from the date of issuance, subject to the Company's right to accelerate the expiry date of these warrants if the closing price of the Common Shares is equal to or greater than $0.60 per share for 10 consecutive trading days.

(6) Each $0.15 Performance Warrant is exercisable for one Common Share at a price of $0.15 per share for a period ending on [February 1], 2025. The $0.15 Performance Warrants are to vest and become exercisable as follows upon each of the following events: (i) 3,400,000 Performance Warrants following an acquisition of a business or related business assets complementary to the business of the Company, and having an acquisition value of at least $2 million, as approved by the Board; (ii) 3,300,00 Performance Warrants following the Nara App having 10,000 Active Users in each of any two consecutive months during the term; and (iii) 3,300,000 Performance Warrants following the Nara App having 100,000 Active Users in each of any two consecutive months during the term.

(7) Each Subscription Receipt is convertible into a Unit consisting of one Unit Share and one Unit Warrant, without any further action, or the payment of any further consideration, on the part of the holder upon (i) 4 business days having passed after the issuance of a receipt in respect of a final prospectus to qualify the distribution of the Unit Shares and Unit Warrants, and (ii) the receipt of conditional approval from the Exchange to the proposed listing of the Common Shares on the Exchange (the "Escrow Release Conditions"). Each Unit Warrant will entitle the holder thereof to purchase one additional Common Share at a price of $0.60 per share for a period of 24 months from the date the Subscription Receipts are converted into Units, subject to the Company's right to accelerate the expiry date of the Unit Warrants if the closing price of the Common Shares is equal to or greater than $1.20 per share for 10 consecutive trading days.

(8) Issued in connection with the Subscription Receipt Financing. Each SR Finder Warrant is exercisable for [one Common Share at a price of $0.30 per share for a period of 24 months from the date of issuance, subject to the Company's right to accelerate the expiry date of these warrants if the closing price of the Common Shares is equal to or greater than $0.60 per share for 10 consecutive trading days].

## ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

### Escrowed Securities

In accordance with National Policy 46-201 – *Escrow for Initial Public Offerings* ("NP 46-201"), all securities of an issuer owned or controlled by its Principals (as defined below) are required to be placed in escrow at the time of the issuer's initial public offering, unless the shares held by the Principals or issuable to the Principals, upon conversion of convertible securities held by the Principals, collectively represent less than 1% of the total issued and outstanding shares of the issuer after giving effect to the initial public offering. Non-transferable incentive Options issued to Principals to purchase securities solely for cash at a price equal to or greater than the Offering Price will also not be subject to escrow.

"Principals" include all persons or companies that, on the completion of the initial public offering, fall into one of the following categories:

(a) directors and senior officers of the Company or a material operating subsidiary of the Company, at the time of the initial public offering;

(b) promoters of the Company during the two years preceding the initial public offering;

(c) those who own and/or control, directly or indirectly, more than 10% of the Company's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering and if they also have elected or appointed or have the right to elect or appoint a director or senior officer of the Company or of a material operating subsidiary of the Company;

(d) those who own and/or control more than 20% of the Company's voting securities (on a fully diluted basis) immediately before and immediately after completion of the initial public offering; and

(e) the spouse(s) and relative(s) that live at the same address as any of the above.

Pursuant to NP 46-201, the Principals of the Company and their spouses and certain relatives who hold Common Shares will be required to enter into an escrow agreement (the "**Escrow Agreement**") with the Company and TSX Trust Company ("TSX Trust"), as escrow agent. Effective the date on which the Common Shares are listed on the CSE ("Listing Date"), a total of 13,238,866 Common Shares, 500,000 $0.30 Finder Warrants, 1,975,000 Options, 500,000 $0.10 Performance Warrants, 10,000,000 $0.15 Performance Warrants, 500,000 $0.10 Warrants and 500,001 $0.30 Warrants (the "**Escrowed Securities**") held by the Principals of the Company and the former shareholders of PGT will be deposited into escrow, pursuant to the Escrow Agreement.

At the time of an initial public offering, an issuer is classified for the purposes of NP 46-201 escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer." Uniform terms of automatic timed-release escrow apply to Principals of issuers carrying out initial public offerings, differing only according to the classification of the issuer. The Company will be classified as an "emerging issuer" under NP 46-201 upon the Listing Date, and accordingly the Escrow Agreement will provide for release of the Escrowed Securities over the thirty-six months following the Listing Date, with an initial 10% released upon the Listing Date, and the balance of a Principal's Escrowed Securities released from escrow in equal blocks of 15% at six month intervals as follows:

| | |
|---|---|
| On the Listing Date | 1/10 of the Escrowed Securities |
| 6 months after the Listing Date | 1/6 of the remaining Escrowed Securities |
| 12 months after the Listing Date | 1/5 of the remaining Escrowed Securities |
| 18 months after the Listing Date | 1/4 of the remaining Escrowed Securities |
| 24 months after the Listing Date | 1/3 of the remaining Escrowed Securities |
| 30 months after the Listing Date | 1/2 of the remaining Escrowed Securities |
| 36 months after the Listing Date | the remaining Escrowed Securities |

If the Company achieves "established issue**r**" status during the term of the Escrow Agreement, the release schedule will change. If the Company becomes an established issuer eighteen months or more after its Listing Date, all Escrowed Securities will be released immediately. If the Company becomes an established issuer within eighteen months of its Listing Date, there will be a catch-up release of all Escrowed Securities that would have been released had the Company been an established issuer as of its Listing Date, and remaining Escrowed Securities will be released in equal instalments on the day that is six months, twelve months, and eighteen months after the Listing Date.

As of the date of this Prospectus, the following securities will be subject to escrow upon the listing of the Common Shares on the Exchange:

| **Designation of Class of Security** | **Total Number of Securities Held in Escrow** | **Percentage of Class of Securities Held (%)** |
|---|---|---|
| Common Shares | 13,238,866 | 34.2%(1) |
| Common Shares Issuable Upon Exercise of Outstanding $0.30 Finder Warrants | 500,000 | 100%(2) |
| Common Shares Issuable Upon Exercise of Outstanding $0.10 Warrants | 500,000 | 11.57%(3) |
| Common Shares Issuable Upon Exercise of Outstanding $0.30 Warrants | 500,001 | 2.96%(4) |

| | | |
|---|---|---|
| Common Shares Issuable Upon Exercise of Outstanding Options | 1,975,000 | 64.44%(5) |
| Common Shares Issuable Upon Exercise of Outstanding $0.10 Performance Warrants | 500,000 | 100%(6) |
| Common Shares Issuable Upon Exercise of Outstanding $0.15 Performance Warrants | 10,000,000 | 100%(7) |

Notes:

(1) Based on 38,749,973 Common Shares issued and outstanding. Does not include up to 2,000,000 Common Shares issuable to LivNao pursuant to the LivNao Agreement.
(2) Based on 500,000 $0.30 Finder Warrants outstanding.
(3) Based on 4,322,198 Warrants outstanding.
(4) Based on 16,907,713 $0.30 Warrants outstanding.
(5) Based on 3,065,000 Options outstanding.
(6) Based on 500,000 $0.10 Performance Warrants outstanding.
(7) Based on 10,000,000 $0.15 Performance Warrants outstanding.

**Additional Lock Up Provisions**

In addition to the escrow provisions set forth under NP 46-201, shareholders holding an aggregate of 12,368,814Common Shares are subject to additional lock-up provisions as follows:

| | |
|---|---|
| The Listing Date | 25% of the locked-up securities |
| The 6 month anniversary of the Listing Date | 25% of the locked-up securities |
| The 9 month anniversary of the Listing Date | 25% of the locked-up securities |
| The 12 month anniversary of the Listing Date | 25% of the locked-up securities |

## PRINCIPAL SHAREHOLDERS

As at the date of this Prospectus, 38,749,973 Common Shares were issued and outstanding. To the knowledge of the Company, as at the date of this Prospectus, there are no persons who beneficially own, control or direct, directly or indirectly, 10% or more of the issued and outstanding Common Shares.

## DIRECTORS AND EXECUTIVE OFFICERS

The following table provides the names, municipalities of residence, position, principal occupations, and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

| Name, Age and Jurisdiction of Residence | Position(s) with the Company | Principal Occupation for the Past Five Years | Number and Class of Securities Beneficially Owned Directly or Indirectly | % of Common Shares |
|---|---|---|---|---|
| Vincent Lum(1)<br>Age: 61<br>British Columbia, Canada | CEO and Director | CEO of the Company since November 2021, CEO of PGT since September 2020, CFO of Vidigami since January 2016. | 2,783,334 Common Shares (Direct and Indirect)<br><br>5,000,000 $0.15 Performance Warrants<br><br>500,000 $0.10 Warrants<br><br>333,334 $0.30 Warrants | 7.18%(2)<br><br>[up to 7.41%](3) |
| Robert Nygren<br>Age: 58<br>British Columbia, Canada | Director and Executive Chair | Executive Chair of the Company since November 2021, Executive Chair of PGT since September 2020, President and CEO of ETC3 Holdings Ltd. since July 2017, Director of Havn Life Sciences Inc. from March 2020 to September | 2,550,000 Common Shares (Direct and Indirect) (4)<br><br>5,000,000 $0.15 Performance Warrants<br><br>500,000 $0.30 Finder Warrants(5) | 6.58%(2)<br><br>[up to 6.76]%(3) |

| | | | | |
|---|---|---|---|---|
| | | 2020, Director and CEO of NHS Industries Ltd. From December 2019 to August 2021, President and CEO of Epic Fusion Corp from June 2013 to March 2017, and Director of Epic-Hust Technology (Wuhan) Ltd since November 2011. | | |
| Colin Quon<br>Age: 54<br>British Columbia, Canada | Chief Technology Officer | CTO of the Company since November 2021, CTO of PGT since January 2021, President of Excelar since 2015. | 1,916,667 Common Shares (Direct and Indirect) (7)<br><br>100,000 Options | 4.95%(2)<br><br>[up to 1.69]%(3) |
| Kaidong Zhang<br>Age: 44<br>British Columbia, Canada | Chief Scientific Officer | CSO of the Company since November 2021, CSO of PGT since December 2020, CTO of Donglin Health Technologies Inc. since 2018, Director of Project Management of BioHop Technologies from 2015 to 2020. | 250,000 Common Shares (Direct)<br><br>750,000 Options | 0.65%(2)<br><br>[up to 0.84]%(3) |
| Tammy Gillis<br>Age: 48<br>British Columbia, Canada | CFO, Treasurer and Corporate Secretary | CFO of the Company since November 2021, Controller of World-Class Extractions Inc. since July 2020, CFO of Cava Healthcare Inc. from August 2019 to July 2020, CFO of Nano One Materials Corp. from March 2015 to October 2018, CFO of Northern Lion Gold Corp. from November 2005 to September 2019. | 250,000 Options | [up to 0.21]%(3) |
| Peter Green (1)<br>Age: 60<br>British Columbia, Canada | Director | CEO of Mobilum Technologies Inc.from May 2020 to October 2021. Director of Fobi AI Inc since June 2019. President of Telus Business Solutions from 2011 to 2017. | 625,000 Options | [up to 0.53]%(3) |
| Jonathan Lutz(1)<br>Age: 47<br>British Columbia, Canada | Director | VP Strategy, Ops & Finance of Electronic Arts Inc. from to May 2018 to December 2021 and CFO of Electronic Arts (Canada) Inc. from 2006 to 2021 | 500,000 Options | [up to 0.42%](3) |

Notes:

(1) Member of the Audit Committee.
(2) Based on 38,749,973 Common Shares issued and outstanding as at the date hereof. Does not include up to 2,000,000 Common Shares issuable to LivNao pursuant to the LivNao Agreement.
(3) Based on [up to 119,208,924] Common Shares on a fully-diluted basis, assuming the conversion of the 10,000,000 Series 1 Preferred Shares into 25,000,000 Common Shares.
(4) 400,000 Common Shares are held through ETC3, a company in which Mr. Nygren owns a 40% interest.
(5) The $0.30 Finder Warrants are held by ETC3, a company in which Mr. Nygren owns a 40% interest.
(6) 1,666,667 of the Common Shares are held through Connected Displays Inc., a company wholly owned by Mr. Quon.

As of the date hereof, directors and officers of the Company, as a group, own or control or exercise direction over 7,872,199 Common Shares, being approximately 20.32% of the issued and outstanding Common Shares.

**Term of Office**

The term of office of the directors of the Company expires annually at the time of the Company's annual general meeting. The term of office of the officers expires at the discretion of the Board.

**Biographical Information**

*Vincent Lum, (Age 61) – Chief Executive Officer and Director*

Mr. Lum has almost 20 years of experience in life science and medical device company operations, along with investment and venture capital experience. Vincent has served as CEO of Metaara Medical Diagnostics, CFO of Vidigami, CFO of Hemex Health and CFO of CardioDigital (acquired by Medtronic). Vincent has also served as VP and Venture Partner of MDS Capital and VP and Venture partner of RBC Venture Capital and Manager of Investments at Advanced Systems Institute. Vincent holds an MSc in Microbiology and Immunology and an MBA from The University of British Columbia.

Mr. Lum expects to devote approximately 90% of his time to the Company or such greater amount of time as is necessary. Mr. Lum has entered into a non-competition and non-disclosure agreement with the Company.

*Robert Nygren, (Age 58) – Director and Executive Chair*

Mr. Nygren co-founded the psychedelics biotechnology company Havn Life Sciences (CSE:HAVN) and is a founding director of Psy Integrated Health Corp, which owns the Empower Health integrative health clinic in Vancouver. Robert also co-founded the ETC3 Tech Centre in the South Research Campus of The University of British Columbia, which provides facilities, funding and advisory services for life science, agritech, cleantech and fintech companies. Previously, Robert was CEO of Epic Data, a publicly-traded software company, and CEO of Fincentric, a core-banking system sold to Open Solutions (now Fiserv). Robert holds an LLB from Western University.

Mr. Nygren expects to devote approximately 90% of his time to the Company or such greater amount of time as is necessary. Mr. Nygren has entered into a non-competition and non-disclosure agreement with the Company.

*Colin Quon, (Age 54) – Chief Technology Officer*

Mr. Quon has managed complex technology projects and teams for nearly 30 years in Canada. As founder of Excelar, he has overseen the development of health data platforms for leading health authorities and academic institutions in British Columbia. Colin also has significant experience developing telecommunications platforms, during his product development and executive roles at Nortel, Telos, EQO Communications, Global Relay and most recently as founder of Chatnels Software. Colin holds an MBA from The University of British Columbia and a BASc. in Electrical Engineering from Simon Fraser University.

Mr. Quon expects to devote approximately 33% of his time to the Company or such greater amount of time as is necessary. Mr. Quon has entered into a non-competition and non-disclosure agreement with the Company.

*Kaidong Zhang, (Age 44) – Chief Scientific Officer*

Mr. Zhang has over 15 years of life science experience in academia and industry. Recent R&D projects include clinical diagnosis development, integrative medicine-based chronic disease management, nutraceutical product development, and non-invasive diagnostic/therapeutic devices to manage chronic prostate disease and non-alcoholic fatty liver diseases. Kaidong received a postdoctoral training in protein engineering from the University of Rochester and holds a PhD in Medicinal Chemistry and Organic Chemistry from the University of Manitoba.

Mr. Zhang expects to devote approximately 90% of his time to the Company or such greater amount of time as is necessary. Mr. Zhang has entered into a non-competition and non-disclosure agreement with the Company.

*Tammy Gillis, (Age 48) – Chief Financial Officer, Secretary and Treasurer*

Ms. Gillis has over 20 years' experience in the public markets bringing a background in finance, reporting and regulatory requirements of manufacturing, technology, and junior exploration industries. She obtained her CPA and CMA in 2008. Ms. Gillis previously served as CFO of New World Resource Corp., Northern Lion Gold Corp, Valorem Resources Inc., Nano One Materials Corp. and Cava Healthcare Inc.

Ms. Gillis expects to devote approximately 60% of her time to the Company or such greater amount of time as is necessary. Ms. Gillis has entered into a non-disclosure agreement with the Company and has not entered into a non-competition agreement with the Company.

*Peter Green, (Age 60) – Director*

Mr. Green has leadership experience in both large corporations and small businesses in the cloud technologies, AI, mobile and telecommunications sectors. He has served as president of business solutions at Telus with responsibility for its Telus Health division. Peter previously served as CEO of Mobilum Technologies Inc. ("**Mobilum**") (CSE: MBLM) and remains a director of Mobilum. Mr. Green is also a director of Fobi AI Inc. (TSX.V: FOBI).

Mr. Green expects to devote approximately 10% of his time to the Company or such greater amount of time as is necessary. Mr. Green has not entered into a non-competition or non-disclosure agreement with the Company.

*Jonathan Lutz, (Age 47) – Director*

Mr. Lutz has experience in the video game industry, having served in various executive management positions at Electronic Arts (EA) since 1998. He recently had responsibility for Corporate Strategy, CTO Finance and Strategy, Operations & Finance leadership for EA's Strategic Growth Division. Jonathan previously served as CFO of EA Canada.

Mr. Lutz expects to devote approximately 10% of his time to the Company or such greater amount of time as is necessary. Mr. Lutz has not entered into a non-competition or non-disclosure agreement with the Company.

**Cease Trade Orders**

To the knowledge of the Company, except as otherwise disclosed below, no director or executive officer of the Company, is or has been, within the ten years preceding the date of this Prospectus, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of this Prospectus, an "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to an exemption under securities legislation, and such order was in effect for a period of more than 30 consecutive days.

On April 30, 2021, Tammy Gillis was appointed as Chief Financial Officer ("CFO") of Valorem Resources Inc. ("Valorem"). On June 11, 2021, the BCSC issued a cease trade order (the "CTO") in respect of Valorem's securities for Valorem's failure to file a Form 51-102F4 Business Acquisition Report (the "BAR") for the significant acquisition of 1267818 B.C. Ltd. (the "Valorem Acquisition)" and material contracts in relation to the Valorem Acquisition (the "Valorem Material Contracts") on SEDAR. The Valorem Acquisition was completed, prior to Ms. Gillis' appointment as CFO, on February 12, 2021. On August 6 and 10, 2021, Valorem filed the Valorem Material Contracts and the BAR, respectively, on SEDAR. On August 10, 2021, the BCSC revoked the CTO.

**Bankruptcies**

To the knowledge of the Company, except as otherwise disclosed below, no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is or has been, within the ten years preceding the date of this Prospectus:

(a) a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency; or

(b) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

**Penalties or Sanctions**

To the knowledge of the Company, except as disclosed below, no director or executive officer of the Company, or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has:

(b) (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

**Personal Bankruptcies**

To the Company's knowledge, no director or officer of the Company, nor any shareholder holding sufficient securities of the Company to affect materially the control of the Company, nor any personal holding company of any such person has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

**Conflicts of Interest**

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his, her or their interest and abstain from voting on such matter. Other than disclosed herein, there are no existing or potential material conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

The information as to ownership of securities of the Company, corporate cease trade orders or bankruptcies, penalties or sanctions, personal bankruptcies or insolvencies and existing or potential conflicts of interest has been provided by each insider of the Company individually in respect of himself or herself.

## EXECUTIVE COMPENSATION

Prior to obtaining a receipt for this Prospectus from securities regulatory authorities in the Qualifying Jurisdictions, the Company was not a reporting issuer in any jurisdiction. As a result, certain information required by Form 51-102F6V – Statement of Executive Compensation – Venture Issuers ("**Form 51-102F6V**") has been omitted pursuant to Section 1.3(8) of Form 51- 102F6V.

**Compensation Discussion and Analysis**

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs (as defined in Form 51-102F6V). In accordance with applicable securities legislation, as of the date hereof, the Company currently has four Named Executive Officers; being Vincent Lum, Chief Executive Officer and a director and Tammy Gillis, Chief Financial Officer, Treasurer and Secretary.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. In determining executive compensation, the Board considers the Company's financial circumstances at the time decisions are made regarding executive compensation, and the anticipated financial situation of the Company in the mid and long-term.

**Compensation Objectives and Principles**

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

(a) attracting and retaining qualified executives;
(b) motivating the short and long-term performance of these executives; and
(c) better aligning their interests with those of the Company's shareholders.

In compensating its senior management, the Company has employed a combination of base salary, bonus compensation and equity participation through its Stock Option Plan. The Company does not provide any retirement benefits for its directors or officers.

**Elements of Compensation**

Base Salary

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives. Competitive salary information on comparable companies within the Company's industry is compiled from a variety of sources, including national and international publications.

Bonus Incentive Compensation

The Board will consider executive bonus compensation dependent upon the Company meeting its strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses.

Equity Participation

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Company's Stock Option Plan (as described in "Options to Purchase Securities"). Options may be granted to executives, consultants and employees taking into account a number of factors, including the amount and term of Options previously granted, base salary and bonuses and competitive factors. The amounts and terms of Options granted are determined by the Board.

**Stock Options and Other Compensation Securities and Instruments**

Stock Option Plan

The Company's Stock Option Plan was adopted by the Board on December 27, 2021. As of the date of this Prospectus, the Stock Option Plan has not been adopted by the shareholders of the Company. The Company intends to place the Stock Option Plan before the Company's shareholders at its next annual general meeting for ratification and approval.

A summary of the material provisions of the Company's Stock Option Plan is provided under "Options to Purchase Securities".

Performance Warrants

In January 2021, the Company issued 500,000 $0.10 Performance Warrants to a former executive officer of the Company. In [February 2022], the Company issued 10,000,000 $0.15 Performance Warrants to the Company's Executive Chairman and CEO. A summary of the material provisions of the $0.10 Performance Warrants and the $0.15 Performance Warrants is provided under "Options to Purchase Securities".

**Employment, Consulting and Management Agreements**

The Company does not currently have any other written employment agreements, arrangements or plans with any of its directors, officers or significant employees other than as noted below.

The Company has entered into an employment agreement with Vincent Lum dated January 1, 2022 (the "Lum Agreement"), pursuant to which Vincent Lum serves as the Chief Executive Officer of the Company until the employment agreement is terminated in accordance with the terms set forth therein. Mr. Lum is entitled to an initial monthly base salary of $10,000 commencing February 1, 2022, to be reviewed on a quarterly basis during the first 12 months of the Lum Agreement, and annually thereafter. Mr. Lum is also eligible for a bonus at the Board's discretion. Mr. Lum has been granted 5,000,000 $0.15 Performance Warrants, which will vest and become exercisable based on the successful completion of certain performance milestones. (See *"Options to Purchase Securities – Performance Warrants"*).

The Company has entered into an employment agreement with Robert Nygren dated January 1, 2022 (the "Nygren Agreement"), pursuant to which Robert Nygren serves as the Executive Chair of the Company until the agreement is terminated in accordance with the terms set forth therein. Mr. Nygren is entitled to an initial monthly base salary of $10,000 commencing February 1, 2022, to be reviewed on a quarterly basis during the first 12 months of the Nygren Agreement, and annually thereafter. Mr. Nygren is also eligible for a bonus at the Board's discretion. Mr. Nygren has been granted 5,000,000 $0.15 Performance Warrants, which will vest and become exercisable based on the successful completion of certain performance milestones. (See *“Options to Purchase Securities – Performance Warrants”*).

The Company has entered into a consulting agreement with Tammy Gillis dated November 15, 2021, pursuant to which Tammy Gillis serves as a Chief Financial Officer of the Company until the agreement is terminated in accordance with the terms therein. Ms. Gillis is entitled to a monthly consulting fee of $2,000, subject to increase to up to $10,000 per month, and Ms. Gillis has been granted 250,000 Options exercisable for Common Shares at a price of $0.15 per share, vesting in equal installments over a period of 8 fiscal quarters (See “*Options to Purchase Securities*”).

Colin Quon is compensated pursuant to a consulting agreement between PGT and a company controlled by Colin Quon dated January 1, 2021, pursuant to which Colin Quon serves as Chief Technology Officer of the Company until the agreement is terminated in accordance with the terms set forth therein. Mr. Quon is entitled to a monthly consulting fee of $5,000, to be reviewed on a quarterly basis. Mr. Quon is also eligible for a bonus at the Board’s discretion and is eligible to participate in the Stock Option Plan, pursuant to which Mr. Quon has been granted 100,000 Options exercisable for Common Shares at a price of $0.15 per share, which vest as follows: (i) one-half (50%) of the Options will vest upon the availability of the Nara App on the Apple App Store; and (ii) one-half (50%) of the Options will vest upon the General Availability Release in Canada and the United States of the PlantGx Platform (See “*Options to Purchase Securities*”).

The Company has entered into an employment agreement with Kaidong Zhang dated January 1, 2022 (the “Zhang Agreement”, collectively with the Lum Agreement and the Nygren Agreement, the “Employment Agreements”), pursuant to which Kaidong Zhang serves as Chief Scientific Officer of the Company until the agreement is terminated in accordance with the terms set forth therein. Mr. Zhang is entitled to a monthly base salary of $8,250 commencing February 1, 2022 and is eligible for an increase in his monthly base salary to $10,000 upon the General Availability Release of the PlantGx Platform. Mr. Zhang is also eligible for a bonus at the Board’s discretion and is eligible to participate in the Stock Option Plan, pursuant to which Mr. Zhang has been granted 750,000 Options exercisable for Common Shares at a price of $0.15 per share, which vest as follows: (i) one-half (50%) of the Options will vest upon the availability of the Nara App on the Apple App Store; and (ii) one-half (50%) of the Options will vest upon the General Availability Release of the PlantGx Platform (See “*Options to Purchase Securities*”).

<u>Termination Benefits</u>

Each of the Employment Agreements provide for payments following or in connection with any termination, resignation or retirement, the details of which are summarized below.

*Termination due to death, disability, termination without cause or a resignation for good reason*

If the executive’s employment is terminated due to death, disability, a termination without cause or for good reason, the executive is entitled to:

(a) A lump sum payment equal twelve (12) months of base salary or fees (the “**Severance Period**”):
(b) Participation in the Company’s benefits plans continuing through the applicable Severance Period to the maximum extent permitted under the applicable plan terms. For benefits that cannot be continued for all or part of the Severance Period, the Company shall reimburse such executive for replacement coverage.

(c) the executive’s base salary or fees up to and including the date of termination, plus any outstanding vacation pay and other compensation earned to the date of termination (collectively, the “**Accrued Obligations**”)

*Termination by the Company for cause or resignation without good reason*

If the Company terminates an Employment Agreement with Cause, or the executive resigns without good reason, such executive is not entitled to any termination payment from the Company and shall only receive the Accrued Obligations.

**Oversight and Description of Director and NEO Compensation**

The Company has not adopted any specific policies or practices to determine the compensation for the Company's directors and officers, other than disclosed above. The amount of compensation paid to the Company's directors and executive officers is determined by the Board, acting as a whole.

Executive compensation awarded to the named executive officers consists of two components: (i) management fees and (ii) Options and performance warrants. The Company does not presently have a long-term incentive plan for its named executive officers. There is no policy or target regarding allocation between cash and noncash elements of the Company's compensation program.

**Pension**

The Company did not provide any pension benefits for directors or executive officers during the year ended December 31, 2020.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There is not as of the date of this Prospectus, nor has there been since inception, any indebtedness of any Director, a proposed nominee for election as a Director, executive officer, senior officer, employee of the Company or any of its subsidiaries or any former director, executive officer, employee or senior officer of the Company or any of its subsidiaries or any associate of any of them, to or guaranteed or supported by the Company either pursuant to security purchase program or such other program of the Company or otherwise, and no such individual is or has been indebted to any other entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit, or similar arrangement or understanding by the Company or any of its subsidiaries.

## AUDIT COMMITTEES AND CORPORATE GOVERNANCE

**Audit Committee**

<u>Audit Committee Charter</u>

The Audit Committee's role is to assist the Board in fulfilling its responsibilities of oversight and supervision of the accounting and financial reporting practices and procedures on behalf of the Company and its direct and indirect subsidiaries, the adequacy of internal accounting controls and procedures, and the quality and integrity of the financial statements of the Company. In addition, the Audit Committee is responsible for overseeing the audits of the financial statements of the Company, for directing the auditors' examination of specific areas, for the selection of the independent external auditors of the Company and for the approval of all non-audit services for which the auditors of the Company may be engaged.

The Company's Audit Committee Charter is attached to this Prospectus as Schedule "D".

<u>Composition of the Audit Committee</u>

At the present time, the Company's Audit Committee is composed of the following members:

| Member | Independent/Not Independent (1) | Financially Literate/ Not Financially Literate(1) |
|---|---|---|
| Jonathan Lutz, Chair | Independent | Financially Literate |
| Peter Green | Independent | Financially Literate |
| Vincent Lum | Not Independent | Financially Literate |

Notes:

(1) As defined in National Instrument 52-110 - *Audit Committees* ("**NI 52-110**").

<u>Relevant Education and Experience</u>

Each of the members of the Audit Committee has a general understanding of the accounting principles used by the Company to prepare its financing statements and will seek clarification from the Company's auditors, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies and experience in preparing, auditing analyzing or evaluating financial statements similar to those of the Company.

See “Directors and Executive Officers” for the biographies of the audit committee members.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Audit Committee of the Company has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on:

(a) the exemption in section 2.4 (*De Minimis Non-audit Service*s) of NI 52-110;
(b) the exemption in subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*) of NI 52;
(c) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*) of NI 52-110;
(d) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*) of NI 52-110; or
(e) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The aggregate fees billed by the Company’s external auditor during the fiscal years ended December 31, 2020 and December 31, 2019 by category, are as follows:

| ***Financial Year Ended December 31*** | ***Audit Fees ($)(1)*** | ***Audit Related Fees ($)(2)*** | ***Tax Fees ($)(3)*** | ***All Other Fees ($)(4)*** |
|---|---|---|---|---|
| 2020 | 7,500 | Nil | Nil | Nil |
| 2019 | 2,000 | Nil | Nil | Nil |

The aggregate fees billed by PGT’s external auditor during the fiscal period ended December 31, 2020 by category, are as follows:

| ***Financial Year Ended December 31*** | ***Audit Fees ($)(1)*** | ***Audit Related Fees ($)(2)*** | ***Tax Fees ($)(3)*** | ***All Other Fees ($)(4)*** |
|---|---|---|---|---|
| 2020 | 5,000 | Nil | Nil | Nil |

Notes:
(1) “Audit fees” include aggregate fees billed by the Company’s external auditor in each of the last two fiscal years for audit fees.
(2) “Audit related fees” include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company’s external auditor that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported under “Audit fees” above.
(3) “Tax fees” include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company’s external auditor for tax compliance, tax advice and tax planning.
(4) “All other fees” include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above.

Section 6.1 Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110 for venture issuers which allows for an exemption from Part 3 - *Composition of the Audit Committee* and Part 5 - *Reporting Obligations* of NI 52-110, which respectively exempts a “venture issuer” (as defined in NI 52-110) from the requirements to comply with the restrictions on the composition of its Audit Committee, and the disclosure requirements of its Audit Committee as more specifically set out in NI 52-110.

**Corporate Governance**

Corporate governance relates to the activities of the Boards, the members of which are elected by and are accountable to the shareholders of the Company, and takes into account the role of the individual members of management who are appointed by the

Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Board of Directors

As of the date of this Prospectus the Board is comprised of four directors. Robert Nygren and Vincent Lum are not independent by reason of also being executive officers of the Company. Peter Green and Jonathan Lutz are considered independent.

Directorships

The following directors of the Company currently hold directorships in other reporting issuers as set out below:

| **Name of Director** | **Name of Other Reporting Issuer** |
| --- | --- |
| Peter Green | Mobilium Technologies Inc. (CSE: MBLM)<br>Fobi AI Inc. (TSX-V: FOBI) |

Orientation and Continuing Education

If any new directors are appointed to the Board, then the existing directors will provide a brief orientation consisting of a telephone conference and a review of material transactions effected to-date by the Company, as well as the general nature and proceedings of the Company's Board.

Given the industry experience of the existing Board, the Company does not contemplate providing continuing education for directors at this time.

Ethical Business Conduct

The Company has not adopted policies or codes of business conduct and ethics at this time. Given the experience of the Board, and their prior dealings, the Company, at this point in time, is not taking any additional steps to encourage and promote a culture of ethical business conduct.

Nomination of Directors

The Board has not formed a nominating committee or similar committee to assist the Board with the nomination of directors for the Company. The Board considers itself too small to warrant creation of such a committee, and the Board believes that they have sufficient contacts which they can draw upon to identify new members of the Board as needed from time to time.

The Board will continually assess its size, structure and composition, taking into consideration its current strengths, skills and experience, proposed retirements and the requirements and strategic direction of the Company. As required, the members of the Board will recommend suitable candidates for consideration as new members of the Board.

Compensation

The Company does not have a compensation committee or a formal compensation policy. The Company relies solely on the Board to determine the compensation of the Named Executive Officers. In determining compensation, the directors consider industry standards and the Company's financial situation, but the Company does not have any formal objectives or criteria. The performance of each executive officer is informally monitored by the directors, having in mind the business strengths of the individual and the purpose of originally appointing the individual as an officer.

Other Board Committees

At this time, the Board does not have any standing committees other than the Audit Committee.

Assessments

The Board has not implemented a process for assessing its effectiveness. As a result of the Company's small size and the Company's stage of development, the Board considers a formal assessment process to be in appropriate at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis.

The Board does not formally assess the performance or contribution of individual members of the Board or of any of the Company's committees.

## PLAN OF DISTRIBUTION

This Prospectus qualifies the distribution of up to 10,000,000 Units upon the conversion of up to 10,000,000 Subscription Receipts under the Subscription Receipt Offering. The Subscription Receipts are being sold to subscribers in the Qualifying Jurisdictions pursuant to exemptions from the prospectus requirements under applicable securities legislation in the Qualifying Jurisdictions and to subscribers in the United States pursuant to exemptions from the registration requirements of the US Securities Act and applicable state securities laws at a price of $0.30 per Subscription Receipt for total gross proceeds of up to $3,000,000. No additional proceeds will be received by the Company in connection with the issuance of the Units upon conversion of the Subscription Receipts.

In connection with the Subscription Receipt Offering, the Company paid and issued an aggregate of [up to $180,000] and [up to 180,000] SR Finder Warrants in finders fees.

There is currently no market through which any of the securities of the Company, including the Common Shares, may be sold and purchasers and holders thereof may not be able to resell or dispose of any of the securities purchased, distributed or qualified under this Prospectus.

The Company has applied to list its Common Shares on the Exchange. As of the date hereof, the Exchange has not accepted the listing of the Common Shares. Listing of the Common Shares is subject to the Company fulfilling all of the listing requirements of the Exchange.

As of the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

*This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. Persons. The Units have not been and will not be registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons, except in transactions exempt from the registration requirements of the US Securities Act and applicable state securities laws. The Subscription Receipts may not be exercised by or on behalf of a U.S. Person or a person in the United States unless an exemption from the registration requirements of the US Securities Act and applicable state securities laws is available. Accordingly, the Units will bear appropriate legends evidencing the restrictions on the offering, sale and transfer of such securities.*

## RISK FACTORS

An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this document, before making any decision to invest in the Company. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business.

If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the Common Shares could decline, and investors may lose all or part of their investment.

### Risks Relating to Corporate History

_Limited operating history_.

The Company has a limited history of operations and is considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered remote in light of its early stage of operations.

_Negative operating cash flow_.

Although the Company expects to become profitable, there is no guarantee that will happen, and the Company may never become profitable. The Company currently has a negative operating cash flow and may continue to have that for the foreseeable future. To date, the Company has not generated significant or recurring revenues and the Company expects significant capital investment will be required to begin earning revenue. As a result, the Company expects its net losses from operations to worsen. The Company's ability to generate additional revenues and potential to become profitable will depend largely on its ability to develop, manufacture and market our products. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

*Additional financing.*

The Company has no source of operating cash flow to fund all of its operational needs and will require significant additional financing to continue its operations. There can be no assurance that such financing will be available at all or on favourable terms. Failure to obtain such additional financing could result in delay or indefinite postponement of the Company's deployment of its products. Additional financing may dilute the ownership interest of the Company's shareholders at the time of the financing, and may dilute the value of their investment.

*Uncertainty of additional capital.*

The Company anticipates expending substantial funds to carry out the development, introduction, distribution and production of its products. The Company will require additional funds for these purposes through one or more public or private equity financings, by taking on debt financing, or from other sources. No assurance can be given that such additional funds will be available on acceptable terms or at all. If such funds are unavailable or are only available at a prohibitive cost, the Company may have to significantly curtail its product development program or seek funds through financing alternatives that may require the Company to sell its rights to certain products or certain marketing territories. Any additional equity financing may result in dilution to existing shareholders.

*General venture company risks.*

An investment in the Company's securities should be considered highly speculative due to the nature of the Company's business, the early stage of its deployment, its current financial position and ongoing requirements for capital. An investment in the Company's securities should only be considered by those persons who can afford a total loss of investment, and is not suited to those investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in the Company's securities.

*The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.*

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

*Staffing challenges.*

The recruitment and retention of qualified professionals to develop products, as well as sales, marketing and financial professionals, is critical to the Company's future success. Employee turnover rates can be high and competition for experienced personnel is high. The Company's failure to attract and retain professionals may prevent or hinder its ability to pursue the business plan and grow its business.

*Managing growth.*

If the business plan is successful, the Company may experience significant growth in a short period of time and encounter potential scaling issues. The Company's financial, management and operating resources may not expand sufficiently to adequately manage growth. Costs may increase disproportionately if rapid growth is not manageable, and future revenues may stop growing or decline and the Company may face dissatisfied customers. Failure to manage growth may adversely impact the Company's business and the value of the shareholders' investment.

*Failure to successfully integrate acquired businesses and other assets.*

The consummation and integration of acquired businesses or other assets into the Company may be complex and time consuming and, if such businesses and assets are not successfully integrated, the Company may not achieve the anticipated benefits, cost-savings or growth opportunities. Such acquisitions and other arrangements, even if successfully integrated, may fail to further the Company's business strategy as anticipated, expose the Company to increased competition or other challenges with respect to its products or geographic markets, and expose the Company to additional liabilities associated with an acquired business, technology or other asset or arrangement.

*Discretion and uncertainty of Use of Available Funds.*

Although the Company has set out its intended use of available funds, these intended uses are estimates only and subject to change. While management does not currently contemplate any material variation, management does retain broad discretion in the application of such proceeds. The results and the effectiveness of the application of the funds are uncertain. The failure by the Company to apply these funds effectively could have a material adverse effect on its business, including the Company's ability to achieve its stated business objectives. In addition, the Company may use the funds in ways that a shareholder may not consider desirable.

**Risks Relating to the Company’s Business and the Industry**

*Consumer discretionary spending.*

The Company's business is affected by general economic conditions as its products are discretionary, and the Company depends, to a significant extent, upon a number of factors relating to discretionary consumer spending. These factors include economic conditions and perceptions of such conditions by consumers, employment rates, the level of consumers’ disposable income, business conditions, interest rates, consumer debt levels and availability of credit.

*Development of software products.*

To execute the business plan, the Company must develop software products. If the technologies are not accepted in the marketplace, or if the technologies are not brought to market in a timely manner, this could materially and adversely impact the Company.

The Company's future success depends on the ability to maintain a competitive position with respect to technological advances. Competitors may develop products that are more effective or develop products faster, which could in turn render the Company’s technology obsolete or non-competitive.

There can be no assurance that there is a market for the Company’s products, or of the size of the market or the market’s acceptance of our products. Sales outcomes are based upon a variety of factors which cannot be assured. If the Company fails to successfully develop and commercialize the Company’s products, or if the products are not accepted by the market, the Company’s business prospects will suffer.

*Health data and security breaches.*

The Company's products involve access to user health data and other confidential and private information, including credit and debit card numbers and other personally identifiable information. The Company believes that it is taking reasonable steps to protect the security, integrity and confidentiality of the information the Company collects, uses, stores and discloses, but there is no guarantee that inadvertent or unauthorized data access or use will not occur despite prevention efforts. In the future, attempts may be made to disable the Company's systems or breach the security of its systems. It is generally difficult to recognize techniques to obtain unauthorized access to personal information, confidential information and/or the systems on which such information are stored and/or to sabotage systems until they are launched against a target, as they frequently change. As a result, the Company may be unable to anticipate these techniques or to implement adequate preventative measures.

The market perception of the Company's security measures could be harmed if an actual or perceived security breach occurs. The Company could also lose Nara App and PlantGx Platform users and/or suffer other negative consequences to its business. A security breach could cause the loss or corruption of data, which could harm our business. Any failure to maintain the security of our systems could result in loss of personal information and/or other confidential information, damage to our reputation and relationships with users, early termination of contracts with users and other business losses, indemnification of our users, financial penalties, litigation, regulatory investigations and other significant liabilities. In the event of a major third-party security incident, we may incur losses in excess of their insurance coverage.

*Innovations in genomic reporting.*

The Company expects to encounter intense competition from companies that provide reports based on a user's genomic data. Many of the Company’s competitors have substantially greater financial, technical, research, marketing, sales, service and other resources than the Company, and may develop products that are superior to those of the Company. Competitors may succeed in obtaining patent protection for their products before the Company obtain patent protection for similar inventions. If the Company’s competitors develop products that have greater market attraction than the Company’s or that render the Company’s products obsolete or non-competitive, the Company’s business will suffer.

*Intellectual Property.*

The Company relies on the trade secret and other intellectual property laws of Canada, the United States and the other countries where it intends to do business to protect its intellectual property rights. The Company may be unable to prevent third parties from using its intellectual property without its authorization. The unauthorized use of the Company's intellectual property could reduce any competitive advantage that it has developed, reduce its market share or otherwise harm its business. In the event of unauthorized use of the Company's intellectual property, litigation to protect and enforce the Company's rights could be costly, and the Company may not prevail.

The Company intends to rely on unpatented technological innovation and other trade secrets to develop and maintain its competitive position. Although the Company generally enters into confidentiality agreements with its employees and third parties to protect its intellectual property, these confidentiality agreements are limited in duration, could be breached and may not provide meaningful protection of its trade secrets. Adequate remedies may not be available if there is an unauthorized use or disclosure of the Company's trade secrets expertise. In addition, others may obtain knowledge about the Company's trade secrets through independent development or by legal means. The failure to protect the Company's processes, technology, trade secrets and proprietary manufacturing expertise, methods and compounds could have a material adverse effect on its business by jeopardizing critical intellectual property.

Where product development or a process is kept as a trade secret, third parties may independently develop or invent and patent products or processes identical to such trade secret products or processes. This could have a material adverse effect on the Company's ability to make and sell its products or use such processes and could potentially result in costly litigation in which the Company might not prevail. The Company could face intellectual property infringement claims that could result in significant legal costs and damages and impede its ability to produce key products, which could have a material adverse effect on its business, financial condition, and results of operation.

*Natural health treatments.*

The Company's products provide users with information about natural plant medicine treatments, some of which may be regulated as controlled or restricted substances in various jurisdictions. The Company's Nara App users may suffer physical or mental harm or legal consequences as a result of following such information, and may seek redress from the Company, despite the Company's use of product disclaimers.

*Regulation of medical devices.*

The Company's products provide users with information about natural plant medicine treatments. If national health regulators, such as the US Food & Drug Administration or Health Canada, assess that the Company's products make health claims, the Company may be subject to medical device regulations. The "software as a medical device" and "prescription digital therapeutics" fields are relatively new, and there is insufficient clarity as to how such digital health products will be regulated. An adverse finding from a health regulator may render the Company's products unmarketable in the applicable jurisdiction, until such time as the Company can develop conforming products. The Company intends to be responsive to any health regulator requests.

*COVID-19.*

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 financial results and condition of the Company and its operating subsidiaries in future periods. However, depending on the length and severity of the pandemic, COVID-19 could interrupt the Company's operations; increase operating expenses; cause delayed performance of contractual obligations; impair the Company's ability to raise funds depending on COVID-19s effect on capital markets; adversely affect the Company's supply partners, contractors, customers and/or transportation carries; and cause fluctuations in the price and demand for the Company's products.

In particular, as of the date of this Prospectus, the full extent of the effects of the COVID-19 pandemic are unknown. The continued spread of COVID-19 and the measures taken by the governments of countries affected could disrupt the Company's use of available funds and the timelines, business objectives or disclosed milestones related thereto, and thus, adversely impact the Company's business, financial condition, results of operations and prospects. In addition, there can be no assurance that the Company will not lose members of its workforce (e.g., employees or consultants) or see its workforce man-hours reduced or incur increased medical costs as a result of these health risks. The Company will actively assess and respond where possible to the potential impact of the COVID-19 pandemic. It is difficult to predict how the COVID-19 pandemic may affect the Company's business in the future, including the effect it may have (positive or negative; long or short term) on the price of, and demand for the Company's products. It is possible that the COVID-19 virus could have a material adverse effect on the Company's business, financial condition, results of operations and prospects as well as the market for its securities and/or its ability to obtain financing. The extent to which the COVID-19 pandemic impacts the Company's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus, the duration of the outbreak and the actions to contain its impact.

**Risks Relating to the Common Shares**

*Market price of Common Shares and volatility*.

The Common Shares do not currently trade on any exchange or stock market. Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Factors unrelated to the Company's performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares.

The market price of the Common Shares is affected by many other variables which are not directly related to our success and are, therefore, not within the Company's control. These include other developments that affect the breadth of the public market for the Common Shares, the release or expiration of lock-up or other transfer restrictions on the Common Shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares is expected to make the Common Share price volatile in the future, which may result in losses to investors.

*No established market*.

There is currently no market through which the Company's securities may be sold and purchasers may not be able to resell the Common Shares purchased under this Prospectus. An active public market for the Common Shares might not develop or be sustained after this Offering. Even if a market develops, there is no assurance that the price of the Common Shares, will reflect the prevailing market price of the Common Shares immediately following the Listing Date. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited, and the Common Share price may decline below the initial public offering price.

*Dividends.*

The Company intends to retain earnings, if any, to finance the growth and development of its business and do not intend to pay cash dividends on the Common Shares in the foreseeable future, if ever. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

*Substantial number of authorized but unissued shares.*

The Company has an unlimited number of Common Shares that may be issued by the Board without further action or approval of the Company's shareholders. While the Board is required to fulfill its fiduciary obligations in connection with the issuance of such shares, the shares may be issued in transactions with which not all shareholders agree, and the issuance of such shares will cause dilution to the ownership interests of the Company's shareholders.

*Dilution.*

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Common Share. The Company intends to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance the Company's operations, development, exploration, acquisitions or other projects. Substantial additional financing may be required by the Company. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per Common Share.

As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the long-term value of the Company. Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

*Tax Issues.*

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for the securities.

*Benefit Company.*

The Company is a benefit company under the recently enacted benefit company provisions of the *BCA*. A benefit company is a new type of for-profit company that must include a "benefit statement" in its notice of articles and a "benefit provision" in its articles. The "benefit statement" is a statement in the notice of articles that "this company is a benefit company and, as such, is committed to conducting its business in a responsible and sustainable manner and promoting one or more public benefits". The Company's "benefit provision" in the Articles is to "to improve the health and wellness of people by providing a technology platform that identifies plant-based solutions tailored to the health profile of every individual ".

As a benefit company the Company is required to prepare and publish an annual "benefit report" that assesses the Company's performance in carrying out the commitments in its benefit provision against a third-party standard selected by the Company's directors for that financial year. If the Company is not timely or are unable to provide this report, or if the report is not viewed favourably by parties doing business with the Company or regulators or others reviewing the Company's credentials, reputation and status as a benefit company may be harmed.

As a benefit company the Company must act honestly and in good faith with a view to conducting the business in a responsible and sustainable manner, and promoting the public benefits specified in the Articles. The Company must also balance the duty to act honestly and in good faith with a view to the best interests of the company with the benefit duty. There is no assurance that the expected positive impact from being a benefit company will be realized. Accordingly, being a benefit company and complying with the Company's related obligations could negatively impact the Company's ability to provide the returns to its shareholders.

## PROMOTERS

Francisco Kent Carasquero, previously the Company's VP Finance and Director, may be considered to be a "promoter" of the Company as he took the initiative in guiding the Company through its recent financings and the acquisition of PGT.

As of the date of this Prospectus, Mr. Carasquero directly, and indirectly through entities controlled by him, owns a total of 2,138,865 Common Shares. Mr. Carasquero also owns 500,000 $0.10 Performance Warrants, issued to Mr. Carasquero as partial consideration for services provided by him as VP Finance, and exercisable for Common Shares at a price of $0.10 per share for a period ending on January 21, 2023. 50% of such $0.10 Performance Warrants vested and became exercisable upon completion of the acquisition of PGT, with the remaining 50% to vest and become exercisable upon the listing of the Common Shares on the Exchange. In addition, Mr. Carasquero owns a 40% interest in ETC3. ETC3 owns 400,000 Common Shares, acquired in connection with the acquisition of PGT, and 500,000 $0.30 Finder Warrants exercisable for Common Shares at a price of $0.30 per share, expiring October 4, 2023 subject to the right of the Company to accelerate the expiration date of the warrants if the closing price of the Common Shares is equal to or greater than $0.60 per share for a period of ten consecutive trading days.

To the Company's knowledge, Mr. Carasquero was not:

(a) as at the date of this Prospectus, or during the 10 years prior to the date of this Prospectus, a director, chief executive officer or chief financial officer of any entity that was subject to any "orders" (within the meaning set forth in Section 22.1(3) of Form 41-101F1) that were issued while that person was acting as a director, chief executive officer or chief financial officer of that entity or any orders there were issued after than person ceased to act as a director, chief executive officer or chief financial officer of that entity and resulted from an event that occurred while that person was acting in the capacity of a director, chief executive officer or chief financial officer of that entity;

(b) as at the date of this Prospectus, or during the 10 years prior to the date of this Prospectus, a director or officer of any entity that, while that person was acting in that capacity, or within a year after ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings with creditors, or had a receive appointed to hold its assets;

(c) within the 10 years prior to the date of this Prospectus, personally bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person; or

(d) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

See "Directors and Executive Officers" for additional information on Mr. Carasquero.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company and its property is and was not a party or subject to any material legal proceedings and does not know of any such proceedings that are contemplated since the beginning of the Company's most recently completed financial year.

The Company is not aware of any:

(a) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Prospectus;

(b) any other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; or

(c) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Prospectus.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as previously disclosed in this Prospectus, none of the Company's directors, senior officers and principal shareholders or any of their associates or affiliates have a material interest, direct or indirect, in any transactions in which the Company has participated or will have any material interest in any proposed transaction, within the three years before the date of the Prospectus which has materially affected or will materially affect the Company.

## AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are Saturna Group Chartered Professional Accountants LLP, located at 1605 - 1166 Alberni, Vancouver B.C. V6E 3Z3.

The transfer agent and registrar for the Common Shares is TSX Trust, located at 2700 – 650 West Georgia Street, Vancouver, BC V6B 4N9.

## MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only contracts which have been entered into by the Company as of the date hereof or which will be entered into prior to the Closing of this Offering and which are regarded presently as material are:

1. PGT Acquisition Agreement dated October 4, 2021 between the Company, PGT and the shareholders of PGT. See "Business of the Company – Acquisition of PGT" for additional information

2. M&A Finder Agreement dated September 19, 2021 between the Company and ETC3, pursuant to which ETC3 acquired 500,000 $0.30 Finder Warrants in connection with the acquisition of PGT by the Company.

3. Exclusive Services Agreement dated November 12, 2021 between the Company and Looking Glass Media Limited ("Looking Glass") (a company controlled by Francisco Kent Carasquero), pursuant to which Looking Glass provides e-commerce consulting services to the Company.

4. Escrow Agreement dated April 26, 2016 between the Company, TSX Trust as escrow agent, and certain shareholders of the Company.

5. Intellectual Property Asset Purchase Agreement dated February 4, 2021 between PGT and Excelar. See "Business of the Company – Pangenomic Technologies Corp." for additional information.

6. LivNao Agreement dated January 10, 2022 between the Company and LivNao. See "Business of the Company - Acquisition of LivNao Intellectual Property" for additional information.

7. Registrar and Transfer Agent Agreement dated April 26, 2016 between the Company and TSX Trust (formerly Equity Financial Trust Company) as registrar and transfer agent.

## EXPERTS

The following companies whose profession or business give authority to report, valuation, statement or opinion made by the company are named in this Prospectus as having prepared or certified a report, valuation, statement or opinion in this Prospectus:

- The audited financial statements included in this Prospectus have been subject to an audit by Saturna Group Chartered Accountants LLP ("Saturna Group"), and their audit reports are included herein. Saturna Group is independent in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

## OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein.

## STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Securities legislation in certain provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

## CONTRACTUAL RIGHT OF RECISSION

The Company has granted to each holder of Subscription Receipts a contractual right of rescission of the prospectus-exempt transaction under which Subscription Receipts were initially acquired. The contractual right of rescission provides that if a holder of a Subscription Receipt who acquires a Unit Share or a Unit Warrant on the conversion of the Subscription Receipt as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this prospectus or an amendment to this Prospectus containing a misrepresentation:

(a) the holder is entitled to rescission of both the holder's exercise or deemed exercise of the Subscription Receipt and the private placement transaction under which the securities were initially acquired;

(b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Corporation on the acquisition of the Common Shares or Warrants; and

(c) if the holder is a permitted assignee of the interest of the original Subscription Receipt subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

## FINANCIAL STATEMENT PRESENTATION IN THIS PROSPECTUS

The following financial statements of the Company and its subsidiary, PGT, have been prepared in accordance with international financial reporting standards ("IFRS") and are included as Schedules "A", "B" and "C" to this Prospectus:

- The financial statements of the Company for the years ended December 31, 2020 (audited) and December 31, 2019 (audited) and for the interim period ended September 30, 2020 (unaudited), together with the notes thereto and the auditors' report thereon in respect of the audited financial statements.

- the audited financial statements of PGT for the period from inception on September 17, 2020 to December 31, 2020 and the interim period ended September 30, 2020, together with the notes thereto and the auditors' report thereon; and

- the Pro Forma Consolidated Financial Statements.

**SCHEDULE "A" – FINANCIAL STATEMENTS AND MD&AS OF THE COMPANY**

(See attached)

# ZETTA CAPITAL CORP.

Financial Statements

Years Ended December 31, 2020 and 2019

(Expressed in Canadian Dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

# INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of Zetta Capita Corp.**

## Opinion

We have audited the financial statements of Zetta Capital Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years 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 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has not generated any revenue and has negative cash flow from operations during the year ended December 31, 2020 and, as at that date, the Company has an accumulated deficit of $337,872. 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
- The information, other than the financial statements and our auditor's report thereon, in the Prospectus.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of the auditor's report. If, based on the work we have performed on this 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.

The Prospectus is expected to be made available to us after the date of the auditor's report. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

August 19, 2021

**ZETTA CAPITAL CORP.**
Statements of Financial Position
(Expressed in Canadian Dollars)

| | December 31, 2020 $ | December 31, 2019 $ |
|---|---|---|
| ASSETS | | |
| Current assets | | |
| Cash | 38,227 | 2,243 |
| Amounts receivable | 7,998 | 3,365 |
| Prepaid expenses | 1,000 | – |
| Loan receivable (Note 4) | 100,000 | – |
| Total assets | 147,225 | 5,608 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 51,901 | 3,168 |
| Loan payable (Note 5) | 27,500 | – |
| Due to related parties (Note 6) | 56,872 | – |
| Total liabilities | 136,273 | 3,168 |
| SHAREHOLDERS EQUITY | | |
| Share capital | 200,324 | 200,324 |
| Share subscriptions received (Note 7) | 148,500 | – |
| Deficit | (337,872) | (197,884) |
| Total shareholders' equity | 10,952 | 2,440 |
| Total liabilities and shareholders' equity | 147,225 | 5,608 |

Nature of operations and continuance of business (Note 1)
Commitment (Note 8)
Subsequent events (Note 12)

Approved and authorized for issuance on behalf of the Board of Directors on August 19, 2021:

*/s/ "Tony Louie"*
Tony Louie, Director

(The accompanying notes are an integral part of these financial statements)

**ZETTA CAPITAL CORP.**
Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

| | Year ended December 31, 2020 $ | Year ended December 31, 2019 $ |
|---|---|---|
| Expenses | | |
| Consulting fees (Note 6) | 119,000 | – |
| General and administrative | 1,115 | 72 |
| Professional fees | 14,748 | – |
| Transfer agent and filing fees | 2,086 | 3,366 |
| Total expenses | 136,949 | 3,438 |
| Loss before other income (expense) | (136,949) | (3,438) |
| Other income (expense) | | |
| Interest expense | (3,317) | – |
| Interest income | 278 | – |
| Total other income (expense) | (3,039) | – |
| Net loss and comprehensive loss for the year | (139,988) | (3,438) |
| Loss per common share, basic and diluted | (0.02) | – |
| Weighted average common shares outstanding | 5,869,355 | 5,869,355 |

(The accompanying notes are an integral part of these financial statements)

**ZETTA CAPITAL CORP.**
Statements of Changes in Equity
(Expressed in Canadian Dollars)

| | Share capital | | Share subscriptions received | Deficit | Total shareholders' equity |
|---|---|---|---|---|---|
| | Number of common shares | Amount $ | $ | $ | $ |
| Balance, December 31, 2018 | 5,869,355 | 200,324 | – | (194,446) | 5,878 |
| Net loss for the year | – | – | – | (3,438) | (3,438) |
| Balance, December 31, 2019 | 5,869,355 | 200,324 | – | (197,884) | 2,440 |
| Share subscriptions received | – | – | 148,500 | – | 148,500 |
| Net loss for the year | – | – | – | (139,988) | (139,988) |
| Balance, December 31, 2020 | 5,869,355 | 200,324 | 148,500 | (337,872) | 10,952 |

(The accompanying notes are an integral part of these financial statements)

**ZETTA CAPITAL CORP.**
Statements of Cash Flows
(Expressed in Canadian Dollars)

| | Year ended December 31, 2020 $ | Year ended December 31, 2019 $ |
|---|---|---|
| Operating activities | | |
| Net loss for the year | (139,988) | (3,438) |
| Items not involving cash: | | |
| Loan fee | 2,500 | – |
| Changes in non-cash operating working capital: | | |
| Amounts receivable | (4,633) | (169) |
| Prepaid expenses | (1,000) | – |
| Accounts payable and accrued liabilities | 48,733 | 2,293 |
| Due to related parties | 56,872 | (5,250) |
| Net cash used in operating activities | (37,516) | (6,564) |
| Investing activities | | |
| Loan receivable advance | (100,000) | – |
| Net cash used in investing activities | (100,000) | – |
| Financing activities | | |
| Proceeds from loan payable | 25,000 | – |
| Proceeds from shares subscriptions received | 148,500 | – |
| Net cash provided by financing activities | 173,500 | – |
| Change in cash | 35,984 | (6,564) |
| Cash, beginning of year | 2,243 | 8,807 |
| Cash, end of year | 38,227 | 2,243 |

(The accompanying notes are an integral part of these financial statements)

## 1. Nature of Operations and Continuance of Business

Zetta Capital Corp. (the "Company") was incorporated under the laws of the province of British Columbia, Canada on December 11, 2015. The address of the Company's corporate office and principal place of business is 232 – 3800 Wesbrook Mall, Vancouver, BC, V6S 2L9.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended December 31, 2020, the Company has not generated any revenues and has negative cash flow from operations. As at December 31, 2020, the Company has an accumulated deficit of $337,872. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

## 2. Basis of Presentation

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(b) Basis of Presentation

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company is the Canadian dollar. In the opinion of the Company's management, all adjustments considered necessary for a fair presentation have been included.

(c) Significant Accounting Estimates and Judgments

The preparation of these financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the recoverability of loan receivable and unrecognized deferred income tax assets.

<u>Recoverability of Loan Receivable</u>

The recoverability of loan receivable is assessed by management at the reporting date by applying the expected credit loss impairment model. The model reflects historical loss experiences, facts and circumstances that have existed during the period, informed credit assessment, and consideration of forward-looking information. If actual credit losses differ from estimates, future earnings would be affected.

**2. Basis of Presentation** (continued)

(d) Significant Accounting Estimates and Judgments

Current and Deferred Income Taxes

The determination of income tax expense and the composition of deferred income tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred income tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretations, judgments, and estimates may materially affect the final amount of current and deferred income tax provisions, deferred income tax assets and liabilities, and results of operations.

*Significant Judgments*

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

Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the year ended December 31, 2020. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded there is a significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

**3. Significant Accounting Policies**

(a) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(b) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

**3. Significant Accounting Policies** (continued)

(b) Financial Instruments (continued)

The Company has made the following classifications:

| | |
|---|---|
| Cash | Amortized cost |
| Amounts receivable | Amortized cost |
| Loan receivable | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |
| Loan payable | Amortized cost |
| Due to related parties | Amortized cost |

*Financial assets*

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

*Financial assets at FVTPL*

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

*Financial assets at amortized cost*

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

*Impairment of financial assets*

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

**3. Significant Accounting Policies** (continued)

(b) Financial Instruments (continued)

_Financial assets_ (continued)

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

_Financial liabilities and equity instruments_

*Classification as debt or equity*

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

*Other financial liabilities*

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(c) Income Taxes

*Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**3. Significant Accounting Policies** (continued)

(c) Income Taxes (continued)

*Deferred income tax*

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(d) Loss Per Share

Basic loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share. The dilutive effect of convertible securities is reflected in the diluted loss per share by application of the "if converted" method. The dilutive effect of outstanding incentive stock options and their equivalents is reflected in the diluted loss per share by application of the treasury stock method.

(e) Comprehensive Loss

Comprehensive loss is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the statement of loss.

(f) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2020, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

**4. Loan Receivable**

On December 11, 2020, the Company entered into a loan agreement with Pangenomic Health Corp. (“Pangenomic”) pursuant to which the Company agreed to advance Pangenomic up to $250,000. The unsecured demand loan bears interest at 5% per annum. On December 15, 2020, the Company advanced $100,000 to Pangenomic. Refer to Note 12(f).

**5. Loan Payable**

On September 15, 2020, the Company entered into a loan agreement with a company controlled by the Vice President Finance (“VP Finance”) for $25,000. The loan bears interest at 10% per annum and is due on December 14, 2020. In addition, the Company agreed to pay a loan fee of $2,500. As at December 31, 2020, the Company owes a principal balance of $27,500, including the loan fee, and has accrued interest of $817 which is included in accounts payable and accrued liabilities.

## 6. Related Party Transactions

(a) During the year ended December 31, 2020, the Company incurred consulting fees of $30,000 (2019 - $nil) to VP Finance of the Company. As at December 31, 2020, the Company owed $34,872 (2019 - $nil) to the VP Finance of the Company. The amount is non-interest bearing, unsecured, and due on demand.

(b) During the year ended December 31, 2020, the Company incurred consulting fees of $24,000 (2019 - $nil) to the Chief Executive Officer ("CEO") of the Company. As at December 31, 2020, the Company owed $22,000 (2019 - $nil) to the CEO of the Company. The amount is non-interest bearing, unsecured, and due on demand.

## 7. Share Capital

Authorized: Unlimited number of Class A common shares without par value
Unlimited number of Class B preferred shares without par value

As at December 31, 2020, the Company received share subscriptions of $148,500. Refer to Note 12(d).

## 8. Commitment

On December 1, 2020, the Company entered into an agreement for corporate advisory services whereby the Company is to pay the consultant $15,000 per month for a period of one year. The Company is also to grant 300,000 stock options immediately prior to or immediately after listing on any recognized stock exchange at the exercise price and expiry date being consistent with that of the stock options to be granted to the officers and directors of the Company in the same option grant. Either party can be terminated the agreement without any reason by providing thirty days' notice to the other party. Refer to Note 12(j).

## 9. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The fair values of financial instruments, which includes cash, amounts receivable (except GST receivable), loan receivable, accounts payable and accrued liabilities, loan payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and loan receivable. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. The carrying amount of financial assets represents the maximum credit exposure.

(Expressed in Canadian Dollars)

## 9. Financial Instruments and Risk Management (continued)

(c) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

## 10. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of its operations. 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 defines capital to include its working capital position, share capital, and accumulated deficit.

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.

## 11. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

| | 2020<br>$ | 2019<br>$ |
|---|---|---|
| Net loss for the year | (139,988) | (3,438) |
| Statutory income tax rate | 11% | 12% |
| Income tax recovery at statutory rate | (15,399) | (412) |
| Change in tax rates | 1,979 | – |
| Change in unrecognized deferred income tax assets | 13,420 | 412 |
| Income tax provision | – | – |

(Expressed in Canadian Dollars)

**11. Income Taxes** (continued)

The significant components of deferred income tax assets and liabilities are as follows:

| | 2020<br>$ | 2019<br>$ |
|---|---|---|
| Deferred income tax assets | | |
| Non-capital losses carried forward | 37,166 | 23,746 |
| Total gross deferred income tax assets | 37,166 | 23,746 |
| Unrecognized deferred income tax assets | (37,166) | (23,746) |
| Net deferred income tax assets | – | – |

As at December 31, 2020, the Company has non-capital losses carried forward of $337,872, which are available to offset future years' taxable income. These losses expire as follows:

| | $ |
|---|---|
| 2035 | 186 |
| 2036 | 4,531 |
| 2037 | 1,737 |
| 2038 | 187,992 |
| 2039 | 3,438 |
| 2040 | 139,988 |
| | 337,872 |

**12. Subsequent Events**

(a) On January 8, 2021, the Company entered into a loan agreement for proceeds of $20,000. The loan bears interest at 10% per annum and is due on April 8, 2021. In addition, the Company agreed to pay a loan fee of $2,000. On April 1, 2021, the Company entered into a debt settlement agreement to settle the loan. Refer to Note 12(g).

(b) On January 13, 2021, the Company issued 480,000 units to settle $24,000 of consulting fees owed to the CEO of the Company. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.10 per common share expiring on January 13, 2023. In the event that the Company's shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

(c) On January 13, 2021, the Company issued 672,198 units to settle $33,610 of outstanding indebtedness owed to the VP Finance and a company controlled by the VP Finance, of which $33,872 was owed at December 31, 2020. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.10 per common share expiring on January 13, 2023. In the event that the Company's common shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

**12. Subsequent Events** (continued)

(d) On January 13, 2021, the Company issued 3,170,000 units at $0.05 per unit for proceeds of $158,500, of which $148,500 was received at December 31, 2020. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.10 per common share expiring on January 13, 2023. In the event that the Company's common shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

(e) On January 21, 2021, the Company entered into an agreement with the VP Finance whereby the Company is to pay $10,000 per month for a period of two years from an effective date of October 31, 2020. The Company issued 500,000 share purchase warrants exercisable at $0.10 per common share expiring on January 21, 2023. The share purchase warrants are subject to the following vesting requirements: (1) 250,000 warrants will vest upon the Company completes an asset purchase, business acquisition, take-over bid, amalgamation, arrangement or other form of merger or business combination and (2) 250,000 warrants will vest upon the listing of the Company's common shares on a stock exchange or other public market in Canada or the United States.

(f) On February 24, 2021, the Company advanced the remaining $150,000 to Pangenomic (refer to Note 4). The loan is unsecured, bears interest at 5% per annum, and was due on June 30, 2021. On June 8, 2021, the maturity date of the loans receivable was extended to June 30, 2022.

(g) On April 22, 2021, the Company issued 149,111 units to settle an aggregate of $22,366 of an outstanding loan plus accrued interest owed by the Company (refer to Note 12(a)). Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.10 per common share expiring on April 22, 2023. In the event that the Company's common shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

(h) On April 22, 2021, the Company issued 3,949,342 units at $0.15 per unit for proceeds of $592,401. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.10 per common share expiring on April 22, 2023. In the event that the Company's common shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

(i) On June 8, 2021, the Company extended the maturity date of the loan agreement with Pangenomic to June 30, 2022 and agreed to advance Pangenomic an additional $250,000. On June 9, 2021, the Company advanced $100,000 to Pangenomic. On July 7, 2021, the Company advanced the remaining $150,000 to Pangenomic.

(j) Subsequent to December 31, 2020, the agreement described in Note 8 was terminated.

**12. Subsequent Events** (continued)

(k) On July 23, 2021, the Company issued 6,929,334 units at $0.15 per unit for proceeds of $1,039,400. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.30 per common expiring on July 23, 2023. In connection with the issuance, the Company paid cash finder's fees of $62,364 and issued 15,960 broker's warrants with a fair value of $1,448, which were recorded as share issuance costs. The broker's warrants have the same terms as the warrants issued in the unit private placement. In the event that the Company's shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants. In connection with this private placement, the Company issued 15,960 broker's warrants as a finder's fee.

(l) On June 8, 2021, the Company entered into a loan agreement with Pangenomic pursuant to which the Company agreed to advance an additional loan of up to $250,000. On June 9, 2021, the Company advanced $100,000 to Pangenomic. On July 7, 2021, the Company advanced $150,000 to Pangenomic. The loan is unsecured, bears interest at 5% per annum, and is due on June 8, 2022.

(m) Subsequent to December 31, 2020, the Company received subscriptions for 5,171,665 units at $0.15 per unit for proceeds of $775,750. Each unit will consist of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.30 per common share for a period of two years from the date of issuance. In the event that the Company's common shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

# ZETTA CAPITAL CORP.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Year ended December 31, 2020

This Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of Zetta Capital Corp. ("Zetta" or the "Company") This MD&A should be read in conjunction with the Company's audited financial statements and the related notes for the year ended December 31, 2020, which have been prepared under International Financial Reporting Standards ("IFRS").

All financial information in this MD&A has been prepared in accordance with IFRS. All dollar amounts included therein and in the following MD&A are in Canadian dollars, the reporting and functional currency of the Company, except where noted. The MD&A contains information up to and including August 19, 2021 (the "Report Date").

## FORWARD-LOOKING STATEMENT

Certain statements contained in this MD&A may constitute "forward-looking statements". Such term is defined in applicable securities laws. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors and assumptions include, among others, uncertainty relating to the Company's ability to successfully execute its business plans and intentions, the ability of the Company to raise additional capital to complete its business plans and fund its research and development activities, the commercial viability of the Company's products under development, the continued availability of key leadership personnel and the ability to attract and retain qualified personnel, general business, economic, and competitive uncertainties; the limited operating history of the Company; the ability to protect, maintain and enforce intangible property rights; future growth plans and the ability to meet business objectives; the acceptance by customers and the marketplace of new products; ability to attract and retain personnel; and expectations with respect to advancement and adoption of new product lines.

While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company's management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws.

## OVERVIEW

The Company was incorporated under the laws of British Columbia on December 11, 2015. Zetta was formed for the purpose of new business ventures.

On September 15, 2020, the Company entered into a loan agreement with a company controlled by the Vice President Finance ("VP Finance") for $25,000. The loan bears interest at 10% per annum and is due on December 14, 2020. In addition, the Company agreed to pay a loan fee of $2,500. As at December 31, 2020, the Company owes a principal balance of $27,500, including the loan fee, and has accrued interest of $817 which is included in accounts payable and accrued liabilities.

On October 16, 2020, Zetta entered into a letter of intent with Pangenomic Health Corp. (“Pangenomic”) to acquire all of the outstanding shares of Pangenomic (the "Pangenomic Shares"). To acquire Pangenomic, Zetta will issue one common share for every Pangenomic Share outstanding at an agreed price of $0.15 per Pangenomic Share, being 11,666,667 Pangenomic Shares in the aggregate, having an agreed upon value of $1,750,000. Upon closing of the acquisition, Pangenomic will become a wholly owned subsidiary of Zetta and the operations will be carried out through Pangenomic.

On December 11, 2020, the Company entered into a loan agreement with Pangenomic pursuant to which the Company agreed to advance Pangenomic up to $250,000. The unsecured demand loan bears interest at 5% per annum and was due on June 30, 2021. On December 15, 2020, the Company advanced $100,000 to Pangenomic. On February 24, 2021, the Company advanced the remaining $150,000 to Pangenomic.

On January 8, 2021, the Company entered into a loan agreement with a third party lender for proceeds of $20,000. The loan bears interest at 10% per annum and is due on April 8, 2021. In addition, the Company agreed to pay a loan fee of $2,000. On April 1, 2021, the Company entered into a debt settlement agreement to settle the loan.

On January 13, 2021, the Company issued 480,000 units to settle $24,000 of consulting fees owed to the CEO of the Company. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.10 per common share expiring on January 13, 2023. In the event that the Company’s shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

On January 13, 2021, the Company issued 672,198 units to settle $33,610 of outstanding indebtedness owed to the VP Finance and a company controlled by the VP Finance, of which $33,872 was owed at December 31, 2020. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.10 per common share expiring on January 13, 2023. In the event that the Company’s common shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

On January 13, 2021, the Company issued 3,170,000 units at $0.05 per unit for proceeds of $158,500, of which $148,500 was received at December 31, 2020. Each unit consisted of one common share and one share warrant. Each share purchase warrant is exercisable at a price of $0.10 per common share expiring on January 13, 2023. In the event that the Company’s common shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

On January 21, 2021, the Company entered into an agreement with the VP Finance whereby the Company is to pay $10,000 per month for a period of two years from an effective date of October 31, 2020. The Company issued 500,000 share purchase warrants exercisable at $0.10 per common share expiring on January 21, 2023. The share purchase warrants are subject to the following vesting requirements: (1) 250,000 warrants will vest upon the Company completes an asset purchase, business acquisition, take-over bid, amalgamation, arrangement or other form of merger or business combination and (2) 250,000 warrants will vest upon the listing of the Company's common shares on a stock exchange or other public market in Canada or the United States.

On April 22, 2021, the Company issued 149,111 units to settle an aggregate of $22,366 of an outstanding loan plus accrued interest owed by the Company. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.10 per common share expiring on April 22, 2023. In the event that the Company's common shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

On April 22, 2021, the Company issued 3,949,342 units at $0.15 per unit for proceeds of $592,401. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.10 per common share expiring on April 22, 2023. In the event that the Company's common shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

On June 8, 2021, the Company extended the maturity date of the loan agreement with Pangenomic to June 30, 2022 and agreed to advance Pangenomic an additional $250,000. On June 9, 2021, the Company advanced $100,000 to Pangenomic. On July 7, 2021, the Company advanced the remaining $150,000 to Pangenomic.

$1,039,400. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.30 per common expiring on July 23, 2023. In connection with the issuance, the Company paid cash finder's fees of $62,364 and issued 15,960 broker's warrants with a fair value of $1,448, which were recorded as share issuance costs. The broker's warrants have the same terms as the warrants issued in the unit private placement. In the event that the Company's shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants. In connection with this private placement, the Company issued 15,960 broker's warrants as a finder's fee.

As at the Report Date, the Company received subscriptions for 5,171,665 units at $0.15 per unit for proceeds of $775,750. Each unit will consist of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.30 per common share for a period of two years from the date of issuance. In the event that the Company's common shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

## FUTURE PLANS

The Company will focus on closing the acquisition of Pangenomic and completing the financing relating to the subscriptions received as at the Report Date.

## PROPOSED TRANSACTIONS

Except as disclosed in this MD&A, the Company has no proposed transactions as at the Report Date.

## SUMMARY OF ANNUAL AND QUARTERY RESULTS

The following table sets out selected information for and as of the periods indicated. The financial information is derived from the Company's financial statements.

| | December 31, 2020 $ | December 31, 2019 $ | December 31, 2018 $ |
|---|---|---|---|
| Total revenue | - | - | - |
| Loss and comprehensive loss | (139,988) | (3,438) | (187,992) |
| Net loss per share, basic and fully diluted | (0.02) | (0.00) | (0.03) |
| Total assets | 147,225 | 5,608 | 12,003 |
| Total liabilities | 136,273 | 3,168 | 6,125 |

The Company has not historically prepared quarterly results.

## RESULTS OF OPERATIONS

The Company incurred a net loss of $139,988 for the year ended December 31, 2020 (2019 - $3,438). The key component of the net loss and comprehensive loss for the year ended December 31, 2020 was primarily due to the increase in operating activities as the Company reviewed potential business ventures. Details of material expenses are as follows:

- consulting fees of $119,000 (2019 - $Nil) relating to various services pertaining to potential business ventures including consulting fees of $54,000 to related parties;
- professional fees of $14,748 (2019 - $Nil) relating to accounting and legal work; and
- transfer agent and filing fees of $2,086 (2019 - $3,366) relating to the reduction in regulatory filings.

The Company incurred a net loss of $92,055 for the three months ended December 31, 2020. The key component of the net loss and comprehensive loss for the three months ended December 31, 2020 was primarily due to the increase in operating activities as the Company reviewed potential business ventures. Details of material expenses are as follows:

- consulting fees of $73,250 (2019 - $Nil) which relates to various services pertaining to potential business ventures including consulting fees of $36,000 to related parties; and
- professional fees of $14,748 (2019 - $Nil) relating to accounting and legal work.

## LIQUIDITY

During the year ended December 31, 2020, the Company has not generated any revenues. The Company started the year with working capital of $2,440. As at December 31, 2020, the Company had working capital of $10,952 and an accumulated deficit of $337,872. The Company's performance was as follows:

| | December 31, 2020 $ | December 31, 2019 $ | Change |
|---|---|---|---|
| Cash used in operating activities | (37,516) | (6,564) | (30,952) |
| Cash used in investing activities | (100,000) | - | (100,000) |
| Cash provided by financing activities | 173,500 | - | 173,500 |

During the year ended December 31, 2020, the Company had a net loss of $139,988 (2019 - $3,438) and spent $37,516 (2019 - $6,564) of cash on operating activities, $100,000 (2019 - $Nil) on investing activities and received $173,500 (2019 - $Nil) from financing activities. Investing activities consist of lending $100,000 to Pangenomic. Financing activities consist of $25,000 in a loan from a company controlled by the VP Finance and $148,500 in proceeds received relating to share subscriptions received in advance. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

## CAPITAL RESOURCES

The Company has not yet realized profitable operations and it has relied on non-operational sources of financing to fund operations. The ability of the Company to achieve its objectives, meet its ongoing obligations and recover its investments in assets will depend on management's ability to successfully execute its business plan, achieve profitable operations and obtain additional financing, if or when required. There is no assurance that these initiatives will be successful.

## RELATED PARTY DISCLOSURES

As at the Report Date and December 31, 2020, the directors, officers and Management of the Company are as follows:

Tony Louie, Chief Executive Officer ("CEO") and director
Kent Carasquero, VP Finance

Key management personnel are the persons responsible for the planning, directing, and controlling the activities of the Company and includes both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

During the year ended December 31, 2020, the Company incurred consulting fees of $30,000 (2019 - $Nil) to the VP Finance of the Company. As at December 31, 2020, the Company owed $34,872 (2019 - $Nil) to the VP Finance. The amount is non-interest bearing, unsecured, and due on demand.

During the year ended December 31, 2020, the Company incurred consulting fees of $24,000 (2019 - $Nil) to the CEO of the Company. As at December 31, 2020, the Company owed $22,000 (2019 - $Nil) to the CEO. The amount is non-interest bearing, unsecured, and due on demand.

## ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2021, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of unlimited common shares without par value and unlimited number of Class B preferred shares without par value. As at the Report date, there were 21,219,340 (December 31, 2020 – 5,869,355) common shares outstanding and Nil (December 31, 2020 - Nil) preferred shares.

As at the Report Date there were Nil stock options (December 31, 2020 - Nil) and 15,865,945 (December 31, 2020 - Nil) share purchase warrants outstanding.

## CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of its operations. 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 defines capital to include its working capital position, share capital, and accumulated deficit.

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.

## FINANCIAL INSTRUMENTS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity, credit, foreign exchange rate and interest rate. Where material, these risks are reviewed and monitored by the Board of Directors.

### Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and loan receivable. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. The carrying amount of financial assets represents the maximum credit exposure.

### Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company’s financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

### Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

### Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which includes cash, amounts receivable (except GST receivable), loan receivable, accounts payable and accrued liabilities, loan payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

## RISK AND UNCERTAINTIES

Risk is inherent in all business activities and cannot be entirely eliminated. Our goal is to enable the Company's business processes and opportunities by ensuring that the risks arising from our business activities, the markets and political environments in which we operate is mitigated. The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties described are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

***Limited operating history.***

We have a limited history of operations and are considered a start-up company. As such, we are subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that we will be successful in achieving a return on shareholders' investment and the likelihood of our success must be considered remote in light of our early stage of operations.

***Additional financing.***

The Company has no source of operating cash flow to fund all of its operational needs and will require significant additional financing to continue its operations. There can be no assurance that such financing will be available at all or on favourable terms. Failure to obtain such additional financing could result in delay or indefinite postponement of the Company's deployment of its products. Additional financing may dilute the ownership interest of the Company's shareholders at the time of the financing, and may dilute the value of their investment.

***General venture company risks.***

An investment in the Company's securities should be considered highly speculative due to the nature of the Company's business, the early stage of its deployment, its current financial position and ongoing requirements for capital. An investment in the Company's securities should only be considered by those persons who can afford a total loss of investment, and is not suited to those investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in the Company's securities.

***The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.***

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

***Staffing challenges.***

The recruitment and retention of qualified professionals to develop products, as well as sales, marketing and financial professionals, is critical to the Company's future success. Employee turnover rates can be high and competition for experienced personnel is intense. The Company's failure to attract and retain professionals may prevent or hinder our ability to pursue the business plan and grow our business.

***Failure to successfully integrate acquired businesses and other assets.***

The consummation and integration of acquired businesses or other assets into the Company may be complex and time consuming and, if such businesses and assets are not successfully integrated, the Company may not achieve the anticipated benefits, cost-savings or growth opportunities. Such acquisitions and other arrangements, even if successfully integrated, may fail to further the Company's business strategy as anticipated, expose the Company to increased competition or other challenges with respect to our products or geographic markets, and expose the Company to additional liabilities associated with an acquired business, technology or other asset or arrangement.

***Discretion and uncertainty of use of proceeds.***

Although the Company has set out its intended use of proceeds, these intended uses are estimates only and subject to change. While management does not currently contemplate any material variation, management does retain broad discretion in the application of such proceeds. The results and the effectiveness of the application of the funds are uncertain. The failure by the Company to apply these funds effectively could have a material adverse effect on our business, including the Company's ability to achieve its stated business objectives. In addition, the Company may use the funds in ways that a shareholder may not consider desirable.

***COVID-19.***

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 financial results and condition of the Company and its operating subsidiaries in future periods. However, depending on the length and severity of the pandemic, COVID-19 could interrupt the Company's operations; increase operating expenses; cause delayed performance of contractual obligations; impair the Company's ability to raise funds depending on COVID-19s effect on capital markets; adversely affect the Company's supply partners, contractors, customers and/or transportation carries; and cause fluctuations in the price and demand for the Company's products.

In particular, as of the Report Date, the full extent of the effects of the COVID-19 pandemic are unknown. The continued spread of COVID-19 and the measures taken by the governments of countries affected could disrupt the Company's use of available funds and the timelines, business objectives or disclosed milestones related thereto, and thus, adversely impact the Company's business, financial condition, results of operations and prospects. In addition, there can be no assurance that the Company will not lose members of its workforce (e.g., employees or consultants) or see its workforce man-hours reduced or incur increased medical costs as a result of these health risks. The Company will actively assess and respond where possible to the potential impact of the COVID-19 pandemic. It is difficult to predict how the COVID-19 pandemic may affect the Company's business in the future, including the effect it may have (positive or negative; long or short term) on the price of, and demand for the Company's products. It is possible that the COVID-19 virus could have a material adverse effect on the Company's business, financial condition, results of operations and prospects as well as the market for its securities and/or its ability to obtain financing. The extent to which the COVID-19 pandemic impacts the Company's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus, the duration of the outbreak and the actions to contain its impact.

## INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the Report Date. Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. Management will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional personnel in order to provide greater segregation of duties. Since there is insufficient work at this time to warrant the additional costs, management has chosen to disclose the potential risk in its filings and proceed with increased personnel only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by management of the financial reports, and the integrity and reputation of senior accounting personnel.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this MD&A, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

## APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A

# PANGENOMIC HEALTH INC.

(formerly Zetta Capital Corp.)

Condensed Interim Financial Statements

Nine Months Ended September 30, 2021

(Expressed in Canadian Dollars)

(unaudited)

**PANGENOMIC HEALTH INC.**
(formerly Zetta Capital Corp.)
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

| | September 30, 2021 $ (unaudited) | December 31, 2020 $ |
|---|---|---|
| ASSETS | | |
| Current assets | | |
| Cash | 582,481 | 38,227 |
| Short-term investment | 1,500,000 | – |
| Amounts receivable (Note 3) | 27,740 | 7,998 |
| Prepaid expenses | 26,000 | 1,000 |
| Loans receivable (Note 3) | – | 100,000 |
| Total current assets | 2,136,221 | 147,225 |
| Non-current assets | | |
| Loans receivable (Note 3) | 700,000 | – |
| Total assets | 2,836,221 | 147,225 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | 38,878 | 51,901 |
| Loan payable (Note 4) | – | 27,500 |
| Due to related parties (Note 5) | 43,211 | 56,872 |
| Total liabilities | 82,089 | 136,273 |
| SHAREHOLDERS' EQUITY | | |
| Common shares (Note 6) | 2,886,385 | 200,324 |
| Preferred shares (Note 7) | 450,000 | – |
| Share subscriptions received (Note 6) | – | 148,500 |
| Equity reserves (Note 8) | 13,697 | – |
| Deficit | (595,950) | (337,872) |
| Total shareholders' equity | 2,754,132 | 10,952 |
| Total liabilities and shareholders' equity | 2,836,221 | 147,225 |

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 10)

Approved and authorized for issuance on behalf of the Board of Directors on __________:

Vincent Lum, Director Robert Nygren

(The accompanying notes are an integral part of these condensed interim financial statements)

**PANGENOMIC HEALTH INC.**
(formerly Zetta Capital Corp.)
Condensed Interim Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
(unaudited)

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2021 $ | 2020 $ | 2021 $ | 2020 $ |
| Expenses | | | | |
| Consulting fees (Note 4) | 66,000 | 45,750 | 143,000 | 57,750 |
| General and administrative | 773 | 33 | 3,306 | 69 |
| Professional fees | 48,532 | – | 90,968 | – |
| Rent | 3,000 | | 9,000 | – |
| Share-based compensation | 2,558 | – | 12,249 | – |
| Transfer agent and filing fees | 2,066 | 1,619 | 9,503 | 1,619 |
| Total operating expenses | 122,929 | 47,402 | 268,026 | 59,438 |
| Loss before other income (expense) | (122,929) | (47,402) | (268,026) | (59,438) |
| Other income (expense) | | | | |
| Interest expense | – | (531) | (2,466) | (531) |
| Interest income | 6,983 | – | 12,414 | – |
| Total other income (expense) | 6,983 | (531) | 9,948 | (531) |
| Net loss and comprehensive loss for the period | (115,946) | (47,933) | (258,078) | (59,969) |
| Loss per common share, basic and diluted | (0.01) | (0.01) | (0.02) | (0.01) |
| Weighted average common shares outstanding | 20,379,349 | 5,869,355 | 14,454,857 | 5,869,355 |

(The accompanying notes are an integral part of these condensed interim financial statements)

**PANGENOMIC HEALTH INC.**
(formerly Zetta Capital Corp.)
Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(unaudited)

| | Common shares | | Preferred shares | | Share subscriptions received | Equity reserves | Deficit | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|
| | Number of shares | Amount $ | Number of shares | Amount $ | $ | $ | $ | $ |
| Balance, December 31, 2020 | 5,869,355 | 200,324 | – | – | 148,500 | – | (337,872) | 10,952 |
| Issuance of units for cash | 19,912,642 | 2,669,896 | – | – | (148,500) | – | – | 2,521,396 |
| Share issuance costs | – | (63,812) | – | – | – | 1,448 | – | (62,364) |
| Issuance of units to settle debt | 1,301,309 | 79,977 | – | – | – | – | – | 79,977 |
| Issuance of Series B preferred shares for cash | – | – | 9,000,000 | 450,000 | – | – | – | 450,000 |
| Fair value of share purchase warrants issued | – | – | – | – | – | 12,249 | – | 12,249 |
| Net loss for the period | – | – | – | – | – | – | (258,078) | (258,078) |
| Balance, September 30, 2021 | 27,083,306 | 2,886,385 | 9,000,000 | 450,000 | – | 13,697 | (595,950) | 2,754,132 |
| | | | | | | | | |
| Balance, December 31, 2019 | 5,869,355 | 200,324 | – | – | – | – | (197,884) | 2,440 |
| Net loss for the period | – | – | – | – | – | – | (59,969) | (59,969) |
| Balance, September 30, 2020 | 5,869,355 | 200,324 | – | – | – | – | (257,853) | (57,529) |

(The accompanying notes are an integral part of these condensed interim financial statements)

**PANGENOMIC HEALTH INC.**
(formerly Zetta Capital Corp.)
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(unaudited)

| | Nine months ended September 30, 2021 $ | Nine months ended September 30, 2020 $ |
|---|---|---|
| Operating activities | | |
| Net loss for the period | (258,078) | (59,969) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Amortization of loan fee | 2,000 | – |
| Share-based compensation | 12,249 | – |
| Changes in non-cash operating working capital: | | |
| Amounts receivable | (19,742) | (15) |
| Prepaid expenses | (25,000) | – |
| Accounts payable and accrued liabilities | (11,739) | 32,322 |
| Due to related parties | 15,532 | 22,551 |
| Net cash used in operating activities | (284,778) | (5,111) |
| Investing activities | | |
| Loans receivable advances | (600,000) | – |
| Purchase of short-term investment | (1,500,000) | – |
| Net cash used in investing activities | (2,100,000) | – |
| Financing activities | | |
| Proceeds from loan payable | 20,000 | 25,417 |
| Proceeds from issuance of units | 2,521,396 | – |
| Proceeds from issuance of preferred shares | 450,000 | – |
| Share issuance costs | (62,364) | – |
| Net cash provided by financing activities | 2,929,032 | 25,417 |
| Change in cash | 544,254 | 20,306 |
| Cash, beginning of period | 38,227 | 2,243 |
| Cash, end of period | 582,481 | 22,549 |
| Non-cash investing and financing activities: | | |
| Issuance of broker's warrants | 1,448 | – |
| Issuance of units to settle loan payable | 79,977 | – |
| Supplemental disclosures: | | |
| Interest paid | – | – |
| Income taxes paid | – | – |

(The accompanying notes are an integral part of these condensed interim financial statements)

## 1. Nature of Operations and Continuance of Business

Zetta Capital Corp. (the “Company”) was incorporated under the laws of the province of British Columbia, Canada, on December 11, 2015. On December 6, 2021, the Company changed its name from Zetta Capital Corp. to Pangenomic Health Inc. The address of the Company’s corporate office and principal place of business is 232 – 3800 Wesbrook Mall, Vancouver, BC, V6S 2L9.

These condensed interim financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. The Company has incurred a net loss of $258,078 during the nine months ended September 30, 2021, and has incurred an accumulated deficit of $595,950 as at September 30, 2021. The continued operations of the Company are dependent on future profitable operations, management’s ability to manage costs and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due is uncertain. These condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

## 2. Significant Accounting Policies

(a) Statement of Compliance

These condensed interim financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. The condensed interim financial statements of the Company should be read in conjunction with the Company’s annual audited financial statements for the year ended December 31, 2020, which were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(b) Basis of Presentation

These condensed interim financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company is the Canadian dollar. In the opinion of the Company’s management, all adjustments considered necessary for a fair presentation have been included.

(c) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2021, and have not been early adopted in preparing these condensed interim financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

## 3. Loans Receivable

(a) On December 11, 2020, the Company entered into a loan agreement with Pangenomic Technologies Corp. (formerly Pangenomic Health Corp.) (“Pangenomic”) pursuant to which the Company agreed to advance Pangenomic up to $250,000. On December 15, 2020, the Company advanced $100,000 to Pangenomic. On February 24, 2021, the Company advanced the remaining $150,000 to Pangenomic. The loans are unsecured, bears interest at 5% per annum, and were due on June 30, 2021. On June 8, 2021, the maturity date was extended to June 30, 2022. As at September 30, 2021, the Company has accrued interest receivable of $8,611 (December 31, 2020 – $278), which is included in amounts receivable.

**3. Loans Receivable** (continued)

(b) On June 8, 2021, the Company entered into a loan agreement with Pangenomic pursuant to which the Company agreed to advance an additional loan of up to $250,000. On June 9, 2021, the Company advanced $100,000 to Pangenomic. On July 7, 2021, the Company advanced $150,000 to Pangenomic. The loans are unsecured, bear interest at 5% per annum, and are due on June 8, 2022. As at September 30, 2021, the Company has accrued interest receivable of $3,340, which is included in amounts receivable.

(c) On August 31, 2021, the Company entered into a loan agreement with Pangenomic pursuant to which the Company advanced an additional loan of $100,000 to Pangenomic. The loan is unsecured, bears interest at 5% per annum, and is due on September 1, 2022. As at September 30, 2021, the Company has accrued interest receivable of $403, which is included in amounts receivable.

(d) On September 30, 2021, the Company entered into a loan agreement with Pangenomic pursuant to which the Company advanced an additional loan of $100,000. The loan is unsecured, bears interest at 5% per annum, and is due on October 1, 2022.

**4. Loans Payable**

(a) On September 15, 2020, the Company entered into a loan agreement with a company controlled by the VP Finance for $25,000. The loan bore interest at 10% per annum and was due on or before 90 days from the date of the loan agreement. In addition, the Company agreed to pay a loan fee of $2,500. On January 13, 2021, the Company entered into a debt settlement agreement to settle the $27,500 principal balance of the loan and $917 of accrued interest owing to the company controlled by the VP Finance. Refer to Note 6(b).

(b) On January 8, 2021, the Company entered into a loan agreement with OroGroup Investors Inc. for $20,000. The loan bears interest at 10% per annum and is due on or before 90 days from the date of the loan agreement. In addition, the Company agreed to pay a loan fee of $2,000. Refer to Note 6(e).

**5. Related Party Transactions**

(a) During the nine months ended September 30, 2021, the Company incurred consulting fees of $90,000 (2020 - $nil) to the Vice President Finance ("VP Finance") of the Company. As at September 30, 2021, the Company owed $27,211 (December 31, 2020 - $34,872) to the VP Finance. The amount is non-interest bearing, unsecured and due on demand. On January 13, 2021, the Company entered into a debt settlement agreement to settle $5,193 of amounts owing to the VP Finance of the Company. Refer to Note 6(b).

(b) During the nine months ended September 30, 2021, the Company incurred consulting fees of $18,000 (2020 - $18,000) to the Chief Executive Officer ("CEO") of the Company. As at September 30, 2020, the Company owed $16,000 (December 31, 2020 - $22,000) to the CEO. The amount is non-interest bearing, unsecured and due on demand. Refer to Note 6(c).

**6. Common Shares**

(a) On January 13, 2021, the Company issued 3,170,000 units at $0.05 per unit for proceeds of $158,500, of which $148,500 was received at December 31, 2020. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.10 per common share expiring on January 13, 2023. In the event that the Company's common shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

**6. Common Shares** (continued)

(b) On January 13, 2021, the Company issued 672,198 units to with a fair value of $33,610 to settle $33,610 owed to the VP Finance and a company controlled by the VP Finance. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.10 per common share expiring on January 13, 2023. In the event that the Company's shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

(c) On January 13, 2021, the Company issued 480,000 units with a fair value of $24,000 to settle $24,000 owed to the CEO of the Company. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.10 per common share expiring on January 13, 2023. In the event that the Company's common shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

(d) On April 22, 2021, the Company issued 3,949,342 units at $0.15 per unit for proceeds of $592,401. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.30 per common share expiring on April 22, 2023. In the event that the Company's shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

(e) On April 22, 2021, the Company issued 149,111 units with a fair value of $22,367 to settle an aggregate of $22,367 of an outstanding loan plus accrued interest owed (refer to Note 4(b). Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.30 per common share expiring on April 22, 2023. In the event that the Company's shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

(f) On July 23, 2021, the Company issued 6,929,334 units at $0.15 per unit for proceeds of $1,039,400. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.30 per common expiring on July 23, 2023. In connection with the issuance, the Company paid cash finder's fees of $62,364 and issued 15,960 broker's warrants with a fair value of $1,448, which were recorded as share issuance costs. The broker's warrants have the same terms as the warrants issued in the unit private placement. In the event that the Company's shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants. In connection with this private placement, the Company issued 15,960 broker's warrants as a finder's fee.

(Expressed in Canadian Dollars)

**6. Common Shares** (continued)

(g) On September 16, 2021, the Company issued 5,863,966 units at $0.15 per unit for proceeds of $879,595. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.30 per common share expiring on September 16, 2023. In the event that the Company's shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

**7. Preferred Shares**

Authorized: Unlimited number of Class B preferred shares without par value

The holders of Class B preferred shares shall not be entitled as such to receive notice of, to attend, or to vote at any meeting of the shareholders of the Company. The holders of Class B shares shall, in preference to the holders of the common shares, be entitled to receive dividends and shall be entitled to receive priority in the event of liquidation, dissolution of winding-up of the Company.

(a) On August 31, 2021, the Company issued 1,600,000 preferred shares at $0.05 per share for proceeds of $80,000.

(b) On September 1, 2021, the Company issued 7,400,000 preferred shares at $0.05 per share for proceeds of $370,000.

**8. Share Purchase Warrants**

On January 21, 2021, the Company issued 500,000 share purchase warrants to the VP Finance of the Company pursuant to the employment agreement dated October 1, 2020. The warrants are exercisable at $0.10 per share for a period of 24 months from the date of issuance. 250,000 of the 500,000 warrants will vest upon the Company completing an asset purchase, business acquisition, take-over bid, amalgamation, arrangement or other form of merger or business combination. The remaining 250,000 warrants will vest upon the listing of the Company's common shares for trading on a stock exchange or other public market for the trading of securities in Canada or the United States.

The following table summarizes the continuity of the Company's share purchase warrants:

| | Number of warrants | Weighted average exercise price $ |
|---|---|---|
| Balance, December 31, 2020 | – | – |
| Issued | 21,729,911 | 0.26 |
| Balance, September 30, 2021 | 21,729,911 | 0.26 |

(Expressed in Canadian Dollars)

**8. Share Purchase Warrants** (continued)

As at September 30, 2021, the following share purchase warrants were outstanding:

| Number of warrants outstanding | Number of warrants exercisable | Exercise price $ | Expiry date | Weighted average remaining contracted life (years) |
|---|---|---|---|---|
| 4,322,198 | 4,322,198 | 0.10 | January 13, 2023 | 1.29 |
| 500,000 | – | 0.10 | January 21, 2023 | 1.31 |
| 4,098,453 | 4,098,453 | 0.30 | April 22, 2023 | 1.56 |
| 6,945,294 | 6,945,294 | 0.30 | July 23, 2023 | 1.81 |
| 5,863,966 | 5,863,966 | 0.30 | September 16, 2023 | 1.96 |
| 21,729,911 | 2,229,911 | | | |

The fair value of the warrants issued for performance and broker's warrants was determined to be $12,249 and $1,448, respectively, and estimated using the Black-Scholes Option Pricing Model with the following weighted average assumptions:

| | 2021 |
|---|---|
| Risk-free interest rate | 0.17% |
| Dividend yield | 0% |
| Expected volatility | 150% |
| Expected life (years) | 2 |
| Forfeiture rate | 0% |

As at September 30, 2021, there was $2,845 (December 31, 2020 - $nil) of unrecognized share-based compensation related to the unvested performance warrants.

**9. Financial Instruments and Risk Management**

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The fair values of financial instruments, which includes cash, amounts receivable (except GST receivable), loan receivable, accounts payable and accrued liabilities, loan payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

## 9. Financial Instruments and Risk Management (continued)

(b) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and loans receivable. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

## 10. Subsequent Events

(a) On October 4, 2021, the Company entered into an agreement with Pangenomic whereby the Company acquired 100% of the issued and outstanding common shares of Pangenomic for consideration of 11,666,667 common shares of the Company.

(b) On October 4, 2021, the Company entered into an agreement with a consultant for digital marketing services whereby the Company agreed to pay $70,000 plus $35,000 per month for a period of one year. The Company was provided with the option to pay $35,000 per month or pay the monthly fees in full upfront to receive a 50% discount on the fees. The Company decided to take the accelerated incentive payment option and paid a total of $280,000.

(c) On November 3, 2021, the Company entered into a loan agreement with Pangenomic pursuant to which the Company advanced an additional loan of up to $100,000. The loan is unsecured, loan bears interest at 5% per annum, and is due on October 31, 2022.

(d) On November 12, 2021, the Company entered into an agreement with a consultant for its proprietary payment reliability system services for consideration of $2,500 per month for a period of one year.

(e) On November 17, 2021, the Company entered into a loan agreement with Pangenomic pursuant to which the Company advanced an additional loan of up to $200,000. The loan is unsecured, bears interest at 5% per annum, and is due on October 31, 2022.

(f) On December 14, 2021, the Company issued 1,000,000 Class B preferred shares at $0.05 per share for proceeds of $50,000.

**10. Subsequent Events** (continued)

(g) On December 27, 2021, the Company adopted a stock option plan providing for the grant of stock options to purchase Class A common shares to officers, directors, employees, and consultants in an amount equal to up to 20% of the issued and outstanding common shares. The exercise price is determined by the Board of Directors. Stock options are granted for a maximum term of 10 years.

(h) On December 27, 2021, the Company granted 2,065,000 stock options exercisable at $0.15 per Class A common share expiring on December 27, 2024 to officers, employees, and consultants.

(i) On January 10, 2022, the Company granted 1,000,000 stock options exercisable at $0.15 per Class A common share expiring on January 10, 2025 to directors.

(j) On January 10, 2022, the Company entered into an intellectual property asset purchase agreement with LivNao Technologies Inc. ("LivNao Agreement"). Under the terms of the LivNao Agreement, the Company has agreed to purchase from LivNao all of LivNao's rights, titles, and interests to the LivNao intellectual property ("LiveNao IP") for 500,000 common shares to be issued at an agreed upon value of $0.30 per share, plus $1,000. Under the terms of the LivNao Agreement, the Company has agreed to issue to LivNao up to 1,500,000 additional common shares upon satisfaction of the of the following milestones on or before March 31, 2023:

- 500,000 common shares upon the Nara App having 100,000 active users;
- 500,000 common shares upon the Nara App having 500,000 active users; and
- 500,000 common shares upon the Nara App having 1,000,000 active users.

Completion of the acquisition of the LivNao IP is conditional upon approval by the Board and the board of directors of LivNao.

# PANGENOMIC HEALTH INC.
(formerly Zetta Capital Corp.)

# MANAGEMENT DISCUSSION AND ANALYSIS

## Period ended September 30, 2021

This Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of Pangenomic Health Inc. (formerly Zetta Capital Corp.) ("PHI" or the "Company") for the nine months ended September 30, 2021. This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements for the period ended September 30, 2021 and the audited financial statements for the year ended December 31, 2020 and the related notes, which have been prepared under International Financial Reporting Standards ("IFRS").

All financial information in this MD&A has been prepared in accordance with IFRS. All dollar amounts included therein and in the following MD&A are in Canadian dollars, the reporting and functional currency of the Company, except where noted. The MD&A contains information up to and including January XX, 2022 (the "Report Date").

## FORWARD-LOOKING STATEMENT

Certain statements contained in this MD&A may constitute "forward-looking statements". Such term is defined in applicable securities laws. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors and assumptions include, among others, uncertainty relating to the Company's ability to successfully execute its business plans and intentions, the ability of the Company to raise additional capital to complete its business plans and fund its research and development activities, the commercial viability of the Company's products under development, the continued availability of key leadership personnel and the ability to attract and retain qualified personnel, general business, economic, and competitive uncertainties; the limited operating history of the Company; the ability to protect, maintain and enforce intangible property rights; future growth plans and the ability to meet business objectives; the acceptance by customers and the marketplace of new products; ability to attract and retain personnel; and expectations with respect to advancement and adoption of new product lines.

While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company's management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws.

## OVERVIEW

The Company was incorporated under the laws of British Columbia on December 11, 2015 for the purpose of new business ventures. On November 26, 2021, the name of the Company was changed from Zetta Capital Corp. to Pangenomic Health Inc.

On October 4, 2021, the Company acquired all of the outstanding Pangenomic Technologies Corp. (“PGT”) shares pursuant to the terms of the PGT acquisition agreement. To acquire PGT, the Company issued one common share for every PGT share outstanding at an agreed price of $0.15 per PGT share, being 11,666,667 PGT shares in the aggregate, having an agreed upon value of $1,750,000. As a result of the acquisition, as at the Report Date, PGT is now a wholly owned subsidiary of the Company.

As at the Report Date, the Company is a precision health company that has developed a self-care digital platform to deliver personalized, evidence-based information about natural treatments to support a user's specific health needs. The Company's vision is that all people will have access to affordable and effective natural remedies for better health and wellness. The Company's mission is to improve the health and wellness of people by providing a technology platform that identifies natural treatments tailored to the health profile of each individual. The Company's initial focus will be to provide information on personalized natural mental health solutions that can alleviate anxiety and depression.

On October 4, 2021, the Company entered into an agreement with a consultant for digital marketing services whereby the Company agreed to pay $70,000 plus $35,000 per month for a period of one year. The Company was provided with the option to pay $35,000 per month or pay the monthly fees in full upfront to receive a 50% discount on the fees. The Company exercised the accelerated incentive payment option and paid a total of $280,000.

On November 12, 2021, the Company entered into an agreement with a consultant company controlled by a director of the Company for its proprietary payment reliability system services for consideration of $2,500 per month for a period of one year.

On December 14, 2021, the Company altered its Notice of Articles and Articles to become a benefit company pursuant to the provisions of the Business Corporations Act of British Columbia (the "BCA"). The Company’s Articles provide that the Company commits to promoting the following public benefits:

> To promote and improve the health and wellness of people and society by providing a technology platform that identifies plant-based solutions tailored to the health profile of each individual, as the Company’s board of directors may from time to time determine to be appropriate.

The Company’s Articles further provide that the Company commits to conducing the Company’s business in a responsible and sustainable manner, and to promote the above public benefits.

***Loans Receivable***

On December 11, 2020, the Company entered into a loan agreement with PGT pursuant to which the Company agreed to advance PGT up to $250,000. On December 15, 2020, the Company advanced $100,000 to PGT. On February 24, 2021, the Company advanced the remaining $150,000 to PGT. The loans are unsecured, bears interest at 5% per annum and were due on June 30, 2021. On June 8, 2021, the maturity date was extended to June 30, 2022. As at September 30, 2021, the Company has accrued interest receivable of $8,611 (December 31, 2020 – $278), which is included in amounts receivable.

On June 8, 2021, the Company entered into a loan agreement with PGT pursuant to which the Company agreed to advance an additional loan of up to $250,000. On June 9, 2021, the Company advanced $100,000 to PGT. On July 7, 2021, the Company advanced $150,000 to PGT. The loans are unsecured, bear interest at 5% per annum, and are due on June 8, 2022. As at September 30, 2021, the Company has accrued interest receivable of $3,340, which is included in amounts receivable.

On August 31, 2021, the Company entered into a loan agreement with PGT pursuant to which the Company advanced an additional loan of $100,000 to PGT. The loan is unsecured, bears interest at 5% per annum, and is due on September 1, 2022. As at September 30, 2021, the Company has accrued interest receivable of $403, which is included in amounts receivable.

On September 30, 2021, the Company entered into a loan agreement with PGT pursuant to which the Company advanced an additional loan of $100,000. The loan is unsecured, bears interest at 5% per annum, and is due on October 1, 2022.

On November 3, 2021, the Company entered into a loan agreement with PGT pursuant to which the Company advanced an additional loan of up to $100,000. The loan is unsecured, loan bears interest at 5% per annum, and is due on October 31, 2022.

On November 17, 2021, the Company entered into a loan agreement with PGT pursuant to which the Company advanced an additional loan of up to $200,000. The loan is unsecured, bears interest at 5% per annum, and is due on October 31, 2022.

***Loans Payable***

On September 15, 2020, the Company entered into a loan agreement with a company controlled by the Vice President Finance ("VP Finance') for $25,000. The loan bore interest at 10% per annum and was due on or before 90 days from the date of the loan agreement. In addition, the Company agreed to pay a loan fee of $2,500. On January 13, 2021, the Company entered into a debt settlement agreement to settle the $27,500 principal balance of the loan and $917 of accrued interest owing to the company controlled by the VP Finance.

On January 8, 2021, the Company entered into a loan agreement with a third party lender for $20,000. The loan bears interest at 10% per annum and is due on or before 90 days from the date of the loan agreement. In addition, the Company agreed to pay a loan fee of $2,000.

**Products and Services**

The Company, through its subsidiary PGT, is developing its products using machine learning functionality to enable predictive analytics and personalization of mental health support resources. Community-based supported resources are curated by leveraging machine learning models using sentiment analysis.

The core products offered by the Company are a mobile app for consumers ("Nara") and a digital therapeutics clinic platform for health practitioners ("PlantGx"). The Nara mobile app will provide consumers with a knowledge base tailored to an individual's unique user profile, leveraging input from mental health questionnaires, current drug treatment regimen, genomic sequence analysis, as well as their proteomics and microbiomic biomarker reports. The PlantGx digital therapeutics clinic platform will provide health practitioners with access to the consumer's mobile app data and their diagnostic reports. This enhances identification of appropriate natural remedy treatments and allows practitioners to track their patient's natural treatment progress and effectiveness. The Company's planned lab based services will provide health practitioners with proprietary genetic and protein biomarkers that will be developed to assist in tracking patient response to natural treatments.

The Company anticipates that its initial revenue will be earned from monthly subscription fees and one-time fees paid by consumers for access to premium services on the Nara app. Revenue will also be earned from monthly subscription fees paid by health practitioners for access to an advanced knowledge base and treatment analytics, as well as fees earned for new patient and diagnostic test referrals.

*App for Consumers*

The Company's Nara mobile app provides users with personalized information about non-pharmaceutical alternatives to address mental health concerns. The freemium Nara app will be launched in Canada and the United States in the first quarter of 2022 with planned updates to be released each quarter. The

Company anticipates that the Nara app will be used by a wide-range of consumers interested in information about alternative plant-based medicine.

As the Nara app develops a deeper profile of the consumer through questionnaires, journaling and biomarker and genomics testing, it will provide more tailored information to the consumer about natural treatments. At appropriate stages, the app will refer consumers to a local health practitioner for professional treatment, and the individual will have the option to make their app data available to the practitioner.

The Nara consumer app handles highly personal health data, and the Company plans to ensure that such data will be strongly encrypted. Data shared within the app is owned by the user and will not be shared with third party organizations without the user's consent. The Company will adhere to the health data and privacy laws in relevant jurisdictions, such as compliance with the Health Insurance Portability and Accountability Act (HIPAA) in the United States.

The Company plans that any revenue derived from the collection of health data analytics will be shared with the app users and used by the Company to support its public benefit purpose.

*Digital Therapeutics Clinic Platform for Health Practitioners*

The Company is developing the PlantGx digital therapeutics clinic platform, which will provide health practitioners with access to user health data enabled from the Nara app by the patient and to receive patient referrals. The Company plans to launch the PlantGx clinical platform in Canada and the United States in the second quarter of 2022 with planned updates to be released each quarter. The Company anticipates that the clinic platform will be used by a variety of health-practitioners including medical doctors, naturopathic doctors, pharmacists, herbalists and counsellors.

The clinic platform accesses and analyzes data from pharmacogenomics, proteomics, nutrigenomics and ethnobotany research, together with data from an individual’s genome sequence (whole genome, whole exome or single nucleotide polymorphisms), an individual’s protein biomarkers and gut microbiome profile. By aggregating and curating health data from active and passive sources, the PlantGx clinic platform translates data into concise, actionable insights for a health practitioner that provide targeted information for effective treatment of patients using a variety of natural treatments.

Many natural remedy compounds contain active ingredients that bind to and activate key receptors in the brain. One of the challenges of using natural treatments is the differential individual patient dose responses, change in tolerance within individual patients and the inability to effectively monitor patients undergoing treatment effectively in a quantitative manner. Monitoring a patient’s protein levels, determining appropriate dosing and confirming efficacy will assist in driving appropriate usage and demand for natural compounds.

Underpinning the Company's products, the scalable Excelar digital health platform acquired by the Company provides:

- A secure data capture and analytics platform;
- Proven privacy & security compliance data management;
- Electronic health/medical records integration;
- Cross linking and integration of data across patient continuum of care; and
- User consent support for research data and data sharing for clinical referrals.

***Proprietary Protection***

We protect our intellectual property rights through a combination of patents, trademarks and trade secret laws as well as contractual provisions. The Company uses non-disclosure agreements with business partners, prospective customers, and other relationships where disclosure of proprietary information may be necessary. We also use such agreements with our employees and consultants which assign to us all intellectual property developed in the course of their employment or engagement. We also secure from such individuals obligations to execute such documentation as is reasonably required by the Company to evidence our ownership of such intellectual property.

We have filed trademark applications in Canada covering the word marks "Nara", "Nustasis", "PanGenomic", and "PlantGx".

The Company uses machine learning primarily for predictive analytics and personalization of mental health support resources for the end users. A significant portion of our proprietary technology focuses on data collection and data normalization including data categorization and labeling.

The Nara consumer app collects a diverse set of user data including user demographic profile information, lifestyle data such as alcohol and substance use as well as mental health risk factors relating to the user’s health conditions such as specific chronic diseases. The app captures standardized GAD7 anxiety and PHQ9 depression questionnaire data, as well as normalized user journey data including mood, sleep, and cognition, and tracks changes in the user parameters over time. User medication regimen data includes anti-anxiety, anti-depression, as well as other pharmaceutical medications, and natural treatments. The predictive personalization model is augmented by user feedback based on support resources that the user found useful, shared, or liked. Community-based supported resources are curated leveraging machine learning models using sentiment analysis.

The Company's data model domains also include multi-dimensional biomarkers such as gene, protein, metabolite, and microbiome. As our system uses a multi-domain approach, the machine learning model being developed uses a distributed machine learning approach to overlay and enhance the personalization based on available user data.

## FUTURE PLANS

The Company will focus on applying to have its shares listed on the CSE and through its subsidiary, PGT, focus on the initial revenue that is expected to be earned from monthly subscription fees and one-time fees paid by consumers for access to premium services on the Nara app. Revenue is also expected to be earned from monthly subscription fees paid by health practitioners for access to an advanced knowledge base and treatment analytics, as well as fees earned for new patient and diagnostic test referrals.

## PROPOSED TRANSACTIONS

As at the Report Date, PGT is a wholly owned subsidiary of PHI and the operations are carried on through PGT. As of the Report Date, PHI plans to file a non-offering preliminary prospectus (the “Prospectus”) with the British Columbia Securities Commission, the Alberta Securities Commission and Ontario Securities Commission (collectively the “Qualifying Jurisdictions”) for the purpose of complying with Policy 2 – Qualifications for Listing of the Canadian Securities Exchange (the “CSE” or the “Exchange”) to permit PHI to meet one of the eligibility requirements for the listing of the Class A Common Shares (the “Common Shares”) of PHI on the CSE. Since no securities are being sold pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by PHI from its general funds.

This Prospectus seeks to qualify the distribution of up to an aggregate of 10,000,000 units (each a “Unit”) of PHI issuable upon the deemed conversion of up to 10,000,000 subscription receipts (the “Subscription Receipts”) of PHI. The Subscription Receipts will be issued on a non-brokered private placement basis at a price of $0.30 per Subscription Receipt to purchasers resident in the Qualifying Jurisdictions pursuant to certain exemptions from the prospectus requirements of applicable securities legislation in the Qualifying Jurisdictions, and to purchasers resident in the United States pursuant to exemptions from the registration requirements under the US Securities Act and applicable state securities laws. Each Subscription Receipt entitles the holder thereof to receive, without any further action by the holder, and for no additional consideration, one Unit upon (i) 4 business days having passed from the date that a receipt is issued for a final prospectus to qualify the distribution of the Units issuable upon conversion of the Subscription

Receipts, and (ii) the receipt of conditional approval for the listing of the Common Shares on the CSE (collectively, the "Escrow Release Conditions"). Each Unit consists of one Common Share (a "Unit Share") and one share purchase warrant (a "Unit Warrant"), with each Unit Warrant entitling the holder to purchase one additional Common Share at a price of $0.60 per share for a period ending 24 months from the conversion date of the Subscription Receipts, subject to PHI's right to accelerate the expiration date of the Unit Warrants. If the Escrow Release Conditions are not met by 5:00PM (Vancouver Time) on June 30, 2022 (the "Release Deadline"), PHI will be required to return the subscription proceeds for the Subscription Receipts plus a pro rata share of any interest earned thereon.

## SUMMARY OF QUARTERY RESULTS

The Company has not historically prepared quarterly results.

## RESULTS OF OPERATIONS

The Company incurred a net loss of $258,078 for the period ended September 30, 2021 (2020 - $59,969). The key component of the net loss and comprehensive loss for the period ended September 30, 2021 was primarily due to the increase in operating activities as the Company reviewed the PGT acquisition agreement. Details of material expenses are as follows:

- consulting fees of $143,000 (2020 - $57,750) relating to various services pertaining to potential business ventures including consulting fees of $108,000 to related parties;
- professional fees of $90,968 (2020 - $Nil) relating to accounting and legal work;
- rent of $9,000 for a short term office space entered into during the period;
- transfer agent and filing fees of $9,503 (2020 - $1,619) relating to the increase in the issuance of common and preferred shares; and
- Non-cash share-based compensation of $12,249 for the performance warrants issued to the VP Finance

The Company incurred a net loss of $115,946 for the three months ended September 30, 2021 (2020 - $47,933). The key component of the net loss and comprehensive loss for the three months ended September 30, 2021 was primarily due to the increase in operating activities as the Company reviewed the PGT acquisition agreement. Details of material expenses are as follows:

- consulting fees of $66,000 (2020 - $45,750) relating to various services pertaining to potential business ventures including consulting fees of $36,000 to related parties;
- professional fees of $48,532 (2020 - $Nil) relating to accounting and legal work;
- rent of $3,000 for a short term office space;
- transfer agent and filing fees of $2,066 (2020 - $1,619) relating to the increase in the issuance shares; and
- Non-cash share-based compensation of $2,558 for the performance warrants issued to the VP Finance

## LIQUIDITY

During the period ended September 30, 2021, the Company has not generated any revenues. The Company started the year with working capital of $10,952. As at September 30, 2021, the Company had working capital of $2,054,132 and an accumulated deficit of $595,950. The Company's performance was as follows:

| | September 30, 2021 $ | September 30, 2020 $ | Change |
|---|---|---|---|
| Cash used in operating activities | (284,778) | (5,111) | (279,667) |
| Cash used in investing activities | (2,100,000) | - | (2,100,000) |
| Cash provided by financing activities | 2,929,032 | 25,417 | 2,903,615 |

During the period ended September 30, 2021, the Company had a net loss of $258,078 (2020 - $59,969) and spent $284,778 (2020 - $5,111) of cash on operating activities, $2,100,000 (2020 - $Nil) on investing activities and received $2,929,032 (2020 - $25,417) from financing activities. Investing activities consist of lending $600,000 to PGT and short term investment of $1,5000,000. Financing activities consist of $20,000 in loan from a third party lender, $2,521,396 proceeds received relating to issuance of common shares of the Company and $450,000 proceeds from the issuance of Class B preferred shares of the Company. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company’s ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

## CAPITAL RESOURCES

The Company has not yet realized profitable operations and it has relied on non-operational sources of financing to fund operations. The ability of the Company to achieve its objectives, meet its ongoing obligations and recover its investments in assets will depend on management’s ability to successfully execute its business plan, achieve profitable operations and obtain additional financing, if or when required. There is no assurance that these initiatives will be successful.

## RELATED PARTY DISCLOSURES

As at September 30, 2021, the directors, officers and Management of the Company were as follows:

Tony Louie, Chief Executive Officer (“CEO”) and Director
Kent Carasquero, VP Finance

As at the Report Date, the directors, officers and management of the Company are as follows:

Tony Louie, Director
Kent Carasquero, Director
Vincent Lum, CEO and Director
Robert Nygren, Executive Chair and Director
Tammy Gillis, Chief Financial Officer, Treasurer and Secretary
Colin Quon, Chief Technology Officer
Kaidong Zhang, Chief Scientific Officer

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

During the nine months ended September 30, 2021, the Company incurred consulting fees of $90,000 (2020 - $Nil) to the VP Finance of the Company. As at September 30, 2021, the Company owed $27,211 (December 31, 2020 - $34,872) to the VP Finance. The amount is non-interest bearing, unsecured and due on demand. On January 13, 2021, the Company entered into a debt settlement agreement to settle $5,193 of amounts owing to the VP Finance of the Company.

During the nine months ended September 30, 2021, the Company incurred consulting fees of $18,000 (2020 - $18,000) to the CEO of the Company. As at September 30, 2020, the Company owed $16,000 (December 31, 2020 - $22,000) to the CEO. The amount is non-interest bearing, unsecured and due on demand.

## ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2021, and have not been early adopted in preparing these interim financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's interim financial statements.

## OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of unlimited common shares without par value and unlimited number of Class B preferred shares without par value. As at the Report Date, there were 38,749,973 (September 30, 2021 – 27,083,306) common shares and 10,000,000 Class B preferred shares (September 30, 2021 - 9,000,000) outstanding.

### *Common Shares*

Common shares issued during the period ended September 30, 2021:

(a) On January 13, 2021, the Company issued 3,170,000 units at $0.05 per unit for proceeds of $158,500, of which $148,500 was received at December 31, 2020. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.10 per common share expiring on January 13, 2023. In the event that the Company's common shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

(b) On January 13, 2021, the Company issued 672,198 units to with a fair value of $33,610 to settle $33,610 owed to the VP Finance and a company controlled by the VP Finance. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.10 per common share expiring on January 13, 2023. In the event that the Company's shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

(c) On January 13, 2021, the Company issued 480,000 units with a fair value of $24,000 to settle $24,000 owed to the CEO of the Company. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.10 per common share expiring on January 13, 2023. In the event that the Company's common shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

(d) On April 22, 2021, the Company issued 3,949,342 units at $0.15 per unit for proceeds of $592,401. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.30 per common share expiring on April 22, 2023. In the event that the Company's shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

(e) On April 22, 2021, the Company issued 149,111 units with a fair value of $22,367 to settle an aggregate of $22,367 of an outstanding loan plus accrued interest owed. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.30 per common share expiring on April 22, 2023. In the event that the Company's shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

(f) On July 23, 2021, the Company issued 6,929,334 units at $0.15 per unit for proceeds of $1,039,400. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at a price of $0.30 per common expiring on July 23, 2023. In connection with the issuance, the Company paid cash finder's fees of $62,364 and issued 15,960 broker's warrants with a fair value of $1,448, which were recorded as share issuance costs. The broker's warrants have the same terms as the warrants issued in the unit private placement. In the event that the Company's shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

(g) On September 16, 2021, the Company issued 5,863,966 units at $0.15 per unit for proceeds of $879,595. Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant is exercisable at $0.30 per common share expiring on September 16, 2023. In the event that the Company's shares trade on the Canadian Securities Exchange or another recognized stock exchange or market in Canada or the United States, and the closing price of the Company's common shares is $0.60 or more for a period of at least ten consecutive trading days, the Company shall be entitled to accelerate the expiration date of the warrant to a date that is at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

Common shares issued subsequent to September 30, 2021:

The Company acquired 100% of the issued and outstanding common shares of PGT for consideration of 11,666,667 common shares of the Company

***Preferred Shares***

The holders of Class B preferred shares shall not be entitled as such to receive notice of, to attend, or to vote at any meeting of the shareholders of the Company. The holders of Class B shares shall, in preference to the holders of the common shares, be entitled to receive dividends and shall be entitled to receive priority in the event of liquidation, dissolution of winding-up of the Company.

Class B preferred shares issued during the period ended September 30, 2021:

(a) On August 31, 2021, the Company issued 1,600,000 Class B preferred shares at $0.05 per share for proceeds of $80,000.

(b) On September 1, 2021, the Company issued 7,400,000 Class B preferred shares at $0.05 per share for proceeds of $370,000.

Class B preferred shares issued subsequent to September 30, 2021:

On December 14, 2021, the Company issued 1,000,000 Class B preference shares at $0.05 per share for proceeds of $50,000.

As at the Report Date there were 3,065,000 stock options (September 30, 2021 - Nil) and 21,729,911 (September 30, 2021 - 21,729,911) share purchase warrants outstanding.

## CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of its operations. 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 defines capital to include its working capital position, share capital, and accumulated deficit.

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 period ended September 30, 2021. The Company is not subject to externally imposed capital requirements.

## FINANCIAL INSTRUMENTS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity, credit, foreign exchange rate and interest rate. Where material, these risks are reviewed and monitored by the Board of Directors.

### Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and loan receivable. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. The carrying amount of financial assets represents the maximum credit exposure.

### Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company’s financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

### Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

### Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The fair values of financial instruments, which includes cash, amounts receivable (except GST receivable), loan receivable, accounts payable and accrued liabilities, loan payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

## RISK AND UNCERTAINTIES

Risk is inherent in all business activities and cannot be entirely eliminated. Our goal is to enable the Company's business processes and opportunities by ensuring that the risks arising from our business activities, the markets and political environments in which we operate is mitigated. The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties described are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

***Limited operating history.***

The Company has a limited history of operations and is considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered remote in light of its early stage of operations.

***Negative operating cash flow.***

Although the Company expects to become profitable, there is no guarantee that will happen, and the Company may never become profitable. The Company currently has a negative operating cash flow and may continue to have that for the foreseeable future. To date, the Company has not generated significant or recurring revenues and the Company expects significant capital investment will be required to begin earning revenue. As a result, the Company expects its net losses from operations to worsen. The Company's ability to generate additional revenues and potential to become profitable will depend largely on its ability to develop, manufacture and market our products. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

***Additional financing.***

The Company has no source of operating cash flow to fund all of its operational needs and will require significant additional financing to continue its operations. There can be no assurance that such financing will be available at all or on favourable terms. Failure to obtain such additional financing could result in delay or indefinite postponement of the Company's deployment of its products. Additional financing may dilute the ownership interest of the Company's shareholders at the time of the financing, and may dilute the value of their investment.

***Uncertainty of additional capital.***

The Company anticipates expending substantial funds to carry out the development, introduction, distribution and production of its products. The Company will require additional funds for these purposes through one or more public or private equity financings, by taking on debt financing, or from other sources. No assurance can be given that such additional funds will be available on acceptable terms or at all. If such funds are unavailable or are only available at a prohibitive cost, the Company may have to significantly curtail its product development program or seek funds through financing alternatives that may require the Company to sell its rights to certain products or certain marketing territories. Any additional equity financing may result in dilution to existing shareholders.

***General venture company risks.***

An investment in the Company's securities should be considered highly speculative due to the nature of the Company's business, the early stage of its deployment, its current financial position and ongoing requirements for capital. An investment in the Company's securities should only be considered by those persons who can afford a total loss of investment, and is not suited to those investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in the Company's securities.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

***Staffing challenges.***

The recruitment and retention of qualified professionals to develop products, as well as sales, marketing and financial professionals, is critical to the Company's future success. Employee turnover rates can be high and competition for experienced personnel is high. The Company's failure to attract and retain professionals may prevent or hinder its ability to pursue the business plan and grow its business.

***Managing growth.***

If the business plan is successful, the Company may experience significant growth in a short period of time and encounter potential scaling issues. The Company's financial, management and operating resources may not expand sufficiently to adequately manage growth. Costs may increase disproportionately if rapid growth is not manageable, and future revenues may stop growing or decline and the Company may face dissatisfied customers. Failure to manage growth may adversely impact the Company's business and the value of the shareholders' investment.

***Failure to successfully integrate acquired businesses and other assets.***

The consummation and integration of acquired businesses or other assets into the Company may be complex and time consuming and, if such businesses and assets are not successfully integrated, the Company may not achieve the anticipated benefits, cost-savings or growth opportunities. Such acquisitions and other arrangements, even if successfully integrated, may fail to further the Company's business strategy as anticipated, expose the Company to increased competition or other challenges with respect to its products or geographic markets, and expose the Company to additional liabilities associated with an acquired business, technology or other asset or arrangement.

***Discretion and uncertainty of use of available funds.***

Although the Company has set out its intended use of available funds, these intended uses are estimates only and subject to change. While management does not currently contemplate any material variation, management does retain broad discretion in the application of such proceeds. The results and the effectiveness of the application of the funds are uncertain. The failure by the Company to apply these funds effectively could have a material adverse effect on its business, including the Company's ability to achieve its stated business objectives. In addition, the Company may use the funds in ways that a shareholder may not consider desirable.

***Consumer discretionary spending.***

The Company's business is affected by general economic conditions as its products are discretionary, and the Company depends, to a significant extent, upon a number of factors relating to discretionary consumer spending. These factors include economic conditions and perceptions of such conditions by consumers, employment rates, the level of consumers' disposable income, business conditions, interest rates, consumer debt levels and availability of credit.

***Development of software products.***

To execute the business plan, the Company must develop software products. If the technologies are not accepted in the marketplace, or if the technologies are not brought to market in a timely manner, this could materially and adversely impact the Company.

The Company's future success depends on the ability to maintain a competitive position with respect to technological advances. Competitors may develop products that are more effective or develop products faster, which could in turn render the Company's technology obsolete or non-competitive.

There can be no assurance that there is a market for the Company's products, or of the size of the market or the market's acceptance of our products. Sales outcomes are based upon a variety of factors which cannot be assured. If the Company fails to successfully develop and commercialize the Company's products, or if the products are not accepted by the market, the Company's business prospects will suffer.

***Health data and security breaches.***

The Company's products involve access to user health data and other confidential and private information, including credit and debit card numbers and other personally identifiable information. The Company believes that it is taking reasonable steps to protect the security, integrity and confidentiality of the information the Company collects, uses, stores and discloses, but there is no guarantee that inadvertent or unauthorized data access or use will not occur despite prevention efforts. In the future, attempts may be made to disable the Company's systems or breach the security of its systems. It is generally difficult to recognize techniques to obtain unauthorized access to personal information, confidential information and/or the systems on which such information are stored and/or to sabotage systems until they are launched against a target, as they frequently change. As a result, the Company may be unable to anticipate these techniques or to implement adequate preventative measures.

The market perception of the Company's security measures could be harmed if an actual or perceived security breach occurs. The Company could also lose Nara App and PlantGx Platform users and/or suffer other negative consequences to its business. A security breach could cause the loss or corruption of data, which could harm our business. Any failure to maintain the security of our systems could result in loss of personal information and/or other confidential information, damage to our reputation and relationships with users, early termination of contracts with users and other business losses, indemnification of our users, financial penalties, litigation, regulatory investigations and other significant liabilities. In the event of a major third-party security incident, we may incur losses in excess of their insurance coverage.

***Innovations in genomic reporting.***

The Company expects to encounter intense competition from companies that provide reports based on a user's genomic data. Many of the Company’s competitors have substantially greater financial, technical, research, marketing, sales, service and other resources than the Company, and may develop products that are superior to those of the Company. Competitors may succeed in obtaining patent protection for their products before the Company obtain patent protection for similar inventions. If the Company’s competitors develop products that have greater market attraction than the Company’s or that render the Company’s products obsolete or non-competitive, the Company’s business will suffer.

***Intellectual property.***

The Company relies on the trade secret and other intellectual property laws of Canada, the United States and the other countries where it intends to do business to protect its intellectual property rights. The Company may be unable to prevent third parties from using its intellectual property without its authorization. The unauthorized use of the Company’s intellectual property could reduce any competitive advantage that it has developed, reduce its market share or otherwise harm its business. In the event of unauthorized use of the Company’s intellectual property, litigation to protect and enforce the Company’s rights could be costly, and the Company may not prevail.

The Company intends to rely on unpatented technological innovation and other trade secrets to develop and maintain its competitive position. Although the Company generally enters into confidentiality agreements with its employees and third parties to protect its intellectual property, these confidentiality agreements are limited in duration, could be breached and may not provide meaningful protection of its trade secrets. Adequate remedies may not be available if there is an unauthorized use or disclosure of the Company’s trade secrets expertise. In addition, others may obtain knowledge about the Company’s trade secrets through independent development or by legal means. The failure to protect the Company’s processes, technology, trade secrets and proprietary manufacturing expertise, methods and compounds could have a material adverse effect on its business by jeopardizing critical intellectual property.

Where product development or a process is kept as a trade secret, third parties may independently develop or invent and patent products or processes identical to such trade secret products or processes. This could have a material adverse effect on the Company’s ability to make and sell its products or use such processes and could potentially result in costly litigation in which the Company might not prevail. The Company could face intellectual property infringement claims that could result in significant legal costs and damages and impede its ability to produce key products, which could have a material adverse effect on its business, financial condition, and results of operation.

***Natural health treatments.***

The Company's products provide users with information about natural plant medicine treatments, some of which may be regulated as controlled or restricted substances in various jurisdictions. The Company's Nara

App users may suffer physical or mental harm or legal consequences as a result of following such information, and may seek redress from the Company, despite the Company's use of product disclaimers.

***Regulation of medical devices.***

The Company's products provide users with information about natural plant medicine treatments. If national health regulators, such as the US Food & Drug Administration or Health Canada, assess that the Company's products make health claims, the Company may be subject to medical device regulations. The "software as a medical device" and "prescription digital therapeutics" fields are relatively new, and there is insufficient clarity as to how such digital health products will be regulated. An adverse finding from a health regulator may render the Company's products unmarketable in the applicable jurisdiction, until such time as the Company can develop conforming products. The Company intends to be responsive to any health regulator requests.

***COVID-19.***

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 financial results and condition of the Company and its operating subsidiaries in future periods. However, depending on the length and severity of the pandemic, COVID-19 could interrupt the Company's operations; increase operating expenses; cause delayed performance of contractual obligations; impair the Company's ability to raise funds depending on COVID-19s effect on capital markets; adversely affect the Company's supply partners, contractors, customers and/or transportation carries; and cause fluctuations in the price and demand for the Company's products.

In particular, as of the Report Date, the full extent of the effects of the COVID-19 pandemic are unknown. The continued spread of COVID-19 and the measures taken by the governments of countries affected could disrupt the Company's use of available funds and the timelines, business objectives or disclosed milestones related thereto, and thus, adversely impact the Company's business, financial condition, results of operations and prospects. In addition, there can be no assurance that the Company will not lose members of its workforce (e.g., employees or consultants) or see its workforce man-hours reduced or incur increased medical costs as a result of these health risks. The Company will actively assess and respond where possible to the potential impact of the COVID-19 pandemic. It is difficult to predict how the COVID-19 pandemic may affect the Company's business in the future, including the effect it may have (positive or negative; long or short term) on the price of, and demand for the Company's products. It is possible that the COVID-19 virus could have a material adverse effect on the Company's business, financial condition, results of operations and prospects as well as the market for its securities and/or its ability to obtain financing. The extent to which the COVID-19 pandemic impacts the Company's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus, the duration of the outbreak and the actions to contain its impact.

***Benefit company.***

The Company is a benefit company under the recently enacted benefit company provisions of the BCA. A benefit company is a new type of for-profit company that must include a "benefit statement" in its notice of articles and a "benefit provision" in its articles. The "benefit statement" is a statement in the notice of articles that "this company is a benefit company and, as such, is committed to conducting its business in a responsible and sustainable manner and promoting one or more public benefits". The Company's "benefit provision" in the Articles is to "to improve the health and wellness of people by providing a technology platform that identifies plant-based solutions tailored to the health profile of every individual ".

As a benefit company the Company is required to prepare and publish an annual "benefit report" that assesses the Company's performance in carrying out the commitments in its benefit provision against a third-party standard selected by the Company's directors for that financial year. If the Company is not timely or are unable to provide this report, or if the report is not viewed favourably by parties doing business with the Company or regulators or others reviewing the Company's credentials, reputation and status as a benefit company may be harmed.

As a benefit company the Company must act honestly and in good faith with a view to conducting the business in a responsible and sustainable manner, and promoting the public benefits specified in the Articles. The Company must also balance the duty to act honestly and in good faith with a view to the best interests of the company with the benefit duty. There is no assurance that the expected positive impact from being a benefit company will be realized. Accordingly, being a benefit company and complying with the Company's related obligations could negatively impact the Company's ability to provide the returns to its shareholders.

## INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the Report Date. Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. Management will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional personnel in order to provide greater segregation of duties. Since there is insufficient work at this time to warrant the additional costs, management has chosen to disclose the potential risk in its filings and proceed with increased personnel only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by management of the financial reports, and the integrity and reputation of senior accounting personnel.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this MD&A, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

## APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A

**SCHEDULE "B" – FINANCIAL STATEMENTS AND MD&AS OF PGT**

(See attached)

# PANGENOMIC HEALTH CORP.

Financial Statements

Period From September 17, 2020 (date of incorporation) to December 31, 2020

(Expressed in Canadian Dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

# INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of Pangenomic Health Corp.**

## Opinion

We have audited the financial statements of Pangenomic Health Corp. (the "Company"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the period from September 17, 2020 (date of incorporation) to December 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020, and its financial performance and its cash flows for the period from September 17, 2020 (date of incorporation) to December 31, 2020 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 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has not generated any revenue and has negative cash flow from operations during the period ended December 31, 2020 and, as at that date, the Company has a working capital deficit of $35,512 and an accumulated deficit of $63,512. 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
- The information, other than the financial statements and our auditor's report thereon, in the Prospectus.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of the auditor's report. If, based on the work we have performed on this 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.

The Prospectus is expected to be made available to us after the date of the auditor's report. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

August 3, 2021

**PANGENOMIC HEALTH CORP.**
Statement of Financial Position
(Expressed in Canadian Dollars)

| | December 31, 2020 $ |
|---|---|
| ASSETS | |
| Current assets | |
| Cash | 113,975 |
| Prepaid expenses | 3,202 |
| Total assets | 117,177 |
| LIABILITIES | |
| Current liabilities | |
| Accounts payable and accrued liabilities | 27,789 |
| Loan payable (Note 4) | 100,000 |
| Due to related parties (Note 5) | 24,900 |
| Total liabilities | 152,689 |
| SHAREHOLDERS' DEFICIT | |
| Share capital (Note 6) | 28,000 |
| Deficit | (63,512) |
| Total shareholders' deficit | (35,512) |
| Total liabilities and shareholders' deficit | 117,177 |

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 10)

Approved and authorized for issuance on behalf of the Board of Directors on August 3, 2021:

| | |
|---|---|
| */s/ Robert Nygren* | /s/ Vincent Lum |
| Robert Nygren, Director | Vincent Lum, Director |

(The accompanying notes are an integral part of these financial statements)

**PANGENOMIC HEALTH CORP.**
Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

| | Period from September 17, 2020 (date of incorporation) to December 31, 2020 $ |
|---|---|
| Expenses | |
| Consulting fees (Note 5) | 57,900 |
| General and administrative | 3,536 |
| Professional fees | 1,447 |
| Transfer agent and filing fees | 351 |
| Total expenses | 63,234 |
| Loss before other expense | (63,234) |
| Other expense | |
| Interest expense (Note 4) | (278) |
| Net loss and comprehensive loss for the period | (63,512) |
| Loss per common share, basic and diluted | (0.05) |
| Weighted average common shares outstanding | 1,280,000 |

(The accompanying notes are an integral part of these financial statements)

**PANGENOMIC HEALTH CORP.**
Statement of Changes in Shareholders' Deficit
(Expressed in Canadian Dollars)

| | Share capital | | | |
|---|---|---|---|---|
| | Number of common shares | Amount $ | Deficit $ | Total shareholders' deficit $ |
| Balance, September 17, 2020 (date of incorporation) | – | – | – | – |
| Common shares issued for cash | 1,800,100 | 9,001 | – | 9,001 |
| Cancellation of common shares | (100) | (1) | – | (1) |
| Common shares issued to settle debt | 3,800,000 | 19,000 | – | 19,000 |
| Net loss for the period | – | – | (63,512) | (63,512) |
| Balance, December 31, 2020 | 5,600,000 | 28,000 | (63,512) | (35,512) |

(The accompanying notes are an integral part of these financial statements)

**PANGENOMIC HEALTH CORP.**
Statement of Cash Flows
(Expressed in Canadian Dollars)

| | Period from September 17, 2020 (date of incorporation) to December 31, 2020 $ |
|---|---|
| Operating activities | |
| Net loss for the period | (63,512) |
| Changes in non-cash operating working capital: | |
| Prepaid expenses | (3,202) |
| Accounts payable and accrued liabilities | 32,789 |
| Due to related parties | 38,900 |
| Net cash provided by operating activities | 4,975 |
| Financing activities | |
| Proceeds from loan payable | 100,000 |
| Proceeds from issuance of common shares | 9,000 |
| Net cash provided by financing activities | 109,000 |
| Change in cash | 113,975 |
| Cash, beginning of period | – |
| Cash, end of period | 113,975 |
| Non-cash financing activities: | |
| Fair value of common shares issued to settle accounts payable | 10,000 |
| Fair value of common shares issued to settle related party debt | 9,000 |

(The accompanying notes are an integral part of these financial statements)

## 1. Nature of Operations and Continuance of Business

Pangenomic Health Corp. (the "Company") was incorporated under the laws of the province of British Columbia, Canada on September 17, 2020. On November 19, 2020, the name of the Company was changed from 1266123 B.C. Ltd. to Pangenomic Health Corp. The Company is in the business of identifying personalized, evidence-based natural treatments to improve health and wellness. The address of the Company's corporate office and principal place of business is 232 – 3800 Wesbrook Mall, Vancouver, British Columbia, V6S 2L9.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended December 31, 2020, the Company has not generated any revenues and has negative cash flow from operations. As at December 31, 2020, the Company has a working capital deficit of $35,512 and an accumulated deficit of $63,512. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

## 2. Basis of Presentation

(a) Statement of Compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

(b) Basis of Presentation

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company is the Canadian dollar.

(c) Significant Accounting Estimates and Judgments

The preparation of these financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the fair value of share-based payments and measurement of unrecognized deferred income tax assets.

Share-based Payments

Shares issued to settle debt are measured at fair value. As it is not a listed entity, the Company determines fair value based on recent share issuances to third parties for cash.

**2. Basis of Presentation** (continued)

(c) Significant Accounting Estimates and Judgments (continued)

Current and Deferred Income Taxes

The determination of income tax expense and the composition of deferred income tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred income tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretations, judgments, and estimates may materially affect the final amount of current and deferred income tax provisions, deferred income tax assets and liabilities, and results of operations.

*Significant Judgments*

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

Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the year ended December 31, 2020. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded there is a significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

**3. Significant Accounting Policies**

(a) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(b) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of operations.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

**3. Significant Accounting Policies** (continued)

(b) Financial Instruments (continued)

The Company has made the following classifications:

| | |
|---|---|
| Cash | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |
| Loan payable | Amortized cost |
| Due to related parties | Amortized cost |

*Financial assets*

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

*Financial assets at FVTPL*

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

*Financial assets at amortized cost*

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

*Impairment of financial assets*

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of operations. Loss allowances are based on the lifetime ECL's that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

**3. Significant Accounting Policies** (continued)

(b) Financial Instruments (continued)

*Financial assets* (continued)

*Impairment of financial assets* (continued)

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

*Financial liabilities and equity instruments*

*Classification as debt or equity*

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

*Other financial liabilities*

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(c) Income Taxes

*Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of operations. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**3. Significant Accounting Policies** (continued)

(c) Income Taxes (continued)

*Deferred income tax*

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(d) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(e) Loss Per Share

Basic loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share. The dilutive effect of convertible securities is reflected in the diluted loss per share by application of the "if converted" method. The dilutive effect of outstanding incentive stock options and their equivalents is reflected in the diluted loss per share by application of the treasury stock method.

(f) Comprehensive Loss

Comprehensive loss is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of loss.

(g) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2020, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## 4. Loan Payable

On December 11, 2020, the Company entered into a loan agreement with Zetta Capital Corp. ("Zetta") pursuant to which Zetta agreed to advance the Company up to $250,000. Any advances will be unsecured, bear interest at 5% per annum, and be due on demand. On December 15, 2020, the Company received an advance of $100,000 from Zetta. Refer to Note 10(c).

## 5. Related Party Transactions

(a) During the period from incorporation on September 17, 2020 to December 31, 2020, the Company incurred consulting fees of $15,750 to the Chief Executive Officer of the Company ("CEO"). As at December 31, 2020, the Company owed $15,750 to the CEO of the Company which is non-interest bearing, unsecured, and due on demand.

(b) During the period from incorporation on September 17, 2020 to December 31, 2020, the Company incurred consulting fees of $15,000 to a director of the Company. As at December 31, 2020, the Company owed $6,000 to the director of the Company which is non-interest bearing, unsecured, and due on demand.

(c) During the period from incorporation on September 17, 2020 to December 31, 2020, the Company incurred consulting fees of $3,150 to the Chief Science Officer of the Company ("CSO"). As at December 31, 2020, the Company owed $3,150 to the CSO of the Company which is non-interest bearing, unsecured, and due on demand.

## 6. Share Capital

Authorized: Unlimited number of common shares without par value
Unlimited number of preference shares without par value

(a) On September 17, 2020, the Company issued 100 common shares for proceeds of $1.

(b) On December 7, 2020, 100 common shares were returned to treasury for cancellation for consideration of $1.

(c) On December 7, 2020, the Company issued 1,800,000 common shares at $0.005 per share for proceeds of $9,000.

(d) On December 7, 2020, the Company issued 1,800,000 common shares with a fair value of $9,000 pursuant to the settlement of $9,000 owing to a director of the Company.

(e) On December 7, 2020, the Company issued 1,000,000 common shares with a fair value of $5,000 pursuant to the settlement of $5,000 owing to a consultant.

(f) On December 7, 2020, the Company issued 1,000,000 common shares with a fair value of $5,000 pursuant to the settlement of $5,000 owing to a consultant.

## 7. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The fair values of financial instruments, which includes cash, accounts payable and accrued liabilities, loan payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

(Expressed in Canadian Dollars)

## 8. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of its operations. 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 defines capital to include its working capital position, share capital, and accumulated deficit.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

## 9. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

| | 2020<br>$ |
|---|---|
| Net loss for the period | (63,512) |
| Statutory income tax rate | 11% |
| Income tax recovery at statutory rate | (6,986) |
| Change in unrecognized deferred income tax assets | 6,986 |
| Income tax provision | – |

The significant components of deferred income tax assets and liabilities as at December 31, 2020 are as follows:

| | 2020<br>$ |
|---|---|
| Deferred income tax assets | |
| Non-capital loss carried forward | 6,986 |
| Total gross deferred income tax assets | 6,986 |
| Unrecognized deferred income tax assets | (6,986) |
| Net deferred income tax assets | – |

As at December 31, 2020, the Company has a non-capital loss carried forward of $63,215, which is available to offset future years' taxable income and expires in 2040.

## 10. Subsequent Events

(a) On January 17, 2021, the Company issued 3,400,000 common shares at $0.005 per share for proceeds of $17,000.

(b) On February 4, 2021, the Company entered into an IP Purchase Agreement with Connect Displays Inc. ("CDI"), whereby the Company agreed to purchase certain intellectual property of CDI ("IP"). As consideration, the Company is to issue 1,667,667 common shares and make a payment of $1,000 for transition support. On March 17, 2021, the Company issued the 1,666,667 common shares.

**10. Subsequent Events** (continued)

(c) On February 24, 2021, the Company received the remaining $150,000 loan from Zetta. Refer to Note 4.

(d) On April 6, 2021, the Company issued 350,000 common shares at $0.005 per share for proceeds of $1,750.

(e) On June 8, 2021, the Company entered into a loan agreement with Zetta pursuant to which Zetta agreed to advance an additional loan of up to $250,000. On June 9, 2021, the Company received an advance of $100,000 from Zetta. On July 7, 2021, the Company received an advance of $150,000 from Zetta. The unsecured demand loan bears interest at 5% per annum and is due on June 8, 2022.

(f) On April 8, 2021, the Company issued 650,000 common shares at $0.005 per share for proceeds of $3,250.

(g) On May 1, 2021, the Company entered into two advisory board agreements, whereby the Company agreed to pay each advisor $5,000 per month for an initial term of six months. The Company also agreed to grant each advisor 125,000 stock options exercisable at $0.15 per share expiring two years from the grant date.

# PANGENOMIC HEALTH CORP.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Period from incorporation on September 17, 2020 to December 31, 2020

This Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of Pangenomic Health Corp. (formerly 1266123 B.C. Ltd.) ("PGH" or the "Company") This MD&A should be read in conjunction with the Company's audited financial statements and the related notes for the period from incorporation on September 17, 2020 to December 31, 2020, which have been prepared under International Financial Reporting Standards ("IFRS").

All financial information in this MD&A has been prepared in accordance with IFRS. All dollar amounts included therein and in the following MD&A are in Canadian dollars, the reporting and functional currency of the Company, except where noted. The MD&A contains information up to and including August 3, 2021 (the "Report Date").

## FORWARD-LOOKING STATEMENT

Certain statements contained in this MD&A may constitute "forward-looking statements". Such term is defined in applicable securities laws. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors and assumptions include, among others, uncertainty relating to the Company's ability to successfully execute its business plans and intentions, the ability of the Company to raise additional capital to complete its business plans and fund its research and development activities, the commercial viability of the Company's products under development, the continued availability of key leadership personnel and the ability to attract and retain qualified personnel, general business, economic, and competitive uncertainties; the limited operating history of the Company; the ability to protect, maintain and enforce intangible property rights; future growth plans and the ability to meet business objectives; the acceptance by customers and the marketplace of new products; ability to attract and retain personnel; and expectations with respect to advancement and adoption of new product lines.

While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company's management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws.

## OVERVIEW

The Company was incorporated under the laws of British Columbia on September 17, 2020. On November 19, 2020, the name of the Company was changed from 1266123 B.C. Ltd. to Pangenomic Health Corp. PGH was formed for the purpose of developing a digital health platform to give greater personal control over mental health treatments. PGH's personalized system of insights helps individuals and healthcare practitioners connect with precision natural remedy mental wellness options.

PGH was formed by two life science and technology industry executives, Vincent Lum and Robert Nygren, in collaboration with the ETC3 technology innovation center located in the South Research Campus of The University of British Columbia. PGH has assembled software development and life science research teams with expertise in digital therapeutic platforms and scientific research into herbal remedies.

## OVERALL PERFORMANCE

### *Corporate*

The Company is a precision health company that has developed a self-care digital platform to deliver personalized, evidence-based information about natural treatments to support a user's specific health needs. The Company's vision is that all people will have access to affordable and effective natural remedies for better health and wellness. The Company's mission is to improve the health and wellness of people by providing a technology platform that identifies natural treatments tailored to the health profile of each individual. The Company's initial focus will be to provide information on personalized natural mental health solutions that can alleviate anxiety and depression

On October 16, 2020, Zetta Capital Corp. (“Zetta”) entered into a letter of intent with PGH to acquire all of the outstanding PGH shares. To acquire PGH, Zetta will issue one common share for every PGH share outstanding at an agreed price of $0.15 PGH share, being 11,666,667 PGH shares in the aggregate, having an agreed upon value of $1,750,000. Upon closing of the acquisition, PGH will become a wholly owned subsidiary of Zetta and the operations will be carried out through PGH.

On February 4, 2021, PGH purchased intellectual property rights relating to a digital health platform for managing clinical health data from Connected Displays Inc. doing business as “Excelar Technologies” (“Excelar”) in consideration for 1,666,667 PGH Shares. The Excelar digital health platform was developed in 2019 and has been deployed since at several health authorities in British Columbia, including in the $7,000,000 iTARGET Autism Early Diagnosis Project at BC Children’s Research Institute, in the $750,000 SaveBC St. Paul’s Hospital Cardiovascular Disease Management Project and in the $3,000,000 ActionADE BC Ministry of Health Adverse Drug Event Compliance Reporting Project.

On March 17, 2021, the Company entered into an intellectual property purchase agreement with Connected Displays Inc. (“CDI”), a company controlled by the Chief Technology Officer of the Company (“CTO”), whereby the Company agreed to purchase certain intellectual property of CDI (“IP”). The IP is an application framework and associated software toolsets for managing clinical health data. As consideration, the Company issued 1,667,667 common shares with a fair value of $8,333 and paid $1,000.

On May 1, 2021, the Company entered into two Advisory Board Agreements for a term of one year. The Company agreed to pay each advisor $5,000 per month for an initial term of 6 months, which may be extended on a month-to-month basis upon prior written approval of both parties. The Company also agreed to grant each advisor 125,000 stock options exercisable at $0.15 per common share. As at the Report Date, the Company has not granted the stock options.

On August 1, 2021, the Company entered into an Advisory Board Agreement for a term of one year. The Company agreed to pay the advisor $2,000 per month for an initial term of 6 months, which may be extended on a month-to-month basis upon prior written approval of both parties. The Company also agreed to grant the advisor 50,000 stock options exercisable at $0.15 per common share. As at the Report Date, the Company has not granted the stock options.

On August 1, 2021, the Company entered into an agreement with a consultant. The Company agreed to pay the consultant $10,000 per month for a period of 3 months. The Company also agreed to grant the advisor 175,000 stock options exercisable at $0.15 per common share. As of the Report Date, the Company has not granted the stock options.

***Financing Activities***

On December 7, 2020, PGH issued 1,800,000 common shares at $0.005 per share for proceeds of $9,000.

On December 7, 2020, PGH issued 2,000,000 common shares with a fair value of $10,000 to settle $10,000 owed to two consultants.

On December 7, 2020, PGH issued 1,800,000 common shares with a fair value of $9,000 pursuant to the settlement of $9,000 owing to a director of the Company.

On January 17, 2021, PGH issued 3,400,000 common shares at a price of $0.005 per share for proceeds of $17,000.

On April 6, 2021, PGH issued 350,000 common shares at a price of $0.005 per share for proceeds of $1,750.

***Loan Payable***

On December 11, 2020, the Company entered into a loan agreement with Zetta, pursuant to which Zetta agreed to advance the Company up to $250,000. Any advances will be unsecured, bear interest at 5% per annum, and be due on demand. On December 15, 2020, the Company received an advance of $100,000 from Zetta. On February 24, 2021, the Company received the remaining $150,000 from Zetta.

On June 8, 2021, the Company entered into a loan agreement with Zetta pursuant to which Zetta agreed to advance an additional loan of up to $250,000. On June 9, 2021, the Company received an advance of $100,000 from Zetta. On July 7, 2021, the Company received an advance of $150,000 from Zetta. The unsecured demand loan bears interest at 5% per annum and is due on June 8, 2022.

***Products and Services***

The Company is developing its products using machine learning functionality to enable predictive analytics and personalization of mental health support resources. Community-based supported resources are curated by leveraging machine learning models using sentiment analysis.

The core products offered by the Company are a mobile app for consumers ("Nara") and a digital therapeutics clinic platform for health practitioners ("PlantGx"). The Nara mobile app will provide consumers with a knowledge base tailored to an individual's unique user profile, leveraging input from mental health questionnaires, current drug treatment regimen, genomic sequence analysis, as well as their proteomics and microbiomic biomarker reports. The PlantGx digital therapeutics clinic platform will provide health practitioners with access to the consumer's mobile app data and their diagnostic reports. This enhances identification of appropriate natural remedy treatments and allows practitioners to track their patient's natural treatment progress and effectiveness. The Company's planned lab based services will provide health practitioners with proprietary genetic and protein biomarkers that will be developed to assist in tracking patient response to natural treatments.

The Company anticipates that its initial revenue will be earned from monthly subscription fees and one-time fees paid by consumers for access to premium services on the Nara app. Revenue will also be earned from monthly subscription fees paid by health practitioners for access to an advanced knowledge base and treatment analytics, as well as fees earned for new patient and diagnostic test referrals.

*App for Consumers*

The Company's Nara mobile app provides users with personalized information about non-pharmaceutical alternatives to address mental health concerns. The freemium Nara app will be launched in Canada and the United States in the first quarter of 2022 with planned updates to be released each quarter. The Company anticipates that the Nara app will be used by a wide-range of consumers interested in information about alternative plant-based medicine.

As the Nara app develops a deeper profile of the consumer through questionnaires, journaling and biomarker and genomics testing, it will provide more tailored information to the consumer about natural treatments. At appropriate stages, the app will refer consumers to a local health practitioner for professional treatment, and the individual will have the option to make their app data available to the practitioner.

The Nara consumer app handles highly personal health data, and the Company plans to ensure that such data will be strongly encrypted. Data shared within the app is owned by the user and will not be shared with third party organizations without the user's consent. The Company will adhere to the health data and privacy laws in relevant jurisdictions, such as compliance with the Health Insurance Portability and Accountability Act (HIPAA) in the United States.

The Company plans that any revenue derived from the collection of health data analytics will be shared with the app users and used by the Company to support its public benefit purpose.

*Digital Therapeutics Clinic Platform for Health Practitioners*

The Company is developing the PlantGx digital therapeutics clinic platform, which will provide health practitioners with access to user health data enabled from the Nara app by the patient and to receive patient referrals. The Company plans to launch the PlantGx clinical platform in Canada and the United States in the second quarter of 2022 with planned updates to be released each quarter. The Company anticipates that the clinic platform will be used by a variety of health-practitioners including medical doctors, naturopathic doctors, pharmacists, herbalists and counsellors.

The clinic platform accesses and analyzes data from pharmacogenomics, proteomics, nutrigenomics and ethnobotany research, together with data from an individual’s genome sequence (whole genome, whole exome or single nucleotide polymorphisms), an individual’s protein biomarkers and gut microbiome profile. By aggregating and curating health data from active and passive sources, the PlantGx clinic platform translates data into concise, actionable insights for a health practitioner that provide targeted information for effective treatment of patients using a variety of natural treatments.

Many natural remedy compounds contain active ingredients that bind to and activate key receptors in the brain. One of the challenges of using natural treatments is the differential individual patient dose responses, change in tolerance within individual patients and the inability to effectively monitor patients undergoing treatment effectively in a quantitative manner. Monitoring a patient’s protein levels, determining appropriate dosing and confirming efficacy will assist in driving appropriate usage and demand for natural compounds.

Underpinning the Company's products, the scalable Excelar digital health platform acquired by the Company provides:

- A secure data capture and analytics platform;
- Proven privacy & security compliance data management;
- Electronic health/medical records integration;
- Cross linking and integration of data across patient continuum of care; and
- User consent support for research data and data sharing for clinical referrals.

***Proprietary Protection***

We protect our intellectual property rights through a combination of patents, trademarks and trade secret laws as well as contractual provisions. The Company uses non-disclosure agreements with business partners, prospective customers, and other relationships where disclosure of proprietary information may be necessary. We also use such agreements with our employees and consultants which assign to us all intellectual property developed in the course of their employment or engagement. We also secure from such individuals obligations to execute such documentation as is reasonably required by the Company to evidence our ownership of such intellectual property.

We have filed trademark applications in Canada covering the word marks "Nara", "Nustasis", "PanGenomic", and "PlantGx".

The Company uses machine learning primarily for predictive analytics and personalization of mental health support resources for the end users. A significant portion of our proprietary technology focuses on data collection and data normalization including data categorization and labeling.

The Nara consumer app collects a diverse set of user data including user demographic profile information, lifestyle data such as alcohol and substance use as well as mental health risk factors relating to the user's health conditions such as specific chronic diseases. The app captures standardized GAD7 anxiety and PHQ9 depression questionnaire data, as well as normalized user journey data including mood, sleep, and cognition, and tracks changes in the user parameters over time. User medication regimen data includes anti-anxiety, anti-depression, as well as other pharmaceutical medications, and natural treatments. The predictive personalization model is augmented by user feedback based on support resources that the user found useful, shared, or liked. Community-based supported resources are curated leveraging machine learning models using sentiment analysis.

The Company's data model domains also include multi-dimensional biomarkers such as gene, protein, metabolite, and microbiome. As our system uses a multi-domain approach, the machine learning model being developed uses a distributed machine learning approach to overlay and enhance the personalization based on available user data.

**FUTURE PLANS**

The Company anticipates that its initial revenue will be earned from monthly subscription fees and one-time fees paid by consumers for access to premium services on the Nara app. Revenue will also be earned from monthly subscription fees paid by health practitioners for access to an advanced knowledge base and treatment analytics, as well as fees earned for new patient and diagnostic test referrals.

PGH has developed an alpha version of its Nara consumer mental health app for natural treatments using the Excelar digital health platform. PGH plans to release its beta version of the Nara app for limited public use in Q1 2022, to be followed by a release for the general public in Q3 2022.

PGH has also developed an alpha version of its PlantGx digital therapeutics clinic platform using the Excelar digital health platform. PGH plans to make its initial PlantGx product available to clinic practitioners in Q2 2022.

**PROPOSED TRANSACTIONS**

Except as disclosed in this MD&A, the Company has no proposed transactions as at the Report Date.

## SUMMARY OF ANNUAL AND QUARTERY RESULTS

The following table sets out selected information for and as of the periods indicated. The financial information is derived from PGH's audited financial statements for the period from inception on September 17, 2020 to December 31, 2020.

| | From September 17, 2020 to December 31, 2020 $ |
|---|---|
| Total revenue | - |
| Loss and comprehensive loss | (63,512) |
| Net loss per share, basic and fully diluted | (0.05) |
| Total assets | 117,177 |
| Total liabilities | 152,689 |

## RESULTS OF OPERATIONS

The Company's performance from inception on September 17, 2020 to December 31, 2020 was as follows:

| | December 31, 2020 $ |
|---|---|
| Cash provided by operating activities | 4,975 |
| Cash provided by financing activities | 109,000 |

The key component of the net loss and comprehensive loss for the period ended December 31, 2020 was consulting fees of $57,900 which relates to various services pertaining to the development and operations of its business including consulting fees of $33,900 to related parties.

Operating activities generated a net cash inflow of $4,975 due to an increase in accounts payable and accrued liabilities, and due to related parties.

Financing activities consists of the $100,000 Zetta loan payable and the issuance of 1,800,000 common shares at a price of $0.005 per share for total gross proceeds of $9,000.

## LIQUIDITY

During the period ended December 31, 2020, the Company has not generated any revenues. As at December 31, 2020, the Company has a working capital deficit of $35,512 and an accumulated deficit of $63,512. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

## CAPITAL RESOURCES

The Company has not yet realized profitable operations and it has relied on non-operational sources of financing to fund operations. The ability of the Company to achieve its objectives, meet its ongoing obligations and recover its investments in pending trademarks and other assets will depend on management's ability to successfully execute its business plan, achieve profitable operations and obtain additional financing, if or when required. There is no assurance that these initiatives will be successful.

## RELATED PARTY DISCLOSURES

As at the Report Date, the directors, officers and Management of the Company are as follows:

Vincent Lum, Chief Executive Officer ("CEO") and director
Rob Nygren, executive chair and director
Kai Ding Zhang, Chief Science Officer ("CSO")
Colin Quon, CTO

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

During the period from incorporation on September 17, 2020 to December 31, 2020, the Company incurred consulting fees of $15,750 to the CEO. As at December 31, 2020, the Company owed $15,750 to the CEO of the Company which is non-interest bearing, unsecured, and due on demand.

During the period from incorporation on September 17, 2020 to December 31, 2020, the Company incurred consulting fees of $15,000 to a director of the Company. As at December 31, 2020, the Company owed $6,000 to the director of the Company which is non-interest bearing, unsecured, and due on demand.

During the period from incorporation on September 17, 2020 to December 31, 2020, the Company incurred consulting fees of $3,150 to the CSO. As at December 31, 2020, the Company owed $3,150 to the CSO of the Company which is non-interest bearing, unsecured, and due on demand.

On December 7, 2020, the Company issued 1,800,000 common shares with a fair value of $9,000 pursuant to the settlement of $9,000 owing to a director of the Company.

## ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2021, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of unlimited common shares without par value and unlimited number of preference shares without par value. As at the Report Date, there were 11,666,667 (December 31, 2020 – 5,600,000) common shares outstanding.

Common shares issued during the period ended December 31, 2020:

(a) On September 17, 2020, the Company issued 100 common shares for proceeds of $1.

(b) On December 7, 2020, 100 common shares were returned to treasury for cancellation for consideration of $1.

(c) On December 7, 2020, the Company issued 1,800,000 common shares at $0.005 per share for proceeds of $9,000.

(d) On December 7, 2020, the Company issued 1,800,000 common shares with a fair value of $9,000 pursuant to the settlement of $9,000 owing to the President of the Company.

(e) On December 7, 2020, the Company issued 1,000,000 common shares with a fair value of $5,000 pursuant to the settlement of $5,000 owing to a consultant.

(f) On December 7, 2020, the Company issued 1,000,000 common shares with a fair value of $5,000 pursuant to the settlement of $5,000 owing to a consultant

Common shares issued subsequent to December 31, 2020:

(a) On January 17, 2021, the Company issued 3,400,000 common shares at $0.005 per share for proceeds of $17,000.

(b) On February 4, 2021, the Company entered into an IP Purchase Agreement with Connect Displays Inc. ("CDI"), whereby the Company agreed to purchase certain intellectual property of CDI ("IP"). As consideration, the Company is to issue 1,667,667 common shares and make a payment of $1,000 for transition support. On March 17, 2021, the Company issued the 1,666,667 common shares.

(c) On April 6, 2021, the Company issued 350,000 common shares at $0.005 per share for proceeds of $1,750.

(d) On April 8, 2021, the Company issued 650,000 common shares at $0.005 per share for proceeds of $3,250.

As at the Report Date and December 31, 2020 there were no stock options or warrants outstanding.

## CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of its operations. 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 defines capital to include its working capital position, share capital, and accumulated deficit.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

## FINANCIAL INSTRUMENTS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity, credit, foreign exchange rate and interest rate. Where material, these risks are reviewed and monitored by the Board of Directors.

### Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. The carrying amount of financial assets represents the maximum credit exposure.

**Foreign Exchange Rate Risk**

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

**Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

**Fair Values**

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which includes cash, accounts payable and accrued liabilities, loan payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

**RISK AND UNCERTAINTIES**

Risk is inherent in all business activities and cannot be entirely eliminated. Our goal is to enable the Company's business processes and opportunities by ensuring that the risks arising from our business activities, the markets and political environments in which we operate is mitigated. The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties described are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

***Limited operating history.***

The Company has a limited history of operations and is considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered remote in light of its early stage of operations.

***Negative operating cash flow.***

Although the Company expects to become profitable, there is no guarantee that will happen, and the Company may never become profitable. The Company currently has a negative operating cash flow and may continue to have that for the foreseeable future. To date, the Company has not generated significant or recurring revenues and the Company expects significant capital investment will be required to begin earning revenue. As a result, the Company expects its net losses from operations to worsen. The Company's ability to generate additional revenues and potential to become profitable will depend largely on its ability to develop, manufacture and market our products. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

***Additional financing.***

The Company has no source of operating cash flow to fund all of its operational needs and will require significant additional financing to continue its operations. There can be no assurance that such financing will be available at all or on favourable terms. Failure to obtain such additional financing could result in delay or indefinite postponement of the Company's deployment of its products. Additional financing may dilute the ownership interest of the Company's shareholders at the time of the financing, and may dilute the value of their investment.

***Uncertainty of additional capital.***

The Company anticipates expending substantial funds to carry out the development, introduction, distribution and production of its products. The Company will require additional funds for these purposes through one or more public or private equity financings, by taking on debt financing, or from other sources. No assurance can be given that such additional funds will be available on acceptable terms or at all. If such funds are unavailable or are only available at a prohibitive cost, the Company may have to significantly curtail its product development program or seek funds through financing alternatives that may require the Company to sell its rights to certain products or certain marketing territories. Any additional equity financing may result in dilution to existing shareholders.

***General venture company risks.***

An investment in the Company's securities should be considered highly speculative due to the nature of the Company's business, the early stage of its deployment, its current financial position and ongoing requirements for capital. An investment in the Company's securities should only be considered by those persons who can afford a total loss of investment, and is not suited to those investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in the Company's securities.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

***Staffing challenges.***

The recruitment and retention of qualified professionals to develop products, as well as sales, marketing and financial professionals, is critical to the Company's future success. Employee turnover rates can be high and competition for experienced personnel is high. The Company's failure to attract and retain professionals may prevent or hinder its ability to pursue the business plan and grow its business.

***Managing growth.***

If the business plan is successful, the Company may experience significant growth in a short period of time and encounter potential scaling issues. The Company’s financial, management and operating resources may not expand sufficiently to adequately manage growth. Costs may increase disproportionately if rapid growth is not manageable, and future revenues may stop growing or decline and the Company may face dissatisfied customers. Failure to manage growth may adversely impact the Company's business and the value of the shareholders’ investment.

***Failure to successfully integrate acquired businesses and other assets.***

The consummation and integration of acquired businesses or other assets into the Company may be complex and time consuming and, if such businesses and assets are not successfully integrated, the Company may not achieve the anticipated benefits, cost-savings or growth opportunities. Such acquisitions and other arrangements, even if successfully integrated, may fail to further the Company's business strategy as anticipated, expose the Company to increased competition or other challenges with respect to its products or geographic markets, and expose the Company to additional liabilities associated with an acquired business, technology or other asset or arrangement.

***Discretion and uncertainty of use of available funds.***

Although the Company has set out its intended use of available funds, these intended uses are estimates only and subject to change. While management does not currently contemplate any material variation, management does retain broad discretion in the application of such proceeds. The results and the effectiveness of the application of the funds are uncertain. The failure by the Company to apply these funds effectively could have a material adverse effect on its business, including the Company's ability to achieve its stated business objectives. In addition, the Company may use the funds in ways that a shareholder may not consider desirable.

***Consumer discretionary spending.***

The Company's business is affected by general economic conditions as its products are discretionary, and the Company depends, to a significant extent, upon a number of factors relating to discretionary consumer spending. These factors include economic conditions and perceptions of such conditions by consumers, employment rates, the level of consumers’ disposable income, business conditions, interest rates, consumer debt levels and availability of credit.

***Development of software products.***

To execute the business plan, the Company must develop software products. If the technologies are not accepted in the marketplace, or if the technologies are not brought to market in a timely manner, this could materially and adversely impact the Company.

The Company's future success depends on the ability to maintain a competitive position with respect to technological advances. Competitors may develop products that are more effective or develop products faster, which could in turn render the Company’s technology obsolete or non-competitive.

There can be no assurance that there is a market for the Company’s products, or of the size of the market or the market’s acceptance of our products. Sales outcomes are based upon a variety of factors which cannot be assured. If the Company fails to successfully develop and commercialize the Company's products, or if the products are not accepted by the market, the Company's business prospects will suffer.

***Health data and security breaches.***

The Company's products involve access to user health data and other confidential and private information, including credit and debit card numbers and other personally identifiable information. The Company believes that it is taking reasonable steps to protect the security, integrity and confidentiality of the information the Company collects, uses, stores and discloses, but there is no guarantee that inadvertent or unauthorized data access or use will not occur despite prevention efforts. In the future, attempts may be made to disable the Company's systems or breach the security of its systems. It is generally difficult to recognize techniques to obtain unauthorized access to personal information, confidential information and/or the systems on which such information are stored and/or to sabotage systems until they are launched against a target, as they frequently change. As a result, the Company may be unable to anticipate these techniques or to implement adequate preventative measures.

The market perception of the Company's security measures could be harmed if an actual or perceived security breach occurs. The Company could also lose Nara App and PlantGx Platform users and/or suffer other negative consequences to its business. A security breach could cause the loss or corruption of data, which could harm our business. Any failure to maintain the security of our systems could result in loss of personal information and/or other confidential information, damage to our reputation and relationships with users, early termination of contracts with users and other business losses, indemnification of our users, financial penalties, litigation, regulatory investigations and other significant liabilities. In the event of a major third-party security incident, we may incur losses in excess of their insurance coverage.

***Innovations in genomic reporting.***

The Company expects to encounter intense competition from companies that provide reports based on a user's genomic data. Many of the Company's competitors have substantially greater financial, technical, research, marketing, sales, service and other resources than the Company, and may develop products that are superior to those of the Company. Competitors may succeed in obtaining patent protection for their products before the Company obtain patent protection for similar inventions. If the Company's competitors develop products that have greater market attraction than the Company's or that render the Company's products obsolete or non-competitive, the Company's business will suffer.

***Intellectual property.***

The Company relies on the trade secret and other intellectual property laws of Canada, the United States and the other countries where it intends to do business to protect its intellectual property rights. The Company may be unable to prevent third parties from using its intellectual property without its authorization. The unauthorized use of the Company's intellectual property could reduce any competitive advantage that it has developed, reduce its market share or otherwise harm its business. In the event of unauthorized use of the Company's intellectual property, litigation to protect and enforce the Company's rights could be costly, and the Company may not prevail.

The Company intends to rely on unpatented technological innovation and other trade secrets to develop and maintain its competitive position. Although the Company generally enters into confidentiality agreements with its employees and third parties to protect its intellectual property, these confidentiality agreements are limited in duration, could be breached and may not provide meaningful protection of its trade secrets. Adequate remedies may not be available if there is an unauthorized use or disclosure of the Company's trade secrets expertise. In addition, others may obtain knowledge about the Company's trade secrets through independent development or by legal means. The failure to protect the Company's processes, technology, trade secrets and proprietary manufacturing expertise, methods and compounds could have a material adverse effect on its business by jeopardizing critical intellectual property.

Where product development or a process is kept as a trade secret, third parties may independently develop or invent and patent products or processes identical to such trade secret products or processes. This could have a material adverse effect on the Company's ability to make and sell its products or use such processes and could potentially result in costly litigation in which the Company might not prevail. The Company could face intellectual property infringement claims that could result in significant legal costs and damages and impede its ability to produce key products, which could have a material adverse effect on its business, financial condition, and results of operation.

***Natural health treatments.***

The Company's products provide users with information about natural plant medicine treatments, some of which may be regulated as controlled or restricted substances in various jurisdictions. The Company's Nara App users may suffer physical or mental harm or legal consequences as a result of following such information, and may seek redress from the Company, despite the Company's use of product disclaimers.

***Regulation of medical devices.***

The Company's products provide users with information about natural plant medicine treatments. If national health regulators, such as the US Food & Drug Administration or Health Canada, assess that the Company's products make health claims, the Company may be subject to medical device regulations. The "software as a medical device" and "prescription digital therapeutics" fields are relatively new, and there is insufficient clarity as to how such digital health products will be regulated. An adverse finding from a health regulator may render the Company's products unmarketable in the applicable jurisdiction, until such time as the Company can develop conforming products. The Company intends to be responsive to any health regulator requests.

***COVID-19.***

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 financial results and condition of the Company and its operating subsidiaries in future periods. However, depending on the length and severity of the pandemic, COVID-19 could interrupt the Company's operations; increase operating expenses; cause delayed performance of contractual obligations; impair the Company's ability to raise funds depending on COVID-19's effect on capital markets; adversely affect the Company's supply partners, contractors, customers and/or transportation carries; and cause fluctuations in the price and demand for the Company's products.

In particular, as of the Report Date, the full extent of the effects of the COVID-19 pandemic are unknown. The continued spread of COVID-19 and the measures taken by the governments of countries affected could disrupt the Company's use of available funds and the timelines, business objectives or disclosed milestones related thereto, and thus, adversely impact the Company's business, financial condition, results of operations and prospects. In addition, there can be no assurance that the Company will not lose members of its workforce (e.g., employees or consultants) or see its workforce man-hours reduced or incur increased medical costs as a result of these health risks. The Company will actively assess and respond where possible to the potential impact of the COVID-19 pandemic. It is difficult to predict how the COVID-19 pandemic may affect the Company's business in the future, including the effect it may have (positive or negative; long or short term) on the price of, and demand for the Company's products. It is possible that the COVID-19 virus could have a material adverse effect on the Company's business, financial condition, results of operations and prospects as well as the market for its securities and/or its ability to obtain financing. The extent to which the COVID-19 pandemic impacts the Company's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus, the duration of the outbreak and the actions to contain its impact.

## INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A. Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. Management will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional personnel in order to provide greater segregation of duties. Since there is insufficient work at this time to warrant the additional costs, management has chosen to disclose the potential risk in its filings and proceed with increased personnel only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by management of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this MD&A, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

## APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A

# PANGENOMIC TECHNOLOGIES CORP.

(formerly Pangenomic Health Corp.)

Interim Financial Statements

Nine Months Ended September 30, 2021

(Expressed in Canadian Dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP

Suite 1605, 1166 Alberni Street
Vancouver, BC Canada V6E 3Z3

## INDEPENDENT AUDITOR'S REPORT

**To the Shareholders of Pangenomic Technologies Corp. (formerly Pangenomic Health Corp.)**

### Opinion

We have audited the interim financial statements of Pangenomic Technologies Corp. (formerly Pangenomic Health Corp.) (the "Company"), which comprise the interim statements of financial position as at September 30, 2021 and December 31, 2020, and the interim statements of loss and comprehensive loss, changes in shareholders' deficit, and cash flows for the three and nine months ended September 30, 2021 and period from September 17, 2020 (date of incorporation) to September 30, 2020, and notes to the interim financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying interim financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2021 and December 31, 2020, and its financial performance and its cash flows for the three and nine months ended September 30, 2021 and period from September 17, 2020 (date of incorporation) to September 30, 2020 in accordance with International Financial Reporting Standards.

### Basis for Opinion

We conducted our audits 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 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the interim financial statements, which indicates that the Company has not generated any revenue and has negative cash flow from operations during the period ended September 30, 2020 and, as at that date, the Company has a working capital deficit of $803,553 and an accumulated deficit of $834,296. 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
- The information, other than the financial statements and our auditor's report thereon, in the Prospectus.

Our opinion on the interim financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the interim financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the interim 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 the auditor's report. If, based on the work we have performed on this 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.

The Prospectus is expected to be made available to us after the date of the auditor's report. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**
Our objectives are to obtain reasonable assurance about whether the interim 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 interim 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 interim 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 interim 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 interim financial statements, including the disclosures, and whether the interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

January 10, 2022

## PANGENOMIC TECHNOLOGIES CORP.

(formerly Pangenomic Health Corp.)
Interim Statements of Financial Position
(Expressed in Canadian Dollars)

| | September 30, 2021 $ | December 31, 2020 $ |
|---|---|---|
| ASSETS | | |
| Current assets | | |
| Cash | 155,570 | 113,975 |
| Amounts receivable | 26,106 | – |
| Prepaid expenses | 4,879 | 3,202 |
| Total current assets | 186,555 | 117,177 |
| Non-current assets | | |
| Equipment (Note 4) | 18,257 | – |
| Intangible asset (Note 5) | 9,333 | – |
| Total non-current assets | 27,590 | – |
| Total assets | 214,145 | 117,177 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (Note 6) | 95,907 | 27,789 |
| Loans payable (Note 6) | 700,000 | 100,000 |
| Due to related parties (Note 7) | 194,201 | 24,900 |
| Total liabilities | 990,108 | 152,689 |
| SHAREHOLDERS DEFICIT | | |
| Share capital (Note 8) | 58,333 | 28,000 |
| Deficit | (834,296) | (63,512) |
| Total shareholders' deficit | (775,963) | (35,512) |
| Total liabilities and shareholders' deficit | 214,145 | 117,177 |

Nature of operations and continuance of business (Note 1)
Commitments (Note 11)
Subsequent events (Note 13)

Approved and authorized for issuance on behalf of the Board of Directors on __________:

| | |
|---|---|
| */s/ Robert Nygren* | /s/ Vincent Lum |
| Robert Nygren, Director | Vincent Lum, Director |

(The accompanying notes are an integral part of these interim financial statements)

## PANGENOMIC TECHNOLOGIES CORP.

(formerly Pangenomic Health Corp.)
Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

| | Three months ended September 30, 2021 $ | Nine months ended September 30, 2021 $ | Period from September 17, 2020 (date of incorporation) to September 30, 2020 $ |
|---|---|---|---|
| Expenses | | | |
| Consulting fees (Note 7) | 171,400 | 434,500 | – |
| Depreciation | 1,586 | 2,622 | – |
| General and administrative | 22,305 | 25,623 | – |
| Professional fees | 30,913 | 48,279 | 1,447 |
| Research and development | 103,880 | 177,634 | – |
| Transfer agent and filing fees | 45 | 45 | 351 |
| Wages and benefits | 33,774 | 70,005 | – |
| Total expenses | (363,903) | (758,708) | (1,798) |
| Other expense | | | |
| Interest expense | (6,644) | (12,076) | – |
| Net loss and comprehensive loss for the period | (370,547) | (770,784) | (1,798) |
| Loss per common share, basic and diluted | (0.03) | (0.07) | (17.98) |
| Weighted average common shares outstanding | 11,666,667 | 10,634,555 | 100 |

(The accompanying notes are an integral part of these interim financial statements)

**PANGENOMIC TECHNOLOGIES CORP.**
(formerly Pangenomic Health Corp.)
Interim Statements of Changes in Shareholders' Deficit
(Expressed in Canadian Dollars)

| | Share capital | | | Total shareholders' deficit |
|---|---|---|---|---|
| | Number of common shares | Amount $ | Deficit $ | $ |
| Balance, September 17, 2020 (incorporation date) | – | – | – | – |
| Issuance of common share for cash | 100 | 1 | – | 1 |
| Net loss for the period | – | – | (1,798) | (1,798) |
| Balance, September 30, 2020 | 100 | 1 | (1,798) | (1,797) |
| Issuance of common shares for cash | 1,800,000 | 9,000 | – | 9,000 |
| Cancellation of common shares | (100) | (1) | – | (1) |
| Issuance of common shares to settle debt | 3,800,000 | 19,000 | – | 19,000 |
| Net loss for the period | – | – | (61,714) | (61,714) |
| Balance, December 31, 2020 | 5,600,000 | 28,000 | (63,512) | (35,512) |
| Issuance of common shares for cash | 4,400,000 | 22,000 | – | 22,000 |
| Issuance of common shares to purchase intangible asset | 1,666,667 | 8,333 | – | 8,333 |
| Net loss for the period | – | – | (770,784) | (770,784) |
| Balance, September 30, 2021 | 11,666,667 | 58,333 | (834,296) | (775,963) |

(The accompanying notes are an integral part of these interim financial statements)

**PANGENOMIC TECHNOLOGIES CORP.**
(formerly Pangenomic Health Corp.)
Interim Statements of Cash Flows
(Expressed in Canadian Dollars)

| | Nine months ended September 30, 2021<br>$ | Period from September 17, 2020 (date of incorporation) to September 30, 2020<br>$ |
|---|---|---|
| Operating activities | | |
| Net loss for the period | (770,784) | (1,798) |
| Items not involving cash: | | |
| Depreciation | 2,622 | – |
| Changes in non-cash operating working capital: | | |
| Amounts receivable | (26,106) | – |
| Prepaid expenses | (1,677) | (3,202) |
| Accounts payable and accrued liabilities | 68,118 | – |
| Due to related parties | 169,301 | – |
| Net cash used in operating activities | (558,526) | (5,000) |
| Investing activities | | |
| Purchase of property and equipment | (20,879) | – |
| Purchase of intangible asset | (1,000) | – |
| Net cash used in investing activities | (21,879) | – |
| Financing activities | | |
| Proceeds from loans payable | 600,000 | – |
| Proceeds from related party loan payable | – | 5,000 |
| Proceeds from issuance of common shares | 22,000 | – |
| Net cash provided by financing activities | 622,000 | 5,000 |
| Change in cash | 41,595 | – |
| Cash, beginning of period | 113,975 | – |
| Cash, end of period | 155,570 | – |
| Non-cash investing and financing activities: | | |
| Fair value of shares issued to purchase intangible asset | 8,333 | – |

(The accompanying notes are an integral part of these interim financial statements)

## 1. Nature of Operations and Continuance of Business

Pangenomic Technologies Corp. (formerly Pangenomic Health Corp.) (the “Company”) was incorporated under the laws of the province of British Columbia, Canada on September 17, 2020. On November 19, 2020, the name of the Company was changed from 1266123 B.C. Ltd. to Pangenomic Health Corp. On November 26, 2021, the name of the Company was changed to Pangenomic Technologies Corp. The Company is in the business of identifying personalized, evidence-based natural treatments to improve health and wellness. The address of the Company’s corporate office and principal place of business is 232 – 3800 Wesbrook Mall, Vancouver, British Columbia, V6S 2L9.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

These interim financial statements have been prepared on the going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended September 30, 2021, the Company has not generated any revenues and has negative cash flow from operations. As at September 30, 2021, the Company has a working capital deficit of $803,553 and an accumulated deficit of $856,796. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company’s ability to continue as a going concern. These interim financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

## 2. Basis of Presentation

(a) Statement of Compliance

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and the interpretations of the International Financial Reporting Interpretations Committee.

(b) Basis of Presentation

These interim financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company is the Canadian dollar.

(c) Significant Accounting Estimates and Judgments

The preparation of these interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the fair value of share-based payments and unrecognized deferred income tax assets.

Share-based Payments

Shares issued to settle debt are measured at fair value. As it is not a listed entity, the Company determines fair value based on recent share issuances to third parties for cash.

**2. Basis of Presentation** (continued)

(c) Significant Accounting Estimates and Judgments (continued)

Current and Deferred Income Taxes

The determination of income tax expense and the composition of deferred income tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversals of deferred income tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretations, judgments, and estimates may materially affect the final amount of current and deferred income tax provisions, deferred income tax assets and liabilities, and results of operations.

*Significant Judgments*

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

Going concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements for the year ended December 31, 2020. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management considered a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing. As a result of the assessment, management concluded there is a significant doubt as to the ability of the Company to meet its obligations as they fall due and, accordingly, the ultimate appropriateness of the use of accounting principles applicable to a going concern.

**3. Significant Accounting Policies**

(a) Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

(b) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are included in the initial carrying value of the related instrument and are amortized using the effective interest method. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of loss.

Fair value estimates are made at the statement of financial position date based on relevant market information and information about the financial instrument. All financial instruments are classified into either: fair value through profit or loss ("FVTPL") or amortized cost.

**3. Significant Accounting Policies** (continued)

(b) Financial Instruments (continued)

The Company has made the following classifications:

| | |
|---|---|
| Cash | Amortized cost |
| Accounts payable and accrued liabilities | Amortized cost |
| Loans payable | Amortized cost |
| Due to related parties | Amortized cost |

*Financial assets*

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

*Financial assets at FVTPL*

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

*Financial assets at amortized cost*

Financial assets at amortized cost are non-derivative financial assets which are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition. Subsequent to initial recognition, financial assets are measured at amortized cost using the effective interest method, less any impairment.

*Impairment of financial assets*

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are offset against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of loss. Loss allowances are based on the lifetime ECL’s that result from all possible default events over the expected life of the trade receivable, using the simplified approach.

**3. Significant Accounting Policies** (continued)

(b) Financial Instruments (continued)

*Financial assets* (continued)

*Impairment of financial assets* (continued)

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

*Financial liabilities and equity instruments*

*Classification as debt or equity*

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized as the proceeds received, net of direct issue costs.

*Other financial liabilities*

Other financial liabilities (including loans and borrowings and trade payables and other liabilities) are initially measured at fair value, net of transaction costs. Subsequently, other financial liabilities are measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(b) Equipment

Equipment is recorded at cost less accumulated depreciation and impairment losses. Equipment is depreciated using the straight-line method over the estimated useful lives at the following rate:

| | |
|---|---|
| Computer equipment | 3 years |

**3. Significant Accounting Policies** (continued)

(c) Intangible Assets

Intangible assets are recorded at cost less accumulated amortization and any accumulated impairment losses. Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful lives of intangible assets are assessed as either finite or infinite. The amortization method and amortization period of an intangible asset with a finite useful life is reviewed at least annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method as appropriate, and are treated as a change in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of loss.

(d) Impairment of Non-Financial Assets

Intangible asset with indefinite useful lives are not amortized but are tested for impairment annually, either individually or at the cash generating unit (”CGU”) level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

At each reporting date, the Company assesses whether there are indicators of impairment for its non-financial assets. If indicators exist, the Company determines if the recoverable amount of the asset or CGU is greater than its carrying amount. A CGU is defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks, and materiality to define its CGUs.

If the carrying amount exceeds the recoverable amount, the asset or CGU is recorded at its recoverable amount with the reduction recognized in the statement of loss. The recoverable amount is the greater of the value in use or fair value less costs to sell. Fair value is the amount the asset could be sold for in an arm’s length transaction. The value in use is the present value of the estimated future cash flows of the asset from its continued use. The fair value less costs to sell considers the continued development of a property and market transactions in a valuation model.

Impairments are reversed in subsequent periods when there has been an increase in the recoverable amount of a previously impaired asset or CGU and these reversals are recognized in the statement of loss. The recovery is limited to the original carrying amount less depreciation, if any, that would have been recorded had the asset not been impaired.

(e) Income Taxes

*Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in the statement of loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**3. Significant Accounting Policies** (continued)

(e) Income Taxes (continued)

*Deferred income tax*

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(f) Software Development Costs

Software development costs relating to software to be sold, licenced, or marketed are capitalized upon the establishment of technological feasibility. Capitalized software development costs will be amortized over the remaining useful life of the product.

(g) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

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

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

(h) Loss Per Share

Basic loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share. The dilutive effect of convertible securities is reflected in the diluted loss per share by application of the "if converted" method. The dilutive effect of outstanding incentive stock options and their equivalents is reflected in the diluted loss per share by application of the treasury stock method.

(i) Comprehensive Loss

Comprehensive loss is the change in the Company’s net assets that results from transactions, events and circumstances from sources other than the Company’s shareholders and includes items that are not included in the statement of loss.

(Expressed in Canadian Dollars)

**3. Significant Accounting Policies** (continued)

(j) Accounting Standards Issued But Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2021, and have not been early adopted in preparing these interim financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's interim financial statements.

**4. Equipment**

| | Computer equipment $ |
|---|---|
| Cost | |
| Balance at December 31, 2020 | – |
| Additions | 20,879 |
| Balance at September 30, 2021 | 20,879 |
| Depreciation | |
| Balance at December 31, 2020 | – |
| Additions | 2,622 |
| Balance at September 30, 2021 | 2,622 |
| Carrying amounts | |
| Balance at December 31, 2020 | – |
| Balance at September 30, 2021 | 18,257 |

**5. Intangible Asset**

On March 17, 2021, the Company entered into an intellectual property purchase agreement with Connected Displays Inc. ("CDI"), a company controlled by the Chief Technology Officer of the Company ("CTO"), whereby the Company agreed to purchase certain intellectual property of CDI ("IP"). The IP is an application framework and associated software toolsets for managing clinical health data. As consideration, the Company issued 1,667,667 common shares with a fair value of $8,333 (Note 8(b)) and paid $1,000.

**6. Loans Payable**

(a) On December 11, 2020, the Company entered into a loan agreement with Pangenomic Health Inc. (formerly Zetta Capital Corp.) ("PHI") pursuant to which PHI agreed to advance the Company up to $250,000. The unsecured demand loan bears interest at 5% per annum and was due on June 30, 2021. On December 15, 2020, the Company received an advance of $100,000 from PHI. On February 24, 2021, the Company received the remaining $150,000 from PHI. On June 8, 2021, the maturity date was extended to June 30, 2022. As at September 30, 2021, the Company accrued interest of $8,611 (December 31, 2020 – $278), which is included in accounts payable and accrued liabilities.

**6. Loans Payable** (continued)

(b) On June 8, 2021, the Company entered into a loan agreement with PHI pursuant to which PHI agreed to advance an additional loan of up to $250,000. On June 9, 2021, the Company received an advance of $100,000 from PHI. On July 7, 2021, the Company received an advance of $150,000 from PHI. The unsecured demand loan bears interest at 5% per annum and is due on June 8, 2022. As at September 30, 2021, the Company accrued interest of $3,340, which is included in accounts payable and accrued liabilities.

(c) On August 31, 2021, the Company entered into a loan agreement with PHI pursuant to which PHI agreed to advance an additional loan of up to $100,000. On September 1, 2021, the Company received an advance of $100,000 from PHI. The unsecured demand loan bears interest at 5% per annum and is due on September 1, 2022. As at September 30, 2021, the Company accrued interest of $403, which is included in accounts payable and accrued liabilities.

(d) On September 30, 2021, the Company entered into a loan agreement with PHI pursuant to which PHI agreed to advance an additional loan of up to $100,000. On September 30, 2021, the Company received an advance of $100,000 from PHI. The unsecured demand loan bears interest at 5% per annum and is due on October 1, 2022.

**7. Related Party Transactions**

(a) During the nine months ended September 30, 2021, the Company incurred consulting fees of $90,000 (September 17 to 30, 2020 - $nil) to the Chief Executive Officer of the Company (“CEO”). As at September 30, 2021, the Company owed $45,000 (December 31, 2020 - $15,750) to the CEO which is non-interest bearing, unsecured, and due on demand.

(b) During the nine months ended September 30, 2021, the Company incurred consulting fees of $90,000 (September 17 to 30, 2020 - $nil) to a director of the Company. As at September 30, 2021, the Company owed $45,000 (December 31, 2020 - $6,000) to a director of the Company which is non-interest bearing, unsecured and due on demand.

(c) During the nine months ended September 30, 2021, the Company incurred consulting fees of $58,650 (September 17 to 30, 2020 - $nil) to the Chief Science Officer of the Company (“CSO”). As at September 30, 2021, the Company owed $16,957 (December 31, 2020 - $3,150) to the CSO which is non-interest bearing, unsecured, and due on demand.

(d) During the nine months ended September 30, 2021, the Company incurred consulting fees of $48,750 (September 17 to 30, 2020 - $nil) to the CTO. In addition, the Company acquired intellectual property from a company controlled by the CTO (refer to Note 5) and incurred software development costs of $179,659 (September 17 to 30, 2020 - $nil) to a company controlled by the CTO. As at September 30, 2021, the Company owed $5,000 (December 31, 2020 - $nil) to the CTO and $82,244 (December 31, 2020 - $nil) to a company controlled by the CTO. The amounts owed are non-interest bearing, unsecured, and due on demand.

**8. Share Capital**

Authorized: Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

During the period ended September 30, 2021:

(a) On January 17, 2021, the Company issued 3,400,000 common shares at $0.005 per share for proceeds of $17,000.

(b) On March 17, 2021, the Company issued 1,666,667 common shares with a fair value of $8,333 pursuant to an Intellectual Property Purchase Agreement. Refer to Note 5.

**8. Share Capital** (continued)

During the period ended September 30, 2021 (continued):

(c) On April 6, 2021, the Company issued 350,000 common shares at $0.005 per share for proceeds of $1,750.

(d) On April 8, 2021, the Company issued 650,000 common shares at $0.005 per share for proceeds of $3,250.

During the period ended December 31, 2020:

(e) On September 17, 2020, the Company issued 100 common shares for proceeds of $1.

(f) On December 7, 2020, 100 common shares were returned to treasury for cancellation for consideration of $1.

(g) On December 7, 2020, the Company issued 1,800,000 common shares at $0.005 per share for proceeds of $9,000.

(h) On December 7, 2020, the Company issued 1,800,000 common shares with a fair value of $9,000 pursuant to the settlement of $9,000 owing to a director of the Company.

(e) On December 7, 2020, the Company issued 1,000,000 common shares with a fair value of $5,000 pursuant to the settlement of $5,000 owing to a consultant.

(f) On December 7, 2020, the Company issued 1,000,000 common shares with a fair value of $5,000 pursuant to the settlement of $5,000 owing to a consultant.

**9. Financial Instruments and Risk Management**

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The fair values of financial instruments, which includes cash, accounts payable and accrued liabilities, loans payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company’s financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

## 9. Financial Instruments and Risk Management (continued)

(d) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

## 10. Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of its operations. 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 defines capital to include its working capital position, share capital, and accumulated deficit.

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 nine months ended September 30, 2021. The Company is not subject to externally imposed capital requirements.

## 11. Commitments

(a) On May 1, 2021, the Company entered into two Advisory Board Agreements for a term of one year. The Company agreed to pay each advisor $5,000 per month for an initial term of six months, which may be extended on a month-to-month basis upon prior written approval of both parties. The Company also agreed to grant each advisor 125,000 stock options exercisable at $0.15 per common share. As at September 30, 2021, the Company has not granted the stock options.

(b) On August 1, 2021, the Company entered into an Advisory Board Agreement for a term of one year. The Company agreed to pay the advisor $2,000 per month for an initial term of six months, which may be extended on a month-to-month basis upon prior written approval of both parties. The Company also agreed to grant the advisor 50,000 stock options exercisable at $0.15 per common share. As at September 30, 2021, the Company has not granted the stock options.

(c) On August 1, 2021, the Company entered into an agreement with a consultant. The Company agreed to pay the consultant $10,000 per month for a period of three months. The Company also agreed to grant the advisor 175,000 stock options exercisable at $0.15 per common share. As of September 30, 2021, the Company has not granted the stock options.

(Expressed in Canadian Dollars)

## 12. Income Taxes

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

| | Nine months ended September 30, 2021 $ | Period from September 17, 2020 to September 30. 2020 $ |
|---|---|---|
| Net loss for the period | (770,784) | (63,512) |
| Statutory income tax rate | 11% | 11% |
| Income tax recovery at statutory rate | (84,786) | (6,986) |
| Change in unrecognized deferred income tax assets | 84,786 | 6,986 |
| Income tax provision | – | – |

The significant components of deferred income tax assets and liabilities as at September 30, 2021 and December 31, 2020 are as follows:

| | 2021 $ | 2020 $ |
|---|---|---|
| Deferred income tax assets | | |
| Non-capital loss carried forward | 91,772 | 6,986 |
| Total gross deferred income tax assets | 91,772 | 6,986 |
| Unrecognized deferred income tax assets | (91,772) | (6,986) |
| Net deferred income tax assets | – | – |

As at December 31, 2020, the Company has a non-capital loss carried forward of $63,215, which is available to offset future years' taxable income and expires in 2040.

## 13. Subsequent Events

(a) On October 4, 2021, the shareholders of the Company entered into a Share Purchase Agreement (the "Agreement") with PHI, whereby PHI acquired 100% of the issued and outstanding common shares of the Company in consideration for 11,666,667 common shares of PHI.

(b) On November 3, 2021, the Company entered into a loan agreement with PHI pursuant to which PHI advanced an additional loan of $100,000. The unsecured demand loan bears interest at 5% per annum and is due on October 31, 2022.

(c) On November 17, 2021, the Company entered into a loan agreement with PHI pursuant to which PHI advanced an additional loan of $200,000. The unsecured demand loan bears interest at 5% per annum and is due on October 31, 2022.

**13. Subsequent Events** (continued)

(d) On November 23, 2021, the Company entered into an agreement with The Horizons Center Public Benefit Corporation ("Horizons") whereby the Company can invest up to US$1,000,000 in convertible promissory notes which bear interest at 6% per annum and will be due on the two year anniversary of the date as of which the first of the convertible notes is issued. The promissory note is convertible upon the initial closing of the sale of equity securities by Horizons of at least US$500,000 ("Qualified Financing") into shares of Horizons at 90% of the price per equity for the Qualified Financing. Upon the initial closing of the sale of equity securities by Horizons that is not a Qualified Financing ("Non-Qualified Financing"), the total debt is to be repaid and at the option of the Company, the note can be converted into shares of Horizon at 90% of the price per equity for the Non-Qualified Financing.

# PANGENOMIC TECHNOLOGIES CORP.
## (formerly Pangenomic Health Corp.)

# MANAGEMENT DISCUSSION AND ANALYSIS

## For the period ending September 30, 2021

This Management Discussion and Analysis ("MD&A") provides a detailed analysis of the business of Pangenomic Technologies Corp. (formerly Pangenomic Health Corp.) ("PGT" or the "Company") for the nine months ended September 30, 2021. This MD&A should be read in conjunction with the Company's unaudited interim condensed financial statements for the nine months ended September 30, 2021 and the audited financial statements for the period from incorporation on September 17, 2020 to December 31, 2020 and the related notes, which have been prepared under International Financial Reporting Standards ("IFRS").

All financial information in this MD&A has been prepared in accordance with IFRS. All dollar amounts included therein and in the following MD&A are in Canadian dollars, the reporting and functional currency of the Company, except where noted. The MD&A contains information up to and including January XX, 2022 (the "Report Date").

**FORWARD-LOOKING STATEMENT**

Certain statements contained in this MD&A may constitute "forward-looking statements". Such term is defined in applicable securities laws. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors and assumptions include, among others, uncertainty relating to the Company's ability to successfully execute its business plans and intentions, the ability of the Company to raise additional capital to complete its business plans and fund its research and development activities, the commercial viability of the Company's products under development, the continued availability of key leadership personnel and the ability to attract and retain qualified personnel, general business, economic, and competitive uncertainties; the limited operating history of the Company; the ability to protect, maintain and enforce intangible property rights; future growth plans and the ability to meet business objectives; the acceptance by customers and the marketplace of new products; ability to attract and retain personnel; and expectations with respect to advancement and adoption of new product lines.

While the Company considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking information. Many assumptions are based on factors and events that are not within the control of the Company and there is no assurance they will prove to be correct.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking information. Accordingly, readers should not place undue reliance on any such forward-looking information. Further, any forward-looking statement speaks only as of the date on which such statement is made. New factors emerge from time to time, and it is not possible for the Company's management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. The Company does not undertake any obligation to update any forward-looking information to reflect information, events, results, circumstances or otherwise after the date hereof or to reflect the occurrence of unanticipated events, except as required by law including securities laws.

**OVERVIEW**

The Company was incorporated under the laws of British Columbia on September 17, 2020. On November 19, 2020, the name of the Company was changed from 1266123 B.C. Ltd. to Pangenomic Health Corp.

and further changed to Pangenomic Technologies Corp. on November 26, 2021. PGT was formed for the purpose of developing a digital health platform to give greater personal control over mental health treatments. PGT's personalized system of insights helps individuals and healthcare practitioners connect with precision natural remedy mental wellness options.

PGT was formed by two life science and technology industry executives, Vincent Lum and Robert Nygren, in collaboration with the ETC3 technology innovation center located in the South Research Campus of The University of British Columbia. PGT has assembled software development and life science research teams with expertise in digital therapeutic platforms and scientific research into herbal remedies.

## OVERALL PERFORMANCE

### *Corporate*

The Company is a precision health company that has developed a self-care digital platform to deliver personalized, evidence-based information about natural treatments to support a user's specific health needs. The Company's vision is that all people will have access to affordable and effective natural remedies for better health and wellness. The Company's mission is to improve the health and wellness of people by providing a technology platform that identifies natural treatments tailored to the health profile of each individual. The Company's initial focus will be to provide information on personalized natural mental health solutions that can alleviate anxiety and depression

On October 16, 2020, Pangenomic Health Inc. (formerly, Zetta Capital Corp) ("PHI") entered into a letter of intent with PGT to acquire all of the outstanding PGT Shares. On October 4, 2021, PHI acquired all of the outstanding PGT shares pursuant to the terms of the PGT acquisition agreement. To acquire PGT, PHI issued one common share for every PGT share outstanding at an agreed price of $0.15 PGT share, being 11,666,667 PGT shares in the aggregate, having an agreed upon value of $1,750,000. As a result of the acquisition, as at the Report Date, PGT is a wholly owned subsidiary of PHI.

On February 4, 2021, PGT purchased intellectual property rights relating to a digital health platform for managing clinical health data from Connected Displays Inc. doing business as "Excelar Technologies" ("Excelar") in consideration for 1,666,667 PGT Shares. The Excelar digital health platform was developed in 2019 and has been deployed since at several health authorities in British Columbia, including in the $7 million iTARGET Autism Early Diagnosis Project at BC Children's Research Institute, in the $750,000 SaveBC St. Paul's Hospital Cardiovascular Disease Management Project and in the $3 million ActionADE BC Ministry of Health Adverse Drug Event Compliance Reporting Project.

On March 17, 2021, the Company entered into an intellectual property purchase agreement with Connected Displays Inc. ("CDI"), a company controlled by the Chief Technology Officer of the Company ("CTO"), whereby the Company agreed to purchase certain intellectual property of CDI ("IP"). The IP is an application framework and associated software toolsets for managing clinical health data. As consideration, the Company issued 1,667,667 common shares with a fair value of $8,333 and paid $1,000.

On November 23, 2021, the Company entered into an agreement with The Horizons Center Public Benefit Corporation ("Horizons") whereby the Company can invest up to US$1,000,000 in convertible promissory notes which bear interest at 6% per annum and is due on the two year anniversary of the date as of which the first of the convertible notes is issued. The promissory note is convertible upon the initial closing of the sale of equity securities by Horizons of at least US$500,000 ("Qualified Financing") into shares of Horizons at 90% of the price per equity for the Qualified Financing. Upon the initial closing of the sale of equity securities by Horizons that is not a Qualified Financing ("Non-Qualified Financing"), the total debt is to be repaid and at the option of the Company, the note can be converted into shares of Horizon at 90% of the price per equity for the Non-Qualified Financing.

On May 1, 2021, the Company entered into two advisory board agreements for a term of one year. The Company agreed to pay each advisor $5,000 per month for an initial term of 6 months, which may be extended on a month-to-month basis upon prior written approval of both parties. The Company also agreed to grant each advisor 125,000 stock options exercisable at $0.15 per common share. As at the Report Date, the Company has not granted the stock options.

On August 1, 2021, the Company entered into an advisory board agreement for a term of one year. The Company agreed to pay the advisor $2,000 per month for an initial term of 6 months, which may be extended on a month-to-month basis upon prior written approval of both parties. The Company also agreed to grant the advisor 50,000 stock options exercisable at $0.15 per common share. As at the Report Date, the Company has not granted the stock options.

On August 1, 2021, the Company entered into an agreement with a consultant. The Company agreed to pay the consultant $10,000 per month for a period of 3 months. The Company also agreed to grant the advisor 175,000 stock options exercisable at $0.15 per common share. As of the Report Date, the Company has not granted the stock options.

***Financing Activities***

On January 17, 2021, the Company issued a total of 3,400,000 common shares at $0.005 per share for proceeds of $17,000.

On March 17, 2021, the Company issued 1,666,667 common shares with a fair value of $8,333 pursuant to the intellectual property purchase agreement with CDI.

On April 6, 2021, the Company issued 350,000 common shares at $0.005 per share for proceeds of $1,750.

On April 8, 2021, the Company issued 650,000 common shares at $0.005 per share for proceeds of $3,250.

***ICTC's Work Integrated Learning Program***

During the period ended September 30, 2021, the Company applied for financial assistance through the Information and Communication Technology Council's ("ICTC") Work Integrated Learning Program ("WIL") funded by the Government of Canada's Work Place Program. WIL is a subsidy meant to provide students with meaningful opportunities that develop foundational and entrepreneurship/business skills. WIL will fund 75% of the student's salary up to $7,500. As of the Report Date, the Company received $29,875 in connection with WIL. WIL is expected to conclude on March 31, 2022.

***Loan Payable***

On December 11, 2020, the Company entered into a loan agreement with PHI pursuant to which PHI agreed to advance the Company up to $250,000. The unsecured demand loan bears interest at 5% per annum and was due on June 30, 2021. On December 15, 2020, the Company received an advance of $100,000 from PHI. On February 24, 2021, the Company received the remaining $150,000 from PHI. On June 8, 2021, the maturity date was extended to June 30, 2022. As at September 30, 2021, the Company accrued interest of $8,611 (December 31, 2020 – $278), which is included in accounts payable and accrued liabilities.

On June 8, 2021, the Company entered into a loan agreement with PHI pursuant to which PHI agreed to advance an additional loan of up to $250,000. On June 9, 2021, the Company received an advance of $100,000 from PHI. On July 7, 2021, the Company received an advance of $150,000 from PHI. The unsecured demand loan bears interest at 5% per annum and is due on June 8, 2022. As at September 30, 2021, the Company accrued interest of $3,340, which is included in accounts payable and accrued liabilities.

On August 31, 2021, the Company entered into a loan agreement with PHI pursuant to which PHI agreed to advance an additional loan of up to $100,000. On September 1, 2021, the Company received an advance of $100,000 from PHI. The unsecured demand loan bears interest at 5% per annum and is due on September 1, 2022. As at September 30, 2021, the Company accrued interest of $403, which is included in accounts payable and accrued liabilities.

On September 30, 2021, the Company entered into a loan agreement with PHI pursuant to which PHI agreed to advance an additional loan of up to $100,000. On September 30, 2021, the Company received an advance of $100,000 from PHI. The unsecured demand loan bears interest at 5% per annum and is due on October 1, 2022.

On November 3, 2021, the Company entered into a loan agreement with PHI pursuant to which PHI advanced an additional loan of $100,000. The unsecured demand loan bears interest at 5% per annum and is due on October 31, 2022.

On November 17, 2021, the Company entered into a loan agreement with PHI pursuant to which PHI advanced an additional loan of $200,000. The unsecured demand loan bears interest at 5% per annum and is due on October 31, 2022.

## Products and Services

The Company is developing its products using machine learning functionality to enable predictive analytics and personalization of mental health support resources. Community-based supported resources are curated by leveraging machine learning models using sentiment analysis.

The core products offered by the Company are a mobile app for consumers ("Nara") and a digital therapeutics clinic platform for health practitioners ("PlantGx"). The Nara mobile app will provide consumers with a knowledge base tailored to an individual's unique user profile, leveraging input from mental health questionnaires, current drug treatment regimen, genomic sequence analysis, as well as their proteomics and microbiomic biomarker reports. The PlantGx digital therapeutics clinic platform will provide health practitioners with access to the consumer's mobile app data and their diagnostic reports. This enhances identification of appropriate natural remedy treatments and allows practitioners to track their patient's natural treatment progress and effectiveness. The Company's planned lab based services will provide health practitioners with proprietary genetic and protein biomarkers that will be developed to assist in tracking patient response to natural treatments.

The Company anticipates that its initial revenue will be earned from monthly subscription fees and one-time fees paid by consumers for access to premium services on the Nara app. Revenue will also be earned from monthly subscription fees paid by health practitioners for access to an advanced knowledge base and treatment analytics, as well as fees earned for new patient and diagnostic test referrals.

*App for Consumers*

The Company's Nara mobile app provides users with personalized information about non-pharmaceutical alternatives to address mental health concerns. The freemium Nara app will be launched in Canada and the United States in the first quarter of 2022 with planned updates to be released each quarter. The Company anticipates that the Nara app will be used by a wide-range of consumers interested in information about alternative plant-based medicine.

As the Nara app develops a deeper profile of the consumer through questionnaires, journaling and biomarker and genomics testing, it will provide more tailored information to the consumer about natural treatments. At appropriate stages, the app will refer consumers to a local health practitioner for professional treatment, and the individual will have the option to make their app data available to the practitioner.

The Nara consumer app handles highly personal health data, and the Company plans to ensure that such data will be strongly encrypted. Data shared within the app is owned by the user and will not be shared with third party organizations without the user's consent. The Company will adhere to the health data and privacy laws in relevant jurisdictions, such as compliance with the Health Insurance Portability and Accountability Act (HIPAA) in the United States.

The Company plans that any revenue derived from the collection of health data analytics will be shared with the app users and used by the Company to support its public benefit purpose.

*Digital Therapeutics Clinic Platform for Health Practitioners*

The Company is developing the PlantGx digital therapeutics clinic platform, which will provide health practitioners with access to user health data enabled from the Nara app by the patient and to receive patient referrals. The Company plans to launch the PlantGx clinical platform in Canada and the United States in the second quarter of 2022 with planned updates to be released each quarter. The Company anticipates that the clinic platform will be used by a variety of health-practitioners including medical doctors, naturopathic doctors, pharmacists, herbalists and counsellors.

The clinic platform accesses and analyzes data from pharmacogenomics, proteomics, nutrigenomics and ethnobotany research, together with data from an individual’s genome sequence (whole genome, whole exome or single nucleotide polymorphisms), an individual’s protein biomarkers and gut microbiome profile. By aggregating and curating health data from active and passive sources, the PlantGx clinic platform translates data into concise, actionable insights for a health practitioner that provide targeted information for effective treatment of patients using a variety of natural treatments.

Many natural remedy compounds contain active ingredients that bind to and activate key receptors in the brain. One of the challenges of using natural treatments is the differential individual patient dose responses, change in tolerance within individual patients and the inability to effectively monitor patients undergoing treatment effectively in a quantitative manner. Monitoring a patient’s protein levels, determining appropriate dosing and confirming efficacy will assist in driving appropriate usage and demand for natural compounds.

Underpinning the Company's products, the scalable Excelar digital health platform acquired by the Company provides:

- A secure data capture and analytics platform;
- Proven privacy & security compliance data management;
- Electronic health/medical records integration;
- Cross linking and integration of data across patient continuum of care; and
- User consent support for research data and data sharing for clinical referrals.

***Proprietary Protection***

We protect our intellectual property rights through a combination of patents, trademarks and trade secret laws as well as contractual provisions. The Company uses non-disclosure agreements with business partners, prospective customers, and other relationships where disclosure of proprietary information may be necessary. We also use such agreements with our employees and consultants which assign to us all intellectual property developed in the course of their employment or engagement. We also secure from such individuals obligations to execute such documentation as is reasonably required by the Company to evidence our ownership of such intellectual property.

We have filed trademark applications in Canada covering the word marks "Nara", "Nustasis", "PanGenomic", and "PlantGx".

The Company uses machine learning primarily for predictive analytics and personalization of mental health support resources for the end users. A significant portion of our proprietary technology focuses on data collection and data normalization including data categorization and labeling.

The Nara consumer app collects a diverse set of user data including user demographic profile information, lifestyle data such as alcohol and substance use as well as mental health risk factors relating to the user's health conditions such as specific chronic diseases. The app captures standardized GAD7 anxiety and PHQ9 depression questionnaire data, as well as normalized user journey data including mood, sleep, and cognition, and tracks changes in the user parameters over time. User medication regimen data includes anti-anxiety, anti-depression, as well as other pharmaceutical medications, and natural treatments. The predictive personalization model is augmented by user feedback based on support resources that the user found useful, shared, or liked. Community-based supported resources are curated leveraging machine learning models using sentiment analysis.

The Company's data model domains also include multi-dimensional biomarkers such as gene, protein, metabolite, and microbiome. As our system uses a multi-domain approach, the machine learning model being developed uses a distributed machine learning approach to overlay and enhance the personalization based on available user data.

**FUTURE PLANS**

The Company anticipates that its initial revenue will be earned from monthly subscription fees and one-time fees paid by consumers for access to premium services on the Nara app. Revenue will also be earned from monthly subscription fees paid by health practitioners for access to an advanced knowledge base and treatment analytics, as well as fees earned for new patient and diagnostic test referrals.

PGT has developed an alpha version of its Nara consumer mental health app for natural treatments using the Excelar digital health platform. PGT plans to release its beta version of the Nara app for limited public use in Q1 2022, to be followed by a release for the general public in Q3 2022.

PGT has also developed an alpha version of its PlantGx digital therapeutics clinic platform using the Excelar digital health platform. PGT plans to make its initial PlantGx product available to clinic practitioners in Q2 2022.

**PROPOSED TRANSACTIONS**

As at the Report Date, PGT is a wholly owned subsidiary of PHI and the operations are carried on through PGT. As of the Report Date, PHI plans to file a non-offering preliminary prospectus (the "Prospectus") with the British Columbia Securities Commission, the Alberta Securities Commission and Ontario Securities Commission (collectively the "Qualifying Jurisdictions") for the purpose of complying with Policy 2 – Qualifications for Listing of the Canadian Securities Exchange (the "CSE" or the "Exchange") to permit PHI to meet one of the eligibility requirements for the listing of the Class A Common Shares (the "Common Shares") of PHI on the CSE. Since no securities are being sold pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by PHI from its general funds.

This Prospectus seeks to qualify the distribution of up to an aggregate of 10,000,000 units (each a "Unit") of PHI issuable upon the deemed conversion of up to 10,000,000 subscription receipts (the "Subscription Receipts") of PHI. The Subscription Receipts will be issued on a non-brokered private placement basis at a price of $0.30 per Subscription Receipt to purchasers resident in the Qualifying Jurisdictions pursuant to certain exemptions from the prospectus requirements of applicable securities legislation in the Qualifying Jurisdictions, and to purchasers resident in the United States pursuant to exemptions from the registration requirements under the US Securities Act and applicable state securities laws. Each Subscription Receipt entitles the holder thereof to receive, without any further action by the holder, and for no additional consideration, one Unit upon (i) 4 business days having passed from the date that a receipt is issued for a final prospectus to qualify the distribution of the Units issuable upon conversion of the Subscription Receipts, and (ii) the receipt of conditional approval for the listing of the Common Shares on the CSE (collectively, the "Escrow Release Conditions"). Each Unit consists of one Common Share (a "Unit Share") and one share purchase warrant (a "Unit Warrant"), with each Unit Warrant entitling the holder to purchase one additional Common Share at a price of $0.60 per share for a period ending 24 months from the conversion date of the Subscription Receipts, subject to PHI's right to accelerate the expiration date of the Unit Warrants. If the Escrow Release Conditions are not met by 5:00PM (Vancouver Time) on June 30, 2022 (the "Release Deadline"), PHI will be required to return the subscription proceeds for the Subscription Receipts plus a pro rata share of any interest earned thereon.

## SUMMARY OF QUARTERY RESULTS

The Company has not historically prepared quarterly results.

## RESULTS OF OPERATIONS

The Company incurred a net loss of $793,284 for the nine months ending September 30, 2021 (period from September 17, 2020 to September 30, 2020) - $1,798). The key component of the net loss and comprehensive loss for the nine months ended September 30, 2021 was primarily due to the increase in operating activities as the Company assembled software development and life science research teams with expertise in digital therapeutic platforms and scientific research into herbal remedies. Detail material expenses are as follows:

- consulting fees of $434,500 (period from September 17, 2020 to September 30, 2020 - $Nil) relating to various services pertaining to the development and operations of its business including consulting fees of $287,400 to related parties and $61,500 to the advisory board;
- depreciation fees of $2,622 (period from September 17, 2020 to September 30, 2020 - $Nil) relating to the depreciation of computer equipment purchased during the nine months ended and depreciated over the useful life of the equipment.
- general and administrative of $25,623 (period from September 17, 2020 to September 30, 2020 - $Nil) consisting primarily of $20,000 for go-to-market strategy for the Company's Nara consumer app;
- professional fees of $48,279 (period from September 17, 2020 to September 30, 2020 - $1,447) relating to accounting and legal work;
- research and development of $177,634 (period from September 17, 2020 to September 30, 2020 - $Nil) relating to consulting fees for developing the Company's products using machine learning functionality to enable predictive analytics and personalization of mental health support resources; and
- wages and benefits of $70,005 (period from September 17, 2020 to September 30, 2020 - $Nil) relating to intern students for development resource, market analysts and research and development hired during the nine months ended September 30, 2021.

The Company incurred a net loss of $370,547 for the three months ending September 30, 2021 (period from September 17, 2020 to September 30, 2020 - $1,798). The key component of the net loss and comprehensive loss for the three months ended September 30, 2021 was primarily due to the increase operating activities as the Company assembled software development and life science research teams with expertise in digital therapeutic platforms and scientific research into herbal remedies. Detail material expenses are as follows:

- consulting fees of $171,400 (period from September 17, 2020 to September 30, 2020 - $Nil) relating to various services pertaining to the development and operations of its business including consulting fees of $95,850 to related parties and $43,000 to the advisory board;
- depreciation fees of $1,586 (period from September 17, 2020 to September 30, 2020 - $Nil) relating to the depreciation of computer equipment purchased during the nine months ended and depreciated over the useful life of the equipment;
- general and administrative of $22,305 (period from September 17, 2020 to September 30, 2020 - $Nil) consisting primarily of $20,000 for go-to-market strategy for the Company's Nara consumer app;

- professional fees of $30,913 (period from September 17, 2020 to September 30, 2020 - $1,447) relating to accounting and legal work;
- research and development of $103,880 (period from September 17, 2020 to September 30, 2020 - $Nil) relating to consulting fees for developing the Company's products using machine learning functionality to enable predictive analytics and personalization of mental health support resources;
- wages and benefits of $56,274 (period from September 17, 2020 to September 30, 2020 - $Nil) relating to intern students for development resource, market analysts and research and development employees.

## LIQUIDITY

During the period ended September 30, 2021, the Company has not generated any revenues. The Company starting the year with a working capital deficit of $35,512. As at September 30, 2021, the Company had a working capital deficit of $826,053 and an accumulated deficit of $798,463.

The Company's performance was as follows:

| | September 30, 2021 $ | September 30, 2020 $ | September 17, 2020 to December 31, 2020 $ |
|---|---|---|---|
| Cash used in (provided by) operating activities | (558,526) | (5,000) | 4,975 |
| Cash used in investing activities | (21,879) | - | - |
| Cash provided by financing activities | 622,000 | 5,000 | 109,000 |

During the period ended September 30, 2021, the Company had a net loss of $793,284 (2020 - $1,798) and spent $558,526 (2020 - 5,000) of cash on operating activities, spent $21,879 (2020 - $Nil) on investing activities and received $622,000 (2020 - $5,000) from financing activities. Investing activities consist of the purchase of computer equipment and intangible assets acquired from a company controlled by the CTO. Financing activities consist of $600,000 in loans from PHI and $22,000 proceeds received from the issuance of common shares of PGT. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing through debt or equity. Management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

## CAPITAL RESOURCES

The Company has not yet realized profitable operations and it has relied on non-operational sources of financing to fund operations. The ability of the Company to achieve its objectives, meet its ongoing obligations and recover its investments in pending trademarks, and other assets will depend on management's ability to successfully execute its business plan, achieve profitable operations and obtain additional financing, if or when required. There is no assurance that these initiatives will be successful.

## RELATED PARTY DISCLOSURES

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and includes both executive and non-executive directors, and entities controlled by such persons. The Company considers all Directors and Officers of the Company to be key management personnel.

As at the Report Date, the directors, officers and management of the Company are as follows:

Vincent Lum, Chief Executive Officer ("CEO") and director
Rob Nygren, executive chair and director
Kaidong Zhang, Chief Science Officer ("CSO")
Colin Quon, CTO

The following are remuneration, transactions and amounts due to the Company's related parties:

(a) During the nine months ended September 30, 2021, the Company incurred consulting fees of $90,000 (September 17 to 30, 2020 - $Nil) to the CEO. As at September 30, 2021, the Company owed $45,000 (December 31, 2020 - $15,750) to the CEO which is non-interest bearing, unsecured and due on demand.

(b) During the nine months ended September 30, 2021, the Company incurred consulting fees of $90,000 (September 17 to 30, 2020 - $Nil) to a director of the Company. As at September 30, 2021, the Company owed $45,000 (December 31, 2020 - $6,000) to a director of the Company which is non-interest bearing, unsecured and due on demand.

(c) During the nine months ended September 30, 2021, the Company incurred consulting fees of $58,650 (September 17 to 30, 2020 - $Nil) to the CSO. As at September 30, 2021, the Company owed $16,957 (December 31, 2020 - $3,150) to the CSO which is non-interest bearing, unsecured and due on demand.

(d) During the nine months ended September 30, 2021, the Company incurred consulting fees of $48,750 (September 17 to 30, 2020 - $Nil) to the CTO. In addition, the Company acquired intellectual property from CDI, a company controlled by the CTO as well as engaged the company to develop a mobile app in relation to the intellectual property acquired. As at September 30, 2021, the Company owed $5,000 (December 31, 2020 - $Nil) to the CTO and $82,244 (December 31, 2020 - $Nil) to the company controlled by the CTO. The amounts owed are non-interest bearing, unsecured and due on demand.

## ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2021, and have not been early adopted in preparing these interim financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's interim financial statements.

## OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of unlimited common shares without par value and unlimited number of preferred shares without par value. As at the Report Date, there were 11,666,667 (September 30, 2021 – 11,666,667) common shares outstanding.

As at the Report Date there were no stock options or warrants outstanding.

## CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the general operations of the Company and facilitate the liquidity needs of its operations. 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 defines capital to include its working capital position, share capital, and accumulated deficit.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

## FINANCIAL INSTRUMENTS

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity, credit, foreign exchange rate and interest rate. Where material, these risks are reviewed and monitored by the Board of Directors.

### Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada. The carrying amount of financial assets represents the maximum credit exposure.

### Foreign Exchange Rate Risk

Foreign exchange risk is the risk that the Company's financial instruments will fluctuate in value as a result of movements in foreign exchange rates. The Company is not exposed to any significant foreign exchange rate risk.

### Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as it does not have any assets or liabilities that are affected by changes in interest rates.

### Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term and other specific obligations.

### Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which includes cash, accounts payable and accrued liabilities, loans payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

## RISK AND UNCERTAINTIES

Risk is inherent in all business activities and cannot be entirely eliminated. Our goal is to enable the Company's business processes and opportunities by ensuring that the risks arising from our business activities, the markets and political environments in which we operate is mitigated. The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties described are not inclusive of all the risks and uncertainties the Company may be subject to and other risks may apply.

***Limited operating history.***

The Company has a limited history of operations and is considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered remote in light of its early stage of operations.

***Negative operating cash flow.***

Although the Company expects to become profitable, there is no guarantee that will happen, and the Company may never become profitable. The Company currently has a negative operating cash flow and may continue to have that for the foreseeable future. To date, the Company has not generated significant or recurring revenues and the Company expects significant capital investment will be required to begin earning revenue. As a result, the Company expects its net losses from operations to worsen. The Company's ability to generate additional revenues and potential to become profitable will depend largely on its ability to develop, manufacture and market our products. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

***Additional financing.***

The Company has no source of operating cash flow to fund all of its operational needs and will require significant additional financing to continue its operations. There can be no assurance that such financing will be available at all or on favourable terms. Failure to obtain such additional financing could result in delay or indefinite postponement of the Company's deployment of its products. Additional financing may dilute the ownership interest of the Company's shareholders at the time of the financing, and may dilute the value of their investment.

***Uncertainty of additional capital.***

The Company anticipates expending substantial funds to carry out the development, introduction, distribution and production of its products. The Company will require additional funds for these purposes through one or more public or private equity financings, by taking on debt financing, or from other sources. No assurance can be given that such additional funds will be available on acceptable terms or at all. If such funds are unavailable or are only available at a prohibitive cost, the Company may have to significantly curtail its product development program or seek funds through financing alternatives that may require the Company to sell its rights to certain products or certain marketing territories. Any additional equity financing may result in dilution to existing shareholders.

***General venture company risks.***

An investment in the Company's securities should be considered highly speculative due to the nature of the Company's business, the early stage of its deployment, its current financial position and ongoing requirements for capital. An investment in the Company's securities should only be considered by those persons who can afford a total loss of investment, and is not suited to those investors who may need to dispose of their investment in a timely fashion. Investors should consult with their own professional advisors to assess the legal, financial and other aspects of an investment in the Company's securities.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

***Staffing challenges.***

The recruitment and retention of qualified professionals to develop products, as well as sales, marketing and financial professionals, is critical to the Company's future success. Employee turnover rates can be high and competition for experienced personnel is high. The Company's failure to attract and retain professionals may prevent or hinder its ability to pursue the business plan and grow its business.

***Managing growth.***

If the business plan is successful, the Company may experience significant growth in a short period of time and encounter potential scaling issues. The Company's financial, management and operating resources may not expand sufficiently to adequately manage growth. Costs may increase disproportionately if rapid growth is not manageable, and future revenues may stop growing or decline and the Company may face dissatisfied customers. Failure to manage growth may adversely impact the Company's business and the value of the shareholders' investment.

***Failure to successfully integrate acquired businesses and other assets.***

The consummation and integration of acquired businesses or other assets into the Company may be complex and time consuming and, if such businesses and assets are not successfully integrated, the Company may not achieve the anticipated benefits, cost-savings or growth opportunities. Such acquisitions and other arrangements, even if successfully integrated, may fail to further the Company's business strategy as anticipated, expose the Company to increased competition or other challenges with respect to its products or geographic markets, and expose the Company to additional liabilities associated with an acquired business, technology or other asset or arrangement.

***Discretion and uncertainty of use of available funds.***

Although the Company has set out its intended use of available funds, these intended uses are estimates only and subject to change. While management does not currently contemplate any material variation, management does retain broad discretion in the application of such proceeds. The results and the effectiveness of the application of the funds are uncertain. The failure by the Company to apply these funds effectively could have a material adverse effect on its business, including the Company's ability to achieve its stated business objectives. In addition, the Company may use the funds in ways that a shareholder may not consider desirable.

***Consumer discretionary spending.***

The Company's business is affected by general economic conditions as its products are discretionary, and the Company depends, to a significant extent, upon a number of factors relating to discretionary consumer spending. These factors include economic conditions and perceptions of such conditions by consumers, employment rates, the level of consumers' disposable income, business conditions, interest rates, consumer debt levels and availability of credit.

***Development of software products.***

To execute the business plan, the Company must develop software products. If the technologies are not accepted in the marketplace, or if the technologies are not brought to market in a timely manner, this could materially and adversely impact the Company.

The Company's future success depends on the ability to maintain a competitive position with respect to technological advances. Competitors may develop products that are more effective or develop products faster, which could in turn render the Company's technology obsolete or non-competitive.

There can be no assurance that there is a market for the Company's products, or of the size of the market or the market's acceptance of our products. Sales outcomes are based upon a variety of factors which cannot be assured. If the Company fails to successfully develop and commercialize the Company's products, or if the products are not accepted by the market, the Company's business prospects will suffer.

***Health data and security breaches.***

The Company's products involve access to user health data and other confidential and private information, including credit and debit card numbers and other personally identifiable information. The Company believes that it is taking reasonable steps to protect the security, integrity and confidentiality of the information the Company collects, uses, stores and discloses, but there is no guarantee that inadvertent or unauthorized data access or use will not occur despite prevention efforts. In the future, attempts may be made to disable the Company's systems or breach the security of its systems. It is generally difficult to recognize techniques to obtain unauthorized access to personal information, confidential information and/or the systems on which such information are stored and/or to sabotage systems until they are launched against a target, as they frequently change. As a result, the Company may be unable to anticipate these techniques or to implement adequate preventative measures.

The market perception of the Company's security measures could be harmed if an actual or perceived security breach occurs. The Company could also lose Nara App and PlantGx Platform users and/or suffer other negative consequences to its business. A security breach could cause the loss or corruption of data, which could harm our business. Any failure to maintain the security of our systems could result in loss of personal information and/or other confidential information, damage to our reputation and relationships with users, early termination of contracts with users and other business losses, indemnification of our users, financial penalties, litigation, regulatory investigations and other significant liabilities. In the event of a major third-party security incident, we may incur losses in excess of their insurance coverage.

***Innovations in genomic reporting.***

The Company expects to encounter intense competition from companies that provide reports based on a user's genomic data. Many of the Company's competitors have substantially greater financial, technical, research, marketing, sales, service and other resources than the Company, and may develop products that are superior to those of the Company. Competitors may succeed in obtaining patent protection for their products before the Company obtain patent protection for similar inventions. If the Company's competitors develop products that have greater market attraction than the Company's or that render the Company's products obsolete or non-competitive, the Company's business will suffer.

***Intellectual property.***

The Company relies on the trade secret and other intellectual property laws of Canada, the United States and the other countries where it intends to do business to protect its intellectual property rights. The

Company may be unable to prevent third parties from using its intellectual property without its authorization. The unauthorized use of the Company's intellectual property could reduce any competitive advantage that it has developed, reduce its market share or otherwise harm its business. In the event of unauthorized use of the Company's intellectual property, litigation to protect and enforce the Company's rights could be costly, and the Company may not prevail.

The Company intends to rely on unpatented technological innovation and other trade secrets to develop and maintain its competitive position. Although the Company generally enters into confidentiality agreements with its employees and third parties to protect its intellectual property, these confidentiality agreements are limited in duration, could be breached and may not provide meaningful protection of its trade secrets. Adequate remedies may not be available if there is an unauthorized use or disclosure of the Company's trade secrets expertise. In addition, others may obtain knowledge about the Company's trade secrets through independent development or by legal means. The failure to protect the Company's processes, technology, trade secrets and proprietary manufacturing expertise, methods and compounds could have a material adverse effect on its business by jeopardizing critical intellectual property.

Where product development or a process is kept as a trade secret, third parties may independently develop or invent and patent products or processes identical to such trade secret products or processes. This could have a material adverse effect on the Company's ability to make and sell its products or use such processes and could potentially result in costly litigation in which the Company might not prevail. The Company could face intellectual property infringement claims that could result in significant legal costs and damages and impede its ability to produce key products, which could have a material adverse effect on its business, financial condition, and results of operation.

***Natural health treatments.***

The Company's products provide users with information about natural plant medicine treatments, some of which may be regulated as controlled or restricted substances in various jurisdictions. The Company's Nara App users may suffer physical or mental harm or legal consequences as a result of following such information, and may seek redress from the Company, despite the Company's use of product disclaimers.

***Regulation of medical devices.***

The Company's products provide users with information about natural plant medicine treatments. If national health regulators, such as the US Food & Drug Administration or Health Canada, assess that the Company's products make health claims, the Company may be subject to medical device regulations. The "software as a medical device" and "prescription digital therapeutics" fields are relatively new, and there is insufficient clarity as to how such digital health products will be regulated. An adverse finding from a health regulator may render the Company's products unmarketable in the applicable jurisdiction, until such time as the Company can develop conforming products. The Company intends to be responsive to any health regulator requests.

***COVID-19.***

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 financial results and condition of the Company and its operating subsidiaries in future periods. However, depending on the length and severity of the pandemic, COVID-19 could interrupt the Company's operations; increase operating expenses; cause delayed performance of contractual obligations; impair the Company's ability to raise funds depending on COVID-19s effect on capital markets; adversely affect the Company's supply partners, contractors, customers and/or transportation carries; and cause fluctuations in the price and demand for the Company's products.

In particular, as of the Report Date, the full extent of the effects of the COVID-19 pandemic are unknown. The continued spread of COVID-19 and the measures taken by the governments of countries affected could disrupt the Company's use of available funds and the timelines, business objectives or disclosed milestones related thereto, and thus, adversely impact the Company's business, financial condition, results of operations and prospects. In addition, there can be no assurance that the Company will not lose members of its workforce (e.g., employees or consultants) or see its workforce man-hours reduced or incur increased medical costs as a result of these health risks. The Company will actively assess and respond where possible to the potential impact of the COVID-19 pandemic. It is difficult to predict how the COVID-19 pandemic may affect the Company's business in the future, including the effect it may have (positive or negative; long or short term) on the price of, and demand for the Company's products. It is possible that the COVID-19 virus could have a material adverse effect on the Company's business, financial condition, results of operations and prospects as well as the market for its securities and/or its ability to obtain financing. The extent to which the COVID-19 pandemic impacts the Company's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus, the duration of the outbreak and the actions to contain its impact.

## INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this MD&A. Based on this assessment, it was determined that certain weaknesses existed in internal controls over financial reporting. As indicative of many small companies, the lack of segregation of duties and effective risk assessment were identified as areas where weaknesses existed. The existence of these weaknesses is to be compensated for by senior management monitoring, which exists. Management will continue to monitor very closely all financial activities of the Company and increase the level of supervision in key areas. It is important to note that this issue would also require the Company to hire additional personnel in order to provide greater segregation of duties. Since there is insufficient work at this time to warrant the additional costs, management has chosen to disclose the potential risk in its filings and proceed with increased personnel only when the budgets and work load will enable the action. The Company has attempted to mitigate these weaknesses, through a combination of extensive and detailed review by management of the financial reports, the integrity and reputation of senior accounting personnel, and candid discussion of those risks with the audit committee.

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

## APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A

**SCHEDULE "C" – PRO FORMA FINANCIAL STATEMENTS OF THE COMPANY**

(See attached)

# PANGENOMIC HEALTH INC.

(formerly Zetta Capital Corp.)

Pro Forma Consolidated Financial Statements

September 30, 2021

(Expressed in Canadian Dollars)

(unaudited - Prepared by Management)

**PANGENOMIC HEALTH INC.**
(formerly Zetta Capital Corp.)
Pro Forma Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)
(unaudited)

| | **Pangenomic Health Inc.** As at September 30, 2021 | **Pangenomic Technologies Corp.** As at September 30, 2021 | **Pro forma adjustments** | **Note** | **Pro forma consolidated** |
|---|---|---|---|---|---|
| | $ | $ | $ | | $ |
| ASSETS | | | | | |
| Current assets | | | | | |
| Cash | 582,481 | 155,570 | – | | 738,051 |
| Short-term investments | 1,500,000 | – | – | | 1,500,000 |
| Amounts receivable | 27,740 | 26,106 | – | | 53,846 |
| Prepaid expenses | 26,000 | 4,879 | – | | 5,879 |
| Total current assets | 2,136,221 | 186,555 | – | | 2,297,776 |
| Equipment | – | 18,257 | – | | 18,257 |
| Intangible asset | – | 9,333 | 1,825,963 | 3(b) | 850,000 |
| | | | (985,296) | 3(c) | |
| Loans receivable | 700,000 | – | (700,000) | 3(e) | – |
| Total assets | 2,836,221 | 214,145 | 140,667 | | 3,166,033 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | |
| Current Liabilities | | | | | |
| Accounts payable and accrued liabilities | 38,878 | 95,907 | – | | 134,695 |
| Loans payable | – | 700,000 | (700,000) | 3(e) | – |
| Due to related parties | 43,211 | 194,201 | – | | 237,502 |
| Total liabilities | 82,089 | 990,108 | (700,000) | | 372,197 |
| Shareholders' equity | | | | | |
| Preferred shares | 450,000 | – | – | | 450,000 |
| Common shares | 2,886,385 | 58,333 | 1,050,000 | 3(a) | 3,936,385 |
| | | | (58,333) | 3(b) | |
| Equity reserves | 13,697 | – | 45,370 | 3(d) | 59,067 |
| Deficit | (595,950) | (834,296) | 834,296 | 3(b) | (1,651,616) |
| | | | (985,296) | 3(c) | |
| | | | (45,370) | 3(d) | |
| Total shareholders' equity | 2,754,132 | (775,963) | 840,667 | | 2,793,836 |
| Total liabilities and shareholders' equity | 2,836,221 | 214,145 | 140,667 | | 3,166,033 |

(See accompanying notes to the pro forma consolidated financial statements)

**PANGENOMIC HEALTH INC.**
(formerly Zetta Capital Corp.)
Pro Forma Consolidated Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(unaudited)

| | **Pangenomic Health Inc.** Year ended December 31, 2020 | **Pangenomic Technologies Corp.** Year ended December 31, 2020 | **Pro forma adjustments** | **Note** | **Pro forma consolidated** |
|---|---|---|---|---|---|
| | $ | $ | $ | | $ |
| Expenses | | | | | |
| Consulting fees | 119,000 | 57,900 | – | | 176,900 |
| General and administrative | 1,115 | 3,536 | – | | 4,651 |
| Professional fees | 14,748 | 1,447 | – | | 16,195 |
| Transfer agent and filing fees | 2,086 | 351 | – | | 2,437 |
| Total expenses | 136,949 | 63,234 | – | | 200,183 |
| Net loss before other income (expense) | (136,949) | (63,234) | – | | (200,183) |
| Other income (expense) | | | | | |
| Acquisition-related costs | – | – | (45,370) | 3(d) | (45,370) |
| Impairment of intangible assets | – | – | (985,296) | 3(c) | (985,296) |
| Interest expense | (3,317) | (278) | 278 | 3(d) | (3,317) |
| Interest income | 278 | – | (278) | 3(d) | – |
| Net loss and comprehensive loss | (139,988) | (63,512) | (1,030,666) | | (1,234,166) |
| Loss per share, basic and diluted | | | | | (0.07) |
| Weighted average shares outstanding | | | | | 17,536,022 |

**PANGENOMIC HEALTH INC.**
(formerly Zetta Capital Corp.)
Pro Forma Consolidated Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(unaudited)

| | **Pangenomic Health Inc.** Nine months ended September 30, 2021 | **Pangenomic Technologies Corp.** Nine months ended September 30, 2021 | **Pro forma adjustments** | **Note** | **Pro forma consolidated** |
|---|---|---|---|---|---|
| | $ | $ | $ | | $ |
| Expenses | | | | | |
| Consulting fees | 143,000 | 434,500 | – | | 577,500 |
| Depreciation | – | 2,622 | – | | 2,622 |
| General and administrative | 3,306 | 25,623 | – | | 28,929 |
| Professional fees | 90,968 | 48,279 | – | | 139,247 |
| Rent | 9,000 | – | – | | 9,000 |
| Research and development | – | 177,634 | – | | 177,634 |
| Share-based compensation | 12,249 | – | – | | 12,249 |
| Transfer agent and filing fees | 9,503 | 45 | – | | 9,548 |
| Wages and benefits | – | 70,005 | – | | 70,005 |
| Total expenses | 268,026 | 758,708 | – | | 1,026,734 |
| Net loss before other income (expense) | (268,026) | (758,708) | – | | (1,026,734) |
| Other income (expense) | | | | | |
| Acquisition-related costs | – | – | (45,370) | 3(d) | (45,370) |
| Impairment of intangible assets | – | – | (985,296) | 3(c) | (985,296) |
| Interest expense | (2,466) | (12,076) | 12,076 | 3(d) | (2,466) |
| Interest income | 12,414 | – | (12,076) | 3(d) | 338 |
| Net loss and comprehensive loss | (258,078) | (770,784) | (1,030,666) | | (2,059,528) |
| Loss per share, basic and diluted | | | | | (0.08) |
| Weighted average shares outstanding | | | | | 26,121,524 |

(See accompanying notes to the pro forma consolidated financial statements)

### 1. Basis of Presentation

These pro forma consolidated financial statements ("pro forma financial statements") have been prepared by Pangenomic Health Inc. (formerly Zetta Capital Corp.) (the "Company") and gives effect to the acquisition of all of the issued and outstanding common shares of Pangenomic Technologies Corp. (formerly Pangenomic Health Corp.) ("PGT"), a company incorporated under the laws of British Columbia, for consideration of 11,666,667 common shares of the Company (the "Transaction"). These unaudited pro forma consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

The pro forma financial information is not intended to reflect the financial position that will exist following the Transaction. Actual amounts recorded when the Transaction closes will likely differ from those recorded in the pro forma financial information. Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the Transaction have been excluded from the pro forma financial information.

The pro forma financial information is presented in Canadian dollars and has been compiled from and includes:

(a) an unaudited pro forma consolidated statement of financial position as at September 30, 2021, combining the unaudited statement of financial position of the Company as at September 30, 2021, with the unaudited statement of financial position of PGT as at September 30, 2021, giving effect to the Transaction as if it occurred on September 30, 2021.

(b) an unaudited pro forma consolidated statement of loss and comprehensive loss, combining the audited statement of loss and comprehensive loss of the Company for the year ended December 31, 2020, with the audited statement of loss and comprehensive loss of PGT for the year ended December 31, 2020, giving effect to the Transaction as if it occurred on January 1, 2020.

(c) an unaudited pro forma consolidated statement of loss and comprehensive loss, combining the unaudited statement of loss and comprehensive loss of the Company for the nine months ended September 30, 2021, with the audited statement of loss and comprehensive loss of PGT for the nine months ended September 30, 2021, giving effect to the Transaction as if it occurred on January 1, 2021.

These pro forma consolidated financial statements do not contain all of the information required for annual financial statements. Accordingly, it should be read in conjunction with the most recent annual and interim financial statements of both the Company and PGT. Based on the review of the accounting policies of PGT, it is the Company's management's opinion that there are no material accounting differences between the accounting policies of the Company and PGT.

The pro forma adjustments and allocations of the purchase price of PGT by the Company are based on the fair value of the common shares of the Company. The unaudited pro forma financial information is not intended to reflect the financial position of the Company which would have actually resulted had the proposed transaction been effected on the date indicated. The actual pro forma adjustments will depend on a number of factors and could result in a change to the pro forma financial information.

(Expressed in Canadian dollars)

**2. Acquisition**

On October 4, 2021, the Company entered into a Share Purchase Agreement (the “Agreement”) with the shareholders of PGT, whereby the Company acquired 100% of the issued and outstanding common shares of PGT for consideration of 11,666,667 common shares of the Company (the “Transaction”). In connection with the Transaction, the Company issued 500,000 warrants as a finder’s fee, which are exercisable at $0.30 per share for a term of two years following the date of issuance.

The Transaction resulted in the Company obtaining control of the combined entity by obtaining control of the voting rights, governance, and management decision making processes, and the resulting power to govern the financial and operating policies of the combined entity.

The Company elected to apply the optional test to identify concentration of fair value to determine whether the Transaction constitutes a business combination or an asset acquisition. It was determined that the acquisition met the concentration test and the Transaction has been accounted for as an asset acquisition in accordance with the guidance provided in IFRS 2, *Share-based Payments*.

The Company recognized the fair value of the acquisition using the fair value of the common shares issued on the date of acquisition. The Company determined the fair value of the 11,666,667 common shares issued at $0.09 per share based on the most recent private placement financing received from investors of the Company prior to the acquisition.

The Company allocated the $1,050,000 fair value of the common shares to the acquisition to the individual assets acquired and liabilities assumed on the basis of their relative fair values as follows:

Fair value of PGT’s net assets acquired:

| | $ |
|---|---|
| Cash | 155,570 |
| Amounts receivable | 26,106 |
| Prepaid expenses | 4,879 |
| Equipment | 18,257 |
| Intangible asset | 1,835,296 |
| Accounts payable and accrued liabilities | (95,907) |
| Loans payable to the Company | (700,000) |
| Due to related parties | (194,201) |
| | 1,050,000 |

Upon acquisition, the Company applied the initial measurement requirements in IAS 38 *Intangible Assets* and determined the intangible asset had a fair value of $850,000. As the transaction price differed from the fair value, the Company recognized a loss on initial recognition of $985,296 and recorded the intangible asset at its fair value of $850,000.

The pro forma adjustments and allocations of the estimated consideration transferred are based in part on estimates of the fair value of assets to be acquired and liabilities to be assumed. The final determination of the consideration transferred and the related allocation of the fair value of PGT net assets to be acquired pursuant to the Transaction will ultimately be determined after the closing of the Transaction. It is likely that the final determination of the consideration transferred and the related allocation of the fair value of the assets acquired and liabilities assumed will vary from the amounts present in the pro forma financial statements and that those differences may be material.

(Expressed in Canadian dollars)

### 3. Pro Forma Adjustments and Assumptions

These pro forma consolidated financial statements incorporate the following pro forma assumptions:

(a) The issuance of 11,666,667 common shares of the Company to existing shareholders of PGT in exchange for 100% of the issued and outstanding shares of PGT recognized at a fair value of $1,050,000.

(b) To eliminate the investment and equity in PGT.

(c) To recognize impairment of intangible assets upon initial recognition.

(d) To eliminate intercompany balances and transactions between the Company and PGT.

(e) Transaction costs which are expected to be incurred for the Transaction amounts to $45,370, consisting of the fair value of 500,000 warrants issuable as a finder's fee, which are exercisable at $0.30 per share for a term of two years.

### 4. Pro Forma Share Capital and Equity Reserves

As a result of the Transaction, the share capital and equity reserves as at September 30, 2021, are comprised of the following:

Authorized:

Unlimited common shares without par value
Unlimited Class B preferred shares without par value

Issued:

| | Preferred shares | | Common shares | | |
|---|---|---|---|---|---|
| | Number of shares | Amount $ | Number of shares | Amount $ | Equity reserves $ |
| The Company's equity balance at September 30, 2021 | 9,000,000 | 450,000 | 27,083,306 | 2,886,385 | 13,697 |
| Shares issued pursuant to Transaction | – | – | 11,666,667 | 1,050,000 | – |
| Fair value of finder's warrants | – | – | – | – | 45,370 |
| Pro forma balance | 9,000,000 | 450,000 | 38,749,973 | 3,936,385 | 59,067 |

### 5. Pro Forma Statutory Income Tax Rate

The pro forma effective statutory income tax rate of the combined companies will be 27%. The Company and PGT were incorporated under the Business Corporations Act of British Columbia.

# SCHEDULE “D” – AUDIT COMMITTEE CHARTER

(See attached)

**PANGENOMIC HEALTH INC.**

**AUDIT COMMITTEE CHARTER**
**(Adopted January 10, 2022)**

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## I. MANDATE

The Audit Committee (the "Committee") of the Board of Directors (the "Board") of Pangenomic Health Inc. (the "Company") shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

1. the quality and integrity of the Company's financial statements and other financial information;

2. the compliance of such statements and information with legal and regulatory requirements;

3. the qualifications and independence of the Company's independent external auditor (the "Auditor"); and

4. the performance of the Company's internal accounting procedures and the Auditor.

## II. STRUCTURE AND OPERATIONS

### A. <u>Composition</u>

The Committee shall be comprised of three or more members.

### B. <u>Qualifications</u>

Each member of the Committee must be a member of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement.

### C. <u>Appointment and Removal</u>

In accordance with the Articles of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

### D. <u>Chair</u>

Unless the Board shall select a chair of the Committee (the "Chair"), the members of the Committee shall designate a Chair by the majority vote of all of the members of the Committee. The Chair shall call, set the agendas for and chair all meetings of the Committee.

### E. <u>Meetings</u>

The Committee shall meet as frequently as circumstances dictate. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

At each meeting, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Company's financial statements in a manner consistent with Section III of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

## III. DUTIES

### A. <u>Introduction</u>

The following functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in Section I of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

### B. Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below, namely, the Committee shall:

*Independence of Auditor*

1. review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company;

2. take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor;

3. require the Auditor to report directly to the Committee; and

4. review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

*Performance & Completion by Auditor of its Work*

1. be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of disagreements between management and the Auditor regarding financial reporting;

2. review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing, Auditor for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

3. recommend to the Board the compensation of the Auditor; and

4. pre-approve all non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor.

*Internal Financial Controls & Operations of the Company*

1. establish procedures for:

   (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

   (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

*Preparation of Financial Statements*

1. discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies;

2. discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies;

3. discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements;

4. discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies; and

5. discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:

   (a) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, or the Company's internal auditor or management;

   (b) the management inquiry letter provided by the Auditor and the Company's response to that letter; and

   (c) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with the Company's management.

*Public Disclosure by the Company*

1. review the Company's annual and interim financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information.;

2. review the Company’s financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company’s public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures; and

3. review disclosures made to the Committee by the Company’s Chief Executive Officer and Chief Financial Officer during their certification process of the Company’s financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company’s internal controls.

*Manner of Carrying Out its Mandate*

1. consult, to the extent it deems necessary or appropriate, with the Auditor, but without the presence of management, about the quality of the Company’s accounting principles, internal controls and the completeness and accuracy of the Company’s financial statements;

2. request any officer or employee of the Company or the Company’s outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee;

3. meet, to the extent it deems necessary or appropriate, with management, any internal auditor and the Auditor in separate executive sessions;

4. have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors;

5. make regular reports to the Board;

6. review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval;

7. annually review the Committee’s own performance;

8. provide an open avenue of communication among the Auditor, the Company’s financial and senior management and the Board; and

9. not delegate these responsibilities.

## C. Limitation of Audit Committee’s Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of the Company’s management and the Auditor.

## CERTIFICATE OF THE COMPANY

Dated: January 14, 2022

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

| | |
|---|---|
| *"Vincent Lum"* | *"Tammy Gillis"* |
| Vincent Lum<br>Chief Executive Officer | Tammy Gillis<br>Chief Financial Officer |

## ON BEHALF OF THE BOARD OF DIRECTORS

| | |
|---|---|
| *"Robert Nygren"* | *"Peter Green"* |
| Robert Nygren<br>Director | Peter Green<br>Director |

## CERTIFICATE OF THE PROMOTER

Dated: January 14, 2022

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta and Ontario.

*"Francisco Kent Carasquero"*

Francisco Kent Carasquero
Promoter