

BETTER PLANT SCIENCES INC. (formerly The Yield Growth Corp.)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)



(formerly The Yield Growth Corp.)

Condensed Interim Consolidated Financial Statements

For the Three Months Ended February 28, 2021 and February 29, 2020
(Unaudited)

(Expressed in Canadian Dollars)

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

BETTER PLANT SCIENCES INC. (formerly The Yield Growth Corp.)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	February 28, 2021	November 30, 2020
ASSETS		
Current assets		
Cash	\$ 242,303	\$ 181,293
Marketable securities (Note 3)	19,675	15,915
Accounts receivable (Notes 4 and 12)	313,763	381,511
Inventory (Note 5)	1,103,715	1,170,489
Prepaid expenses and deposits	190,940	154,175
Total current assets	<u>1,870,396</u>	<u>1,903,383</u>
Non-current assets		
Investment in associates (Note 6)	2,932,014	424,855
Due from related parties (Note 12)	815,354	–
Right-of-use asset (Note 7)	194,080	212,764
Equipment (Note 8)	168,672	193,828
Intangible assets (Note 9)	1,329,915	1,389,001
Goodwill (Note 10)	534,558	534,558
Total non-current assets	<u>5,974,593</u>	<u>2,755,006</u>
Total assets	<u>\$ 7,844,989</u>	<u>\$ 4,658,389</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 548,997	\$ 832,409
Deferred revenue (Note 11)	210,199	197,003
Lease liabilities (Note 7)	89,400	84,779
Total current liabilities	<u>848,596</u>	<u>1,114,191</u>
Non-current liabilities		
Loans payable	89,666	80,000
Lease liabilities (Note 7)	159,570	184,140
Total non-current liabilities	<u>249,236</u>	<u>264,140</u>
Total liabilities	<u>1,097,832</u>	<u>1,378,331</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 13)	28,113,442	27,954,370
Equity reserves	10,166,686	10,075,067
Shares issuable (Note 10)	31,420	31,420
Subscriptions received	–	50,000
Accumulated other comprehensive income (loss)	607	642
Deficit	(31,564,998)	(34,283,361)
Total shareholder' equity available to Better Plant Sciences Inc. shareholders	<u>6,747,157</u>	<u>3,828,138</u>
Equity attributable to non-controlling interest (Note 17)	–	(548,080)
Total shareholders' equity	<u>6,747,157</u>	<u>3,280,058</u>
Total liabilities and shareholders' equity	<u>\$ 7,844,989</u>	<u>\$ 4,658,389</u>

Nature of operations and continuance of business (Note 1)

Commitments and contingencies (Note 21)

Subsequent events (Note 24)

Approved and authorized for issuance on behalf of the Board of Directors on April 29, 2021:

/s/ "Rick Huang"
Director/s/ "Cole Drezdoff"
Director*(The accompanying notes are an integral part of these condensed interim consolidated financial statements)*

BETTER PLANT SCIENCES INC. (formerly The Yield Growth Corp.)
Condensed Interim Consolidated Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the period ended	
	February 28, 2021	February 29, 2020
REVENUE		
Licensing and product sales (Note 12)	\$ 297,095	\$ 134,395
Consulting (Note 12)	194,230	860
Total revenue	491,325	135,255
COST OF PRODUCTS AND SERVICES		
Cost of licensing and product sales	110,313	17,283
Cost of consulting services	–	692
Total cost of products and services	110,313	17,975
Gross profit	381,012	117,280
EXPENSES		
Advertising, marketing, and media	417,501	583,173
Amortization and depreciation (Notes 7, 8 and 9)	74,576	48,364
Consulting fees (Note 12)	214,174	720,400
Information systems	1,700	64,875
Investor relations	25,000	97,100
Listing fees	8,362	11,012
Office and administrative	165,001	158,593
Product development, research, and registration	153,139	132,915
Professional fees	69,944	71,365
Share-based compensation (Notes 12 and 15)	533,990	450,795
Wages (Note 12)	347,516	505,572
Total expenses	2,010,903	2,844,164
Net loss before other items	(1,629,891)	(2,726,884)
OTHER ITEMS		
Loss on sale of marketable securities (Note 3)	–	(4,293)
Unrealized gain (loss) on marketable securities (Note 3)	3,760	(3,203)
Share of net loss of equity accounted investees (Note 6)	(738,006)	(38,701)
Gain on loss of control of subsidiary (Note 16)	1,553,829	–
Loss on disposal of subsidiary (Note 16)	(2,623)	–
Gain (loss) on foreign exchange	7,039	(7,217)
Gain on settlement of accounts receivable	–	17,784
Gain on settlement of accounts payable	–	63,575
Total other items	823,999	27,945
NET LOSS FOR THE PERIOD	(805,892)	(2,698,939)
OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized foreign exchange gain (loss)	(35)	288
Comprehensive loss for the year	\$ (805,927)	\$ (2,698,651)
Net loss attributable to:		
Shareholders of the Company	\$ (606,915)	\$ (2,654,119)
Non-controlling interest (Note 17)	(198,977)	(44,532)
Net loss for the year	\$ (805,892)	\$ (2,698,651)
Comprehensive loss attributable to:		
Shareholders of the Company	\$ (606,950)	\$ (2,654,119)
Non-controlling interest (Note 17)	(198,977)	(44,532)
Comprehensive loss for the year	\$ (805,927)	\$ (2,698,651)
LOSS PER SHARE ATTRIBUTABLE TO BETTER PLANT SCIENCES INC. SHAREHOLDERS, BASIC AND DILUTED	\$ (0.00)	\$ (0.02)
Weighted average shares outstanding used in the calculation of net loss attributable to Better Plant Sciences Inc. per common share	185,619,763	110,497,000

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

BETTER PLANT SCIENCES INC. (formerly The Yield Growth Corp.)

Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian Dollars)

	Share capital		Special warrants reserve	Equity reserves	Shares issuable	Subscriptions received	Accumulated other comprehensive income (loss)		Non-controlling interest	Total shareholders' equity
	Number of shares	Amount					Deficit			
BALANCE, NOVEMBER 30, 2019	105,266,019	\$ 19,277,871	\$ –	\$ 7,966,429	50,600	–	\$ (826)	\$ (26,121,149)	\$ 106,203	\$ 1,279,128
Adjustments to equity upon adoption of IFRS 16	–	–	–	–	–	–	–	(43,663)	–	(43,663)
Units issued for cash	1,000,000	190,000	–	60,000	–	–	–	–	–	250,000
Special warrant units issued for cash	–	–	1,341,283	–	–	–	–	–	–	1,341,283
Shares issued on conversion of special warrants	7,066,494	1,302,697	(1,393,783)	91,086	–	–	–	–	–	–
Shares issued on exercise of stock options	120,000	20,194	–	(8,194)	–	–	–	–	–	12,000
Shares issued on exercise of warrants	2,796,332	562,500	–	–	–	–	–	–	–	562,500
Shares issued for consulting services	–	–	–	–	8,000	–	–	–	–	8,000
Special warrants issued to settle accounts payable	–	–	52,500	–	–	–	–	–	–	52,500
Subscriptions received	–	–	–	–	–	35,000	–	–	–	35,000
Fair value of stock options granted	–	–	–	262,936	–	–	–	–	–	262,936
Unrealized foreign exchange gain	–	–	–	–	–	–	288	–	–	288
Net loss for the period	–	–	–	–	–	–	–	(2,654,407)	(44,532)	(2,698,939)
Change in equity of subsidiary	–	682,125	–	182,619	–	4,053	–	12,343	–	881,140
Equity attributable to non-controlling interest	–	–	–	–	–	–	–	–	627,813	627,813
BALANCE, FEBRUARY 29, 2020	116,248,845	\$ 22,035,387	\$ –	\$ 8,554,876	58,600	\$ 39,053	\$ (538)	\$ (28,806,876)	\$ 689,484	\$ 2,569,986
BALANCE, NOVEMBER 30, 2020	178,473,245	\$ 27,954,370	\$ –	\$ 10,075,067	31,420	\$ 50,000	\$ 642	\$ (34,283,361)	\$ (548,080)	\$ 3,280,058
Special warrant units issued for cash	–	–	126,250	–	–	(50,000)	–	–	–	76,250
Shares issued on conversion of special warrants	2,613,635	143,750	(143,750)	–	–	–	–	–	–	–
Shares issued on exercise of stock options	400,000	69,271	–	(29,271)	–	–	–	–	–	40,000
Shares issued on exercise of warrants	9,940,569	845,192	–	(34,850)	–	–	–	–	–	810,342
Units issued for advertising services	500,000	60,000	–	–	–	–	–	–	–	60,000
Special warrants issued to settle accounts payable	–	–	17,500	–	–	–	–	–	–	17,500
Fair value of stock options granted	–	–	–	533,990	–	–	–	–	–	533,990
Unrealized foreign exchange loss	–	–	–	–	–	–	(35)	–	–	(35)
Net loss for the period	–	–	–	–	–	–	–	(606,915)	(198,977)	(805,892)
Loss of control of subsidiary	–	(959,141)	–	(378,250)	–	–	–	3,325,278	747,057	2,734,944
BALANCE, FEBRUARY 28, 2021	191,927,449	\$ 28,113,442	\$ –	\$ 10,166,686	31,420	–	\$ 607	\$ (31,564,998)	–	\$ 6,747,157

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

BETTER PLANT SCIENCES INC. (formerly The Yield Growth Corp.)

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

	For the period ended	
	February 28, 2021	February 29, 2020
OPERATING ACTIVITIES		
Net loss	\$ (805,892)	\$ (2,698,939)
Items not involving cash:		
Loss on disposal of subsidiary	2,623	-
Gain on loss of control of subsidiary	(1,553,829)	-
Write-down of inventory	31,052	-
Amortization and depreciation	74,576	48,364
Consulting services paid in shares	-	18,500
Consulting services paid in units	-	52,500
Interest expense on government loans	8,580	-
Grant income on government loans	(38,914)	-
Interest expense on lease liability	10,493	7,241
Loss on sale of marketable securities	-	4,293
Gain on settlement of accounts payable	-	(63,575)
Gain on settlement of accounts receivable	-	(17,784)
Share of net loss of equity accounted investee	738,006	38,701
Share-based compensation	533,990	262,936
Shares and warrants received for licensing and distribution rights	-	(414,999)
Unrealized loss (gain) on marketable securities	(3,760)	3,203
Changes in non-cash operating working capital:		
Accounts receivable	55,280	85,647
Inventory	18,568	(55,585)
Prepaid expenses and other deposits	(94,265)	(146,266)
Accounts payable and accrued liabilities	(48,808)	(520,679)
Due to related parties	(8,124)	(86)
Deferred revenue	205,284	306,046
Net cash used in operating activities	(875,140)	(3,090,482)
INVESTING ACTIVITIES		
Proceeds from sale of marketable securities	-	19,198
Net cash provided by investing activities	-	19,198
FINANCING ACTIVITIES		
Lease payments	(30,442)	(16,334)
Proceeds from government loans	40,000	-
Proceeds from issuance of units	-	250,000
Subscriptions received	-	35,000
Proceeds from issuance of special warrants	76,250	-
Proceeds from exercise of stock options	40,000	12,000
Proceeds from exercise of warrants	810,342	562,500
Proceeds from exercise of special warrants	-	1,341,283
Equity ownership in subsidiary	-	192,861
Proceeds from issuance of units from subsidiary to non-controlling interest	-	555,593
Net cash provided by financing activities	936,150	2,932,903
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH	-	288
CHANGE IN CASH	61,010	(138,093)
Cash, beginning of period	181,293	145,140
CASH, END OF PERIOD	\$ 242,303	\$ 7,047

Supplemental disclosures (Note 19)

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

BETTER PLANT SCIENCES INC. (formerly The Yield Growth Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

1. Nature of Operations and Continuance of Business

Better Plant Sciences Inc. (“Better Plant” or the “Company”) (formerly “The Yield Growth Corp.”) was incorporated under the laws of the province of British Columbia, Canada, on November 28, 2014. On August 18, 2020, the Company changed its name from The Yield Growth Corp. to Better Plant Sciences Inc. The Company acquires, develops, manufactures, markets, sells, and distributes plant-based products.

These condensed interim consolidated 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 \$805,892 and used \$875,140 of cash for operating activities during the period ended February 28, 2021. As at February 28, 2021, the Company had working capital of \$1,021,800 and had an accumulated deficit of \$31,564,998. 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 consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and the consolidated statement of financial position classifications that would be necessary were the going concern assumption be inappropriate. These adjustments could be material.

The recent outbreak of the coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to broad adverse impacts on the Canadian and global economies. The COVID-19 pandemic has impacted and could further impact the Company’s operations and the operations of the Company’s suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. As a result of the pandemic, the Company experienced delays in certain planned projects and product launches. The Company’s associates and investment companies may have experienced the adverse impact of COVID-19 as well. Below is an analysis the impact of COVID-19 on the Company’s business:

Revenue generation

While the Company achieved significant revenue growth during the period ended February 28, 2021, certain revenue generating areas were negatively impacted by COVID-19 restrictions. Specifically, a brick-and-mortar retail location at Victoria, British Columbia, as a juice bar, experienced, and is still experiencing, reduced traffic and sales. The Company acquired this location as part of a business combination (Note 10) effective October 9, 2020. Depending on the further development of the COVID-19 pandemic, its future impact on sales at this location is uncertain, although management is cautiously optimistic that such impact is manageable and will not be significant as part of the Company’s total revenues.

Productivity

The Company has adopted a remote work policy and its team has been working remotely since March 2020. The Company has been able to keep its office open and functional with minimal staff presence. Management assessed that working remotely has not materially impacted the team’s overall productivity or the Company’s general financial position.

BETTER PLANT SCIENCES INC. (formerly The Yield Growth Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

1. Nature of Operations and Continuance of Business (continued)

Suppliers' and vendors' contracts

The Company experienced slightly increased lead time of production and services with certain suppliers and vendors. However, such delays were not considered to have caused any material impact on the Company's business and financial position. The Company did not have to cancel any contracts with suppliers and vendors and did not incur any cancellation penalties during the year.

Funding

The general sentiment in the capital market caused difficulties in some fund-raising activities, but the Company was able to overcome the difficulties and obtain funding through its shelf prospectus to support operations. The Company maintains zero commercial debt aside from a Canada Emergency Business Account loan of \$120,000 (of which only \$80,000 is repayable), which is supported by the Federal Government and was legislated to help businesses operate during the COVID-19 pandemic.

With the COVID-19 pandemic still developing and the resurgence of new cases recently, the extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. Over the past year, the management team has been closely following the progression of COVID-19 and its potential impact on the Company and has been working on alternative measures and resources to minimize the impact on the Company. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Company cannot reasonably estimate the impact at this time on its business, liquidity, capital resources and financial results going forward.

2. Significant Accounting Policies

(a) Statement of Compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, and based on the principles of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee. These condensed interim consolidated financial statements should be read in conjunction with the Company's annual financial statements for the year ended November 30, 2020, which include the Company's significant accounting policies, and have been prepared in accordance with the same methods of application.

BETTER PLANT SCIENCES INC. (formerly The Yield Growth Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(b) Basis of Presentation and Principles of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries, Urban Juve Provisions Inc. ("Urban Juve"), Jusu Wellness Inc. (formerly Thrive Activations Inc.) ("Jusu Wellness"), Wright & Well Essentials Inc. (formerly UJ Topicals Inc.) ("Wright & Well"), Jusu Bars Corp. (formerly UJ Beverages Inc.) ("Jusu Bars"), Yield Botanicals Inc. ("Yield Botanicals") and NeonMind Biosciences Inc. (formerly Flourish Mushroom Labs Inc.) ("NeonMind") (Note 6), which were incorporated in the province of British Columbia, Canada, W&W Manufacturing Inc. (formerly Mad Wallaby Distribution Inc.) ("W&W Manufacturing"), which was incorporated in the State of California, United States, and UJ Asia Limited ("UJ Asia") (Note 16), which was incorporated in Hong Kong and consolidated from inception to its dissolution on December 15, 2020. All inter-company balances and transactions have been eliminated on consolidation.

Non-controlling interest of 50% in NeonMind is shown as a component of equity on the consolidated statement of financial position, and the share of loss attributable to non-controlling interest is shown as a component of net loss for the year in the consolidated statement of operations and comprehensive loss for the year-ended November 30, 2020. On December 30, 2020, the Company's ownership in NeonMind was significantly reduced, resulting in the deconsolidation of NeonMind on the condensed interim consolidated financial statement as it is no longer considered a subsidiary in accordance with *IFRS 10, Consolidated Financial Statements* (Notes 6 and 16).

These condensed interim consolidated financial statements have been prepared on a historical cost basis. In addition, these condensed interim consolidated 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 condensed interim consolidated 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, 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:

- collectibility of accounts receivable
- impairment of inventory
- useful lives and carrying values of equipment and intangible assets
- carrying value of goodwill
- impairment of investments in associates and marketable securities
- deferred revenue
- fair value of share-based compensation
- measurement of unrecognized deferred income tax assets

BETTER PLANT SCIENCES INC. (formerly The Yield Growth Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(c) Significant Accounting Estimates and Judgments (continued)

Significant judgments made by management in the application of IFRS that have a significant effect on the condensed interim consolidated financial statements include the following:

Going concern

The factors that are used in determining the application of the going concern assumption which requires management to consider all available information about the future, which is at least but not limited to 12 months from the year end of the reporting period.

Licensing revenues

In recognizing licensing revenue from contracts with multiple obligations, management's judgment with respect to contracts with multiple performance obligations are determined based on identifying distinct goods or services and uses judgment to estimate the proportion of each distinct good or service within a contract.

Website development costs

Website development costs related to the development of an e-commerce website for Jusu Wellness. Management's judgment is used in determining that the Company will realize significant economic benefit from the website to justify the capitalization of all costs relating to its development. All operational website costs incurred after its launch was expensed as incurred. Website costs are being amortized on a straight-line basis over an estimated useful life of 3 years.

Incremental borrowing rate

Judgment was used to determine the incremental borrowing rate for lease liabilities under IFRS 16. The incremental borrowing rate applied to the lease liabilities was 16%. The rate was estimated based on the Company's ability to source debt financing to fund its operations.

Fair value of investments in private companies

The fair value of shares and warrants held in private companies is determined by valuation techniques such as recent arm's-length transactions, option pricing models, or other valuation techniques commonly used by market participants. The investments in common shares and warrants are measured at fair value through profit or loss and unrealized gains and losses are recorded in the consolidated statement of operations.

Business combinations

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets, liabilities, and contingent liabilities acquired are recorded at their fair values. In determining the allocation of the purchase price in a business combination, including any acquisition related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

BETTER PLANT SCIENCES INC. (formerly The Yield Growth Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

(e) Application of New and Revised Accounting Standards

There were no new or revised accounting standards adopted during the period ended February 28, 2021.

(f) Future Accounting Pronouncements

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are not mandatory for the current period and have not been early adopted.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendment clarifies the requirements relating to determining if a liability should be presented as current or non-current in the statement of financial position. Under the new requirement, the assessment of whether a liability is presented as current or non-current is based on the rights that are in existence at the end of the reporting period and specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. It also defines a 'settlement' as the transfer to the counterparty of cash, equity instruments, other assets or services. In July 2020, due to the COVID-19 pandemic, the IASB deferred the effective date by one year to provide companies with more time to implement any classification changes resulting from these amendments. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The implementation of these amendments is not expected to have a significant impact on the Company.

Management has assessed that there are no other future accounting pronouncements that are expected to have a material impact on the Company's financial statements in the current or future reporting periods.

3. Marketable Securities and Investments

Below is a summary of the Company's marketable securities and investments as of February 28, 2021 and February 29, 2020:

	Nov. 30, 2019 fair value	Additions	Proceeds from sale	Realized gain (loss) on sale	Unrealized gain (loss)	Feb. 29, 2020 fair value
Current Assets:						
Vert-Warrants	\$ 77	\$ -	\$ -	\$ -	\$ 323	\$ 400
Loop	23,491	-	(19,198)	(4,293)	-	-
Fasttask-Shares	95,000	19,123	-	-	3,262	117,385
Fasttask-Warrants	12,046	13,438	-	-	(6,788)	18,696
	<u>\$ 130,614</u>	<u>\$ 32,561</u>	<u>\$ (19,198)</u>	<u>\$ (4,293)</u>	<u>\$ (3,203)</u>	<u>\$ 136,481</u>
	Nov. 30, 2020 fair value	Additions	Proceeds from sale	Realized gain (loss) on sale	Unrealized gain (loss)	Feb. 29, 2021 fair value
Current Assets:						
Fasttask-Shares	\$ 14,781	\$ -	\$ -	\$ -	\$ 3,696	\$ 18,477
Fasttask-Warrants	1,134	-	-	-	64	1,198
Total	<u>\$ 15,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,760</u>	<u>\$ 19,675</u>

BETTER PLANT SCIENCES INC. (formerly The Yield Growth Corp.)

Notes to the Condensed Interim Consolidated Financial Statements

For the Three Months Ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

3. Marketable Securities and Investments (continued)

Marketable Securities

Fasttask Technologies Inc. (formerly HeyBryan Media Inc.) ("Fasttask")

On December 7, 2020, Fasttask effected a 5-for-1 consolidation of its issued and outstanding common shares. All common share amounts have been retroactively restated for the share consolidation.

During the year ended November 30, 2019, the Company received 200,000 units of Fasttask at \$1.25 per unit, as a bonus for services rendered. Each unit consisted of one common share and one share purchase warrant exercisable at \$4.50 per share for a period of two years.

During the year ended November 30, 2020, the Company received 34,769 units of Fasttask with a fair value of \$32,561 to settle accounts receivable of \$14,777, resulting in a gain on settlement of accounts receivable of \$17,784. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.60 per share for a period of two years. During the year ended November 30, 2020, the Company sold 50,000 Fasttask shares for proceeds of \$6,041.

As at February 28, 2021, the Company holds 184,769 shares (February 29, 2020 – 234,768) of Fasttask and 34,769 share purchase warrants (February 29, 2020 – 34,769).

Loop Insights Inc.

On February 9, 2018, the Company entered into a licensing and distribution agreement with Loop Insights Inc. ("Loop"), whereby the Company sublicensed technology to Loop for an initial term of one year. As consideration for the sublicense, the Company received 4,000,000 common shares of Loop with a fair value of \$1,000,000. In addition, the Company granted Loop the non-exclusive right (the "Right") to distribute products deriving from certain ayurvedic and plant-based ingredients recipes to cannabis dispensaries in North America. As consideration for the Right, the Company received 7,200,000 common shares of Loop with a fair value of \$1,800,000. On October 30, 2018, the Company entered into a Termination and Release Agreement with Loop for the termination of the licensing and distribution agreement, whereby its investment was reduced from 11,200,000 common shares to 1,500,000 common shares of Loop. The Company received a termination fee of \$250,000 in cash from Loop in consideration for the return of shares. As a result of the reduced share ownership, the investment in Loop was no longer considered an associate and was reclassified to marketable securities. Pursuant to IAS 39, "*Financial Instruments: Recognition and Measurement*", the remaining 1,500,000 common shares were recognized at their fair value of \$65,789 on the date that joint control was lost and was recorded as marketable securities.

At February 28, 2021, the Company did not hold any Loop shares. During the period ended February 29, 2020, the Company sold its remaining 130,500 Loop shares for total proceeds of \$19,198.

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3. Marketable Securities and Investments (continued)

Investments

Translational Life Science Inc.

On February 4, 2020, the Company entered into share purchase agreements for the purchase of 7,285,000 common shares of Translational Life Science Inc. ("TLS"), in exchange for 15,000,000 units of NeonMind with a fair value of \$750,000. During the year ended November 30, 2020, the Company recognized an unrealized loss of \$750,000 on its investment in TLS, bringing its carrying value down to \$nil, as TLS is still in the early stages of development in its business and there is material uncertainty on the going concern of TLS and the marketability and liquidity of the shares. The Company currently holds all shares of TLS and has no intention to sell its investment in TLS in the next 12 months.

4. Accounts Receivable

	February 28, 2021	November 30, 2020
Trade accounts receivable	\$ 237,682	\$ 256,057
Other receivables	207,325	256,698
Allowance for doubtful accounts	(131,244)	(131,244)
Total accounts receivable	\$ 313,763	\$ 381,511

Other receivables included GST receivables and accrued receivables.

5. Inventory

	February 28, 2021	November 30, 2020
Finished goods	\$ 369,783	\$ 382,155
Packaging and raw materials	733,932	788,334
	\$ 1,103,715	\$ 1,170,489

6. Investment in Associate

Komo Plant Based Comfort Foods Inc.

Komo Plant Based Comfort Foods Inc. (formerly Kingdom Brands Inc.) ("Komo Foods") is a plant-based food company engaged in the development, production, marketing, and distribution of a variety of plant-based frozen meals. On December 1, 2020, Komo Foods entered into a 1-for-4 reverse stock split of its issued and outstanding common shares. All common share amounts have been retroactively restated for the reverse stock split.

On May 28, 2019, the Company entered into a license agreement with Komo Foods' subsidiary, Kingdom Brands Management Inc. (formerly Antler Retail Holdings Inc.) ("Kingdom Management"), whereby the Company granted a perpetual non-exclusive license for 56 product formulas for THC and CBD infusion to Kingdom Management for sale in the United States. Pursuant to the license agreement, the Company received 2,500,000 common shares of Komo Foods, with a fair value of \$829,148, representing 8% ownership interest in Komo Foods.

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6. Investment in Associate (continued)

On July 31, 2019, the Company entered into a license agreement with Komo Foods, whereby the Company granted an indefinite non-exclusive license for 8 product formulas to Komo Foods for sale world-wide excluding the United States. Pursuant to the license agreement, the Company received 2,000,000 common shares of Komo Foods, with a fair value of \$663,318. The Company's ownership interest in Kingdom Management was increased to approximately 15%.

On February 21, 2020, the Company entered into a license agreement with Komo Foods, whereby the Company granted a 25-year non-exclusive license to the Company's proprietary mushroom extraction technology to Komo Foods for use in the United States. Pursuant to the license agreement, the Company received 1,250,000 common shares of Komo Foods, with a fair value of \$415,000. The Company's ownership interest in Komo Foods was increased to approximately 19%.

On March 9, 2020, the Company purchased an additional 416,667 units of Komo Foods for \$200,000 in a private placement, where each unit consists of one common share and one warrant exercisable at \$0.56 for a period of 24 months. The Company's ownership interest in Komo Foods was increased to approximately 20%.

The Company has determined that it has significant influence in Komo Foods as it holds 20% of the voting rights in Komo Foods, and the Company and Komo Foods share a common CFO, and the President and CEO of the Company is the spouse of a director of Komo Foods as of February 28, 2021. Effective May 28, 2019, the Company's investment in Komo Foods was accounted for as an investment in an associate using the equity method. The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for the Company's proportionate share of the profit or loss, other comprehensive income or loss and any other changes in the associate's net assets, such as further investments or dividends.

During the period ended February 28, 2021, the Company recorded its proportionate loss from Komo Foods of \$167,730 (February 29, 2020 - \$38,701). During the year ended November 30, 2020, the Company assessed an impairment of \$1,073,263 on the value of its investment in Komo. On December 30, the Company deconsolidated its former subsidiary NeonMind, which resulted in NeonMind's investment in Komo Foods with a carrying value of \$86,185 being derecognized from the condensed interim consolidated financial statements. The carrying value of the Company's investment in Komo Foods as at February 28, 2021 was \$170,940 (November 30, 2020 - \$424,855).

The following tables summarize the unaudited financial information of Komo Foods as of February 28, 2021 and for the period then ended:

	February 28, 2021	November 30, 2020
Cash	\$ 892,067	\$ 21,157
Current assets	1,003,552	143,234
Total assets	1,006,852	143,234
Current and total liabilities	131,364	805,908

	Three months ended February 28, 2021	Three months ended February 29, 2020
Net loss and comprehensive loss for the period	\$ (1,520,959)	\$ (263,022)

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6. Investment in Associate (continued)

NeonMind Biosciences Inc.

NeonMind Biosciences Inc. (“NeonMind”) is a company engaged in drug development research into potential therapeutic uses of psychedelic compounds, and develops ready-to-consume packaged food products mixed with mushroom varieties.

On September 18, 2019, the Company purchased 1,000 common shares of NeonMind at \$0.005 per share for \$5.

On October 3, 2019, the Company received 30,000,000 common shares of NeonMind for the purchase of intangible assets with a fair value of \$32,400.

On October 18, 2019, the Company was issued 90,000,000 common shares of NeonMind pursuant to a license agreement with a fair value of \$97,200 whereby the Company granted a license for 128 product formulations to manufacture products infused with functional mushrooms for a term of 50 years.

On February 20, 2020, the Company’s wholly owned subsidiary, Urban Juve Provisions Inc. (“Urban Juve”) was issued 6,250,000 common shares of NeonMind pursuant to a license agreement, for a fair value of \$500,000. The license agreement granted NeonMind a license to use, modify and sublicense extraction technology for the purpose of developing an extraction process for mushroom extract for a term of 25 years. The \$500,000 was initially recorded as deferred revenue and is being recognized over a period of 18 months from the date of the agreement (Note 11).

On May 6, 2020, the Company entered into a share cancellation agreement with NeonMind for the purpose of NeonMind having the share structure of a company more likely to meet stock exchange listing standards in preparation for the planned initial public offering. Pursuant to the agreement, NeonMind cancelled 55,000,000 common shares owned by the Company in exchange for 55,000,000 warrants granted to the Company, exercisable at \$0.20 per share for a period of 24 months from the date of issuance.

On October 21, 2020, the Company entered into a share cancellation agreement with NeonMind for the purpose of having the share structure of a company more likely to meet stock exchange listing standards in preparation for the planned initial public offering. Pursuant to the agreement, NeonMind cancelled 37,000,000 common shares owned by the Company for no consideration.

On October 21, 2020, Urban Juve entered into a share cancellation agreement with NeonMind for the purpose of having the share structure of a company more likely to meet stock exchange listing standards in preparation for the planned initial public offering. Pursuant to the agreement, NeonMind cancelled 937,500 common shares owned by Urban Juve for no consideration.

As of February 28, 2021 and November 30, 2020, the Company held, directly and indirectly through its wholly owned subsidiary Urban Juve, a total of 33,313,500 common shares and 55,000,000 common share purchase warrants of NeonMind. On November 30, 2020, NeonMind had 66,430,500 common shares outstanding, of which the Company owned 33,313,500, representing 50.1% of the total common shares outstanding.

On December 30, 2020, NeonMind completed an initial public offering (“IPO”), issuing 46,000,000 units at a price of \$0.10 per unit. NeonMind’s shares became listed on the Canadian Securities Exchange under the ticker symbol “NEON” on January 4, 2021. After the IPO, NeonMind had 112,430,500 common shares outstanding, of which the Company owned 33,313,500, representing 29.7% of the total common shares outstanding. Throughout the period ended February 28, 2021, NeonMind issued additional common shares, further diluting the Company’s ownership.

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6. Investment in Associate (continued)

As a result of the completion of NeonMind's IPO, the Company assessed its ownership of NeonMind in accordance with *IFRS 10 Consolidated Financial Statements* and reached the conclusion that the Company had lost control of NeonMind. The conclusion was reached based on several factors, primarily the decrease in ownership of NeonMind from 50.1% to 29.7%, as well as changes in rights due to changes in key management personnel. As a result, the Company performed a deconsolidation of NeonMind as at December 30, 2020, the date when control was lost. The fair value of the investment retained in NeonMind was calculated at the fair value at the date when control was lost, which was \$0.10 per share in alignment with the price of the IPO units issued on the same date.

The Company has determined that it has significant influence in NeonMind as it held 30% of the voting rights in NeonMind at December 31, 2020, and the Company and NeonMind share a common CFO. Effective December 31, 2020, the Company's investment in NeonMind was accounted for as an investment in associate using the equity method. The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for the Company's proportionate share of the profit or loss, other comprehensive income or loss and any other changes in the associate's net assets, such as further investments or dividends.

The Company has the same reporting date as NeonMind and was provided with the unaudited financial information of NeonMind for the period from December 31, 2020 to February 28, 2021 to calculate the portion of net loss attributable to the Company. During the period ended February 28, 2021, the Company recorded its proportionate loss from NeonMind of \$570,276.

The carrying value of the Company's investment in NeonMind as at February 28, 2021 was \$2,761,074. The Company's investment in NeonMind was recorded as a subsidiary at November 30, 2020.

The following tables summarize the unaudited financial information of NeonMind as of February 28, 2021 and for the period then ended:

	February 28, 2021
Cash	\$ 3,128,344
Current assets	3,461,253
Total assets	3,533,403
Current and total liabilities	1,002,817
	For the period from December 31, 2020 to February 28, 2021 ¹
Net loss and comprehensive loss for the period	\$ (2,020,706)

¹ The net loss and comprehensive loss for the period from December 1 to December 30, 2020 was consolidated on the Company's condensed interim consolidated statements of operations and comprehensive loss for the period ended February 28, 2021.

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6. Investment in Associate (continued)

The following table outlines the carrying amount of the investments in Komo Foods and NeonMind as at February 28, 2021:

	Komo Foods	NeonMind	Total
Carrying value of investment, November 30, 2019	\$ 1,240,001	\$ –	\$ 1,240,001
Additions	615,000	–	615,000
Proportionate net loss	(356,883)	–	(356,883)
Impairment	(1,073,263)	–	(1,073,263)
Carrying value of investment, November 30, 2020	\$ 424,855	\$ –	\$ 424,855
Additions	–	3,331,350	3,331,350
Proportionate net loss	(167,730)	(570,276)	(738,006)
Deconsolidation of NeonMind	(86,185)	–	(86,185)
Carrying value of investment, February 28, 2021	\$ 170,940	\$ 2,761,074	\$ 2,932,014

7. Right-of-use Assets and Lease Liabilities

Upon adoption of IFRS 16, the Company recognized lease liabilities in relation to a lease for its office space which had previously been classified as an operating lease under the principles of *IAS 17 Leases* whereby lease payments were recorded as expenses as they were incurred. Under IFRS 16, the lease liability was measured at the present value of the remaining lease payments as at December 1, 2019, discounted using the Company's incremental borrowing rate. The incremental borrowing rate applied to the lease liability on December 1, 2019 was 16%, which is the rate estimated by management on the Company's ability to source debt financing to fund its operations. The associated lease liability recognized on December 1, 2019 was \$229,117, and was applied using the modified retrospective approach in accordance with IFRS 16.

An associated right-of-use asset for the lease was measured at the amount equal to the lease liability on December 1, 2019. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease liabilities are subsequently measured at amortized cost using the effective interest rate method.

The Company entered into a second lease agreement for a warehouse facility commencing on March 1, 2020. The associated lease liability and right-of-use asset recognized upon commencement of the warehouse lease was \$100,130.

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7. Right-of-use Assets and Lease Liabilities (continued)

	Office lease	Warehouse lease	Total
Right of Use Asset:			
Value of right of use asset, December 1, 2019	\$ 182,362	\$ –	\$ 182,362
Additions	–	100,130	100,130
Amortization	(54,709)	(15,019)	(69,728)
Right of use asset, November 30, 2020	\$ 127,653	\$ 85,111	\$ 212,764
Amortization	(13,677)	(5,007)	(18,684)
Right of use asset, February 28, 2021	\$ 113,976	\$ 80,104	\$ 194,080
Lease Liabilities:			
Lease liabilities recognized, December 1, 2019	\$ 229,117	\$ –	\$ 229,117
Additions	–	100,130	100,130
Lease payments	(83,474)	(21,915)	(105,389)
Lease interest	33,590	11,471	45,061
Lease liabilities, November 30, 2020	\$ 179,233	\$ 89,686	\$ 268,919
Lease payments	(23,137)	(7,305)	(30,442)
Lease interest	6,955	3,538	10,493
Lease liabilities, February 28, 2021	\$ 163,051	\$ 85,919	\$ 248,970
Current portion	72,741	16,659	89,400
Non-current portion	90,310	69,260	159,570
	\$ 163,051	\$ 85,919	\$ 248,970

At February 28, 2021, the Company's future lease payment obligations are as follows:

	Office lease	Warehouse lease	Total
Year ended November 30, 2021	\$ 69,411	\$ 21,915	\$ 91,326
Year ended November 30, 2022	92,548	29,220	121,768
Year ended November 30, 2023	30,849	29,220	60,069
Year ended November 30, 2024	–	29,220	29,220
Year ended November 30, 2025	–	7,305	7,305
	\$ 192,808	\$ 116,880	\$ 309,688

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8. Equipment

	Computers	Furniture and display	Phone equipment	Equipment	Leasehold improvements	Total
Cost:						
Balance, November 30, 2019	\$ 97,552	\$ 112,339	\$ 2,378	\$ 13,807	\$ 3,750	\$ 229,826
Additions	1,375	48,270	–	23,250	72,844	145,739
Balance, November 30, 2020 and February 28, 2021	\$ 98,927	\$ 160,609	\$ 2,378	\$ 37,057	\$ 76,594	\$ 375,565
Accumulated depreciation:						
Balance, November 30, 2019	\$ 61,112	\$ 21,435	\$ 754	\$ 1,927	\$ 235	\$ 85,463
Additions	26,263	48,173	477	3,866	17,495	96,274
Balance, November 30, 2020	87,375	69,608	1,231	5,793	17,730	181,737
Additions	2,722	13,384	117	2,601	6,332	25,156
Balance, February 28, 2021	\$ 90,097	\$ 82,992	\$ 1,348	\$ 8,394	\$ 24,062	\$ 206,893
Carrying amounts:						
As at November 30, 2020	\$ 11,552	\$ 91,001	\$ 1,147	\$ 31,264	\$ 58,864	\$ 193,828
As at February 28, 2021	\$ 8,830	\$ 77,617	\$ 1,030	\$ 28,663	\$ 52,532	\$ 168,672

9. Intangible Assets

	Product Formulations	Customer Relationships	Brand Name	Website Development Costs	Total
Cost:					
Balance, November 30, 2019	\$ 32,400	\$ –	\$ –	\$ 155,557	\$ 187,957
Additions	720,000	81,000	510,000	65,012	1,376,012
Impairment	–	–	–	(155,557)	(155,557)
Balance, November 30, 2020	752,400	81,000	510,000	65,012	1,408,412
Deconsolidated (Note 6)	(32,400)	–	–	–	(32,400)
Balance, February 28, 2021	\$ 720,000	\$ 81,000	\$ 510,000	\$ 65,012	\$ 1,376,012
Accumulated depreciation:					
Balance, November 30, 2019	\$ –	\$ –	\$ –	\$ 26,154	\$ 26,154
Additions	16,872	1,649	–	890	19,411
Impairment	–	–	–	(26,154)	(26,154)
Balance, November 30, 2020	16,872	1,649	–	890	19,411
Additions	22,500	2,893	–	5,343	30,736
Deconsolidated (Note 6)	(4,050)	–	–	–	(4,050)
Balance, February 28, 2021	\$ 35,322	\$ 4,542	\$ –	\$ 6,233	\$ 46,097
Carrying amounts:					
As at November 30, 2020	\$ 735,528	\$ 79,351	\$ 510,000	\$ 64,122	\$ 1,389,001
As at February 28, 2021	\$ 684,678	\$ 76,458	\$ 510,000	\$ 58,779	\$ 1,329,915

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9. Intangible Assets (continued)

During the year ended November 30, 2020, additions to product formulations, customer relationships and brand name were related to the Company's business combination (Note 10). There were no additions to product formulations, customer relationships, or brand name during the period ended February 28, 2021.

Product formulations are amortized over an estimated useful life of 8 years. The Company will periodically evaluate these assets to assess whether their value has become impaired over time.

Customer relationships are amortized over an estimated useful life of 7 years. The Company will periodically evaluate these assets to assess whether their value has become impaired over time.

Brand name is determined to have an indefinite useful life. The Company will periodically evaluate these assets to assess whether any evidence arises to support a determinable useful life, or whether their value has become impaired over time.

Website development costs are related to the development of e-commerce websites for the sale of products. Website development costs are amortized over a useful life of 3 years upon website launch. During the year ended November 30, 2020, the Company assessed impairment on two e-commerce websites and recognized impairment loss on website development costs of \$129,403. There was no such impairment recorded during the period ended February 28, 2021.

10. Business Combination and Goodwill

On September 1, 2020, the Company entered into an agreement with Jusu Body Inc. and Jusu Life Inc. to lease its e-commerce website for monthly fees of \$100, and to purchase all of their finished goods inventory for distribution through its e-commerce website and wholesale channels. Pursuant to the agreement, the Company issued 277,777 share units with a fair value of \$23,810. Each share unit is comprised of one common share and one share purchase warrant exercisable at \$0.11 for a period of two years.

On October 9, 2020, the Company entered into an acquisition agreement with Jusu Body Inc., Jusu Bars Inc. and Jusu CBD Inc. (collectively, "Jusu") for the purchase of Jusu's remaining inventory, equipment for its retail location in Victoria, BC, and other intangible assets including primarily the brand names, product formulas and customer lists. Pursuant to the agreement, the Company issued 19,000,000 share units with a fair value of \$2,196,066. Each share unit is comprised of one common share and one share purchase warrant exercisable at \$0.10 per share for a period of two years. There was an additional \$300,000 payable in 3,000,000 share units that was subject to holdback conditions for the purpose of ensuring that Jusu was discharged from certain security registrations. As of February 28, 2021, the holdback amount had not been released to Jusu.

In addition, there is a contingent consideration payable of an additional 2,500,000 units of the Company if within three years, the quarterly or annual financial statements for any period indicate that the Company has generated \$5 million in gross revenues through the sale of Jusu products. Each unit will be comprised of one common share and one share purchase warrant exercisable at a price equal to the closing price of the shares on the date of issuance.

The Company has determined this transaction is a business combination as the assets and processes acquired from Jusu constitute a business. The transaction was accounted for using the acquisition method of accounting, whereby the assets acquired were recorded at their estimated fair value at the acquisition date.

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10. Business Combination and Goodwill (continued)

The allocation of the purchase price to the total fair value of net assets acquired is as follows:

	<u>Fair value</u>
Consideration paid:	
Common shares issued	\$ 1,379,510
Warrants issued	840,366
Contingent consideration	31,420
Gross consideration	<u>2,251,296</u>
Amount allocated to GST	<u>(107,205)</u>
Net consideration	<u>\$ 2,144,091</u>
Net identifiable assets acquired:	
Inventory	\$ 275,283
Equipment	23,250
Intangible assets – customer relationships	81,000
Intangible assets – brand name	510,000
Intangible assets – product formulations	720,000
	<u>\$ 1,609,533</u>
Purchase price allocation:	
Net identifiable assets acquired	1,609,533
Goodwill	534,558
	<u>\$ 2,144,091</u>

Goodwill arising from the acquisition represents expected synergies, future income, and growth potential of Jusu.

11. Deferred Revenue

The Company recorded the following deferred revenue pursuant to licensing agreements and client deposits and retainers:

	<u>Balance, November 30, 2020</u>	<u>Additions</u>	<u>Recognized in profit and loss</u>	<u>Balance, February 28, 2021</u>
Current liabilities:				
Vert Infrastructure Ltd.	\$ 175,342	\$ –	\$ (82,192)	\$ 93,150
NeonMind Biosciences Inc.	–	192,308	(94,837)	97,471
Client deposits & retainers	21,661	366	(2,449)	19,578
Total deferred revenue	<u>\$ 197,003</u>	<u>\$ 192,674</u>	<u>\$ (179,478)</u>	<u>\$ 210,199</u>

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11. Deferred Revenue (continued)

On February 12, 2020, the Company's wholly owned subsidiary, Urban Juve Provisions Inc. ("Urban Juve") entered into a license agreement with NeonMind Biosciences Inc. ("NeonMind") whereby Urban Juve granted NeonMind a license to use, modify and sublicense extraction technology for the purpose of developing an extraction process for mushroom extract for a term of 25 years. Pursuant to the agreement, NeonMind issued 6,250,000 common shares with a fair value of \$500,000 to Urban Juve. The fair value of the shares received is being recognized as revenue over a period of eighteen months, and as of February 28, 2021, \$97,471 was included in deferred revenue as current liabilities. As at February 28, 2021, the Company's ownership in NeonMind was recorded as an investment in associate using the equity method (Note 6). As at November 30, 2020, NeonMind was recorded as a consolidated subsidiary of the Company, and therefore the balance of deferred revenue was eliminated upon consolidation at year-end.

On June 11, 2018, the Company entered into a license and distribution agreement with Vert Infrastructure Ltd. ("Vert"), whereby the Company granted an exclusive right to sell certain proprietary wellness products in Italy, and a license to use certain related trademarks and other intellectual property owned by the Company, for a term of 3 years. In consideration for the license and distribution rights, Vert paid an initial fee of \$1,000,000 through the issuance of 2,500,000 units, with each unit consisting of one common share of Vert and one-half of one share purchase warrant. Each share purchase warrant is exercisable into one common share of Vert at an exercise price of \$0.55 per share for a period of eighteen months. The initial fee of \$1,000,000 is being recognized as revenue over the 3-year term of the agreement, and as of February 28, 2021, \$93,150 (November 30, 2020 - \$175,342) was included in deferred revenue in current liabilities, as the service period of the contract is ending in fiscal 2021.

12. Related Party Transactions

During the three months ended February 28, 2021 and February 29, 2020, compensation of key management personnel and directors were as follows:

	February 28, 2021	February 29, 2020
Consulting fees	\$ 80,568	\$ 65,500
Share-based compensation	340,530	172,539
Wages	54,583	221,816
	<u>\$ 475,687</u>	<u>\$ 459,855</u>

During the three months ended February 28, 2021, the Company recognized licensing revenue of \$nil (February 29, 2020 - \$3,411) and consulting revenue of \$90,828 (February 29, 2020 - \$860) from an associated company, Komo Foods. As at February 28, 2021, the Company was owed \$443 (November 30, 2020 - \$55,722) from Komo Foods, which was included in accounts receivable, and is unsecured, non-interest bearing, and due on demand.

On February 20, 2020, the Company entered into a license agreement with Komo Foods whereby the Company granted a non-exclusive license to the Company's proprietary mushroom extraction technology to Komo Foods for use in the United States. Pursuant to the license agreement, the Company received 1,250,000 common shares of Komo Foods, with a fair value of \$415,000, which was recognized in licensing and product sales revenue during the year ended November 30, 2020.

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12. Related Party Transactions (continued)

During the three months ended February 28, 2021, the Company recognized licensing revenue of \$63,224 (February 29, 2020 - \$nil), consulting revenue of \$102,152 (February 29, 2020 - \$nil) and interest income of \$8,522 (February 29, 2020 - \$nil) from an associated company, NeonMind. As at February 28, 2021, the Company was owed \$812,444 from NeonMind, which was included due from related parties. This balance includes a promissory note balance of \$691,245 for previously advanced payment which is unsecured, bears interest at 5% compounded annually, and is due on February 28, 2022.

Amounts owed also included interest payable balance of \$34,468 relating to the promissory note. The remaining \$86,731 is unsecured, non-interest bearing, and due on demand. During the year ended November 30, 2020, NeonMind was recorded as a consolidated subsidiary of the Company and therefore the balance owed from NeonMind at year-end was eliminated upon consolidation.

On February 12, 2020, the Company's wholly owned subsidiary, Urban Juve entered into a license agreement with NeonMind whereby Urban Juve granted NeonMind a license to use, modify and sublicense extraction technology for the purpose of developing an extraction process for mushroom extract for a term of 25 years. Pursuant to the agreement, NeonMind issued 6,250,000 common shares with a fair value of \$500,000 to Urban Juve. The fair value of the shares received is being recognized as revenue over a period of eighteen months, and during the three months ended February 28, 2021, \$63,224 was recognized as revenue on the condensed interim consolidated statement of financial position. During the period from December 1, 2020 to December 30, 2020 and the three months ended February 29, 2020, NeonMind was recorded as a consolidated subsidiary of the Company and therefore the revenue recorded during this period was eliminated upon consolidation.

13. Share Capital

Authorized: unlimited number of common shares without par value.

During the three months ended February 28, 2021, the Company completed the following transactions:

- (a) Issuance of 400,000 common shares for proceeds of \$40,000 pursuant to the exercise of stock options. The fair value of the stock options of \$29,271 was transferred from equity reserves to share capital upon exercise.
- (b) Issuance of 9,940,569 common shares for proceeds of \$810,342 pursuant to the exercise of share purchase warrants. The fair value of the share purchase warrants of \$34,850 was transferred from equity reserves to share capital upon exercise.
- (c) Issuance of 2,613,635 common shares pursuant to the conversion of 2,613,635 special warrants. The fair value of the warrants of \$143,750 was transferred from special warrants reserve to share capital upon conversion.
- (d) Issuance of 500,000 common shares in exchange for advertising services with a fair value of \$60,000.

During the three months ended February 29, 2020, the Company completed the following transactions:

- (a) Issuance of 1,000,000 units at \$0.25 per unit for proceeds of \$250,000 pursuant to the completion of a non-brokered private placement. Each unit consisted of one common share and one share purchase warrant exercisable at \$0.265 per share for a period of one year.

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13. Share Capital (continued)

- (b) Issuance of 120,000 common shares for proceeds of \$12,000 pursuant to the exercise of stock options. The fair value of the stock options of \$8,194 was transferred from equity reserves to share capital upon exercise.
- (c) Issuance of 2,796,332 common shares for proceeds of \$562,500 pursuant to the exercise of share purchase warrants.
- (d) Issuance of 7,066,494 common shares pursuant to the conversion of 7,066,494 special warrants. The fair value of the warrants of \$1,393,783 was transferred from special warrants reserve to share capital and equity reserves upon conversion.

14. Share Purchase Warrants

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

	Number of warrants	Weighted average exercise price
Balance, November 30, 2019	39,795,907	\$ 1.25
Issued	70,296,894	0.13
Exercised	(2,803,332)	0.20
Expired	(20,319,032)	1.89
Balance, November 30, 2020	86,970,437	\$ 0.23
Issued	2,613,635	0.07
Exercised	(9,940,569)	0.08
Expired	(16,865,401)	0.43
Balance, February 28, 2021	62,778,102	\$ 0.19

As at February 28, 2021, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price	Expiry date
5,000,000	\$ 0.13	April 2, 2021
1,976,389	\$ 0.08	April 26, 2021
63,000	\$ 0.10	May 1, 2021
5,000,000	\$ 0.13	May 1, 2021
356,250	\$ 0.16	May 20, 2021
136,363	\$ 0.07	June 3, 2021
122,500	\$ 0.30	August 7, 2021
6,060,593	\$ 0.35	August 7, 2021
1,774,232	\$ 0.35	August 30, 2021
1,400,000	\$ 0.37	September 13, 2021
2,090,500	\$ 0.30	October 7, 2021
7,000,000	\$ 0.11	June 29, 2022
13,000	\$ 0.10	July 29, 2022
6,847,498	\$ 0.11	July 29, 2022
277,777	\$ 0.11	September 8, 2022
19,000,000	\$ 0.10	October 9, 2022
5,460,000	\$ 0.50	October 30, 2023
200,000	\$ 0.34	January 3, 2024
62,778,102		

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14. Share Purchase Warrants (continued)

Special Warrants

During the period ended February 28, 2021, the Company completed the following transactions:

- (a) On December 3, 2020, the Company closed a non-brokered private placement of 2,295,454 special warrants issued at a price of \$0.055 per special warrant for cash proceeds of \$126,250 and 318,181 special warrants issued for services with a fair value of \$17,500. Each special warrant entitles the holder to acquire, without additional payment, one common share and one share purchase warrant of the Company on the earlier of: (a) three business days following the delivery of a prospectus supplement in compliance with applicable Canadian securities laws; and (b) four months and one day from the date of issuance of the special warrants. Each warrant is exercisable to purchase one common share of the Company at \$0.07 per share for a period of six months from the date of the issuance.

During the period ended February 29, 2020, the Company completed the following transactions:

- (b) On December 6, 2019, the Company closed a non-brokered private placement of 1,262,500 units at \$0.20 per unit for proceeds of \$252,500. Each unit consisted of one special warrant and one warrant. Each special warrant entitles the holder to acquire, without additional payment, one common share on the earlier of: (a) three business days following the delivery of a prospectus supplement in compliance with applicable Canadian securities laws; and (b) four months and one day from the date of issuance of the special warrants. Each warrant is exercisable to purchase one common share of the Company at \$0.25 per share for a period of six months from the date of the issuance.
- (c) On December 20, 2019, the Company closed a non-brokered private placement of 1,731,291 units at \$0.25 per unit for proceeds of \$432,823. Each unit consisted of one special warrant and one warrant. Each special warrant entitles the holder to acquire, without additional payment, one common share on the earlier of: (a) three business days following the delivery of a prospectus supplement in compliance with applicable Canadian securities laws; and (b) four months and one day from the date of issuance of the special warrants. Each warrant is exercisable to purchase one common share of the Company at \$0.265 per share for a period of six months from the date of the issuance.
- (d) On January 3, 2020 and January 7, 2020, the Company closed a non-brokered private placement of 2,133,332 units at \$0.15 per unit for proceeds of \$320,000. Each unit consisted of one special warrant and one warrant. Each special warrant entitles the holder to acquire, without additional payment, one common share on the earlier of: (a) three business days following the delivery of a prospectus supplement in compliance with applicable Canadian securities laws; and (b) four months and one day from the date of issuance of the special warrants. Each warrant is exercisable to purchase one common share of the Company at \$0.195 per share for a period of six months from the date of the issuance.
- (e) On January 3, 2020, the Company issued 350,000 units at \$0.15 per unit to settle accounts payable of \$52,500. Each unit consisted of one special warrant and one warrant. Each special warrant entitles the holder to acquire, without additional payment, one common share on the earlier of: (a) three business days following the delivery of a prospectus supplement in compliance with applicable Canadian securities laws; and (b) four months and one day from the date of issuance of the special warrants. Each warrant is exercisable to purchase one common share of the Company at \$0.195 per share for a period of six months from the date of the issuance.

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14. Share Purchase Warrants (continued)

Special Warrants (continued)

- (f) On February 6, 2020, the Company closed a non-brokered private placement of 226,071 units at \$0.28 per unit for proceeds of \$63,300. Each unit consisted of one special warrant and one warrant. Each special warrant entitles the holder to acquire, without additional payment, one common share on the earlier of: (a) three business days following the delivery of a prospectus supplement in compliance with applicable Canadian securities laws; and (b) four months and one day from the date of issuance of the special warrants. Each warrant is exercisable to purchase one common share of the Company at \$0.29 per share for a period of 12 months from the date of the issuance.
- (g) On February 14, 2020, the Company closed a non-brokered private placement of 1,363,300 units at \$0.20 per unit for proceeds of \$272,660. Each unit consisted of one special warrant and one warrant. Each special warrant entitles the holder to acquire, without additional payment, one common share on the earlier of: (a) three business days following the delivery of a prospectus supplement in compliance with applicable Canadian securities laws; and (b) four months and one day from the date of issuance of the special warrants. Each warrant is exercisable to purchase one common share of the Company at \$0.26 per share for a period of 4 months from the date of the issuance.

15. Stock Options

On May 15, 2017, the Company adopted an incentive stock option plan. Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of options to directors, officers, employees, and consultants of the Company. The terms of the granted stock options as well as the vesting conditions are at the sole discretion of the directors.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price
Outstanding, November 30, 2019	13,597,828	\$ 0.46
Granted	6,528,000	0.17
Exercised	(120,000)	0.10
Expired/cancelled	(2,774,167)	0.39
Outstanding, November 30, 2020	17,231,661	\$ 0.37
Granted	9,035,000	0.16
Exercised	(400,000)	0.10
Expired/cancelled	(880,333)	0.40
Outstanding, February 28, 2021	24,986,328	\$ 0.29
Exercisable, February 28, 2021	13,137,466	\$ 0.41

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15. Stock Options (continued)

Additional information regarding stock options outstanding and exercisable as at February 28, 2021, is as follows:

Range of exercise prices	Stock options outstanding	Stock options exercisable	Weighted average remaining contracted life (years)
\$ 0.10 – 0.17	12,565,000	1,764,500	4.57
\$ 0.20 – 0.29	4,601,500	3,734,000	3.60
\$ 0.31 – 0.40	2,610,000	2,600,000	2.08
\$ 0.50 – 0.58	1,380,028	1,327,933	3.14
\$ 0.62 – 0.69	2,263,000	2,218,000	3.04
\$ 0.70 – 0.78	1,566,800	1,493,033	3.02
	24,986,328	13,137,466	3.81

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the period ended February 28, 2021, the Company recognized share-based compensation expense of \$533,990 (February 29, 2020 - \$262,936) in equity reserves, of which \$340,530 (February 29, 2020 - \$172,539) pertains to directors and officers of the Company. The weighted average fair value of options granted during the period ended February 28, 2021, was \$0.12 (February 29, 2020 - \$0.17) per share. The weighted average share price for stock options exercised was \$0.13 (February 29, 2020 - \$0.10). Weighted average assumptions used in calculating the fair value of share-based compensation expense, assuming no expected dividends or forfeitures, are as follows:

	2021	2020
Risk-free interest rate	0.69%	1.49%
Dividend yield	0%	0%
Expected volatility	124%	107%
Expected life (years)	4.95	4.81

As at February 28, 2021, there was \$837,861 (November 30, 2020 - \$195,213) of unrecognized share-based compensation related to unvested stock options.

16. Loss of control and disposal of subsidiary

On December 30, 2020, the Company concluded that control over its former subsidiary, NeonMind, had been lost (Note 6). As a result, the Company deconsolidated NeonMind on the date when control was lost. The Company consolidated NeonMind's income statement from December 1 to December 30, 2020. The deconsolidation consisted of the Company derecognizing the assets and liabilities of NeonMind at the date when control was lost, derecognizing the carrying amount of the non-controlling interest in NeonMind, recognizing the fair value of the investment retained in NeonMind, and recognizing the resulting difference as a gain in the condensed interim consolidated statement of operations and comprehensive loss. The fair value of the investment retained in NeonMind was calculated at the fair value at the date when control was lost, which was \$0.10 per share in alignment with the price of the IPO units issued on the same date.

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16. Loss of control and disposal of subsidiary (continued)

The gain on loss of control of the subsidiary was calculated as follows:

	December 30, 2020
Fair value of retained investment	\$ 3,331,350
Less: carrying value of net assets	(2,932,367)
Less: adjustment to carrying value of retained investment	407,789
Less: accumulated non-controlling interest	747,057
Total gain on loss of control of subsidiary	<u>\$ 1,553,829</u>

The gain is comprised of:

Gain on loss of control of subsidiary	\$ 747,057
Gain on retained investment	806,772
Total gain on loss of control of subsidiary	<u>\$ 1,553,829</u>

On December 15, 2020, the Company dissolved its wholly owned subsidiary, UJ Asia Limited ("UJ Asia"). As a result of deregistering the former subsidiary, the Company derecognized the net assets of UJ Asia of \$(2,623). As there were no proceeds received upon the disposal of the subsidiary to offset the value of UJ Asia's net assets, the Company recorded a loss of \$2,623 on the condensed interim consolidated statement of operations and comprehensive loss for the period ended February 28, 2021.

17. Non-controlling Interest

The following table presents the summarized financial information about the Company's subsidiary, NeonMind, that had a non-controlling interest of 50% at November 30, 2020. During the period ended February 28, 2021, the Company lost control of NeonMind and deconsolidated the entity on December 30, 2020 (Notes 6 and 16). As at February 28, 2021, NeonMind is recorded using the equity method of accounting. This information represents amounts before intercompany eliminations.

	December 30, 2020	November 30, 2020
Summarized statement of financial position:		
Current assets	\$ 3,815,574	\$ 95,364
Current liabilities	997,742	296,067
Current net assets (liabilities)	2,817,832	(200,703)
Non-current assets	114,535	114,535
Non-current liabilities	-	691,245
Non-current net assets (liabilities)	114,535	(576,710)
Net assets (liabilities)	<u>\$ 2,932,367</u>	<u>\$ (777,413)</u>
Accumulated non-controlling interest	\$ (747,057)	\$ (548,080)

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17. Non-controlling Interest (continued)

NeonMind was incorporated under the laws of the province of British Columbia, Canada, on September 18, 2019.

	For the period from December 1 to December 30, 2020 ¹	For the period ended February 29, 2020
Summarized statement of comprehensive loss:		
Net loss and comprehensive loss	\$ (399,135)	\$ (317,713)
Loss allocated to non-controlling interests	\$ (198,977)	\$ (44,532)
	For the period ended February 28, 2021	For the period ended February 29, 2020
Summarized statement of cash flows:		
Cash flows from operating activities	\$ (1,899,671)	\$ (664,568)
Cash flows from investing activities	(1,285)	-
Cash flows from financing activities	5,028,130	560,593
Net change in cash	\$ 3,127,174	\$ (103,975)

¹ The Company performed a deconsolidation of NeonMind on December 30, 2020 (Note 6).

18. Capital Management

The Company manages its capital structure and makes adjustments, based on the funds available to the Company, 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, special warrant reserve, and equity reserves.

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 February 28, 2021. The Company is not subject to externally imposed capital requirements.

19. Supplemental Disclosures

	February 28, 2021	February 29, 2020
Non-cash investing and financing activities:		
Special warrants issued for settlement of accounts payable	\$ 17,500	\$ 52,500
Shares issued to settle accounts payable	60,000	-
Units received for settlement of accounts receivable	-	32,560
Reclassification of equity reserves for exercise of options and warrants	64,121	8,194

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20. Financial Instruments and Risk Management

Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's consolidated statement of financial position as at February 28, 2021, as follows:

	Fair Value Measurements Using			Balance February 28, 2021
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Marketable securities	\$ 18,477	\$ 1,198	\$ –	\$ 19,675
Investment in associate	–	2,932,014	–	2,932,014
	<u>\$ 18,477</u>	<u>\$ 2,933,212</u>	<u>\$ –</u>	<u>\$ 2,951,689</u>

The fair values of other financial instruments, including cash, accounts receivable, accounts payable and accrued liabilities, lease liabilities, and amounts due from and to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

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's credit risk is primarily attributable to accounts receivable. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada, and has no other significant concentration of credit risk arising from operations. Accounts receivable is primarily comprised of trade accounts receivable. For accounts receivable, the Company limits its exposure to credit risk by dealing with what management believes to be financially sound counter parties. The carrying amount of financial assets represents the maximum credit exposure.

Foreign Exchange Rate and Interest Rate Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates. The Company is mainly exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars:

	February 28, 2021 USD	February 29, 2020 USD
Cash	\$ 1,161	\$ 9,953
Accounts payable and accrued liabilities	(59,352)	(81,876)
Net exposure	<u>\$ (58,190)</u>	<u>\$ (71,923)</u>
Canadian dollar equivalent	<u>\$ (73,814)</u>	<u>\$ (96,585)</u>

A 10% change in the foreign exchange rate of US dollars is not expected to have a material impact on the condensed interim consolidated financial statements. The Company is not exposed to any significant interest rate risk.

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20. Financial Instruments and Risk Management (continued)

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 are sufficient funds to meet short-term and specific obligations.

Price Risk

The Company is exposed to price risk with respect to its marketable securities, which consists of common shares and warrants held in publicly-traded companies and is dependent upon the market price or the fair value of the common shares for those companies. The market price or the fair value of the common shares of those companies can fluctuate significantly, and there is no assurance that the future market price or the fair value of those companies will not decrease significantly.

21. Commitments and Contingencies

Commitments

The Company has entered into multiple non-cancellable binding purchase orders for operational items that have yet to be fulfilled as of February 28, 2021, as well as various agreements for warehousing and consulting. The Company's annual contractual commitments for the next five years related to these items are as follows:

	Payments Due by Period			
	1 Year	2-3 Years	4-5 Years	Total
Purchase commitments	\$ 13,870	\$ –	\$ –	\$ 13,870
Lease payment obligations	121,768	158,700	29,220	309,688
Services contracts	9,000	–	–	9,000
	<u>\$ 144,638</u>	<u>\$ 158,700</u>	<u>\$ 29,220</u>	<u>\$ 332,558</u>

Other Commitments:

On January 22, 2021, the Company's wholly-owned subsidiary, Urban Juve, entered into an agreement with a sales broker to represent the brand and all products sold by Urban Juve. The agreement appointed the broker as a sales representative agent to solicit orders for the products in the U.S.A., Australia, Japan and any additional regions mutually agreed to by both parties. For the first nine months of the agreement, Urban Juve will compensate the broker in the amount of the higher of: 8% of gross retailer generated sales or USD\$6,800. From the tenth month onward, Urban Juve will compensate the broker in the amount of 8% of gross retailer generated sales. The contract shall continue for an indefinite term until terminated by either party. If the agreement is terminated without cause, Urban Juve shall pay to the broker the amount equal to the last three months compensation due during the ninety day written notice period.

On September 2, 2017, the Company's wholly-owned subsidiary, Urban Juve, entered into an Asset Purchase and Distribution Agreement whereby Urban Juve was granted exclusive and international distribution rights to various plant and root-based products developed by a supplier. The term of the agreement is for twenty years and will be automatically renewed for twenty additional years unless terminated by the parties. As consideration for the distribution rights, the Company issued 3,600,000 common shares with a fair value of \$180,000, paid an initial payment of \$6,000 on the effective date of the agreement, and paid a second payment of \$30,000 upon completion of the initial public offering by the Company. Urban Juve will also pay a royalty fee of 10% of the net revenues from the sale of any products under the agreement.

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21. Commitments and Contingencies (continued)

On December 30, 2017, Urban Juve entered into an Asset Purchase and Distribution Agreement whereby Urban Juve would be granted exclusive Canadian distribution rights to various plant and root-based products developed by a supplier. The term of the agreement is for twenty years and will be automatically renewed for twenty additional years unless terminated by the parties. As consideration for the distribution rights, the Company paid \$50,000 on the effective date of the agreement. Urban Juve will also pay a royalty fee of 10% of the net revenues (as defined in the agreement) from the sale of any products under the agreement.

Contingencies

On March 3, 2021, a claim was commenced against the Company and Jusu Bars Inc., which sold its assets to the Company during the year ended November 30, 2020 (see Note 10), regarding the failure of Jusu Bars Inc., to pay rent on its retail unit located in Calgary, Alberta. The landlord is seeking payment for the amounts owing in arrears and damages for breach of contract. The Company intends to defend this claim. Due to the uncertainty of timing and the amount of estimated future cash outflows relating to this claim, no provision has been recognized. Management believes that the probably ultimate resolution of the claim will not have a material adverse effect on the financial condition of the Company.

22. Segmented Information

The Company has two reporting segments: Licensing and product sales, and Corporate and consulting. Licensing and product sales are aggregated as one segment as they are focused around the same product line and share similar economic characteristics. Performance is measured based on operating income (loss) and net income (loss) before taxes, as management believes that this information is the most relevant in evaluating the results of the operating segments relative to other entities that operate within these industries. Operating income (loss) is calculated as revenue less operating expenses.

The following is a summary of the Company's results by operating segment for the three months ended February 28, 2021 and February 29, 2020:

	Licensing and product sales	Corporate and consulting	Total
For the three months ended February 28, 2021:			
Revenue	\$ 297,095	\$ 194,230	\$ 491,325
Net income (loss) before taxes	(836,753)	30,861	(805,892)
As at February 28, 2021:			
Total assets	3,506,622	4,338,367	7,844,989
Total liabilities	619,902	477,930	1,097,832
	Licensing and product sales	Corporate and consulting	Total
For the three months ended February 29, 2020:			
Revenue	\$ 134,395	\$ 860	\$ 135,255
Net income (loss) before taxes	(229,646)	(2,469,293)	(2,698,939)
As at February 29, 2020:			
Total assets	2,385,906	2,292,051	4,677,957
Total liabilities	783,906	1,324,065	2,107,971

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22. Segmented Information (continued)

Significant customers

For the three months ended February 28, 2021, the Company had two significant customers in the licensing and product sales segment, comprising 17% and 13% of the Company's total revenue, and two significant customers in the corporate and consulting segment, comprising 21% and 18% of the Company's total revenue.

As at February 28, 2021, the Company had two significant accounts receivable balances outstanding relating to the licensing and product sales segment, comprising 18% and 16% of the Company's total accounts receivable.

For the three months ended February 29, 2020, the Company had two significant customers in the licensing and product sales segment, comprising 61% and 17% of the Company's total revenue.

As at February 29, 2020, the Company had two significant accounts receivable balances outstanding relating to the licensing and product sales segment, comprising 49% and 26% of the company's total accounts receivable.

23. Subsequent Events

Subsequent to February 28, 2021, the Company issued 200,000 common shares pursuant to the exercise of warrants for proceeds of \$16,000.