LEXSTON LIFE SCIENCES CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX-MONTH PERIODS ENDED NOVEMBER 30, 2021

(EXPRESSED IN CANADIAN DOLLARS)

(Prepared by Management)

(UNAUDITED)

NOTICE OF NO AUDITORS' REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated financial statements of Lexston Life Sciences Corp. (the "Company") have been prepared by and are the responsibility of the Company's management.

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

LEXSTON LIFE SCIENCES CORP.

LEXSTON LIFE SCIENCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)
(UNAUDITED)

	November 30, 2021 $	May 31, 2021 $
ASSETS		
Current assets		
Cash	**991,581**	949,171
Accounts receivable (Note 5)	**146,598**	37,459
Prepaid expenses and deposits	**229,190**	2,000
Investments (Note 6)	**75,000**	–
Total current assets	**1,442,369**	988,630
Non-current assets		
Property and equipment (Note 8)	**265,461**	114,201
Goodwill and intangible assets (Note 4)	**115,276**	–
Total assets	**1,823,106**	1,102,831
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**97,658**	34,747
Due to related party (Note 12)	**4,935**	4,061
Total current liabilities	**102,593**	38,808
Shareholders' deficit		
Share capital (Note 9)	**2,817,979**	1,506,184
Share-based reserves	**955,563**	433,969
Deficit	**(2,053,029)**	(876,130)
Total shareholders’ equity	**1,720,513**	1,064,023
Total liabilities and shareholders’ equity	**1,823,106**	1,102,831

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance by the Board of Directors on January 6, 2022:

/s/ Harinder Bains
Harinder Bains, Director

/s/ Jagdip Bal
Jagdip Bal, Director

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

LEXSTON LIFE SCIENCES CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(UNAUDITED)

	Three-month period ended November 30, 2021 $	Three-month period ended November 30, 2020 $	**Six-month period ended November 30, 2021 $**	Period from July 1, 2020 (date of incorporation) to November 30, 2020 $
Revenues (Note 7)	**31,043**	27,045	**175,052**	38,595
Cost of sales	**13,527**	24,529	**40,512**	24,529
Gross profit	**17,516**	2,516	**134,540**	14,066
Operating expenses				
Advertising, marketing and shareholder information	**75,000**	504	**84,800**	504
Amortization (Note 8)	**22,037**	–	**28,670**	–
Consulting	**15,000**	12,500	**35,000**	22,000
Office and miscellaneous	**13,329**	1,028	**19,358**	1,422
Management fees (Note 12)	**22,500**	–	**47,500**	–
Professional fees	**60,793**	6,273	**80,516**	6,308
Regulatory and transfer agent fees	**26,156**	–	**69,013**	–
Rent	**5,068**	2,300	**5,068**	2,300
Research and development	**71,525**	–	**72,693**	–
Salaries and benefits	**70,931**	54,371	**204,823**	54,371
Share-based compensation (Notes 11 and 12)	**289,313**	–	**672,139**	–
Travel and promotion	**1,796**	–	**5,259**	–
Total operating expenses	**673,448**	76,976	**1,324,839**	86,905
Net loss before other expense	**(655,932)**	(74,460)	**(1,190,299)**	(72,839)
Other expense				
Gain on settlement of debt	**–**	–	**13,400**	–
Net income/(loss) and comprehensive loss	**(655,932)**	(74,460)	**(1,176,899)**	(72,839)
Earnings/(loss) per share, basic and diluted	**(0.01)**	(0.01)	**(0.02)**	(0.01)
Weighted average number of shares outstanding	**56,052,851**	12,677,812	**53,248,396**	7,052,698

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian dollars)
(UNAUDITED)

	Share capital					
	Number of shares	Amount $	Share-based reserves $	Share subscriptions receivable	Deficit $	Total $
Balance, July 1, 2020 (date of incorporation)	100	1	–	–	–	1
Issuance of founders' shares	14,999,900	14	–		–	14
Proceeds from issuance of common shares	8,000,000	120,000	–	(78,000)	–	42,000
Net loss for the period	–	–	–	–	(72,839)	(72,839)
Balance, November 30, 2020	23,000,000	120,015	–	(78,000)	(72,839)	(30,824)
Proceeds from share subscriptions receivable	–	–	–	78,000		78,000
Shares issued pursuant to reverse takeover transaction	26,968,260	1,386,169	412,775	–	–	1,798,944
Fair value of stock options granted	–	–	21,194	–	–	21,194
Net loss for the period	–	–	–	–	(803,291)	(803,291)
Balance, May 31, 2021	49,968,260	1,506,184	433,969	–	(876,130)	1,064,023
Stock options exercised	1,000,000	328,045	(150,545)	–	–	177,500
Warrants exercised	4,891,665	733,750	–	–	–	733,750
Shares issued pursuant to acquisition	1,173,709	250,000	–	–	–	250,000
Stock-based compensation	–	–	672,139	–	–	672,139
Net loss for the period	–	–	–	–	(1,176,899)	(1,176,899)
Balance, November 30, 2021	**57,033,634**	**2,817,979**	**955,563**	–	**(2,053,029)**	**1,720,513**

LEXSTON LIFE SCIENCES CORP.
(formerly Lexston Capital Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(UNAUDITED)

	Six-month period ended November 30, 2021 $	Period from July 1, 2020 (date of incorporation) to November 30, 2020 $
OPERATING ACTIVITIES		
Net loss for the period	**(1,176,899)**	(72,839)
Items not involving cash:		
Amortization	**28,670**	–
Share-based compensation	**672,139**	–
Changes in non-cash operating working capital:		
Amounts receivable	**(114,420)**	(15,677)
Prepaid expenses and deposits	**(225,399)**	(40,474)
Accounts payable and accrued liabilities	**(16,132)**	36,897
Due to related party	**874**	20,669
Net cash used in operating activities	**(831,167)**	(71,424)
INVESTING ACTIVITIES		
Purchase of property and equipment	**(433)**	(1,600)
Invest in Zen (net)	**(37,240)**	–
Net cash used in investing activities	**(37,673)**	(1,600)
FINANCING ACTIVITIES		
Proceeds from loan payable	**–**	500,000
Proceeds from issuance of common shares	**911,250**	42,015
Net cash provided by financing activities	**911,250**	542,015
Change in cash	**42,410**	468,991
Cash, beginning of period	**949,171**	–
Cash, end of period	**991,581**	468,991

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

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Lexston Life Sciences Corp. (formerly Lexston Capital Corp.) (the "Company") was incorporated on January 3, 2020 under the laws of the province of British Columbia. The address of the Company's registered and records of is 1150 – 789 West Pender Street, Vancouver, BC, V6C 1H2 and its principal place of business is 929 Mainland Street, Vancouver, BC V6B 1S3. On January 18, 2021, the Company changed its name to Lexston Life Sciences Corp. in conjunction with the Share Exchange Agreement (the "Agreement") with Egret Biosciences Ltd. ("Egret").

On September 22, 2020 (as amended on October 20, 2020, December 3, 2020, December 28, 2020, and January 6, 2021), the Company entered into an Agreement with Egret, a company specializing in the research and development of pharmaceutical products which included a research license issued by Health Canada to the principal of Egret in accordance with the Cannabis Act and Cannabis Regulations. On September 3, 2020, Egret was issued an analytical testing license by Health Canada, which authorizes Egret to acquire and hold cannabis for the purpose of testing. Concurrent with the Agreement, Lexston issued 18,843,260 units at $0.075 per unit for proceeds of $1,413,245 prior to the closing date of the Agreement. On February 4, 2021, the Agreement was completed. Refer to Note 3.

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.

During the six-month period ended November 30, 2021, the Company incurred a net loss of $1,176,899 and has used net cash in operating activities of $831,167. As at November 30, 2021, the Company has an accumulated deficit of $2,053,029.

The Company expects to incur further losses in the development of its operations. While the Company has positive working capital, the ability of the Company to carry out its business objectives is dependent on its ability to secure continued financial support from related parties, to obtain public equity financing, or to ultimately attain profitable operations in the future. If and when the Company can attain profitability and positive cash flows is uncertain. While the Company has been successful in securing financing in the past, there is no assurance that financing will be available in the future on terms acceptable to the Company.

These condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the period ended May 31, 2021.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Principles of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Egret Bioscience Ltd. and Zenalytic Laboratories Ltd.

The Company's condensed interim consolidated financial statements include the accounts of all subsidiaries subject to control by the Company. Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions, and unrealized intercompany gains and losses are eliminated upon consolidation.

Use of Estimates and Judgments

The preparation of these condensed interim consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods.

Significant areas requiring the use of management estimates include the collectability of accounts receivable, the useful lives and carrying value of property and equipment, fair value of share-based compensation, and recoverability of unrecognized deferred income tax assets.

Significant judgments include:

- Assessment of whether the going concern assumption is appropriate which requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period;
- Judgment with respect to contracts that may have multiple performance obligations or be in process and require a pro-rata estimate of revenues and costs incurred as at the reporting date;
- Costs to develop products that will be sold are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38, *Intangible Assets,* are met. Those criteria require that the product is technically and economically feasible, which management assesses based on the attributes of the development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible. As at November 30, 2021, the Company has not capitalized any product development costs as the capitalization criteria under IAS 38 has not been met.

The Company's interim results are not necessarily indicative of its results for a full year.

Significant Accounting Policies

These unaudited condensed interim consolidated financial statements follow the same accounting policies and methods of application as the annual audited consolidated financial statements for the period ended May 31, 2021.

(Expressed in Canadian dollars)

3. ACQUISITION OF EGRET BIOSCIENCE LTD.

On February 4, 2021, the Company completed a reverse takeover transaction (the "Transaction") pursuant to which it acquired all of the issued and outstanding common shares of Egret Bioscience Ltd. ("Egret"), a company incorporated in the province of British Columbia. Under the terms of the Transaction, the Company issued 23,000,000 common shares and up to 10,000,000 additional common shares (the "performance shares") for certain milestones attained by Egret management subsequent to the Transaction.

The acquisition has been accounted for as an asset acquisition for accounting purposes, as the Transaction is considered to be outside of the scope of IFRS 3, *Business Combinations,* as Lexston was not a business prior to the Transaction. As such, the Transaction is accounted for in accordance with IFRS 2, *Share-based Payments*, whereby Egret is deemed to have issued common shares in exchange for the net assets of Lexston. The accounting for the Transaction includes the consolidated financial information of Lexston and Egret but are issued under the legal parent, Lexston, but are considered a continuation of the financial statements of the legal subsidiary, Egret. As Egret is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

The total consideration of the common shares and the performance shares has been allocated to the fair value of the net assets acquired and liabilities assumed, as follows:

Net Assets Acquired	$
Cash	937,786
Loan receivable	500,000
Sales tax receivable	2,836
Prepaid expenses and deposits	6,000
Accounts payable and accrued liabilities	(192)
Net assets over liabilities	1,446,430
Consideration:	
Fair value of common shares	1,386,169
Fair value of performance shares	412,775
Fair value of consideration	1,798,944
Listing expense	352,514

The fair value of the common shares issued was $1,386,169, which was determined based on concurrent private placement offering at $0.075 per unit related to the transaction, bifurcated to remove the portion of the fair value of the unit offering related to the share purchase warrant.

(Expressed in Canadian dollars)

3. ACQUISITION OF EGRET BIOSCIENCE LTD. (continued)

The fair value of the performance shares was $412,775 and was determined based on an independent valuation. Each performance share is issuable based on the following performance milestones:

(i) Egret generating monthly revenues of at least $100,000 for six consecutive months (the calculation of which to exclude revenues relating to Pre-Exiting Profits as detailed in Section 19 of the Share Exchange Agreement);
(ii) Egret generating at least $3,000,000 in total cumulative gross revenues;
(iii) Egret expanding and upgrading a licensed revenue generating cannabis research and development laboratory;
(iv) Lexston or Egret within 18 months from the date of the signing of this Letter submitting and obtaining an Exemption To Use Controlled Substance For Clinical Studies pursuant to Section 56 of the Controlled Drugs and Substances Act (S.C. 1996, c. 19);
(v) Lexston or Egret obtaining a license to sell products under the Controlled Drugs and Substances Act (S.C. 1996, c. 19);
(vi) Lexston or Egret entering into a commercial agreement satisfactory to Lexston to generate revenue in a foreign jurisdiction; and
(vii) Lexston or Egret entering into a commercial agreement satisfactory to Lexston to generate revenue in the United States of America.

4. ACQUISITION OF ZENALYTIC LABORATORIES LTD.

On September 20, 2021, the Company completed the acquisition of Zenalytic Laboratories Ltd. (“Zen”) a company incorporated in the province of British Columbia which is licensed under the Public Health Agency of Canada to test human and animal pathogens in its facility located in Kelowna, British Columbia. Under the terms of the transaction, the Company acquired all the issued and outstanding common shares for consideration with a fair value of $300,000 comprised of $50,000 cash and the issuance of 1,173,709 common shares for a deemed value of $250,000. There is a four month hold on these shares.

The transaction is accounted for by the Company as a business combination under IFRS 3 – Business Combinations.

The following table summarizes the preliminary purchase price allocation:

Net Assets Acquired	$
Cash	12,760
Prepaid expenses and deposits	1,791
Property, plant and equipment (net)	179,497
Accounts payable and accrued liabilities	(4,043)
Sales tax payable	(5,281)
Net assets over liabilities	184,724
Consideration:	
Cash	50,000
Fair value of 1,173,709 common shares	250,000
Fair value of consideration	300,000
Goodwill and intangible assets (preliminary)	115,276

(Expressed in Canadian dollars)

4. ACQUISITION OF ZENALYTIC LABORATORIES LTD. (continued)

The preliminary goodwill and intangible assets arose in this acquisition because the consideration paid for the combination reflected by the pathogen license and customer relationships. Management is assessing whether these benefits meet the recognition criteria for identifiable intangible assets which could reduce the amount of goodwill. The accounting for these acquisitions was provisionally determined with updates as of the date of these condensed interim consolidated financial statements. The fair value of net assets acquired, and total consideration have been determined provisionally and subject to adjustment. Upon completion of a comprehensive valuation and finalization of the purchase price allocation, goodwill may be adjusted retrospectively to the acquisition date in future reporting periods.

5. ACCOUNTS RECEIVABLE

	November, 2021 $	May 31, 2021 $
Trade accounts receivable	122,168	26,530
Taxes receivable	24,430	10,929
	146,598	37,459

During the period ended May 31, 2021, the Company recorded an allowance for doubtful accounts of $32,529.

6. INVESTMENTS

On July 7, 2021, the Company acquired 750,000 Class C Non-Voting common shares of Psy Integrated Health Inc. ("Psy Integrated") for total consideration of $75,000 representing 13% of the total issued and outstanding shares of Psy Integrated. Investments in Psy Integrated are valued at cost for a limited period after the date of acquisition if the purchase price remains representative of the fair value at the reporting date. Investments in which there has been a recent or in-progress funding round involving significant financing from external investors are valued at the price of the recent funding, whereby the various shareholder categories rights are taken into account in the valuation. The price is adjusted, where appropriate. Investments in which there has been a recent private secondary market trade of meaningful volume and the transaction is undertaken by a sophisticated, arm's-length investor are valued at the price of the recent trade. Investments in early-stage companies not generating sustainable revenue or earnings and for which there has not been any recent independent funding are valued using alternative methodologies. The Company considers investee company performance relative to plan, going concern risk, continued funding availability, comparable peer group valuations, exit market conditions and general sector conditions and calibrates its valuation of each investment as appropriate.

7. REVENUES

	Three-month period ended November 30, 2021 $	Three-month period ended November 30, 2020 $	**Six-month period ended November 30, 2021 $**	Period from July 1, 2020 (date of incorporation) to November 30, 2020 $
Consulting	**4,500**	7,316	**96,300**	7,841
Product sales and services	**26,543**	19,729	**78,752**	30,754
	31,043	27,045	**175,052**	38,595

(Expressed in Canadian dollars)

8. PROPERTY AND EQUIPMENT

	Computer equipment $	Laboratory equipment $	Leasehold Improvements $	Total $
Cost				
Balance, May 31, 2021	8,057	117,411	–	125,468
Additions	434	158,780	20,716	179,930
Balance, November 30, 2021	8,491	276,191	20,716	305,398
Accumulated depreciation:				
Balance, May 31, 2021	1,137	10,130	–	11,267
Additions	1,377	25,724	1,569	28,670
Balance, November 30, 2021	2,515	35,854	1,569	39,937
Carrying amount:				
Balance, May 31, 2021	6,920	107,281	–	114,201
Balance, November 30, 2021	**5,977**	**240,337**	**19,147**	**265,461**

9. SHARE CAPITAL

Authorized

The Company has authorized share capital of an unlimited number of common shares without par value.

Escrow Shares

Pursuant to an escrow agreement to be effective June 7, 2021, 21,300,000 common shares of the Company have been deposited into escrow for certain principal shareholders. Under the escrow agreement, 10% of the escrowed common shares are to be released (date of listing) and 15% will be subsequently released every 6 months thereafter over a period of 36 months. As of November 30, 2021, 19,170,000 shares are to be held in escrow.

Share Issuances

(a) During the six-month period ended November 30, 2021, the Company issued 4,891,665 common shares for proceeds of $733,750 pursuant to the exercise of share purchase warrants at $0.15 per common share.

(b) During the six-month period ended November 30, 2021, the Company issued 1,000,000 common shares for proceeds of $177,500 pursuant to the exercise of stock options which resulted in a transfer from share-based payment reserve to share capital of $150,545.

(c) On September 20, 2021, pursuant to an acquisition agreement, the Company issued 1,173,709 common shares at $0.213 per share for total proceeds of $250,000 in connection with its acquisition of Zenalytic Laboratories Ltd. outlined in Note 4.

(Expressed in Canadian dollars)

10. SHARE PURCHASE WARRANTS

The continuity of warrants for the period ended November 30, 2021 is summarized below:

	Number of warrants	Weighted average exercise price $
Balance, July 1, 2020 (date of incorporation)	–	–
Issued	18,843,260	0.15
Balance, May 31, 2021	18,843,260	0.15
Exercised	(4,891,665)	0.15
Balance, November 30, 2021	**13,951,595**	**0.15**

The following table summarizes the warrants outstanding and exercisable at November 30, 2021:

NUMBER OF WARRANTS	EXERCISE PRICE	EXPIRY DATE
7,139,932	$0.15	June 25, 2023
5,938,332	$0.15	July 14, 2023
873,331	$0.15	October 16, 2023
13,951,595		

The share purchase warrants are subject to an acceleration where they will expire within 30 days if the common shares of the Company are listed on a Canadian stock exchange and trade at a price of $0.40 per share or higher for ten consecutive business days. As at November 30, 2021, the weighted average remaining contractual life of all warrants outstanding was 1.61 years.

11. STOCK OPTIONS

The Company has a Stock Option Plan whereby stock options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the market price of the Company's stock on the date of the grant and, unless otherwise stated, vest on the grant date and with a term not to exceed five years. Under the plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the stock option grant.

	Number of options	Weighted average exercise price $
Outstanding, July 1, 2020 (date of incorporation)	–	–
Granted	2,000,000	0.10
Outstanding, May 31, 2021	2,000,000	0.10
Granted	4,680,000	0.16
Exercised	(1,000,000)	0.18
Outstanding, November 30, 2021	**5,680,000**	**0.14**

(Expressed in Canadian dollars)

11. STOCK OPTIONS (continued)

Additional information regarding stock options outstanding and exercisable as at November 30, 2021 is as follows:

Stock options outstanding	Stock options exercisable	Exercise price	Expiry date
2,000,000	500,000	0.10	January 18, 2026
2,000,000	2,000,000	0.175	July 5, 2026
280,000	280,000	0.18	September 8, 2026
1,400,000	1,400,000	0.135	November 11, 2026
5,680,0000	**4,180,000**		

As at November 30, 2021, the weighted average remaining contractual life of all options outstanding was 4.39 years (May 31, 2021 – 5 years)

The Company recorded $11,638 for options granted in the prior period and vested during the six-month period ended November 30, 2021. During the six-month period ended November 30, 2021, the Company granted 4,680,000 stock options to officers, directors, and consultants of the Company which vest immediately. The Company recorded share-based compensation in the amount of $660,501 (2020 - $Nil) using the Black-Scholes option pricing model to estimate the fair value of the options granted using the following assumptions and assuming no expected dividends or forfeiture rates:

	Period ended November 30, 2021	Period ended May 31, 2021
Annualized volatility	127%	127%
Risk-free interest rate	0.74 – 1.35%	0.34%
Expected life	5 years	5 years

During the period ended November 30, 2021, the Company recognized stock-based compensation in the amount of $672,139 on the vesting of stock options to directors, officers and consultants.

12. RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members. All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	THREE-MONTH PERIOD ENDED NOVEMBER 30,		**SIX-MONTH PERIOD ENDED NOVEMBER 30,**	
	2021	2020	**2021**	2020
	$	$	**$**	$
Management/consulting and short-term benefits	**22,500**	Nil	**47,500**	Nil
Share-based payments	**6,732**	Nil	**133,384**	Nil

12. RELATED PARTY TRANSACTIONS (continued)

(a) As at November 30, 2021, the Company owed $4,935 (May 31, 2021 - $4,061) to the Chief Scientific Officer and Director of the Company. The amount owing is unsecured, non-interest bearing, and due on demand.

(b) On January 18, 2021, the Company granted 1,333,333 stock options to officers and directors of the Company, of which 10% vest on the date the Company lists on a Canadian stock exchange, and 15% vest for every six months after the listing date.

(c) On July 5, 2021, the Company granted 800,000 stock options to officers and directors of the Company, which vested immediately.

13. SEGMENTED INFORMATION

The Company has two reportable operating segments, being the research laboratory located in Kelowna, British Columbia, and the head office location located in Vancouver, British Columbia. All of the Company's non-current assets and revenues are generated from its research facility in Kelowna, British Columbia.