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

*This amended and restated short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and therefore may not be offered or sold to, or for the account or benefit of, persons in the United States of America, its territories or possessions, any State of the United States or the District of Columbia (collectively, the "**United States**") or "U.S. persons," as such term is defined in Regulation S promulgated under the U.S. Securities Act ("**U.S. Persons**"), except pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This amended and restated prospectus does not constitute an offer to sell or a solicitation to buy any of such securities to, or for the account or benefit of, persons in the United States or U.S. Persons. See "Plan of Distribution".*

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in each of the provinces of British Columbia, Alberta and Ontario. *Copies of the documents incorporated herein by reference may be obtained on request without charge from Rebecca Greco (Investor Relations) of StageZero Life Sciences Ltd., at 70 East Beaver Creek Road, Unit 30, Richmond Hill, Ontario L4B 3B2, telephone 1-855-420-7140 ext. 1838, and are also available electronically at www.sedar.com.*

AMENDED AND RESTATED PRELIMINARY SHORT FORM PROSPECTUS
(Amending and Restating the Preliminary Short Form Prospectus dated October 19, 2020)

New Issue

October 20, 2020

STAGEZERO LIFE SCIENCES LTD.

Minimum Offering: $5,000,034 (6,410,300 Units)
Maximum Offering: $10,000,068 (12,820,600 Units)

$0.78 per Unit

This short form prospectus (the "**Prospectus**") qualifies the distribution (the "**Offering**") of a minimum of 6,410,300 (the "**Minimum Offering**") and a maximum of 12,820,600 (the "**Maximum Offering**") units (the "**Units**") of StageZero Life Sciences Ltd. ("**StageZero**" or the "**Company**"), at a price of $0.78 per Unit (the "**Offering Price**") for minimum gross proceeds of $5,000,034 and maximum gross proceeds of $10,000,068. Each Unit consists of one common share in the capital of the Company (a "**Common Share**", and each Common Share comprising part of a Unit, an "**Offered Share**") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to purchase one Common Share (a

"**Warrant Share**") at an exercise price of $1.10 per Warrant Share, subject to adjustment in certain circumstances, at any time prior to 5:00 p.m. (Toronto time) on the date that is thirty-six (36) months following the first Closing Date (as defined below) (the "**Warrant Expiry Date**"). The Units will immediately separate on issuance into Offered Shares and Warrants. This Prospectus qualifies the distribution of the Offered Shares and the Warrants comprising the Units and the Broker Warrants (as defined below).

The issued and outstanding Common Shares of the Company are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "SZLS". On October 19, 2020, the last day the Common Shares traded on the TSX prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was $0.85.

The Units are being offered and sold on a "best efforts" basis pursuant to the terms of an agency agreement (the "**Agency Agreement**") to be entered into among the Company, Echelon Wealth Partners Inc. and Clarus Securities Inc. (collectively, the "**Agents**"). The terms of the Offering, including the offering price of the Units, were determined by arm's length negotiations between the Company and the Agents based upon several factors, including the policies of the TSX, and may bear no relationship to the price that will prevail in the public marketplace. Certain insiders of the Company may purchase Units. See "Plan of Distribution".

An investment in the Units is subject to a number of risks that should be considered by a prospective purchaser. See "Risk Factors".

	Price to the Public	**Agents' Fee and Corporate Finance Fee[(1)(2)]**	**Net Proceeds to the Company[(2)(3)]**
Per Unit	$0.78	$0.0546[(5)]	$0.7254
Minimum Offering[(4)]	$ 5,000,034	$375,002	$ 4,625,032
Maximum Offering	$ 10,000,068	$725,005	$ 9,275,063

Notes:

(1) The Agents will receive a cash commission of 7% of the gross proceeds of the Offering including any proceeds received pursuant to the Over-Allotment Option (as hereafter defined) (the "**Agents' Fee**"). In addition, the Company will grant to the Agents on each Closing Date non-transferable broker warrants (the "**Broker Warrants**") to purchase up to that number of Common Shares that is equal to 7% of the aggregate number of Units sold on that Closing Date, including the Additional Units (as hereafter defined). Each Broker Warrant, whether issued on the first Closing Date or any subsequent Closing Date, will entitle the holder to acquire one Common Share (each, a "**Broker Warrant Share**") at a price of $0.85 per Broker Warrant Share at any time prior to 5:00 p.m. (Toronto time) on the date that is thirty-six (36) months after the first Closing Date. Provided the Minimum Offering amount is attained, on the first Closing Date the Company will pay the Agents a non-refundable corporate finance fee of $25,000 (the "**Corporate Finance Fee**") payable on the Closing Date. This Prospectus also qualifies the distribution of Broker Warrants. See "Plan of Distribution".

(2) The Company has agreed to grant to the Agents an over-allotment option (the "**Over-Allotment Option**") exercisable, in whole or in part, at the Agents' sole discretion, to offer and sell up to an additional number of Units (the "**Additional Units**"), Common Shares (the "**Additional Shares**"), and/or Warrants (the "**Additional Warrants**") that is equal to 15% of the number of Units sold hereunder at a price equal to the Offering Price (in respect of the Additional Units), at $0.73, in respect of the Additional Shares and at $0.05 per each one-half of one Additional Warrant (or $0.10, per Additional Warrant), to cover over-allocations, if any, and for market stabilization purposes. The Over-Allotment Option is exercisable, in whole or in part, at any time or times until the date that is thirty (30) days immediately following the final Closing Date. The Over-Allotment Option may be exercised by the Agents in respect of: (i) Additional Units at the Offering Price; (ii) Additional Shares at a price of $0.73 per Additional Share, (iii) Additional Warrants at a price of $0.05 per each one-half of one Additional Warrant (or $0.10 per Additional Warrant); or (iv) any combination of Additional Units, Additional Shares and/or Additional Warrants, so long as the aggregate number of Additional Shares and the aggregate number of Additional Warrants does not exceed 15% of the number of Offered Shares and Warrants, respectively, issued under the Offering (excluding the Over-Allotment Option). Unless the context otherwise requires, references to Units herein shall include the Additional Units, references to Common Shares herein shall include the Additional Shares, and references to Warrants herein shall include the Additional Warrants. If the Minimum Offering is completed and the Agents exercise the Over-Allotment Option in full, the total price to the public, Agents' Fee, the Corporate Finance Fee and net proceeds to the Company (before deducting the expenses of the Offering which are estimated to be approximately $265,000) will be $5,750,039, $402,503, $25,000, and $5,322,536, respectively. If the Maximum Offering is completed and the Agents exercise the Over-Allotment Option in full, the total price to the public, Agents' Fee, the Corporate Finance Fee, and net proceeds to the Company (before deducting the expenses of the Offering which are estimated to be approximately $265,000) will be $11,500,078, $805,005, $25,000 and $10,670,073, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of any Additional Shares and Additional Warrants, including Warrants issuable as part of the Additional Units issued or sold pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Additional Units, Additional Shares and/or Additional Warrants forming part of the Agents' over-allocation position acquires such Additional Units, Additional Shares and/or Additional Warrants under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

(3) Before deducting expenses of the Offering, estimated to be approximately $265,000 which will, together with the Agents' Fee and the Corporate Finance Fee, be paid by the Company from the gross proceeds of the Offering. See "Use of Proceeds".

(4) Pursuant to the terms of the Agency Agreement, all subscription funds received from subscribers will be retained in trust by the Agents until the Minimum Offering is obtained. Once the Minimum Offering has been obtained the sale of the Units shall be completed in accordance with the Agency Agreement.

(5) This figure is indicative of only the Agents' Fee per Unit price. It does not include the Corporate Finance Fee.

The following table sets forth the number of securities issuable under the Over-Allotment Option and the Broker Warrants:

Agents' Position	Maximum Size or Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	Up to 1,923,090 Additional Units[(1)]	Exercisable during the 30-day period immediately following the final Closing Date	$0.78 per Additional Unit
Broker Warrants[(2)]	Up to 1,032,058 Broker Warrants[(1)]	Exercisable for a period of thirty-six (36) months following the first Closing Date	$0.85 per Broker Warrant Share

Notes:

(1) Assuming completion of the Maximum Offering and exercise of the Over-Allotment Option in full.
(2) This Prospectus also qualifies the distribution of Broker Warrants.

Unless the context otherwise requires, when used in this Prospectus, all references to "Units" includes the Additional Units issuable upon exercise of the Over-Allotment Option and all references to "Offered Shares", "Warrants" and the "Warrant Shares" assumes the exercise of the Over-Allotment Option and includes all securities issuable thereunder.

Concurrent Private Placement

In addition to the Offering, the Company may issue to certain directors of the Company and US-based subscribers, on a non-brokered private placement basis, an aggregate of up to 1,704,699 Units at the Offering Price, of which up to 1,367,135 Units are proposed to settle US$810,000 (Cdn$1,066,365) in debts owing by the Company and up to 337,564 Units for a subscription amount of US$200,000 (Cdn$263,300) is being issued to investors for cash consideration (collectively, the "**Concurrent Private Placement**") based on the exchange rate of 1.3165:1 (CAD:USD) as of October 19, 2020. This Prospectus does not qualify the distribution of the Common Shares and Warrants issuable pursuant to the Concurrent Private Placement. The Concurrent Private Placement is expected to close simultaneously with the Offering. However, the Offering is not conditional on the closing of the Concurrent Private Placement. Common Shares and Warrants issued pursuant to the Concurrent Private Placement will be subject to a four (4) month hold period under Canadian securities laws. Closing of the Concurrent Private Placement is subject to a number of conditions, including the approval of the TSX. The Agents are not acting in connection with, and no fee or commission will be paid to the Agents in respect of, the Units issued under the Concurrent Private Placement.

This Offering is not underwritten or guaranteed by any person. The Agents, on behalf of the Company, conditionally offer the Units on a "best efforts" agency basis, subject to prior sale, if, as and when issued by the Company and accepted by the Agents in accordance with the terms and conditions contained in the Agency Agreement and subject to the approval of certain legal matters on the Company's behalf by its counsel, WeirFoulds LLP, and on behalf of the Agents by their counsel, Wildeboer Dellelce LLP. The Agents have agreed to act, and the Company has appointed the Agents as agents to the Company to offer the Units for sale. The Agents shall be permitted to appoint a soliciting dealer group of other registered dealers acceptable to the Company for the purpose of arranging for purchases of Units under the Offering. In connection with this Offering, the Agents may over-allot or effect transactions that stabilize or maintain the price of the Common Shares at levels other than those which otherwise might prevail on the open market. **Such transactions, if commenced, may be discontinued at any time.** See "Plan of Distribution".

Subscriptions for Units will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. The closing of the Offering may occur in one or more tranches on one or more closing dates (each, a "**Closing Date**") as the Company and the Agents may agree. Provided that the Minimum Offering is met, the first Closing Date is expected to take place on or about November 12, 2020 or such other date as may be agreed upon by the Company and the Agents, but in any event no Closing Date shall be later than ninety (90) days following the date of issuance of a receipt for the (final) short form prospectus by the applicable securities commissions. See "Plan of Distribution".

Except in limited circumstances, but not limited to, certain securities offered or sold to purchasers in the United States or who are U.S. Persons, no certificates will be issued in respect of the Units, Offered Shares, Warrants or Warrant Shares. The Offering will be conducted under the book-based system in the Canadian jurisdictions where the Units are being sold. A subscriber in a Canadian jurisdiction where the Units are being sold who purchases Units will receive a customer confirmation from the registered dealers through which Units are purchased and who is a Clearing and Depositary Services Inc. ("**CDS**") depositary-service participant. CDS will record the CDS participants who hold Offered Shares and Warrants on behalf of owners who have purchased them in accordance with the book-based system. See "Plan of Distribution".

The outstanding Common Shares are currently listed on the TSX under the symbol "SZLS".

The Company has applied to the TSX to list the Common Shares and the Warrants (including the Additional Shares and the Additional Warrants issuable on exercise of the Over-Allotment Option) to be distributed under this Prospectus on the TSX, along with the Warrant Shares to be issued on exercise of the Warrants (including the Additional Warrants, if any). Listing will be subject to the Company fulfilling all of the listing requirements of the TSX, including distribution of the Warrants to a minimum number of public securityholders.

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

In this Prospectus, references to "StageZero" and the "Company" refer to StageZero Life Sciences Ltd. and/or, as applicable, one or more of its subsidiaries on a consolidated basis.

An investment in the Units is speculative and involves a high degree of risk that should be considered by potential purchasers. The Company is subject to risks due to the nature of the Company's business and its stage of development. An investment in the Units is suitable only for those purchasers who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. See "Risk Factors" and "Forward-Looking Information".

Prospective purchasers are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding or disposing of Offered Shares and Warrants.

All dollar amounts in this Prospectus are in Canadian dollars unless otherwise stated. On October 19, 2020, the indicative rate for one Canadian dollar in U.S. dollars published by the Bank of Canada was Cdn$1.3165 = US$1.00.

The registered office and head office of the Company is located at 70 East Beaver Creek Road, Unit 30, Richmond Hill, Ontario L4B 3B2.

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ABOUT THIS PROSPECTUS

You should rely only on the information contained or incorporated by reference in this Prospectus and are not entitled to rely on only certain parts of the information contained or incorporated by reference in this Prospectus to the exclusion of the remainder. The Company and the Agents have not authorized anyone to provide investors with different or additional information. If anyone provides you with different or additional information, you should not rely on it. The Company and the Agents are not making an offer to sell or seeking an offer to buy the Units in any jurisdiction where the offer or sale is not permitted. Prospective investors should assume that the information contained in this Prospectus is accurate only as of the date on the front of this Prospectus and that information contained in any document incorporated by reference is accurate only as of the date of that document, regardless of the time of delivery of this Prospectus or of any sale of Units pursuant hereto. The Company's business, financial condition, results of operations and prospects may have changed since those dates.

The Company has not done anything that would permit the offering or distribution of its securities under this Prospectus in any jurisdiction in which such offer is not permitted. Investors are required to inform themselves about, and to observe any restrictions relating to, any offering or distribution of its securities under this Prospectus.

This Prospectus contains and incorporates by reference documents that contain market data, scientific data, industry data and forecasts. This information is based on the Company's management estimates or expectations. In arriving at their estimates or expectations, the Company's management relies on third-party market and industry data and forecasts, industry publications and other publicly available information. While these third-party sources are believed to be reliable, neither the Company nor the Agents have independently verified the information that they contain, and neither the Company nor the Agents make any representation as to the accuracy of such information. For the avoidance of doubt, nothing stated in this paragraph operates to relieve the Company or the Agents from liability for any misrepresentation contained in this Prospectus under applicable Canadian securities laws.

ELIGIBILITY FOR INVESTMENT

In the opinion of WeirFoulds LLP, counsel to the Company, and Wildeboer Dellelce LLP, counsel to the Agents, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**"), as of the date hereof, the Offered Shares, Warrants and Warrant Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act for trusts governed by registered retirement savings plans ("**RRSP**"), registered retirement income funds ("**RRIF**"), registered disability savings plans ("**RDSP**"), deferred profit sharing plans, registered education savings plans ("**RESP**") and tax-free savings accounts ("**TFSA**") each as defined in the Tax Act (each, a **"Plan"**) at the time of the acquisition of such Offered Shares, Warrants and Warrant Shares by the Plan, provided that, at the time the acquisition by the Plan:

a) in the case of the Offered Shares and Warrant Shares, such Offered Shares and Warrant Shares are listed on a "designated stock exchange" for purpose of the Tax Act (which currently includes the TSX) or the Company qualifies as a "public corporation" (as defined in the Tax Act); and

b) in the case of the Warrants, the Warrant Shares are qualified investments as described in (a) above and neither the Company nor any person with whom the Company does not deal at arm's length is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of, the Plan.

Notwithstanding that the Offered Shares, Warrants and Warrant Shares may be qualified investments for a TFSA, RDSP, RRSP, RRIF or RESP, the holder of a TFSA or RDSP, the annuitant of a RRSP or RRIF or the subscriber of a RESP, as the case may be, will be subject to a penalty tax in respect of the Offered Shares, Warrants and Warrant Shares if such securities are a "prohibited investment" and not "excluded property" for the particular Plan for purposes of the Tax Act. Offered Shares, Warrants and Warrant Shares will generally not be a prohibited investment for a particular TFSA, RDSP, RRSP, RRIF or RESP if the holder of the TFSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP, as the case may be, (i) does not have a "significant interest" (as defined for purposes of the prohibited investment rules in the Tax Act) in the Company, and (ii) deals at arm's length with the Company for purposes of the Tax Act. Generally, a holder, annuitant or subscriber, as the case may be, will not have a significant interest in the Company provided the holder, annuitant or subscriber, together with persons or partnerships with whom the holder, annuitant or subscriber does not deal at arm's length, does not own (and is not deemed to own pursuant to

the Tax Act), directly or indirectly, 10% or more of the issued shares of any class of the capital stock of the Company or of any other corporation that is related to the Company (for purposes of the Tax Act). In addition, the Offered Shares and Warrant Shares will not be "prohibited investments" if such securities are "excluded property" (as defined in the Tax Act) for a Plan.

Prospective purchasers who intend to hold Offered Shares, Warrant Shares or Warrants in trusts governed by Plans should consult their own tax advisors in regard to the application of these rules under the Tax Act in their particular circumstances.

FORWARD-LOOKING INFORMATION

This Prospectus, including the documents incorporated herein by reference, contains forward-looking statements and forward-looking information as such terms are defined under applicable Canadian securities laws. These forward-looking statements and forward-looking information include, but are not limited to, statements with respect to management's expectations regarding the future growth, results of operations, performance and business prospects of the Company, and relate to, without limitation:

- the Company's expectations as to the effect of the COVID-19 pandemic on its business and operations;
- the Company's current and future capital requirements and the need for additional financing;
- the Company's expectations regarding net losses and revenue generation;
- the Company's ability to commercialize its products;
- the Offering, including the use of proceeds from the Offering, the estimated cost of the Offering, and the closing of the Offering and the timing thereof, including the approval of the TSX for the listing of the Offered Shares, Warrants, Warrant Shares and Broker Warrant Shares;
- the Company's use of unallocated proceeds from the Offering;
- the Company's expectations regarding share price fluctuations;
- the Company's expectations regarding regulatory requirements in certain jurisdictions;
- regulatory developments and the regulatory environments in which the Company operates;
- the Company's ability to maintain existing or establish new partnerships and alliances with third-parties to secure commercial capabilities;
- results from the Company's research and development activities;
- the Company's research and development plans, business model, strategic objectives and growth strategy;
- medical device and drug regulation in the United States, Canada and abroad;
- capacity, reimbursement and pricing for the Company's testing products;
- the Company's liability under indemnification provisions;
- the Company's compliance with current laws and regulations governing the industry in which it operates;
- the Company's intellectual property and its ability to maintain and protect intellectual property rights;

- the Company's access to patient samples for continuing or starting new research;
- the benefits and risks of the Company's products as compared to others;
- the Company's ability to market and distribute its products;
- the Company's future growth plans, including the launch of the Aristotle® test within and, subsequently, outside the United States;
- the Company's ability to educate physicians and change physician behavior to secure clinical adoption of StageZero's products;
- anticipated trends and challenges in the Company's business and the markets in which it operates;
- the Company's ability to attract, hire and retain talented employees;
- the Company's expectations regarding the sufficiency of its cash for funding non-development related expenditures and future cash balances;
- the Company's expectations regarding increases in research and development costs and general and administrative expenses; and
- the Company's expectations regarding foreign exchange and interest rate changes.

These forward-looking statements and forward-looking information may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions. Without limitation, the words "may", "will", "would", "should", "could", "expect", "plan", "intend", "trend", "indication", "assume", "anticipate", "believe", "estimate", "predict", "likely" or "potential", or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Forward-looking statements and forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

With respect to forward-looking statements and forward-looking information contained in this Prospectus, assumptions have been made regarding, among other things: the COVID-19 pandemic, future research and development plans for the Company's proceeding substantially as currently envisioned, expected research and development tax credits, future expenditures to be incurred by the Company, research and development and operating costs, the Company's ability to find partners in the pharmaceutical industry, additional sources of funding, including the Company's ability to obtain funding from partners, the impact of competition on the Company and the Company being able to obtain financing on acceptable terms or at all.

Although management believes the expectations reflected in such forward-looking statements and forward-looking information are reasonable, forward-looking statements and forward-looking information are based on the opinions, assumptions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements and forward-looking information. These factors include, but are not limited to:

- StageZero's ability to obtain sufficient financing to fund operations;
- StageZero's ability to maintain sufficient cash flows;
- StageZero's ability to form strategic partnerships to access marketing and distribution capabilities;

- StageZero's ability to obtain reimbursement coverage for tests and to develop, manufacture, and successfully commercialize its products;
- StageZero's ability to obtain additional capital in the future to conduct operations, research and development activities and develop its products;
- StageZero's ability to successfully compete with industry participants that have greater resources; the demand for testing in respect of COVID-19;
- COVID-19 and its potential effects on the Company's third-party suppliers, service providers, and distributors;
- StageZero's ability to enter into contracts with government and other entities in the United States and Canada to complete COVID-19 testing;
- changes to the StageZero Life Sciences, Inc. (formerly, Innovative Diagnostics Laboratory, LLP) ("**SZ**") facility to facilitate COVID-19 testing;
- StageZero's ability to license the sale of the Company's diagnostic tests on acceptable terms;
- StageZero's ability to build a commercial team and supporting organizational infrastructure;
- StageZero's ability to establish partnerships and alliances with third-parties to secure commercial capabilities that the Company may not wish to build;
- StageZero's ability to distinguish the Company's products from others available on the market;
- StageZero's ability to enhance internal controls over financial reporting;
- StageZero's reliance on key personnel, collaborative partners, suppliers and third-parties;
- StageZero's ability to attract, hire and retain key personnel;
- StageZero's ability to secure and maintain adequate protection for its intellectual property;
- StageZero's ability to avoid infringing on other party's intellectual property;
- StageZero's history of operating losses;
- currency fluctuations;
- the value of the Company's intangible assets;
- the Company's negative operating cash flow;
- StageZero's ability (or the ability of StageZero's partners) to obtain regulatory approvals;
- legal proceedings; and
- other risks related to StageZero's industry.

These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully by prospective purchasers of Units. More detailed assessment of the risks that could cause actual events or results to materially differ from the Company's current expectations can be found in the

AIF (as defined below) under the heading "Risk Factors" filed with the Canadian securities authorities (on SEDAR at www.sedar.com) and under the heading "Risk Factors" in this Prospectus.

If any of the assumptions or estimates made by management prove to be incorrect, actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in, or incorporated by reference into, this Prospectus. Accordingly, prospective purchasers are cautioned not to place undue reliance on such statements.

All of the forward-looking statements and forward-looking information in this Prospectus, and the documents incorporated herein by reference, is qualified by these cautionary statements. Statements containing forward-looking statements and/or forward-looking information contained herein and in the documents incorporated herein by reference are made only as of the date of such document. The Company and the Agents expressly disclaim any obligation to update, revise or alter statements containing any forward-looking statements or forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law. New factors emerge from time to time, and it is not possible for the Company to predict which factors may arise. In addition, the Company cannot assess the impact of each factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements or forward-looking information.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities regulatory authorities in certain of the provinces and territories of Canada. Copies of the documents incorporated herein are available electronically at www.sedar.com.

The following documents of the Company filed with securities commissions or similar regulatory authorities in each of the provinces of British Columbia, Alberta and Ontario are incorporated by reference into this Prospectus:

a) the management information circular of the Company dated June 29, 2020 for the annual and special meeting of shareholders held on August 17, 2020;

b) the annual information form of the Company dated May 19, 2020 for the year ended December 31, 2019 (the "**AIF**");

c) the audited consolidated financial statements of the Company for the year ended December 31, 2019 and 2018 together with the notes thereto, and the auditor's report on the audited consolidated financial statements of the Company for the year ended December 31, 2019 (the "**2019 Financial Statements**");

d) the auditor's report on the audited consolidated financial statements of the Company for the years ended December 31, 2018 and 2017;

e) the management's discussion and analysis of the Company for the year ended December 31, 2019 dated May 19, 2020;

f) the unaudited and unreviewed condensed interim consolidated financial statements of the Company for the three and six-month periods ended June 30, 2020 and 2019 dated August 14, 2020;

g) the management's discussion and analysis of the Company for the three and six months ended June 30, 2020 dated August 14, 2020;

h) the material change report dated June 23, 2020 relating to the Prior Offering (as defined herein);

i) the "template version" (as such term is identified in National Instrument 41-101 – *General Prospectus Requirements* ("**NI 41-101**")) of the term sheet ("**Template Term Sheet**") and the investor presentation

("**Template Investor Presentation**") of the Company dated October 19, 2020 (the "**Marketing Materials**"); and

j) the amended template version of the term sheet dated October 20, 2020 ("**Final Term Sheet**");

Any document of the type referred to in Section 11.1 of Form 44-101 F1 – *Short Form Prospectus* filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and before the completion or termination of the Offering is deemed to be incorporated by reference into this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference is deemed to be modified or superseded, for purposes of this Prospectus, to the extent its content is modified or superseded by a statement contained in this Prospectus or in any other subsequently filed document that is also incorporated by reference in this Prospectus. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information contained in the document that it modifies or supersedes. The making of a modifying or superseding statement is not an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not, except as so modified or superseded, constitute a part of this Prospectus.

MARKETING MATERIALS

A "template version" of the following "marketing materials" (each such term as defined in NI 41-101) for the Offering filed with the securities commissions in each of the provinces of British Columbia, Alberta and Ontario are specifically incorporated by reference into this prospectus:

a) the Template Term Sheet;

b) the Template Investor Presentation; and

c) the Final Term Sheet.

The investor presentation and term sheet referred to above are available under the Company's profile on SEDAR at www.sedar.com.

Neither the Marketing Materials, nor any "template version" of any "marketing materials" (as such terms are defined under applicable Canadian securities laws) that are used by the Agents in connection with the Offering, form a part of this Prospectus to the extent that the contents of the Marketing Materials or the template version of the marketing materials, as applicable, have been modified or superseded by a statement contained in the final short form prospectus. Any template version of any marketing materials that has been, or will be, filed under the Company's profile on SEDAR at www.sedar.com before the termination of the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated by reference into the final short form prospectus.

SUMMARY DESCRIPTION OF THE BUSINESS

The following description of the Company is derived from selected information about the Company contained in the documents incorporated by reference in this Prospectus and does not contain all of the information about the Company and its business that should be considered in full before investing in the Units. This Prospectus and the documents incorporated by reference herein should be reviewed and considered by prospective purchasers in full in connection with their investment in the Units.

This "Summary Description of the Business" contains forward-looking statements and forward-looking information and is therefore qualified in its entirety by, and prospective purchasers should review, the section of this Prospectus titled "Forward-Looking Information".

The Company was incorporated on February 20, 1997 pursuant to the *Business Corporations Act* (Ontario) (the "**OBCA**") as Lewis Brook Resources Ltd. On June 1, 2000 and October 20, 2006, the Company changed its name to "ChondroGene Limited" and "GeneNews Limited", respectively. Effective January 1, 2015, GeneNews Limited ("**GeneNews**") completed a vertical short-form amalgamation pursuant to the OBCA with its wholly owned subsidiaries, GeneNews Corporation and GeneNews Inc.

On June 20, 2019, the Company changed its name to "StageZero Life Sciences, Ltd." The Company's registered office is 70 East Beaver Creek Road, Unit 30, Richmond Hill, Ontario L4B 3B2.

The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario. The Common Shares are listed under the symbol "SZLS" on the TSX. The current directors and officers of the Company are as follows:

Name	Position
James Howard-Tripp	Director, Chairman and Chief Executive Officer
Garth MacRae(1)(2)	Director
Rory Riggs(2)	Director
Harry Glorikian	Director
Carl Solomon	Interim Chief Financial Officer

Notes: (1) Chair of the Company's audit committee.

(2) Audit Committee Member

The Company is focused on commercializing proprietary and third-party clinical molecular diagnostic tests and, to a lesser extent, developing proprietary clinical molecular diagnostic tests for the early detection of diseases and personalized health management, with a primary focus on cancer-related indications. In response to the advent of the SARS-CoV-2 virus (also known as "**COVID-19**") in the United States, the Company has recently added COVID-19 testing to its array of clinical tests. The Company, through SZ, its indirectly wholly-owned subsidiary, has a clinical reference laboratory specializing in personalized blood-based tests to find, understand and treat cancers and other diseases, which operates from a single facility in Richmond, Virginia, United States (the "**Richmond Laboratory**"). The Richmond Laboratory was constructed in 2013 and acquired by the Company for $3,000,000 in March 2016.

Scientific Innovation

The Company developed the Sentinel Principle®, a powerful approach to identifying unique RNA-based (ribonucleic acid) biomarkers from whole blood which has the ability to detect diseases or medical conditions from a simple blood sample. The Sentinel Principle® technology detects subtle changes that occur in cells due to disease which trigger detectable changes in mRNA expression.[1] The Sentinel Principle® technology is protected by pioneering foundational patents. The science behind the Sentinel Principle® led to the development of ColonSentry®, a blood-based test for assessing an individual's current risk of having colorectal cancer ("**CRC**"). Additionally, the Company's program called Aristotle®, which was initially focused on finding and staging multiple disease states in the body, has demonstrated the ability to detect multiple cancers from a single sample of blood.[2]

The Company, through the Sentinel Principle®, is also one of the founders of the liquid biopsy principle. The Sentinel Principle® is an award-winning technology developed by the Company based on the scientific observation that circulating blood cells reflect, in a detectable way, what is occurring throughout the body. This is a result of the constant and dynamic interaction of blood with cells, tissues and organs of the human body. Many clinical studies have demonstrated that gene expression profiles from blood can be used to develop personalized signatures capable of differentiating patients with cancer from healthy patients across a broad spectrum of pathologies.[3] ColonSentry®,

[1] Liew CC, Ma J, Tang HC, et al. The peripheral blood transcriptome dynamically reflects system wide biology: a potential diagnostic tool. J Lab Clin Med. 2006 Mar;147(3):126-32.

[2] See generally, A Dempsey, J. Howard Tripp, S. Chao, et al, *Aristotle: A single blood test for pan-cancer screening*, J Clin Oncol 38: 2020 (suppl; abstr e15037), online: <https://meetinglibrary.asco.org/record/189289/abstract>.

[3] *Ibid.* and Burczynski ME. Transcriptional profiling of peripheral blood in oncology. In: Burczynski ME, Rockett JC, eds. Surrogate tissue analysis: genomic, proteomic and metabolomic approaches. Boca Raton, FL:Taylor and Francis, 2006.47–63.

the Company's diagnostic test for CRC, specifically measures gene expression in white blood cells.[4] Tumors are known to affect the gene expression profiles of circulating white blood cells. This occurs due to a unique interaction between tumor cells and the immune system that has been referred to as "immunoediting."[5] Immunoediting is the response of the immune system to a tumor and comprises three stages: elimination (in which the immune system identifies cancerous and/or precancerous cells and attempts to eradicate them), equilibrium (in which the surviving tumor cells begin mutating rapidly), and escape (in which tumor cells proliferate uncontrollably, leading to tumor progression).[6]

Target Markets

The focus of the Company is on the following:

Being first to market with a pan-cancer test – Aristotle® - with the capability of screening for multiple cancers, with high sensitivity and specificity, from a single sample of blood.

COVID-19 has severely disrupted business and has created both problems and opportunities. For the Company it has accelerated many of the systems and processes which the Company was putting into place prior to the COVID-19 pandemic such as telehealth. COVID-19 has created significant revenue opportunities for the Company but, more importantly, it has brought multiple new, large companies, healthcare groups as well as government groups to work with the Company in an accelerated timeframe. Although these groups require COVID-19 testing, they are also interested in Aristotle®.

The Company plans on introducing Aristotle® to the market by Q1 2021.

COVID-19 Testing:

The Company has partnered with both current service providers and new service providers to offer multiple types of COVID-19 tests: PCR tests (both swab and saliva), antibody tests and soon to be introduced antigen tests and a respiratory panel (collectively, the "**COVID-19 Tests**"). Each COVID-19 Test is priced between US$75 - US$150; however, the respiratory panel will be priced at US$725. As of October 2020, the Company's testing capacity is in excess of 1,000 tests per day (comprising all types of COVID-19 Tests) and is trending towards 3,000 tests per day. The Company is offering the COVID-19 Tests on a direct cash pay basis but is testing reimbursement under the US *Coronavirus Aid, Relief, and Economic Security Act* (the "**CARES Act**").[7]

In the molecular diagnostic testing industry, written contracts for testing are not typical; therefore, the Company is not expected to have all its customers contracted through written contracts. However, the Company has entered into service agreements with businesses, counties, municipalities, healthcare and physician groups and other potential customers in connection with offering COVID-19 Tests. The parties to these service agreements request that the Company will provide up to a specified number of COVID-19 Tests to themselves or their customer at a set price and with a specified delivery process. However, the service agreements, in most cases, will not entail a commitment by the customer to purchase an absolute number of COVID-19 Tests.

StageZero will generally enter into a service agreement with the customer which sets out pricing terms, the scope of COVID-19 testing and the number of COVID-19 Tests which StageZero is requested to provide for employees, patients, healthcare facilities, clients or citizens of this customer. In turn, these customers will inform their employees, patients, clients or citizens about the need for and availability of the COVID-19 Tests, at which point, it is up to the individuals themselves to agree to get a COVID-19 Test.

In practice, these groups either pay the Company upon placing a firm order for a set number of COVID-19 Tests or, every time an employee or citizen gets a COVID-19 Test the Company will invoice the group (weekly) or, individuals

[4] Huang CS, Terng HJ, Chang CW, Chou YC, Chang YT, et al. (2014) A Gene Expression Profile of Peripheral Blood in Colorectal Cancer. J Microb Biochem Technol 6: 102-109. doi:10.4172/1948-5948.1000129.
[5] Dunn GP, Old LJ, Schreiber RD. The three Es of cancer immunoediting. Annu Rev Immunol 2004;22:329-60.
[6] *Ibid*.
[7] Pub. L. 116–136.

pay prior to the Company providing the COVID-19 Test. The Company is also exploring reimbursement under the CARES Act for select groups such as schools and prisons.

Upon initiating COVID-19 testing, the Company received initial customer interest for approximately 250,000 COVID-19 Tests from entities such as businesses and municipalities who wished to offer the COVID-19 Tests to their respective employees or citizens. In these scenarios, the Company will generally enter into a service agreement with the customer which sets out pricing terms, the scope of COVID-19 testing and the number of COVID-19 Tests which the Company is requested to provide for employees or citizens of this customer. In turn, these customers will inform their employees or citizens about the availability of the COVID-19 Tests, at which point, it is up to the individuals themselves to actually get a COVID-19 Test. The Company will only be paid on a direct cash pay basis for the number of individuals who ultimately get a COVID-19 Test.

The Company has received interest from the City of Alpharetta, Georgia, United States, Phlebfinders and UDoTest, among others, to have the Company provide COVID-19 Tests to their respective workforces, clients and residents. In addition, the Company is providing testing for the employees and court system of a large county in the United States, an airline, Ichor Blood Services Inc., a film company, urgent care centres, a global visa and travel group as well as a number of other groups. The Company's initial assumption is that the potential customer interest for COVID-19 Tests will result in 250,000 or more COVID-19 Tests being carried out, and that the price of the Company's COVID-19 Tests (aside from the respiratory panel, if and when introduced) will remain at US$75 to US$150 per test. The Company continues to expect revenues of approximately US$18 million to US$31 million over the next six (6) to nine (9) months, subject to any changes to the U.S. regulatory treatment of COVID-19 testing or the realization of a treatment, vaccine, or cure for COVID-19.

Aristotle®:

In January 2020, the Company participated in Mercer, LLC's internal vendor intelligence database. The internal vendor intelligence database is available to Mercer, LLC to conduct streamlined health and benefits vendor research on behalf of their American clients. This initial approach was focused on screening for cancer, early detection, and the attendant benefits to both employees and employer. The Company first began providing COVID-19 Tests to Mercer, LLC clients in March 2020; presently, the Company continues to provide COVID-19 Tests to Mercer, LLC clients. Employers are now beginning to refocus on cancer screening programs and there is corresponding interest in Aristotle®.

Many of Mercer LLC's clients have employees in at-risk work environments where screening for cancer can be beneficial. The Company now has relationships with these companies through its COVID-19 testing programs. The Company hopes to expand these relationships toward initiating cancer testing. The Company's strategy is one of using the COVID-19 testing opportunity to not only generate short to mid-term revenue, but also to accelerate trusted working relationships where testing for cancer with Aristotle® can be beneficial to the companies and their employees.

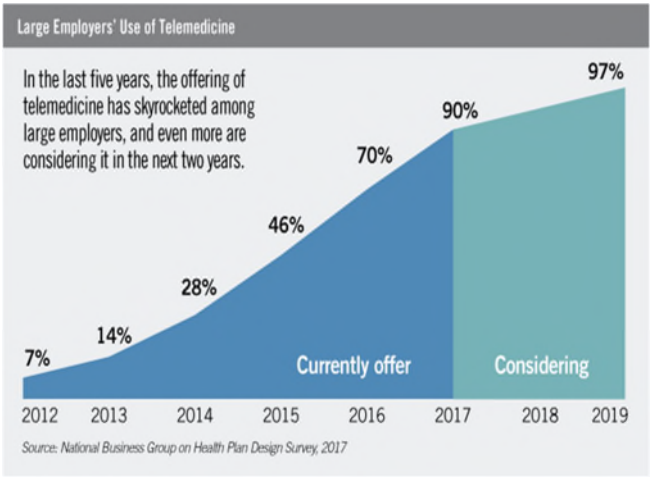
Market Segmentation

Small Independent Practices: Such practices are an important sector of the market and range in size from one (1) to ten (10) healthcare providers, with reimbursement for the tests via billing to insurers and patient-pay. The Company is steadily increasing the number of practices using its tests, especially on a routine, weekly basis, and has significantly restructured and upgraded its billing procedures. The Company expects this segment to contribute about 10-15% of its test volume.

High-Risk Populations/Self-funded Employer Plans: Early detection of cancer as well as risk stratification into normal, high and "raised" risk is of critical importance in workers exposed to carcinogens.[8] The Company is working with multiple high-risk employer partners across the country and has initiated screening within these high-risk groups. The Company is also in discussion with several self-funded employer plans. Reimbursement to the Company is direct and either immediate, or within forty-five (45) days upon invoice.

[8] Marshall KW, Mohr S, Khettabi FE, et al. A blood-based biomarker panel for stratifying current risk for colorectal cancer. Int J Cancer 2010;126(5):1177-86.

TeleMedicine/Patient-Directed Testing: The global telehealth market was valued at US$50 billion in 2018 and some predict it to reach US$267 billion by 2026.[9] Currently, 74% of employers in the United States now offer telemedicine as a covered benefit.[10] Similarly, Americans age 45-54 and 65+ are most likely to delay needed care due to wait times.[11] On average, it takes approximately twenty-one (21) days for a new patient to see a primary care provider[12] and 66% of consumers are willing to use telehealth to get faster service and costs savings.[13] According to the National Business Group on Health Plan Design Survey, large employers offering telemedicine is increasing:



The Company believes that patients increasingly want healthcare, including laboratory testing, at their convenience and without the need to travel or wait for longer periods of time. To this end, the Company has been building out its capability in telehealth to allow patient-directed testing over the past three (3) years. This requires a system by which patients can request the tests, pay for them and receive the results, a national network of physicians to review and authorize the tests as well as contact those with elevated results and national capability to collect samples via mobile as well as "brick and mortar" blood draw sites owned and/or operated by the Company's partner physicians. Payments to the Company for these services is immediate. The Company now offers this feature to patients and continues to expand its related services. This is expected to be an area of significant growth. The Company's telehealth capabilities are a key component of StageZero's ability to offer COVID-19 testing.

StageZero has created an online store to receive secure payments, established a network of licensed physicians in all fifty (50) states in the United States to prescribe tests and follow up on elevated scores, adopted a *Health Insurance Portability and Accountability Act* ("**HIPAA**")-compliant portal solution to collect and protect patient data, and grown this telehealth network to over 8,000 draw sites and 10,000 mobile phlebotomists in the United States. The Company's telehealth model is currently functional and can be summarized as follows:

[9] Fortune Business Insights: Telehealth: Global Market Analysis, Insights, and Forecast, 2019-2026.
[10] Kaiser Permanente, "KFF Employer Health Benefits Survey 2018" (2018), online: <https://www.kff.org/health-costs/report/2018-employer-health-benefits-survey/>.
[11] American Well, "Telehealth Index: 2019 Consumer Survey" (2019), online: <https://static.americanwell.com/app/uploads/2019/07/American-Well-Telehealth-Index-2019-Consumer-Survey-eBook2.pdf>.
[12] AthenaInsight, "The doctor will see you…sometime" (December 11, 2017), online: <https://www.athenahealth.com/insight/sites/insight/files/12.11%20The%20doctor%20will%20see%20you%20...%20sometime.pdf>.
[13] American Well, *supra* note 11.

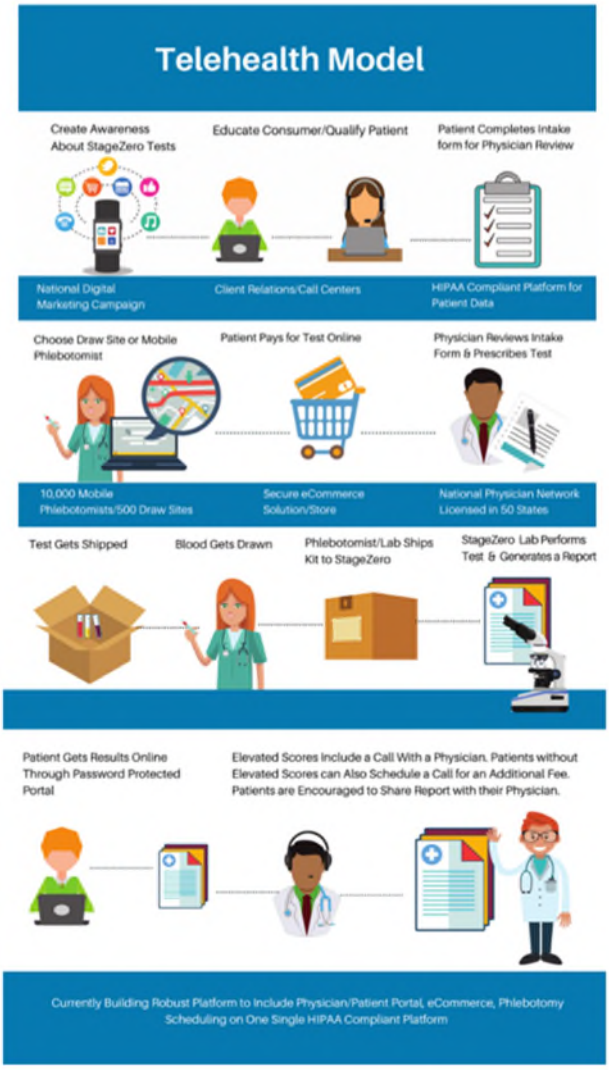


Figure 1 - StageZero Life Sciences Ltd.'s Telehealth Model

Large Healthcare Systems: StageZero believes that such healthcare systems are one of the Company's largest opportunities for growth and the Company is in discussions with several large healthcare systems. The Company is working on implementing the Company's programs into these systems. Implementation is complex as there are many stakeholders within large healthcare systems and all have to be coordinated. If these efforts are successful, it is anticipated that contracts will be executed and announced once implementation is fully in place. Payment to the Company will be by invoice and within forty-five (45) days. The Company anticipates that the high-risk population/self-funded employer plans, the patient-directed testing/telehealth and large healthcare systems will contribute approximately 85-90% of its test volume.

Customer Analysis and Segmentation

The historical customer segmentation for the Company's blood tests is comprised of roughly 10% physician practices, 30% patient-directed testing, 30% healthcare systems, and 30% employers. Immediate payment (via invoice or fixed price) is obtained from the patient-directed testing, healthcare systems, and employers customer categories. Physician

practices prescribe the Company's tests to patients who then directly sign up for testing with the Company. The Company will directly bill the patients for payment for any tests.

The Company believes that patients increasingly want healthcare, including laboratory testing, at their convenience and without the need to travel or wait for longer periods of time. Cancer costs roughly US$171 billion a year in the United States[14] and the Centers for Disease Control and Prevention ("**CDC**") predicts cancer will be the leading cause of death in 2020.[15] Currently, 40% of cancers are still diagnosed in the late stages.[16] According to healthcare insurance industry statistics, cancer is the top catastrophic claim to employers and a small number of claimants drive the majority of the costs.[17] Estimates of cancer costs across different types of cancers and whether it is detected in early or late stages reveal the following costs differences:

Cancer Costs		
Type	Early Stage	Late Stage
Colorectal	$33,000	$120,000
Lung	$34,000	$240,000
Prostate	$4,300	$100,000
Breast	$82,000	$134,000

Source 1: Sunlife, "SunLife Stop Loss Research Report" (2019), online: https://www.sunlife.com/us/News+and+insights/Insights/2019+Stop-Loss+Research+Report+Injectable+drug+trends

According to the CDC, 33% of patients refuse CRC screening and 97% of high-risk patients refuse lung cancer screening.[18] There are gaps in current screening such as colonoscopies missing half of right-sided cancers, low dose cancer testing failing to differentiate whether a result indicates cancer or benign pulmonary nodules, prostate-specific antigen failing to differentiate whether a result indicates cancer or a benign prostate condition, and mammography missing 20% of breast cancers and having sensitivity of 48% in women with dense breasts.[19] Therefore, the Company is directly in discussions with employers and re-insurance providers to offer the Company's cancer screening tests and services which could help reduce the risk of catastrophic healthcare insurance costs through early cancer detection.

Regulatory Environment

In the United States, laboratory testing is regulated by the Food and Drug Administration ("**FDA**"), the Centers for Medicare & Medicaid Services ("**CMS**"), which administers the federal laws for laboratory practices and testing known as the Clinical Laboratory Improvement Amendments ("**CLIA**"), and to varying degrees state governments. Pursuant to CLIA, a laboratory that performs testing on specimens for the purpose of providing information for the diagnosis, prevention or treatment of disease, or the impairment of, or assessment of health must hold a certificate applicable to the complexity of the laboratory examinations it performs, and must comply with standards covering operations, personnel, quality, and proficiency testing, among other things. Several states also require laboratories to be licensed in order to perform testing on specimens originating in the state. For example, New York State requires that all clinical laboratories accepting samples from (and reporting results to) New York State must hold a New York

[14] See generally Centres for Disease Control and Prevention, "Cancer" (April 15, 2020), online: <https://www.cdc.gov/chronicdisease/resources/publications/factsheets/cancer.htm> and National Cancer Institute, "Financial burden of Cancer Care" (March 2020), online: <https://progressreport.cancer.gov/after/economic_burden>.
[15] *Ibid*.
[16] *Ibid*.
[17] Sun Life Financial, Inc., "SunLife Stop Loss Research Report" (2019), online: <https://www.sunlife.com/us/News+and+insights/Insights/2019+Stop-Loss+Research+Report+Injectable+drug+trends>.
[18] Joseph DA, King JB, Richards TB, Thomas CC, Richardson LC. "Use of colorectal cancer screening tests by state." *Preventing Chronic Disease* 2018;15:170535, online: < https://www.cdc.gov/cancer/dcpc/research/articles/use-colorectal-screening-tests-state.htm>.
[19] Kolb TM1, Lichy J, Newhouse JH. "Comparison of the performance of screening mammography, physical examination, and breast US and evaluation of factors that influence them: an analysis of 27,825 patient evaluations." Radiology. 2002 Oct; 225(1):165-75. and National Cancer Institute, "Mammograms", (December 7, 2016), online: <https://www.cancer.gov/types/breast/mammograms-fact-sheet#q3>.

State Department of Health clinical laboratory permit. New York State also requires laboratories to obtain approval for all tests performed by the laboratory on samples originating from New York. The Richmond Laboratory is a CLIA-certified, high-complexity laboratory with accreditation from the College of American Pathologists ("**CAP**"). The Richmond Laboratory has obtained the necessary state licenses or approval to offer laboratory testing services to patients in all fifty (50) states of the United States.

In addition to the regulatory regime for laboratories, there are regulatory requirements applicable to laboratory tests themselves. The FDA regulates laboratory tests as medical devices, subject to the *U.S. Federal Food, Drug, and Cosmetic Act* ("**FDCA**") and its implementing regulations. These laws and regulations govern, among other things, medical device development, testing, labeling, storage, premarket clearance or approval, advertising and promotion, and product sales and distribution.

To be commercially distributed in the United States, medical devices must receive from the FDA either clearance of a premarket notification ("**510(k)**"), authorization of a de novo classification request, or a premarket approval ("**PMA**") pursuant to the FDCA prior to marketing, unless subject to an exemption. Under the FDCA, medical devices are classified into one (1) of three (3) classes based on the risk associated with the device and the level of control necessary to provide a reasonable assurance of safety and effectiveness. Devices deemed to pose relatively less risk are placed in either Class I or II. Most Class I devices and some Class II devices are exempt from premarket review. Those devices exempt from FDA premarket review must nonetheless comply with postmarket "general controls," unless the FDA has chosen to exercise enforcement discretion and not regulate them. Devices deemed by the FDA to pose the greatest risk are placed in Class III, requiring PMA approval. A novel device is placed in Class III by default, but it may be eligible to be placed in Class I or Class II via "de novo" classification if it can be shown to pose only low to moderate risk with appropriate regulatory controls.

After a device, including a device exempt from FDA premarket review, is placed on the market in the United States, numerous regulatory requirements apply. These include the quality system regulation (which imposes elaborate testing, control, documentation and other quality assurance procedures), labeling regulations, registration and listing regulations, the medical device reporting regulation (which requires that manufacturers report to the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur), and the reports of corrections and removals regulation (which requires manufacturers to report recalls and field actions to the FDA if initiated to reduce a risk to health posed by the device or to remedy a violation of the FDCA).

Laboratory developed tests ("**LDTs**") are considered by the FDA to be tests that are designed, developed, validated and used within a single laboratory. The determination of whether a test is an LDT is made by the laboratory. The FDA has the authority to regulate LDTs as medical devices under the FDCA, but has elected to exercise its enforcement discretion and not enforce the applicable provisions of the FDCA and FDA regulations with respect to these tests. In recent years, legislative and administrative proposals addressing oversight of LDTs have been introduced. For example, in 2014, the FDA issued draft guidance on the regulation of LDTs. In November 2016, the FDA announced its intention not to finalize the 2014 draft guidance and in January 2017, the FDA issued a discussion paper on possible approaches to the regulation of LDTs. This year, the *Verifying Accurate, Leading-edge IVCT Development Act of 2020*, or VALID Act, was introduced and could create new or different regulatory requirements for laboratory tests, including LDTs, if enacted.

In extraordinary circumstances, such as the COVID-19 pandemic, the FDA may allow the use of unapproved tests on an emergency basis through what is known as an Emergency Use Authorization ("**EUA**"). FDA has issued a guidance document for clinical laboratories and commercial manufacturers setting forth the FDA's current thinking and approach to the offering of tests for COVID-19. This continues to be the case as of the date hereof.

The core tests offered by the Company either have FDA approval (i.e. the Prostate Health Index), or are being offered as LDTs (i.e. ColonSentry® and BreastSentry™), with ColonSentry® also having received approval from the State of New York. The COVID-19 Tests are being offered under an EUA (i.e. ThermoFisher Scientific's TaqPath PCR assay), or the COVID-19 Tests' manufacturers have submitted applications for an EUA (i.e. BTNX's Rapid Response IgM/IgG assay and Beckman Coulter's Access IgG assay) with regulations permitting testing under internal validation (submitted to FDA) while awaiting the FDA authorization. The tests offered by the Company are further described below.

Tests Offered

The Company provides the following tests:

COVID-19 Testing

The FDA and CMS have restricted COVID-19 testing to CLIA-certified laboratories.[20] The Company's extensive knowledge of mRNA testing and the Richmond Laboratory uniquely positions StageZero to offer testing for COVID-19. The Company is offering the COVID-19 Tests on a direct cash pay basis. The PCR tests identify an active infection and the antibody tests identify antibodies in the blood that are indicative of a past infection.

The Company has partnered with both current service providers and new service providers to offer the COVID-19 Tests. The COVID-19 Tests are conducted on established diagnostic platforms offered by Thermo Fisher Scientific, BTNX Inc. and Beckman Coulter Inc. ("**Beckman Coulter**").

The antibody test offered by the Company, being the COVID-19 IgG/IgM (BTNX) or IgG only (Beckman Coulter) Antibody Tests, are in-vitro immunoassays for the direct and qualitative detection of anti-SARS-CoV-2 IgM and anti-SARS-CoV-2 IgG in human serum, plasma or venipuncture whole blood to aid in the diagnosis of COVID-19 in conjunction with clinical presentation and results of other laboratory tests. Detection of IgM antibodies indicates recent infection, while IgG antibodies gradually appear and increase in the late stage of infection. These tests are for professional in-vitro diagnostic use only. Blood samples are drawn from the patients and shipped to StageZero's CLIA-certified, CAP-accredited Richmond Laboratory where the tests are performed.

The COVID-19-PCR test offered by the Company is a real-time reverse transcription polymerase chain reaction (rRT-PCR) test for the qualitative detection of nucleic acid from SARS-CoV-2 in nasopharyngeal, nasal or saliva specimens from individuals suspected of having COVID-19. Test results indicate whether the patient has the COVID-19 infection at the time the test is administered. The Company performs the testing in the Richmond Laboratory and does not directly supply COVID-19 testing kits.

Procedurally, healthcare providers will prescribe COVID-19 Tests to a patient who will provide relevant information for COVID-19 testing via the Company's HIPAA-compliant web portal solution. The patient will then pay for the COVID-19 Test(s) via the Company's web portal and the Company will coordinate with local phlebotomists to draw blood samples (for antibody tests) or nasopharyngeal specimen (for PCR tests) for testing. Specimens for PCR saliva or nasal swab tests can be taken in a patient's home via remote monitoring. These samples are then shipped to the Richmond Laboratory for testing and the Company will return the results directly to the patient through the web portal.

The Company believes that telehealth and mobile phlebotomy are likely to continue as a key point of contact option for COVID-19 testing given lockdown initiatives currently in place in the United States.[21] This could significantly expand the Company's customer base and the Company will leverage the Company's MyCancerRisk telehealth platform to allow patients to request COVID-19 Tests and obtain test results from the Company. StageZero believes that as long as the public health response to controlling the spread of COVID-19 in the United States is focused on limiting the congregation of individuals in public spaces through lockdown initiatives, individuals who wish to obtain COVID-19 Tests must rely on options such as telehealth and mobile phlebotomist testing. These assumptions will depend on whether various state governments choose to ease lockdown restrictions.

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic. The extent to which COVID-19 impacts the Company's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the pandemic and the actions taken to contain or treat the COVID-19 pandemic

[20] U.S. Food and Drug Administration, *Policy for Coronavirus Disease-2019 Tests during the Public Health Emergency (Revised*) (May 11, 2020), online: < https://www.fda.gov/media/135659/download>.

[21] See generally, Kristine Moore, Marc Lipsitch, et al, "COVID-19: the CIDRAP Viewpoint" (April 30, 2020), online: <https://www.cidrap.umn.edu/sites/default/files/public/downloads/cidrap-covid19-viewpoint-part1_0.pdf>) and Mayo Clinic, "COVID-19 (Coronavirus) Vaccine: Get the facts" (2020), online: < https://www.mayoclinic.org/diseases-conditions/coronavirus/in-depth/coronavirus-vaccine/art-20484859 >.

(including recommendations from public health officials). The Company believes that COVID-19 is expected to remain an active virus affecting human populations for the next 15-21 months.[22]

See also "*Target Markets – COVID-19 Testing*".

Core Testing

The Company offers early cancer diagnostics and risk stratification for colorectal, prostate and breast cancers, through several novel, proprietary molecular diagnostic platforms. The Company has adopted a population health model whereby the early cancer diagnostic tests are offered as risk stratification at the beginning of the cancer diagnostic process so that those patients who are at highest risk are prioritized for advanced diagnostic procedures.

ColonSentry®

The Company's flagship test, ColonSentry®, is offered throughout the United States through the Richmond Laboratory.

ColonSentry® measures the expression levels of seven genes (ANXA3, CLEC4D, LMNB1, PRRG4, TNFAIP6, IL2RB, and VNN1).[23] ColonSentry® was validated in a study of 10,000 patients in North America[24] and utilized by 100,000 patients on a post-marketing study basis in the United States.[25] ColonSentry® has been demonstrated to find cancer early in stages 1 and 2 and can detect cancers in stages 1-4.[26] Elevated test results are highly predictive of left and right sided CRC and the test has a negative predictive value of 99.6%.[27]

ColonSentry® was launched in Canada in July 2008. A corporate reorganization of GeneNews (USA), Inc. in 2013 focused operations on commercial growth through the Company's formed joint venture, SZ, which actively markets the ColonSentry® test throughout the United States. As a result, the Company ceased offering the test in Canada in 2013. StageZero fully acquired SZ in March 15, 2016. See "Joint Venture Relationship" in the "Risk Factors" section below.

The ColonSentry® test assesses an individual's current risk, or probability, of having CRC through a convenient and innovative blood test. CRC is one of the biggest killers in the United States, claiming more than 50,000 lives per year.[28] Although CRC is a treatable form of cancer when detected early, people often delay or avoid being tested until symptoms appear.[29] Patient discomfort with common test options like colonoscopy or stool-based tests continues to drive high noncompliance with recommended screening guidelines, resulting in late-stage detection when CRC is least curable.[30]

On October 10, 2019, the Company's licensing partner, Oncore Pharma Inc., signed a multi-year agreement with iBodyCheck NL for the distribution and sale of ColonSentry® throughout the Netherlands, Belgium, and Luxembourg.

Prostate Health Index ("PHI")

The FDA approved Beckman Coulter's premarket approval application for the PHI on June 20, 2012.[31] The PHI test was developed by Beckman Coulter as a blood test to be used as an aid in distinguishing prostate cancer from benign

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[22] *Ibid*.
[23] Chao S, PilcZ T, Stamtiou D, et al. Stability of the ColonSentry Colon Cancer Risk Stratification Test. Int. J Dis Markers. 2019 IJDM-101 DOI: 10.29011/IJDM-101-100001.
[24] *Ibid*.
[25] *Ibid*
[26] Chao S, Ying J, Liew G, et al. Blood RNA biomarker panel detects both left- and right-sided colorectal neoplasms: a case- control study. J Exp Clin Cancer Res. 2013 Jul 23;32:44.
[27] Marshall, et al. *supra* note 8.
[28] American Cancer Society, "Key Statistics for Colorectal Cancer" (January 8, 2020), online: *American Cancer Society* <https://www.cancer.org/cancer/colon-rectal-cancer/about/key-statistics.html>.
[29] Bevan R, Rutter MD. Colorectal Cancer Screening-Who, How, and When?. Clin Endosc. 2018;51(1):37-49. doi:10.5946/ce.2017.141
[30] *Ibid*.
[31] U.S. Food & Drug Administration, "Premarket Approval (PMA)" (June 01, 2020), online: <https://www.accessdata.fda.gov/scripts/cdrh/cfdocs/cfpma/pma.cfm?id=P090026>.

prostatic conditions. The FDA approved indication for use states that the PHI test should be used for men aged 50+ with total PSA in the range of 4.0-10.0 ng/mL.[32]

In April 2014, the Company announced the addition of the PHI test to its menu of cancer assays. The materials and equipment associated with the PHI test are provided by Beckman Coulter to SZ pursuant to a supply agreement dated December 19, 2013, as amended on June 25, 2014, June 7, 2015 and December 1, 2017 (the "**PHI Test Agreement**"). The PHI Test Agreement has an initial term of sixty (60) months which the Company intends to extend for an additional twenty-four (24) months thereby expiring on December 10, 2022. The PHI Test Agreement will thereafter automatically renew for one year periods unless in the case of default by SZ, Beckman Coulter provides SZ with thirty (30) days' prior written notice of termination, or in the case of termination for cause, SZ may terminate upon sixty (60) days prior written notice to Beckman Coulter.

The PHI test is a convenient blood test that is three times more specific in detecting prostate cancer than the prostate-specific antigen ("**PSA**") test.[33] While the PSA test is currently the most widely used screening test for prostate cancer, it is generally recognized that PSA results can often indicate the possibility of prostate cancer when none is present.[34] The PSA test is based on the fact that men with higher levels of PSA are more likely to have prostate cancer.[35] However, higher levels of PSA can also be caused by a benign enlargement or inflammation of the prostate, leading to many false-positives for cancer and ultimately unnecessary, invasive biopsies with an increased potential for patient harm.[36] The PHI test helps physicians distinguish prostate cancer from benign conditions by using three different PSA markers (PSA, free PSA and pro2 PSA) as part of a sophisticated calculation to more reliably determine the probability of cancer in patients with elevated PSA levels.[37]

BreastSentry™

In October 2014 the Company licensed the right to market and distribute two blood based biomarker assays—pro-NT and pro-ENK—intended to aid physicians in identifying those women who are at risk for developing breast cancer. These assays were developed by SphingoTec GmbH, known for the discovery and development of biomarker assays.

BreastSentry™ measures the fasting plasma levels of neurotensin (pro-NT) and enkephalin (pro-ENK) which are highly predictive of a woman's risk for developing breast cancer.[38] Various longitudinal studies have shown that elevated levels of pro-NT and decreased levels of pro-ENK are strong, independent risk factors for the development of breast cancer.[39] The combined test levels have been incorporated into a sophisticated algorithm in order to provide an additional level of personal data to create an enriched, personalized score. BreastSentry™ is used to determine a woman's risk for developing breast cancer relative to the risk in an average risk population. BreastSentry™ has been validated as a LDT.[40]

Aristotle®

The Company believes that the Aristotle® test is potentially the first multiple cancer diagnostic test from a single sample of blood to reach market. It features a panel for simultaneously screening for ten (10) discrete cancers from a single sample of blood with high sensitivity and specificity for each cancer. Aristotle® can detect nine (9) discrete cancers for women and six (6) discrete cancers for men with the ability to discriminate between each type of cancer.

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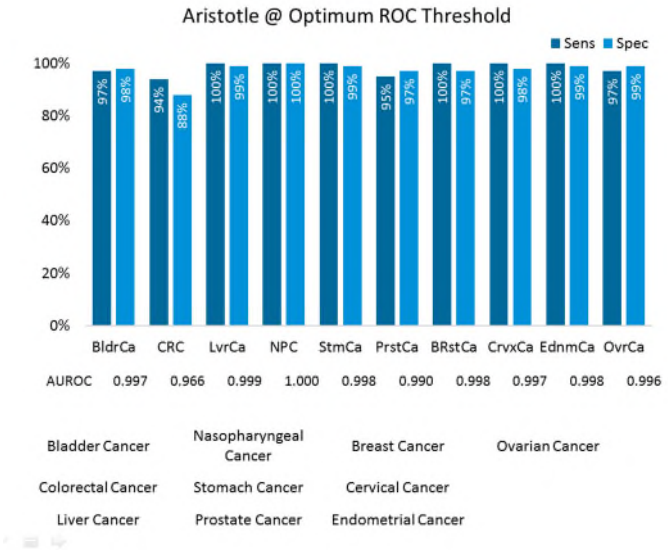
[32] *Ibid*.
[33] Beckman Coulter, "New Prostate Cancer Blood Test Now Available in the US: Beckman Coulter's Prostate Health Index (phi) Available Nationwide for Better Prostate Cancer Detection" (April 24, 2014).
[34] *Ibid*.
[35] *Ibid*.
[36] *Ibid*.
[37] Catalona WJ, Partin AW, Sanda MG, et al. A Multi-Center Study of [−2]Pro-Prostate-Specific Antigen (PSA) in Combination with PSA and Free PSA for Prostate Cancer Detection in the 2.0 to 10.0 ng/mL PSA Range. The Journal of Urology. 2011;185(5):1650-1655 and Loeb S, Sanda MG, Broyles DL, et al. The Prostate Health Index Selectively Identifies Clinically Significant Prostate Cancer. The Journal of Urology. 2015;193(4):1163-1169.
[38] Melander O, Maisel AS, Almgren P, et al. Plasma proneurotensin and incidence of diabetes, cardiovascular disease, breast cancer, and mortality. JAMA 2012;308:1469-75; Melander O, Belting M, Manjer J, et al. Validation of plasma proneurotensin as a novel biomarker for the prediction of incident breast cancer. Cancer Epidemiol Biomarkers Prev. 2014; 23(8):1672-6; and Melander O, Orho-Melander M, Manjer J, et al. Stable Peptide of the Endogenous Opioid Enkephalin Precursor and Breast Cancer Risk. J Clin Oncol. 2015 Aug 20;33(24):2632-8.
[39] *Ibid*.
[40] *Ibid*.

Aristotle® is built on the propriety Sentinel Principle Technology Platform which has been validated in a 10,000 patient prospective study and a 100,000 patient post-marketing study and used to develop the first liquid biopsy for CRC.[41] Validation was conducted using blood samples from 2,852 subjects across ten cancer types, with further validation currently underway.[42] The results of the Aristotle® validation are as follows:



Source 2 A Dempsey, J. Howard Tripp, S. Chao, et al, *Aristotle: A single blood test for pan-cancer screening*, J Clin Oncol 38: 2020 (suppl; abstr e15037), online: <https://meetinglibrary.asco.org/record/189289/abstract>.

The Company intends to publish data about Aristotle®, prepare CAP and CLIA clinical validation, and subsequently prepare for commercial launch of the product across the United States. The Company intends to eventually launch this product into Canada and the European Union and then more broadly thereafter subject to obtaining the relevant regulatory approvals and subject to positive results from the current validation study. The plan for commercializing Aristotle® will involve marketing the test to physician practices, patient-directed testing, healthcare systems, and employers.

These product launch plans are in preliminary stages and any expansion of StageZero's cancer testing products including Aristotle® into Canada and the European Union assumes that the necessary regulatory approvals are obtained and financing is secured for marketing and distribution. Factors that affect the Company's ability to expand its cancer testing products into Canada include whether StageZero can obtain agreeable terms via its existing relationship with Ichor Blood Services, Inc. Similarly, StageZero's plans to expand cancer testing in the European Union depends on whether StageZero can obtain agreeable terms via its existing relationship with Oncore Pharma Inc. and its partners including iBodycheck NL. See "Risk Factors" and "Forward-Looking Information".

Recent Developments

The Company recently introduced saliva PCR testing for COVID-19 and will soon introduce nasal swab COVID-19 testing for at-home sample collection. The saliva and nasal swab PCR tests will be processed in the Richmond Laboratory alongside the existing COVID-19 Tests.

The Company also plans on adding antigen testing and a full viral and bacterial respiratory panel to its current COVID-19 test offering. The antigen test will help determine if a person who is showing symptoms of COVID-19 has COVID-19 and is therefore infectious. It is indicated for the screening of symptomatic individuals. The respiratory panel will be a PCR-based test for eighteen (18) viruses and two (2) respiratory bacteria including Influenza A and Influenza B.

[41] Chao S, PilcZ T, Stamtiou D, et al., *supra* note 25.
[42] Dempsey, et al., *supra* note 2.

The Company also achieved the following:

- Signed multiple new partners. These include a county in a US State affected by COVID-19; healthcare groups; and several travel groups with exposure to airlines;
- Expanded testing in Canada through the Company's partnership with Ichor Blood Services, Inc. and others; and
- Hired further staff and expanded testing capacity, both for COVID-19 and Aristotle®.

See also "*Target Markets – COVID-19 Testing*".

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company at June 30, 2020, both before and after giving effect to the Offering and the Concurrent Private Placement. Unless otherwise indicated, all figures in this table are in Canadian dollars based on the exchange rate of 1.3628:1 (CAD:USD) as of June 30, 2020 based on the Bank of Canada Indicative Rate. This table is presented on a post-Consolidation (as defined herein) basis.

Description	**As at June 30, 2020 (unaudited)**	**As at June 30, 2020, after giving effect to the Minimum Offering and the Concurrent Private Placement (1) (2)**	**As at June 30, 2020 after giving effect to the Maximum Offering and the Concurrent Private Placement(3) (4)**
Debt			
Notes Payable(5)	$1,359,243	$1,359,243	$1,359,243
Convertible debentures(6)	$1,219,446	$1,219,446	$1,219,446
Conversion liability of Convertible Debentures	$Nil	$Nil	$Nil
Long-Term Portion of Warrant liability	$3,369,861	$3,369,861(9)	$3,369,861(9)
Share Capital			
Common Shares(7)	$112,676,056 (48,940,134 Common Shares)	$118,001,028(9) (57,055,133 Common Shares)	$122,352,981(9) (63,465,433 Common Shares)
Contributed Surplus - Warrants(8) and Stock Options	$15,873,143 (19,781,923 Warrants and 3,610,655 stock options)	$16,237,867(9) (23,839,422 Warrants and 3,610,655 stock options)	$16,535,946(9) (27,044,572 Warrants and 3,610,655 stock options)

Notes:

(1) Assuming the Minimum Offering, less the Agents' Fee of $350,002, the Corporate Finance Fee of $25,000 and expenses of the Offering estimated to be $265,000. All figures on a non-diluted basis.

(2) Does not include any Additional Shares issuable upon the exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, there will be 58,016,678 Common Shares outstanding upon completion of the Minimum Offering and the issue and sale of Additional Shares pursuant to the exercise of the Over-Allotment Option.

(3) Assuming the Maximum Offering, less the Agents' Fee of $700,005, the Corporate Finance Fee of $25,000 and expenses of the Offering estimated to be $265,000. All figures on a non-diluted basis.

(4) Does not include any Additional Shares issuable upon the exercise of the Over-Allotment Option. If the Maximum Offering is achieved and the Over-Allotment Option is exercised in full, there will be 65,388,523 Common Shares outstanding upon completion of the Offering and the issue and sale of Additional Shares pursuant to the exercise of the Over-Allotment Option.

(5) The total Notes Payable of the Company as of June 30, 2020 is US$997,390 (Cdn$1,359,243), of which US$687,240 (Cdn$936,571) is payable to Health Diagnostics Laboratories and US$310,150 (Cdn$422,672) is payable for loans owing to shareholders and a director of the Company.

(6) The Company's convertible debentures, issued in increments of $1,000, bear interest at a rate of 6% per year and mature on August 19, 2021 (the "**Convertible Debentures**"). Each Convertible Debenture is convertible at the option of the holder into units at a price of $0.04 per unit, with each unit being comprised of one common share of the Company plus one-half of one warrant, where each full warrant is exercisable into one Common Share of the Company. The Company is permitted, under the terms of the Convertible Debentures, to elect to add certain interest payments under the Convertible Debentures to the principal amount outstanding. As a result of the addition of additional principal amount to the Convertible Debentures, additional units will be issuable on the conversion of the Convertible Debentures. The outstanding principal of the convertible debentures is US$894,809 (Cdn$1,219,445) and accrued interest as at June 30, 2020 is US$70,709 (Cdn$96,362). Please see the June 30, 2019 Interim Financial Statements for additional information.

(7) Excludes Common Shares issuable upon the exercise of the Warrants, Broker Warrants, stock options, and other warrants or rights to purchase Common Shares. On September 18, 2020, the Company consolidated its shares on an eight (8) pre-consolidation shares to one (1) post-consolidation common share basis (the "**Consolidation**"). Applying the eight (8) pre-Consolidation shares to one (1) post-Consolidation common share ratio to the June 30, 2020 issued and outstanding common share figure, the Company had 48,940,134 issued and outstanding common shares as of June 30, 2020.

(8) Includes the Broker Warrants and previously issued broker warrants and agent compensation warrants. Figures are on a pre-Consolidation basis. Applying the eight (8) pre-Consolidation shares to one (1) post-Consolidation ratio to the June 30, 2020 warrants and stock options figures, the Company had 19,781,923 Warrants and 3,610,655 stock options as of June 30, 2020.

(9) The Company has estimated the allocation of the unit proceeds as being apportioned between the warrant liability and the share capital in accordance with IFRS and its accounting policies.

On September 18, 2020, the Company consolidated its shares on an eight (8) pre-Consolidation Common Shares to one (1) post-Consolidation Common Share basis. As of September 18, 2020, the Company had 48,940,134 issued and outstanding Common Shares on a post-Consolidation basis.

As at the date hereof, there are 50,275,782 Common Shares issued and outstanding, options granted under our stock option plan to acquire an aggregate of 3,610,654 Common Shares, and common share purchase warrants exercisable to acquire an aggregate of 19,781,923 Common Shares.

USE OF PROCEEDS

The Offering will not be completed and subscription funds will not be advanced to the Company unless the Minimum Offering has been raised. In the event of the Minimum Offering, the net proceeds to the Company from the Offering will be approximately $4,360,032 after deducting the Agents' Fee of $350,002, the Corporate Finance Fee of $25,000, and estimated expenses of the Offering of $265,000. In the event of the Maximum Offering, the net proceeds to the Company of the Offering will be approximately $9,010,063, after deducting the Agents' Fee of $700,005, the Corporate Finance Fee of $25,000, and estimated expenses of the Offering of $265,000. The foregoing amounts are prior to any exercise of the Over-Allotment Option.

As of June 30, 2020, StageZero had $4,066,773 cash on hand. The Company's available cash balance as of October 16, 2020 was approximately $2,175,000.

The Company's cash on hand, combined with the net proceeds from the Minimum Offering, is expected to be sufficient to fund the Company's operations until at least November 30, 2021. The Company also expects to receive revenue from the sale of COVID-19 Tests and early cancer diagnostic tests.

The Company intends to use the net proceeds of the Offering in a manner consistent with its business objective of expanding capacity to offer and conduct COVID-19 testing and development of its existing product lines, including Aristotle®. The Company intends to expand Aristotle® testing capability and scale up the Company to compete on a larger scale with emerging competitors in the liquid biopsy, pan-cancer early detection market.

Specifically, the Company expects to incur approximately $4,360,032 in costs to fund the following objectives by the following dates:

Hiring new full-time laboratory staff. The Company intends to hire additional full-time laboratory staff to expand COVID-19 and Aristotle® testing capabilities at the Richmond Laboratory. Under the Minimum Offering scenario, the Company intends to hire twelve (12) additional full-time laboratory staff members and employees including managers and salespersons (this will be approximately $1,335,000 in costs, $nil of which is expected to be paid from existing cash on hand). Under the Maximum Offering scenario, the Company will hire twenty-four (24) additional full-time laboratory staff members and employees including managers and salespersons (instead of twelve (12) full-time employees under the Minimum Offering scenario) (this will be approximately $2,670,000 in costs, $nil of which is expected to be paid from existing cash on hand). This objective is expected to take approximately three (3) months.

Purchase equipment, test reagents, and consumable materials. The Company must purchase equipment, test reagents, and consumable materials to expand COVID-19 testing capabilities and for further Aristotle® product development and scale up. Under the Minimum Offering scenario, this will be approximately $950,000 in costs, $nil of which is expected to be paid from existing cash on hand. Under the Maximum Offering scenario, this will be approximately $1,900,000 in costs, $nil of which is expected to be paid from existing cash on hand. This objective is expected to take approximately three (3) to six (6) months.

Corporate marketing expenses. The Company intends to use proceeds of the Offering to advertise and market its current product lines focused on COVID-19 testing and Aristotle® testing capabilities. Under the Minimum Offering scenario, this will be approximately $600,000 in costs, $nil of which is expected to be paid from existing cash on hand. Under the Maximum Offering scenario, this will be approximately $3,000,000 in costs, $nil of which is expected to be paid from existing cash on hand. This objective is expected to take approximately six (6) to nine (9) months.

Expand the Richmond Laboratory. The Company intends to use proceeds of the Offering to expand its Richmond Laboratory by approximately 5,000 square feet by renegotiating lease terms with its sub-lessee. Under the Minimum Offering scenario, this will be approximately $180,000 in costs, $nil of which is expected to be paid from existing cash on hand. Under the Maximum Offering scenario this will be approximately $180,000 in costs, $nil of which is expected to be paid from existing cash on hand. This objective is expected to take approximately six (6) months.

Assuming the completion of the Minimum Offering, the Company intends to use the net proceeds to: (i) pay the salaries and benefits for current employees for one year (approximately $3,330,000 in costs, $2,175,000 of which is expected to be paid from existing cash on hand), (ii) hire an additional twelve (12) full-time employees to enhance lab testing capabilities and sales (approximately $1,335,000 in costs, $nil of which is expected to be paid from existing cash on hand), (iii) purchase equipment, testing reagents and consumable materials for COVID-19 testing and Aristotle® development (approximately $950,000 in costs, $nil of which is expected to be paid from existing cash on hand), (iv) pay for corporate marketing expenses for current products including COVID-19 and Aristotle® testing (approximately $600,000 in costs, $nil of which is expected to be paid from existing cash on hand); and (v) expand the Richmond Laboratory by approximately 5,000 square feet (approximately $180,000 in costs, $nil of which is expected to be paid from existing cash on hand). In addition to these testing capability enhancements, the Company intends to use a portion of the net proceeds of the Offering for working capital and general corporate purposes.

The final amount raised in the Offering will determine the speed at which each of the Company's business milestones may be achieved. Assuming the completion of the Maximum Offering, the Company intends to: (i) pay the salaries and benefits for current employees for one year (approximately $3,330,000 in costs, $2,175,000 of which is expected to be paid from existing cash on hand), (ii) hire twenty-four (24) additional full-time employees to enhance lab testing capabilities and sales (instead of twelve (12) full-time employees under the Minimum Offering scenario) to enhance lab testing capabilities and sales (approximately $2,670,000 in costs, $nil of which is expected to be paid from existing cash on hand); (iii) purchase equipment, testing reagents and consumable materials for COVID-19 testing and Aristotle® development and sale (approximately $1,900,000 in costs, $nil of which is expected to be paid from

existing cash on hand); (iv) pay for corporate marketing expenses for current products including COVID-19 and Aristotle® testing (approximately $3,000,000 in costs, $nil of which is expected to be paid from existing cash on hand); and (v) expand the Richmond Laboratory by approximately 5,000 square feet (approximately $180,000 in costs, $nil of which is expected to be paid from existing cash on hand). In addition to these testing capability enhancements, the Company intends to use a portion of the net proceeds of the Offering for working capital and general corporate purposes.

The Company reported negative cash flow from operating activities of $2,406,118 for the six-month period ended June 30, 2020 and $6,220,656 for the year ended December 31, 2019 and may experience negative cash flow from operating activities for the foreseeable future. The Company's negative cash flow from operating activities is comprised of marketing and conducting tests and overhead costs. The Company also reported that as of August 15, 2020, it had received approximately $1,000,000 in revenue from COVID-19 testing to date. The Company notes that the COVID-19 pandemic has created a dynamic business environment which affects the overall consumer demand for cancer testing but creates an opportunity for the Company to focus its efforts toward offering COVID-19 Tests. Necessarily, the Company will be spending less on items which are used toward cancer testing and will allocate funds toward expanding COVID-19 testing capacity as well as Aristotle.

During July to September 2020, the Company increased operating expenses and increased inventory to purchase testing supplies and hire additional staff to allow the Company to meet COVID-19 testing needs. The Company has also made changes to its employee staffing levels by reducing the number of independent consultants and changing the status of certain employees from part-time to full-time status in order to process COVID-19 testing. The Company has hired an additional nine (9) full-time employees to assist with COVID-19 testing processes at the Richmond Laboratory. The Company has also managed to automate certain laboratory processes to reduce manual labour in conducting COVID-19 testing and to facilitate critical RNA extraction in PCR testing and has added additional COVID-19 tests such as saliva PCR testing.

The Company believes that based on management's expected rate of revenue from operating activities, specifically COVID-19 testing revenue, the Company's recent investments in increasing laboratory capacity and test processing, as well as the net proceeds in the Minimum Offering scenario of $4,360,032, plus the Company's cash on hand of approximately $2,175,000 as of October 16, 2020, will be sufficient to cover all of the Company's activities (i.e., all of the Company's costs) during the period ending November 30, 2021 (being the period in which the proceeds of the Offering in the Minimum Offering scenario are expected to be used).

The Company expects to generate revenue from the execution of orders for diagnostic tests, initially focusing on COVID-19 Tests, but eventually including cancer screening tests as the healthcare industry normalizes. The Company expects this revenue to contribute funding toward operating activities. Anticipated revenue is expected to be sufficient to fund the Company's expenditures for a further twelve (12) months. This expectation is based on the assumption that StageZero's operating non-development cash burn remains at approximately $250,000 per month going forward, and there are minimal additional unplanned or unforeseen expenses that are incurred during this period, and does not account for proceeds from additional warrant exercises, if any. The COVID-19 pandemic has reduced current demand for routine cancer testing and therefore, the Company will reduce spending in cancer testing expenses and reallocate funds toward COVID-19 testing capacities in the short and medium terms while preparing for the launch of Aristotle as cancer testing demand normalizes. Necessarily, the Company's historic cash usage rates will differ from how the Company has spent money so far and how it intends to continue spending toward expanding COVID-19 testing capacity. However, this is forward-looking information. Actual results may vary from the forward-looking information and risk factors could cause actual results to differ materially from the forward-looking information. See "Forward-Looking Information" and "Risk Factors".

The Company's intended use of net proceeds from the Offering are as follows:

Use	**Minimum Amount**		**Maximum Amount**	
	$	**%**	**$**	**%**
Salaries and benefits for current employees for one year[(1)]	$1,155,000	26.49%	$1,155,000	12.82%

Salaries for additional full-time laboratory staff[(2)]	$1,335,000	30.62%	$2,670,000	29.63%
Purchase equipment, test reagents, and consumable materials (for COVID-19 Tests and Aristotle®)[(3)]	$950,000	21.79%	$1,900,000	21.09%
Corporate marketing expenses[(4)]	$600,000	13.76%	$3,000,000	33.30%
Expansion of Richmond Laboratory[(5)]	$180,000	4.13%	$180,000	2.00%
General working capital purposes	$140,032	3.21%	$105,063	1.17%
Total net proceeds	$4,360,032	100%	$9,010,063	100%

Notes:

(1) The Company intends to use its cash on hand to pay salaries and benefits for current employees.

(2) Under the Minimum Offering scenario, the Company intends to hire an additional twelve (12) full-time employees. Under the Maximum Offering scenario, the Company intends to hire twenty-four (24) additional full-time employees compared with only hiring twelve (12) additional full-time employees under the Minimum Offering scenario.

(3) The Company intends to purchase more equipment, test reagents, consumable materials for COVID-19 Tests and Aristotle® under the Maximum Offering scenario compared with the Minimum Offering scenario.

(4) The Company intends to increase its spending in corporate marketing and advertising expenses under the Maximum Offering scenario to increase its market awareness in COVID-19 testing and liquid biopsy markets.

(5) The Company intends renegotiate its lease to increase the Richmond Laboratory by approximately 5,000 square feet.

If the Maximum Offering is attained and the Over-Allotment Option is exercised in full, the Company intends to use the additional net proceeds of up to $1,395,010 for product and business development, working capital and general corporate purposes.

Although the Company intends to expend the net proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent or necessary, and may vary materially from that set forth above. The Company is currently incurring expenditures related to the Company's operations that have generated negative operating cash flows. Operating cash flows may decline in certain circumstances, many of which are beyond the Company's control. There is no assurance that sufficient revenues will be generated in the near future, and the Company may continue to incur negative operating cash flows. The Company may need to deploy a portion of its working capital to fund such negative operating cash flows or seek additional sources of funding. See "Risk Factors" section, below.

Business Objectives and Milestones

The COVID-19 virus pandemic has very significantly changed the routine diagnostic test market. With estimates in the United States of up to 90% of physician offices closing, patients sheltering at home, and hospitals diverting many resources to combat COVID-19 infections, routine testing decreased dramatically in volume. Requests went out from the United States, local hospital groups and physicians as well as affected companies for help with COVID-19 testing. The FDA, CMS, and CAP dictated that only CLIA-certified laboratories could conduct most COVID-19 testing. StageZero owns and operates a CLIA-certified lab in the United States (the Richmond Laboratory), and in response to the requests, StageZero promptly initiated COVID-19 testing for both nucleic acid (live virus) and antibodies. The Company may offer COVID-19 testing in Canada in the future, subject to obtaining regulatory approval. Currently, there is high demand for COVID-19 testing in the United States, though there can be no such assurances that such demand will continue. The demand for COVID-19 testing has expanded to include new types of tests and the Company is responding to the demand by increasing its test offerings.

The initiation of COVID-19 testing by the Company required changes to operations at its Richmond Laboratory, most notably to which equipment is serviced, validated and used, as well as significant upgrades to staffing levels (namely, laboratory technicians, accessioners, warehouse staff and client relations). StageZero currently has adequate

equipment, but not all of the Company's equipment was operational for COVID-19 testing. Additional new equipment such as biohazard fume hoods and automated lines for faster processing of PCR samples were purchased in the summer of 2020 but even more equipment will be needed to increase COVID-19 test processing capacity to meet increased demand for COVID-19 testing.

Staffing levels also have to be significantly increased and shifts introduced, both to manage workflow and also to accommodate "social distancing" within the Richmond Laboratory. A final and very significant new introduction is procuring and warehousing sufficient inventory to both process tests as well as to have personal protective equipment to protect staff. Payment for inventory and supplies is immediate upon order and such payment arrangements are not expected to return to normal invoicing for some time.

The following is a summary of the Company's business objectives and the milestones associated with attaining those objectives.

Objective	**Milestones**	**Timing**	**Remaining Cost**
Hire additional full-time employees to assist with COVID-19 and Aristotle® testing capabilities	Fully staffed lab with validated equipment; capable of processing 3,000 COVID-19 Tests (comprising either PCR tests, or antibody tests, or both) per day	December 2020 or January 2021	$1,335,000 to $2,670,000 (to be funded by proceeds of the Offering)
Increase COVID-19 Tests capability above 3,000 tests (comprising either PCR tests, or antibody tests, or both) per day.(1)	Purchase additional equipment and supplies.	Three (3) to six (6) months	$950,000 to $1,900,000 (to be funded by proceeds of the Offering)
Increase advertising and marketing for Aristotle®	Increase advertising and marketing initiatives for Aristotle®	Six (6) to nine (9) months	$600,000 to $3,000,000 (to be funded by proceeds of the Offering)
Expand Richmond Laboratory space	Renegotiate lease to expand Richmond Laboratory space by 5,000 square feet	Six (6) months	$180,000 (to be funded by proceeds of the Offering)

Note:

(1) The Company also intends to purchase equipment, test reagents and consumable materials to increase COVID-19 testing and Aristotle® testing capabilities.

The Company intends to maintain a full supply chain for material portions of the production and distribution process of its COVID-19 Tests. However, the effects of the COVID-19 pandemic and government policies in response to COVID-19 including, but not limited to, stay-at-home or lockdown initiatives across different jurisdictions, restrictions on workplace operations, or restrictions on transportation of goods across jurisdictional boundaries, may result in disruptions to the Company's supply chain. The Company currently relies on certain third-party manufacturers for reagents, consumable materials, and other inputs necessary for the creation of COVID-19 Tests.

The Company is aware of the risks of the COVID-19 pandemic and its possible effects on the Company's supply chain. The Company is reviewing its ability to source necessary supplies and inputs for its COVID-19 Tests from other distributors to either complement existing supply lines or act as alternative suppliers in the event of adverse material effects on its suppliers resulting from the COVID-19 pandemic, policy responses to the COVID-19 pandemic or other disruptions to the Company's suppliers.

To date, the Company's supply chain has not been negatively affected by COVID-19 and the Company is able to continue obtaining necessary reagent and consumable materials for its COVID-19 Tests. However, disruption of operations at any of the facilities of these manufacturers as a direct or indirect result of the COVID-19 pandemic or policy responses to the pandemic could adversely affect inventory supplies and the Company's ability to produce sufficient numbers of COVID-19 Tests. See also the section "COVID-19 and its Potential Effects on Third-Party Suppliers, Service Providers and Distributors" in the "Risk Factors" section, below.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of WeirFoulds LLP, counsel to the Company, and Wildeboer Dellelce LLP, counsel to the Agents, the following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations applicable to a purchaser of Units pursuant to the Offering who, at all relevant times and for purposes of the Tax Act, (i) acquires and holds the Offered Shares and Warrants and will hold the Warrant Shares as capital property, and (ii) deals at arm's length and is not affiliated with the Company, the Agents or any subsequent purchaser of such securities (a "**Holder**"). Offered Shares, Warrants and Warrant Shares will generally be considered to be capital property to a Holder unless the Holder holds the Offered Shares, Warrants and Warrant Shares in the course of carrying on a business of trading or dealing in securities or has acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based upon the current provisions of the Tax Act, specific proposals to amend the Tax Act (the "**Proposed Amendments**") which have been announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"). This summary assumes that the Proposed Amendments will be enacted in the form proposed and does not take into account or anticipate any other changes in law, whether by way of judicial, legislative or governmental decision or action, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations discussed herein. No assurances can be given that such Proposed Amendments will be enacted as proposed or at all, or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

This summary does not apply to a Holder (a) that is a "financial institution" (as defined in the Tax Act) for purposes of the mark-to-market provisions of the Tax Act; (b) that is a "specified financial institution" (as defined in the Tax Act); (c) an interest in which is a "tax shelter investment" for purposes of the Tax Act; (d) that elects or has elected to report its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency; (e) that has entered or will enter into a "derivative forward agreement" (as defined in the Tax Act) with respect to the Offered Shares, Warrants or Warrant Shares; (f) that receives dividends on Offered Shares or Warrant Shares under or as part of a "dividend rental arrangement" (as defined in the Tax Act); or (g) that is a corporation resident in Canada and is, or becomes, or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Offered Shares or Warrants, controlled by a non-resident corporation (or pursuant to the Proposed Amendments, a non-resident person or a group of persons comprised of any combination of non-resident corporations, non-resident individuals or non-resident trusts that do not deal with each other at arm's length) for purposes of the foreign affiliate dumping rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. The following description of income tax matters is of a general nature only and is not intended to be, nor should it be construed to be, legal or income tax advice to any particular Holder. Holders are urged to consult their own income tax advisors with respect to the tax consequences applicable to them based on their own particular circumstances.

Allocation of Cost

A Holder who acquires Units will be required to allocate the purchase price of each Unit between the Offered Share and the one-half of one Warrant on a reasonable basis in order to determine their respective costs for purposes of the Tax Act. Holders should consult their own tax advisors in this regard. For its purposes, the Company intends to allocate

$0.73 to the Offered Share and $0.05 to the one-half Warrant. Although the Company believes that such allocation is reasonable, it is not binding on the CRA or any Holder and the CRA may not agree with such allocation. Counsel expresses no opinion with respect to such allocation.

Adjusted Cost Base of Offered Shares

The adjusted cost base to a Holder of an Offered Share acquired hereunder will be determined by averaging the cost of that Offered Share with the adjusted cost base (determined immediately before the acquisition of the Offered Share) of all other Common Shares held as capital property by the Holder immediately prior to such acquisition.

Exercise of Warrants

A Holder will not realize a gain or loss upon the exercise of a Warrant to acquire a Warrant Share. The Holder's cost of the Warrant Share will be equal to the aggregate of the Holder's adjusted cost base of the Warrant exercised, plus the exercise price paid to acquire such Warrant Share. The Holder's adjusted cost base of such Warrant Share will be determined by averaging the cost of the Warrant Share with the adjusted cost base (determined immediately before the acquisition of such Warrant Share) of all other Common Shares held as capital property by the Holder immediately prior to such acquisition.

Residents of Canada

The following portion of the summary applies to a Holder who, for purposes of the Tax Act, is or is deemed to be resident in Canada at all relevant times (a "**Resident Holder**"). Certain Resident Holders to whom Offered Shares and Warrant Shares might not constitute capital property may, in certain circumstances, make the irrevocable election under subsection 39(4) of the Tax Act to deem the Offered Shares, the Warrant Shares, and every other "Canadian security" (as defined in the Tax Act), held by such Resident Holder in the taxation year of the election and all subsequent taxation years to be capital property. This election does not apply to the Warrants. Resident Holders should consult their own tax advisors regarding this election.

Disposition and Expiry of Warrants

A Resident Holder who disposes or is deemed to dispose of a Warrant (other than upon the exercise thereof) will generally realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than the adjusted cost base of the Warrant to the Resident Holder. If a Warrant expires unexercised, the Resident Holder will realize a capital loss equal to the adjusted cost base of such Warrant to the Resident Holder. The tax treatment of capital gains and capital losses is discussed under the subheading "Capital Gains and Capital Losses".

Dividends on Offered Shares and Warrant Shares

Dividends received or deemed to be received on Offered Shares or Warrant Shares by an individual Resident Holder (including certain trusts) will be included in computing the individual's income and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations including, where applicable, an enhanced gross-up and dividend tax credit for dividends designated as "eligible dividends" by the Company. There may be limitations on the ability of the Company to designate dividends as "eligible dividends".

Dividends received or deemed to be received on Offered Shares or Warrant Shares by a Resident Holder that is a corporation will be included in computing its income and will generally be deductible in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of a disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a "private corporation" or a "subject corporation" (each as defined in the Tax Act) may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Offered Shares or Warrant Shares, to the extent that such dividends are deductible in computing the Resident Holder's taxable income.

Disposition of Offered Shares and Warrant Shares

A Resident Holder who disposes or is deemed to dispose of an Offered Share or Warrant Share will generally realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or less) than the adjusted cost base of the Offered Share or Warrant Share, as the case may be, to the Resident Holder. The tax treatment of capital gains and capital losses is discussed under the subheading "Capital Gains and Capital Losses".

Capital Gains and Capital Losses

One-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder must be included in the Resident Holder's income for the taxation year in which the disposition occurs. Subject to and in accordance with the provisions of the Tax Act, one-half of any capital loss (an "**allowable capital loss**") must be deducted against taxable capital gains realized in the year of disposition. Any unused allowable capital losses may be applied to reduce net taxable capital gains realized in any of the three prior years or in any subsequent year in the circumstances and to the extent provided in the Tax Act.

A capital loss realized on the disposition of an Offered Share or Warrant Share by a Resident Holder that is a corporation may in certain circumstances be reduced by the amount of dividends that have been received or deemed to have been received by the Resident Holder on such share or shares substituted for such share to the extent and in the circumstances described by the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Offered Shares or Warrant Shares directly or indirectly through a partnership or trust. Such Resident Holder should consult its own tax advisor.

A Resident Holder that is throughout the year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on certain investment income, including taxable capital gains. Resident Holders that are "Canadian-controlled private corporations" should consult their own tax advisors regarding their particular circumstances.

Alternative Minimum Tax

Capital gains realized and taxable dividends received or deemed to be received by a Resident Holder that is an individual or a trust (other than certain trusts) may be liable for alternative minimum tax under the Tax Act. Resident holders should consult their own tax advisors with respect to the application of alternative minimum tax.

Non-Residents of Canada

The following portion of the summary applies to Holders who, at all relevant times, for the purposes of the Tax Act, (i) are not resident or deemed to be resident in Canada, and (ii) do not use or hold Offered Shares, Warrants or Warrant Shares in the course of a business carried on or deemed to be carried on in Canada (a "**Non-Resident Holder"**). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere. Such Non-Resident Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited on Offered Shares or Warrant Shares to a Non-Resident Holder will generally be subject to Canadian withholding tax at the rate of 25%, subject to reduction under the provisions of an applicable tax treaty or convention. In the case of a Non-Resident Holder that is a resident of the United States and fully entitled to benefits under the *Canada-United States Tax Convention* (1980), as amended, the rate of withholding tax on such dividends beneficially owned by such Non-Resident Holder will generally be reduced to 15%. This rate is reduced to 5% in the case of a Non-Resident Holder that is the beneficial owner of the dividends and that is a corporation that owns beneficially at least 10% of the voting stock of the Company.

Dispositions of Offered Shares, Warrants and Warrant Shares

A Non-Resident Holder who disposes of or is deemed to have disposed of an Offered Share, a Warrant or a Warrant Share will not be subject to income tax under the Tax Act in respect of any capital gain realized thereon unless, at the time of disposition, the Offered Share, Warrant or Warrant Share, as the case may be, is or is deemed to be "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder, and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty or convention.

Provided the Offered Shares and Warrant Shares are listed on a "designated stock exchange" (which currently includes the TSX), the Offered Shares, Warrants and Warrant Shares generally will not constitute taxable Canadian property of a Non-Resident Holder at the time of disposition unless at any time during the 60-month period immediately preceding the disposition: (a) one or any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at arm's length, and (iii) partnerships in which the Non-Resident Holder or a person with whom the Non-Resident Holder did not deal at arm's length holds a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class or series of the capital stock of the Company, and (b) more than 50% of the fair market value of the Offered Shares or Warrant Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act) and options in respect of, or interests in, or for civil law rights in, any such property, whether or not such property exists. The Offered Shares, Warrants or Warrant Shares may also be deemed to be taxable Canadian property of a Non-Resident Holder in certain circumstances.

In the event that an Offered Share, Warrant or Warrant Share constitutes taxable Canadian property of a Non-Resident Holder and any capital gain realized on the disposition thereof is not exempt from tax pursuant to the terms of an applicable income tax treaty or convention, the income tax consequences discussed under "Residents of Canada – Capital Gains and Capital Losses" would generally apply to the Non-Resident Holder.

Non-Resident Holders whose Offered Shares, Warrants or Warrant Shares are taxable Canadian property should consult their own tax advisors.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Authorized Capital

The Company's authorized share capital currently consists of an unlimited number of Common Shares, an unlimited number of special shares, and an unlimited number of preference shares of which, as at the date hereof, 50,275,782 Common Shares, Nil (0) special shares, and Nil (0) preference shares are issued and outstanding. Assuming the completion of the Minimum Offering (and the completion of the Concurrent Private Placement and no exercise of the Over-Allotment Option), there will be 58,390,781 Common Shares issued and outstanding (on a non-diluted basis), and assuming the completion of the Maximum Offering (and no exercise of the Over-Allotment Option), there will be 64,801,081 Common Shares issued and outstanding (on a non-diluted basis). Assuming the completion of the Minimum Offering, the Concurrent Private Placement and the Over-Allotment Option is exercised in full, upon completion of the Minimum Offering, there will be 59,352,326 Common Shares issued and outstanding (on a non-diluted basis). Assuming the completion of the Maximum Offering, the Concurrent Private Placement and the Over-Allotment Option is exercised in full, upon completion of the Maximum Offering, there will be 66,724,171 Common Shares issued and outstanding (on a non-diluted basis).

Units

Each Unit consists of one Offered Share and one-half of one Warrant. The following is a summary of the rights, privileges, restrictions and conditions attached to such securities.

Common Shares

Each Offered Share, Warrant Share and Broker Warrant Share is a Common Share. Each holder of a Common Share is entitled to (i) notice of and the right to vote at all meetings of shareholders of the Company, (ii) receive any dividend declared by the board of directors of the Company, and (iii) receive the remaining property of the Company in the

event of the voluntary or involuntary liquidation, dissolution or winding up of the Company, or any other distribution of its assets among its shareholders for the purposes of winding up its affairs.

Warrants

The Warrants will be governed by the terms of a warrant indenture (the "**Warrant Indenture**") to be entered into between the Company and TSX Trust Company as warrant agent thereunder (the "**Warrant Agent**"). The Company will appoint the principal transfer offices of the Warrant Agent in Toronto, Ontario, or such other place designated by the Company with the approval of the Warrant Agent, as the location at which Warrants may be surrendered for exercise or transfer. The following summary of certain provisions of the Warrant Indenture contains all of the material attributes and characteristics of the Warrants but does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture.

Each whole Warrant will entitle the holder to purchase one Warrant Share at an exercise price of $1.10 per Warrant Share, subject to adjustment in certain circumstances, at any time prior to thirty-six (36) months following the closing date of this Offering. Warrants not exercised prior to the warrant expiry time will be void and of no value.

The exercise price for the Warrants will be payable in Canadian dollars.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

a) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to holders of all or substantially all of the Company's Common Shares by way of stock dividend or other distribution (other than a "dividend paid in the ordinary course", as defined in the Warrant Indenture, or a distribution of Common Shares upon the exercise of the Warrants or pursuant to the exercise of director, officer or employee stock options granted under the Company's stock option plan);

b) the subdivision, redivision or change of the Common Shares into a greater number of shares;

c) the consolidation, reduction or combination of the Common Shares into a lesser number of shares;

d) the fixing of a record date for the issue of rights, options or warrants to all or substantially all of the holders of the Common Shares under which such holders are entitled, during a period expiring not more than forty-five (45) days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or having an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the Common Shares on such record date; and

e) the issuance or distribution to all or substantially all of the holders of the securities of the Company including shares, rights, options or warrants to acquire shares of any class or securities exchangeable or convertible into any such shares or cash, property or assets and including evidences of indebtedness, or any cash, property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events: (i) reclassifications of the Common Shares; (ii) consolidations, amalgamations, plans of arrangement or mergers of the Company with or into another entity; or (iii) the transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another Company or other entity.

No adjustment in the exercise price or the number of Warrant Shares purchasable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would change the exercise price by at least 1% or the number of Warrant Shares purchasable upon exercise by at least one one-hundredth of a Warrant Share. Further, no adjustment will be made for Common Shares issued: (i) upon exercise of the Warrants; (ii) pursuant to any dividend reinvestment or similar plan adopted by the Company; (iii) pursuant to stock option or

purchase plans, as payment of interest on outstanding notes, in connection with strategic license agreements or other partnering arrangements; or (iv) in connection with a strategic merger, consolidation or purchase of substantially all of the securities or assets of a corporation or other entity.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least ten (10) business days prior to the record date or effective date, as the case may be, of such event.

If a Warrant holder is entitled to a fraction of a Warrant, the number of Warrants issued to that Warrant holder shall be rounded down to the nearest whole Warrant. No fractional Warrant Shares will be issuable upon the exercise of any Warrants; instead cash will be paid in lieu of fractional shares. Holders of Warrants will not have any voting rights or any other rights which a holder of Common Shares would have.

The Warrants will not be exercisable in the United States or by or on behalf of a person in the United States or a U.S. Person, nor will certificates representing the Common Shares issuable upon exercise of the Warrants be registered or delivered to an address in the United States, unless an exemption from registration under the U.S. Securities Act and any applicable state securities laws is available and the Company has received an opinion of counsel of recognized standing to such effect in form and substance reasonably satisfactory to the Company.

From time to time, the Company (when properly authorized) and the Warrant Agent, subject to the provisions of the Warrant Indenture, may amend or supplement the Warrant Indenture for certain purposes. Certain amendments or supplements to the Warrant Indenture may only be made by "extraordinary resolution", which is defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66⅔% of the aggregate number of all of the then outstanding Warrants.

The Company has applied to the TSX to list the Common Shares and the Warrants (including the Additional Shares and the Additional Warrants issuable on exercise of the Over-Allotment Option) to be distributed under this Prospectus on the TSX, along with the Warrant Shares to be issued on exercise of the Warrants (including the Additional Warrants, if any). Listing will be subject to the Company fulfilling all of the listing requirements of the TSX, including distribution of the Warrants to a minimum number of public securityholders.

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased in the Offering. This may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants, and the extent of issuer regulation. See "Risk Factors".

PLAN OF DISTRIBUTION

Pursuant to the terms and conditions of the Agency Agreement to be entered into among the Company and the Agents, the Agents have agreed to act, and the Company has appointed the Agents as agents to the Company to offer for sale on a "best efforts" basis, subject to prior sale, if, as and when issued by the Company and accepted by the Agents in accordance with the terms and conditions contained in the Agency Agreement and subject to the approval of certain legal matters on the Company's behalf by its counsel, WeirFoulds LLP, and on behalf of the Agents by their counsel, Wildeboer Dellelce LLP, 6,410,300 Units in the case of the Minimum Offering and up to 12,820,600 Units in the case of the Maximum Offering at a price of $0.78 per Unit, payable in cash, for gross proceeds of $5,000,034 in the case of the Minimum Offering and $10,000,068 in the case of the Maximum Offering. On October 19, 2020, the last day the Common Shares traded on the TSX prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was $0.85. The Closing of the Offering may occur in one or more tranches on one or more Closing Dates. Provided that the Minimum Offering is met, the first Closing Date is expected to take place on or about November 12, 2020 or such other date as may be agreed upon by the Company and the Agents, but in any event, no Closing Date shall occur later than ninety (90) days following the final receipt for the (final) short form prospectus by the applicable

securities commissions. While the Agents have agreed to use their best efforts to sell the Units, the Agents are not obligated to purchase any Units not sold.

As partial consideration for their services in connection with the Offering, the Agents will receive a cash commission of 7% of the gross proceeds of the Offering including any proceeds received pursuant to the Over-Allotment Option. In addition, the Company will grant to the Agents on each Closing Date non-transferable Broker Warrants to purchase up to that number of Broker Warrant Shares that is equal to 7% of the aggregate number of Units sold on that Closing Date, including the Additional Units. Each Broker Warrant, whether issued on the first Closing Date or any subsequent Closing Date, will enable the holder to acquire one Broker Warrant Share at a price of $0.85 per Broker Warrant Share at any time prior to 5:00 p.m. (Toronto time) on the date that is thirty-six (36) months after the first Closing Date. In addition, provided the Minimum Offering amount is attained, on the first Closing Date the Company will pay the Agents the Corporate Finance Fee. This Prospectus also qualifies the distribution of Broker Warrants.

The Company has agreed to grant to the Agents the Over-Allotment Option exercisable, in whole or in part, at the Agents' sole discretion, to offer and sell up to a number of Additional Units, Additional Shares, and/or Additional Warrants that is equal to 15% of the number of Units sold hereunder at a price equal to the Offering Price, in respect of the Additional Units, at $0.73, in respect of the Additional Shares, and at $0.05 per each one-half of one Addition Warrant (or $0.10 per Additional Warrant), in respect of the Additional Warrants, to cover over-allocations, if any, and for market stabilization purposes. The Over-Allotment Option is exercisable, in whole or in part, at any time or times during the 30-day period immediately following the Closing Date. The Over-Allotment Option may be exercised by the Agents in respect of: (i) Additional Units at the Offering Price; (ii) Additional Shares at a price of $0.73 per Additional Share, (iii) Additional Warrants at a price of $0.05 per each one-half of one Addition Warrant (or $0.10 per Additional Warrant); or (iv) any combination of Additional Units, Additional Shares, and/or Warrants issued under the Offering (excluding the Over-Allotment Option). Unless the context requires, references to Units herein shall include the Additional Units, references to Offered Shares herein shall include the Additional Shares, and references to Warrants herein shall include the Additional Warrants. If the Minimum Offering is completed and if the Agents exercise the Over-Allotment Option in full, the total price to the public, Agents' Fee, the Corporate Finance Fee, and net proceeds to the Company (before deducting the expenses of the Offering which are estimated to be approximately $265,000) will be $5,750,039, $402,503, $25,000, and $5,322,536, respectively. If the Maximum Offering is completed and the Agents exercise the Over-Allotment Option in full, the total price to the public, Agents' Fee, the Corporate Finance Fee and net proceeds to the Company (before deducting the expenses of the Offering which are estimated to be approximately $265,000) will be $11,500,078, $805,005, $25,000 and $10,670,073, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of any Additional Shares and Additional Warrants, including Additional Shares and Additional Warrants that are part of Additional Units issued or sold pursuant to the exercise of the Over-Allotment Option. A purchaser who acquires Additional Units, Additional Shares and/or Additional Warrants forming part of the Agents' over-allocation position acquires such Additional Units, Additional Shares and/or Additional Warrants under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Subscriptions for Units will be received subject to rejection or allotment, in whole or in part, and the Agents reserve the right to close the subscription books at any time without notice. Subscription proceeds will be received by the Agents, or by any other securities dealer authorized by the Agents, and will be held by the Agents in trust until subscriptions for the Minimum Offering are received and other closing conditions of the Offering have been satisfied. If subscriptions for the Minimum Offering have not been received within ninety (90) days following the date of issuance of a receipt for the final prospectus, the Offering will not continue and the subscription proceeds will be returned to subscribers, without interest or deduction. In any event, the total period of the distribution will not end more than one hundred eighty (180) days from the date of issuance of a receipt for the final prospectus. Should a closing occur in respect of the Minimum Offering, one or more additional closings, if necessary, may occur until the earlier of the Maximum Offering being subscribed and the expiry of the one hundred eighty (180) day period.

Except in limited circumstances, no certificates will be issued in respect of the Units, Offered Shares, Warrants or Warrant Shares. The Offering will be conducted under the book-based system in the Canadian jurisdictions where the Units are being sold. A subscriber in a Canadian jurisdiction where the Units are being sold who purchases Units will receive a customer confirmation from the registered dealers through which Units are purchased and who is a CDS depositary-service participant. CDS will record the CDS participants who hold Offered Shares and Warrants on behalf of owners who have purchased them in accordance with the book-based system.

The obligations of the Agents under the Agency Agreement will be several and neither joint nor joint and several, are subject to certain closing conditions and may be terminated at the discretion of the Agents before the Closing Date on the basis of the Agents' assessment of the financial markets and upon the occurrence of certain stated events. The Agents shall be permitted to appoint a soliciting dealer group of other registered dealers acceptable to the Company for the purpose of arranging for purchases of Units under the Offering. The Company has agreed to indemnify the Agents and their respective affiliates and their respective directors, officers, employees, agents and shareholders against certain liabilities.

The Company has granted the Agents a right of first refusal whereby if the Company attains at least the Minimum Offering amount and undertakes a brokered public or brokered private offering of debt (excluding mortgage debt or any other form of property level financing), equity or equity-based securities within twelve (12) months of the Closing Date, the Agents may act as exclusive agents or underwriters for such financing for a minimum of 50% of such financing amount.

In the event that the Offering is completed, the Company has agreed that until the date which is ninety (90) days after the final Closing Date, it will not issue, agree to issue, or announce an intention to issue, any Common Shares or any securities convertible into or exchangeable for Common Shares subject to certain customary exceptions, without the prior written consent of the Agents. In addition, it will be a condition of closing that the Company's senior officers and directors enter into an agreement not to sell, transfer or pledge, or otherwise dispose of, any securities of the Company until the date which is ninety (90) days after the date of the Closing Date of the Offering, subject to certain customary exceptions, without the prior written consent of the Agents, such consent not to be unreasonably withheld or delayed.

The Company has also agreed to reimburse the Agents for reasonable expenses and fees related to the Offering, whether or not the Offering is completed.

The Company has applied to the TSX to list the Common Shares and the Warrants (including the Additional Shares and the Additional Warrants issuable on exercise of the Over-Allotment Option) to be distributed under this Prospectus on the TSX, along with the Warrant Shares to be issued on exercise of the Warrants (including the Additional Warrants, if any). Listing will be subject to the Company fulfilling all of the listing requirements of the TSX, including distribution of the Warrants to a minimum number of public securityholders.

Under certain rules of the Canadian securities regulatory authorities and the Universal Market Integrity Rules for Canadian Marketplaces of the Investment Industry Regulatory Organization of Canada (the "**UMIR**"), the Agents may not, throughout the period of distribution, bid for or purchase Common Shares. These rules allow certain exceptions to those prohibitions. The Agents may only avail themselves of those exceptions on the condition that the bid or purchase not be for the purpose of creating actual or apparent active trading in, or raising the price, of the Common Shares. These exceptions include a bid or purchase permitted under the UMIRs relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. In connection with the Offering, the Agents may over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that may otherwise exist in the open market. These transactions, if commenced, may be discontinued at any time.

The Units, the Offered Shares, the Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws and, accordingly, may not be offered, sold, or delivered directly or indirectly, to, or for the account or benefit of, persons in the United States or U.S. Persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and all applicable state securities laws. The Agents have agreed that, except as permitted by the Agency Agreement and as expressly permitted by applicable United States federal and state securities laws, they will not offer or sell any of the Units, the Offered Shares or the Warrants to, or for the account or benefit of, persons in the United States or U.S. Persons. The Agency Agreement will permit the Agents to offer to purchasers to whom the Company will sell directly the Units, the Offered Shares and the Warrants outside the United States to non-U.S. Persons in compliance with Regulation S under the U.S. Securities Act. The Agency Agreement also permits the Agents, through their United States registered broker-dealer affiliates, to offer to purchasers to whom the Company will sell directly the Units, the Offered Shares and the Warrants to, or for the account or benefit of, persons in the United States and U.S. Persons who are "accredited

investors," as such term is defined in Rule 501(a) of Regulation D under the U.S. Securities Act, in compliance with Rule 506(b) of Regulation D under the U.S. Securities and applicable state securities laws.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Units, the Offered Shares or the Warrants to, or for the account or benefit of, persons in the United States or U.S. Persons. In addition, until forty (40) days after the commencement of the Offering, any offer or sale of Units, the Offered Shares or the Warrants offered hereby to, or for the account or benefit of, persons in the United States or U.S. Persons by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirements of the U.S. Securities Act.

The Offered Shares, the Warrants and the Warrant Shares, in each instance issued to, or for the account or benefit of, persons in the United States or U.S. Persons, will be "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act. Any certificates representing such securities will bear a legend to the effect that the securities represented thereby are not registered under the U.S. Securities Act or any applicable U.S. state securities laws and may only be offered, sold, pledged or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws.

Terms used and not defined in the two preceding paragraphs shall have the meanings ascribed thereto by Regulation S under the U.S. Securities Act.

Certain of the Agents and/or their affiliates have performed investment banking and advisory services for the Company and its affiliates from time to time for which they have received customary fees and expenses. The Agents and/or their affiliates may, from time to time, engage in transactions with, or perform services for, the Company and its affiliates in the ordinary course of business and receive related fees.

Other than in British Columbia, Alberta and Ontario, no action has been taken by the Company or the Agents that would permit a public offering of the Units offered by this Prospectus in any jurisdiction where action for that purpose is required. The Units offered by this Prospectus may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisements in connection with the offer and sale of any Units be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this Prospectus comes are advised to inform themselves about and to observe any restrictions relating to the Offering and the distribution of this Prospectus.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Units offered by this Prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

MARKET FOR SECURITIES

The outstanding Common Shares are traded on the TSX under the trading symbol "SZLS". The following table sets forth the price range and trading volumes for the Common Shares on the TSX as reported by the TSX for the periods indicated:

Month	**Toronto Stock Exchange**		
	High (CDN$) (post-Consolidation – CDN$)	**Low (CDN$) (post-Consolidation – CDN$)**	**Volume (On a post-Consolidation basis)**
2020			
October 1 – 19	0.900	0.790	1,981,822
September	1.15	0.560	9,290,281
August	0.880	0.440	9,987,562

July	0.560	0.400	4,218,733
June	0.680	0.400	10,761,234
May	1.28	0.640	9,156,857
April	1.40	0.400	15,158,472
March	0.680	0.200	4,072,742
February	0.600	0.320	2,562,913
January	0.400	0.280	2,273,911
2019			
December	0.400	0.280	1,823,795
November	0.680	0.360	1,543,873
October	1.00	0.560	1,340,460

PRIOR SALES

During the twelve-month period prior to the date of this Prospectus, the Company issued the following securities:

Common Shares		
Date of issuance	**Number of Common Shares (Issue Price) on a pre-Consolidation basis**	**Number of Common Shares (Issue Price) on a post-Consolidation basis**
December 23, 2019[(1)]	17,079,208 ($0.03636)	2,134,901 ($0.29)
January 24, 2020[(2)]	16,860,220 ($0.04)	2,107,527 ($0.32)
June 29, 2020[(3)]	66,176,100 ($0.061)	8,272,013 ($0.488)

Warrants			
Date of Issuance	**Number of Common Shares Issuable on Exercise of Warrants (Exercise Price) on a pre-Consolidation basis**	**Number of Common Shares Issuable on Exercise of Warrants (Exercise Price) on a post-Consolidation basis**	**Expiry Date**
January 24, 2020[(2)]	8,652,010 ($0.06)	1,081,501 ($0.48)	January 24, 2023
February 19, 2020[(4)]	1,618,750 ($0.07)	202,344 ($0.56)	August 19, 2021
June 29, 2020[(3)]	66,176,100 ($0.09)	8,272,013 ($0.72)	June 29, 2023

Convertible Debentures					
Date of Issuance	**Number of Convertible Debenture Issued**	**Pre-Consolidation Conversion Price (Convertible into Units) (on a post-Consolidation basis)**	**Total Pre-Consolidation Common Shares Issuable Upon Conversion of Convertible Debentures (on a post-Consolidation basis)**	**Total Pre-Consolidation Warrants Issuable Upon Conversion of Convertible Debentures (on a post-Consolidation basis)**	**Convertible Debenture Expiry Date**
February 19, 2020[(4)]	1,180	$0.04 ($0.32)	29,500,000 (3,687,500)	14,750,000 (1,843,750)	August 19, 2021

Notes:

(1) On December 23, 2019, the Company exercised its conversion option for $621,000 of outstanding convertible debentures maturing on December 23, 2019. Each convertible debenture was converted into Common Shares at a conversion price of $0.03636 for a total issuance of 17,079,208 Common Shares (on a post-Consolidation basis, 2,134,901 Common Shares).

(2) 16,860,220 Common Shares and 8,430,110 Warrants (on a post-Consolidation basis, 2,107,527 Common Shares and 1,053,763 Warrants) were issued on January 24, 2020 in the closing of the non-brokered private placement of units (each a "**2020 Unit**"). Each 2020 Unit consists of one (1) Common Share and one-half (1/2) of one Common Share purchase warrant, whereby each full warrant is exercisable at an exercise price of $0.06 (on a post-Consolidation basis, $0.48) per Common Share for a period of thirty-six (36) months from the date of issuance of the 2020 Units. In addition, the Company paid a total of $8,876 to finders and issued 221,900 finders' warrants (on a post-Consolidation basis, 27,737 finders' warrants) at the same terms of the warrants attached to each 2020 Unit in connection with the closing. This finders' fee is equivalent to 7% of gross proceeds of this private placement.

(3) The Company completed an offering of 66,176,100 Units with each Unit comprising one (1) Common Share and one (1) Warrant on June 29, 2020 (the "**Prior Offering**"). On a post-Consolidation basis, a total of 8,272,013 Common Shares and 8,272,013 Warrants were issued.

(4) Aggregate principal amount of $1,180,000 of convertible debentures issued on February 19, 2020 in the closing of a non-brokered private placement of convertible debentures, each convertible debenture has a term of eighteen (18) months from the date of issue and are convertible into units. Each unit consists of one (1) Common Share and one-half (1/2) of a Common Share purchase warrant, whereby each full warrant is exercisable at an exercise price of $0.07 per Common Share for a period of twenty-four (24) months from the date of issuance of the convertible debentures. In addition, the Company paid a total of $64,750 as cash compensation to finders and issued 1,618,750 finders' warrants as compensation exercisable at an exercise price of $0.07 per Common Share until August 19, 2021. This finders' fee is equivalent to 7% of gross proceeds of this private placement.

Stock Options[(1)]			
Date of Issuance	**Number of Pre-Consolidation Common Shares Issuable on Exercise of Options (on a post-Consolidation basis)**	**Pre-Consolidation Exercise Price (on a post-Consolidation basis)**	**Expiry Date**
August 22, 2019	15,724,189 (1,965,524)	$0.10 ($0.80)	August 21, 2024
February 25, 2020	300,000 (37,500)	$0.055 ($0.44)	February 24, 2025

Note:

(1) Granted pursuant to the Company's Stock Option Plan.

RISK FACTORS

An investment in the Units is speculative and involves a number of risks. Before deciding whether to invest in the Units, prospective purchasers should carefully consider, in light of their own circumstances, the risks described below, the other information contained in this Prospectus and in the other documents incorporated by reference in this Prospectus. **Prospective purchasers should also carefully review the risks and uncertainties described under the heading "Risk Factors" at pages 35 to 46 of the AIF which include risks related to: Capital Requirements, Financing and Going Concern, No Record of Profit, Share Price, Dilution, Public Market Regulators, Other Collaborations and Strategic Partnerships, Market and Competition, Commercialization, Regulatory Authorizations, Reimbursement, Legal Claims and Regulatory Proceedings, Compliance with Privacy Laws, Marketing and Distribution, Ability to Manage Corporate Growth, Commercial Expansion and Interruptions of Operations, Key Personnel, Foreign Exchange Rate Risk, Interest Rate Risk, SZ as Licensee in the Event of Bankruptcy of a Licensor, Material Weakness in Financial Controls, Joint Venture Relationship, Intellectual Property, Patent Infringement, Litigation, Fluctuations in Quarterly Results, and Current Enterprise Value assigned by the Market.** If any of the events described as risks or uncertainties in the AIF or if any of the following events described as risks or uncertainties actually occurs, the Company's business, prospects, financial condition and operating results would likely suffer, possibly materially. In that event, the market price of the Common Shares could decline and purchasers could lose part or all of their investment. Additional risks and uncertainties presently unknown to the Company, or that the Company believes not to be material at this time, may also impair or have a material adverse effect on the Company's operations.

Risks Related to the Company

The COVID-19 pandemic and other general risks and uncertainty related to natural disasters, pandemics or other catastrophic events

The spread of COVID-19, which has caused a broad impact globally, may materially affect the Company economically. While the potential economic impact brought by, and the duration of, COVID-19 may be difficult to assess or predict, a widespread pandemic could result in significant disruption of global financial markets, reducing the Company's ability to access capital, which could in the future negatively affect the Company's liquidity.

The global outbreak of COVID-19 continues to evolve rapidly. The extent to which COVID-19 may impact the Company's business, operations and financial performance will depend on future developments, including but not limited to, matters such as: (a) the duration and/or severity of the outbreak, (b) government policies, restrictions and requirements as it relates to social distancing, forced quarantines and other requirements, (c) non-governmental influences or challenges such as the failure of banks and/or (d) any kind of ripple effect caused by the substantial economic damage that can be inflicted on society by a pandemic like COVID-19 such as lawlessness. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

COVID-19 and its Effects on Employees and Healthcare Professionals

The Company relies on the availability of physicians and other healthcare professionals to provide testing services. If physicians and other healthcare professionals were unable or unwilling to provide these services in the future due to any sort reason including infection due to COVID-19, this would cause interruptions in the Company's business until mitigated accordingly. As such, vacancies and disabilities relating to the Company's current staff may cause interruptions in Company's business and result in lower revenues.

As the Company expands its operations, it may encounter difficulty in securing the necessary professional medical and skilled support staff to support its expanding operations which may adversely affect the Company's business, financial condition and results of operations. Additionally, StageZero follows posted health guidelines, as and when posted, to protect the health of its employees and decrease the potential impact of serious illness, including COVID-19, on its operations. However, should an employee of, or visitor to, the Company's offices become infected with COVID-19, it could place StageZero's entire workforce at risk, which could result in the suspension of operations at StageZero's facilities. Such a suspension in operations could also be mandated by governmental authorities in response to the COVID-19 pandemic. This would negatively impact StageZero's operations which could adversely impact the Company's business, financial condition and results of operations.

COVID-19 and its Effects on Revenues

Current or projected revenues may experience fluctuations as the Company increases its capacity to offer and market COVID-19 testing products. This may result in a higher concentration of actual or projected revenues based on the sale of COVID-19 testing products. While the timeline for the development of an eventual vaccine, treatment, or implementation of enhanced public health measures aimed at reducing the spread and eradication of COVID-19 cannot be predicted with any certainty, the realization of a treatment, vaccine, or cure for COVID-19 may have a material adverse effect on the Company's revenues to the extent that it is derived from the sale of COVID-19 testing products and services.

There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a potential pandemic, and, as a result, the ultimate impact of the novel COVID-19 outbreak or a similar health epidemic is highly uncertain and subject to change. The Company does not yet know the full extent of potential delays or impacts on its business, the Company's operations or the global economy as a whole. However, the effects could have a material impact on the Company's operations, and it will continue to monitor the COVID-19 situation closely.

Emergency Use Authorization for COVID-19 Tests

The Company has not received any EUAs from the FDA for its COVID-19 Tests. The Company is able to offer its COVID-19 PCR test pursuant to the EUA received by the manufacturer of this test (i.e., Thermo Fisher Scientific). The manufacturers of the COVID-19 antibody tests (i.e., BTNX Inc. and Beckman Coulter) have submitted applications for EUAs to the FDA for such tests. The Company is permitted to offer these antibody tests while the manufacturers' EUA applications are pending, subject to the Company's internal validation of the tests. If the FDA does not grant a manufacturer's EUA for its antibody tests, the Company will no longer be able to offer that antibody test. The Company cannot predict how the FDA may act in regards to its EUA policies and COVID-19 testing generally. If the FDA decides to terminate or otherwise cancel or void previously granted EUAs, the Company may not be able to continue carrying out the COVID-19 Tests and this may materially affect the Company's ability to generate positive revenues from the COVID-19 Tests. If the U.S. Department of Health and Human Services terminates the emergency declaration for the COVID-19 pandemic, unless the test manufacturers (i.e., Thermo Fisher Scientific, BTNX Inc., and Beckman Coulter) or the Company has received FDA approval or clearance for the COVID-19 Tests, the Company may not be able to continue to offer the COVID-19 Tests.

FDA Approval and LDT Risks

In the United States, medical devices, including screening tests, are subject to extensive regulation by the FDA under the FDCA and its implementing regulations, and by other federal and state statutes and regulations. These laws and regulations govern, among other things, medical device development, testing, labeling, storage, premarket clearance or approval, advertising and promotion, and product sales and distribution.

To be commercially distributed in the United States, medical devices must receive from the FDA either 510(k) clearance, authorization of a de novo classification request, or a PMA pursuant to the FDCA prior to marketing, unless subject to an exemption. Under the FDCA, medical devices are classified into one (1) of three (3) classes based on the risk associated with the device and the level of control necessary to provide a reasonable assurance of safety and effectiveness. Devices deemed to pose relatively less risk are placed in either Class I or II. Most Class I devices and some Class II devices are exempt from premarket review. Those devices exempt from FDA premarket review must nonetheless comply with post-market "general controls," unless the FDA has chosen to exercise enforcement discretion and not regulate them. Devices deemed by the FDA to pose the greatest risk are placed in Class III, requiring PMA approval. A novel device is placed in Class III by default, but it may be eligible to be placed in Class I or Class II via "de novo" classification if it can be shown to pose only low to moderate risk with appropriate regulatory controls. The PMA approval pathway is costly, lengthy and uncertain as it requires proof of the safety and effectiveness of the device to the FDA's satisfaction. The PMA review process typically takes one (1) to three (3) years but can take longer. The FDA's 510(k) clearance pathway is much less burdensome and time-consuming than the PMA approval pathway. The de novo pathway has an enhanced burden compared to the 510(k) clearance pathway but is less burdensome than a PMA approval process.

Even if regulatory authorizations are obtained for the Company's products, the Company will be subject to ongoing government regulation. As well, the manufacture, marketing and sale of the Company's products will be subject to strict and ongoing regulation. After a device, including a device exempt from FDA premarket review, is placed on the market in the United States, numerous regulatory requirements apply. These include the quality system regulation (which imposes elaborate testing, control, documentation and other quality assurance procedures), labeling regulations, registration and listing regulations, the medical device reporting regulation (which requires that manufacturers report to the FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur), and the reports of corrections and removals regulation (which requires manufacturers to report recalls and field actions to the FDA if initiated to reduce a risk to health posed by the device or to remedy a violation of the FDCA). Compliance with such regulations may be expensive and may consume substantial financial and management resources. If the Company or any marketing collaborators fail to comply with applicable regulatory requirements, the Company may be subject to sanctions including fines, product recalls or seizures, injunctions, total or partial suspension of production, civil penalties, withdrawal of regulatory authorizations, or criminal prosecution. Any of these sanctions could delay or prevent the promotion, marketing or sale of the Company's products.

The Company offers a number of its tests as LDTs. The FDA has the authority to regulate such tests as medical devices under the FDCA. However, the FDA historically has exercised its enforcement discretion and not enforced applicable provisions of the FDCA and FDA regulations with respect to LDTs. However, in recent years, legislative and administrative proposals addressing oversight of LDTs were introduced. For example, in 2014, the FDA issued draft guidance on the regulation of LDTs, such as those offered by the Company. In November 2016, the FDA announced its intention not to finalize the 2014 draft guidance and in January 2017, the FDA issued a discussion paper on possible approaches to the regulation of LDTs.

Although the Company believes it is within the scope of the FDA's enforcement discretion policy for LDTs, the commercialization and availability of an LDT is subject to uncertainty given the FDA's latitude in interpreting and applying its laws and policies. For example, the FDA does not consider tests to be subject to its LDT enforcement discretion if they are designed or manufactured completely, or partly, outside of the laboratory that offers and uses them, or if they are offered "direct-to-consumer", as opposed to being available to patients only when prescribed by a health care provider. Even for tests that appear to fall within the FDA's enforcement discretion, the FDA may decide to take action against certain LDTs on a case-by-case basis at any time if the FDA views them as presenting a risk to patients. If the FDA disagrees with a test's LDT status, the FDA may consider the test to be an unapproved medical

device, and may subject the Company to the FDA enforcement action, including, without limitation, requiring the Company to seek clearance, authorization or approval for the laboratory test.

The Company's prospects must be considered in light of the risks, expenses, shifts, changes and difficulties frequently encountered by companies whose businesses are regulated by various federal, state and local governments. Failure to follow applicable regulatory requirements will have a materially negative impact on the business of the Company. Furthermore, future changes in legislation cannot be predicted and could irreparably harm the business, financial condition, results of operations and/or prospects of the Company.

COVID-19 and its Potential Effects on Third-Party Suppliers, Service Providers and Distributors

The Company intends to maintain a full supply chain for material portions of the production and distribution process of its COVID-19 Tests. However, the effects of the COVID-19 pandemic and government policies in response to COVID-19 including, but not limited to, stay-at-home or lockdown initiatives across different jurisdictions, restrictions on workplace operations, or restrictions on transportation of goods across jurisdictional boundaries, may result in disruptions to the Company's supply chain. The Company's suppliers, service providers and distributors may also elect, at any time, to breach or otherwise cease to participate in supply, service or distribution agreements, or other relationships, on which the Company's operations may rely. Loss of its suppliers, service providers or distributors could disrupt the Company's business and operations. The Company currently relies on certain third-party manufacturers for reagents, consumable materials, and other inputs necessary for the creation of COVID-19 Tests.

The Company is aware of the risks of the COVID-19 pandemic and its possible effects on the Company's supply chain. The Company is reviewing its ability to source necessary supplies and inputs for its COVID-19 Tests from other distributors to either complement existing supply lines or act as alternative suppliers in the event of adverse material effects on its suppliers resulting from the COVID-19 pandemic, policy responses to the COVID-19 pandemic, or other disruptions to the Company's suppliers.

Disruption of operations at any of the facilities of these manufacturers as a direct or indirect result of the COVID-19 pandemic or policy responses to the pandemic could adversely affect inventory supplies and the Company's ability to produce sufficient numbers of COVID-19 Tests. Additional risks and uncertainties presently unknown to the Company in regards to COVID-19, or that the Company believes not to be material at this time, may also impair or have a material adverse effect on the Company's operations.

No Guarantee of Revenue

Historically, the Company has not always entered into written, executed agreements with its customers. Supply arrangements are generally not formalized in an executed written agreement, nor do they necessarily indicate a set amount of tests (including COVID-19 Tests) or supplies that will be provided. Even when there is a maximum number of tests (including COVID-19 Tests) enumerated, the actual number of tests (including COVID-19 Tests) performed is dependent on non-contracting individuals agreeing to same. Any revenue would be reliant on such individuals actually completing the relevant test (including COVID-19 Tests) and sending specimens to the Company for processing. There can be no guarantee that customers will purchase the same amount of tests (including COVID-19 Tests) or other products as originally agreed to. This lack of binding commitment makes it challenging for the Company to accurately predict revenues generating from the agreements. Any loss of a significant customer, or a change in the terms of the relationship with a significant customer, could have a material adverse effect on the Company's business, results of operations and financial condition.

Collaborations and Strategic Partnerships

In 2016, the Company entered into a collaboration agreement with JTS Health Partners, a leading national healthcare management consulting and professional services firm based in Atlanta, Georgia, and with NueHealth, LLC, a privately owned company that delivers value-based healthcare solutions and connects patients directly to physicians through integrated provider networks in the United States. In 2017, the Company entered into an agreement with a large, multi-specialty physician group in the American Midwest for use of the Company's diagnostic tests. The Company expects that these collaborations will accelerate adoption of the Company's menu of proprietary cancer tests, including its ColonSentry® blood-test for assessing an individual's current risk for CRC, but there can be no

assurance that such acceleration will materialize as anticipated or at all. With respect to the Company's arrangement with JTS Health Partners, the Company expects that both parties will work to pursue and secure multi-year agreements for the Company's tests with hospitals, clinical integrated networks, physician groups and healthcare organizations but no assurance can be provided in this regard. With respect to the Company's arrangements with NueHealth, LLC and with the Midwest multi-specialty physician group, the Company expects their physicians to adopt the Company's test menu on a contracted basis. In January 2020, the Company began its participation in Mercer Consultants' internal vendor intelligence database. The internal vendor intelligence database is available to Mercer Consultants to conduct streamlined health and benefits vendor research on behalf of their American clients. Should these initiatives fail to materialize in a timely manner or to generate sufficient revenue, the Company's ability to continue operations and pursue the Company's objectives may be adversely affected.

SZ has entered into license or other agreements in order to sell diagnostic tests developed by third-parties that have been added to SZ's menu of tests and may do so in the future. These agreements include ones that are nonexclusive, short-term or subject to termination on notice and that require minimum license or other payments to be made by SZ. As a result, these arrangements may terminate earlier than desired or result in fewer sales and lower revenues than expected.

The Company has also entered into a number of agreements and alliances with corporate, academic, hospital and physician collaborators. These collaborations are typical in the Company's industry. The Company is highly reliant on such alliances to facilitate the Company's research and development and commercialization programs. As an example, access to patient samples for research is essential to the Company's continuing research. Although beneficial to the Company, these collaborations may expose the Company to additional risks. Should current collaborations and new alliances prove difficult or impossible to maintain, the Company may be adversely affected.

The success of any license arrangement to sell a diagnostic test developed by a third-party will be in part dependent on the financial health and reputation of the licensor and the intellectual property associated with the products and tests licensed to SZ. See "Risk Factors – SZ as licensee in the event of bankruptcy of a licensor".

Commercialization

Successful commercialization of the Company's products will depend on a number of factors, including successful commercialization by SZ as well as the Company's ability to:

- raise sufficient capital to fund current and future commercialization efforts;
- build a commercial team and supporting organizational infrastructure;
- establish partnerships and alliances with third-parties to secure commercial capabilities that the Company may not wish to build;
- market and distribute the Company's products;
- distinguish the Company's products from others available on the market;
- obtain any necessary regulatory approvals for the Company's facilities, products and processes;
- gain reimbursement by third-party payers, such as private health insurers, managed-health organizations, and state-sponsored health insurance plans for each jurisdiction in which the Company's products are offered;
- educate physicians and change physician behavior to secure clinical adoption of the Company's products;
- promote awareness of the Company's products to increase market penetration; and
- publish in peer-reviewed journals.

There is no assurance that the Company will be successful in these areas. Any failure or delay could have a material adverse impact on the Company's business, financial condition, results of operations and prospects.

ColonSentry® Commercialization

Successful commercialization of ColonSentry® tests in the United States depends, in large part, on the availability of adequate reimbursement from public and private insurance plans. In part, the Company believes that obtaining a positive coverage decision and a favorable reimbursement rate from the CMS or their contractors may be a necessary element in achieving material commercial success.

The US Preventive Services Task Force ("**USPSTF**") is an independent, volunteer panel of national experts in prevention and evidence-based medicine, which makes recommendations about clinical preventative services such as screenings, counseling services and preventive medications.[43] With the passage of the *Medicare Improvement for Patients and Providers Act of 2008*, Congress allowed the US Department of Health and Human Services to authorize Medicare coverage for services rated A or B by the USPSTF.[44]

The USPSTF issued an update to the CRC screening guidelines in 2016. The USPSTF recommends screening for CRC in adults starting at age 50 years and continuing until age 75 years, and advises that the risks and benefits of different screening methods vary.[45] ColonSentry® has not been evaluated by the USPSTF as a screening method.

Third-party payers are increasingly attempting to contain healthcare costs by limiting both coverage and the level of reimbursement for new healthcare products. As a result, there is significant uncertainty as to whether the use of tests that incorporate new technology, such as ColonSentry®, will be eligible for coverage by third-party payers or, if eligible for coverage, what the reimbursement rates will be for those products. If the Company is unable to obtain positive coverage decisions from third-party payers or favorable rates of reimbursement for ColonSentry® tests at adequate levels, the commercial success of ColonSentry® technology would be constrained, and associated United States revenues would be significantly limited, the result of which could have a material adverse impact on the Company's business, financial condition, results of operations and prospects.

SZ as licensee in the event of bankruptcy of a licensor

Rather than owning all of the intellectual property on which it relies, SZ licenses certain intellectual property and is substantially dependent on such licenses in order to market and sell such products. In the event that the licensor of any license SZ holds files a petition in bankruptcy, there can be no assurance that the rights under SZ's licenses will not be curtailed or otherwise affected, even if SZ actively pursues enforcement of the license agreement.

If a licensor files for bankruptcy, among other results, the licensed intellectual property may be sold to a third-party and such sale may extinguish SZ's rights under any existing license agreements. This could cause a significant hardship for SZ as the licensee and have a material adverse effect on its business, and therefore, the Company's business, financial condition, results of operations and prospects.

Intellectual Property

The Company's success depends in part on its ability to maintain or obtain and enforce patent and other intellectual property protections for its processes and technologies and to operate without infringing upon the proprietary rights of third-parties or having third-parties circumvent the rights that the Company owns or licenses. The Company has applications and registrations in the United States, Canada, and other jurisdictions, and has received some patents and expects others, and may, in the future, seek additional patents and registrations or file patent applications and registrations.

Patents may provide some degree of protection for intellectual property; however, patent protection involves complex legal and factual determinations and is therefore uncertain. The Company cannot be assured that its patents or patent applications will be valid or will issue over prior art, or that patents will issue from the patent applications it has filed or will file. Additionally, the Company cannot be assured that the scope of any claims granted in any patent will be commercially useful or will provide adequate protection for the technology used currently or in the future. The Company cannot be certain that the creators of its technology were the first inventors of inventions and processes covered by its patents and patent applications or that they were the first to file. Accordingly, it cannot be assured that its patents will be valid or will afford protection against competitors with similar technology or processes. Despite its efforts to protect its proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use its proprietary information. Monitoring unauthorized use of confidential information is difficult and the Company cannot be certain that the steps taken to prevent unauthorized use of confidential information will be effective. In addition,

[43] U.S. Preventive Services Task Force, "About the USPSTF" (May 2020) online: < https://www.uspreventiveservicestaskforce.org/uspstf/about-uspstf>.
[44] *Medicare Improvements for Patients and Providers Act of 2008*, 122 Stat. 2494, 42 USC 1305.
[45] U.S. Preventive Services Task Force, "USPSTF A and B Recommendations" (May 2020) online: < https://www.uspreventiveservicestaskforce.org/uspstf/recommendation-topics/uspstf-and-b-recommendations>.

the laws governing patent protection continue to evolve and are different from one country to the next, all of which causes further uncertainty in the usefulness of a patent. In addition, issued patents or patents licensed to the Company may be successfully challenged, invalidated, circumvented or may be unenforceable so that the Company's patent rights would not create an effective competitive barrier.

Internal Controls Over Financial Reporting

The Company has identified material weaknesses in its internal control over financial reporting and if the Company fails to remediate these weaknesses and maintain proper and effective internal controls, its ability to produce accurate and timely financial statements could be impaired, which could harm the Company's operating results, its ability to operate the business and investors' views of the Company.

Ensuring that the Company has adequate internal financial and accounting controls and procedures in place so that it can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be evaluated frequently. In connection with the management's discussion and analysis of the Company for the quarter ended March 31, 2020, StageZero has identified material weaknesses in certain internal controls over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's consolidated financial statements will not be prevented or detected on a timely basis.

The specifically identified weakness relates to internal control deficiencies in two areas: (i) the Company did not have sufficient accounting resources with relevant technical accounting skills to address issues related to its financial statement close process and (ii) the Company did not sufficiently design internal controls to provide the appropriate level of oversight regarding the financial recordkeeping and review of the Company's financial reporting.

The Company has taken steps to address these material weaknesses and continues to implement its remediation plan, which the Company believes will address their underlying causes. The Company's audit committee has taken step to address these issues. The Company has engaged additional outside assistance from a tax accounting firm in relation to Canadian and US tax matters. Also, the Company is considering engaging financial and accounting consultants as required to improve the design of its internal control processes.

Proper systems of internal control over financial reporting and disclosure controls and procedures are critical to the operation of a company. The Company will continue to work to improve its financial and managerial controls, reporting systems and procedures, to incur substantial expenses to test its systems and to make such improvements and to hire additional personnel. If StageZero's management is unable to certify the effectiveness of its internal controls or if additional material weaknesses in its internal controls are identified, the Company could be subject to regulatory scrutiny and a loss of public confidence, which could harm StageZero's business and cause a decline in the Company's share price. In addition, if the Company does not maintain adequate financial and management personnel, processes and controls, the Company may not be able to accurately report its financial performance on a timely basis, which could cause a decline in its share price and harm its ability to raise capital. Failure to accurately report the Company's financial performance on a timely basis could also jeopardize the Company's continued listing on the TSX.

The Company does not expect that its disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially adversely affected, which could also cause investors to lose confidence in its reported financial information, which in turn could result in a reduction in the trading price of its common shares.

Joint Venture Relationship

In 2013, the Company's subsidiary, StageZero Life Sciences Holdings Inc. ("**StageZero Holdings**") (formerly named GeneNews (USA), Inc.), signed an agreement with two private American companies, Health Diagnostic Lab., Inc. and Cobalt Healthcare Consultants, Inc., and established SZ, an accredited clinical laboratory. StageZero Holdings, now named has since completed two step-up acquisitions of SZ, by increasing its ownership position from 33⅓% to 50% (effective May 15, 2015) and to 100% (effective March 15, 2016). Until March 15, 2016, the Company and its partners jointly controlled SZ. Currently, SZ is the Company's only source of revenue. Accordingly, the success of this venture is critical to the Company's business. Before the full acquisition on March 15, 2016, the Company was dependent on both the continued revenues of SZ resulting from sales of tests in its menu and the contributions of Cobalt Healthcare to SZ, to contribute revenues to StageZero Holdings and to reduce StageZero Holdings' costs to support SZ, respectively.

Furthermore, the Company had no control over the business activities of its former joint venture partners or their affiliates. If the reputation of any of the Company's former joint venture partners is negatively affected as a result of such business activities including as a result of regulatory or civil proceedings, it may cause reputational damage to SZ as well. Such reputational damage could have a materially adverse effect on the Company's business, relationships with current or potential strategic partners or licensors, customers, results of operations and financial condition. In addition, a partner or others that provide services to SZ may be found to conduct business, without SZ's or StageZero Holdings' knowledge, in a manner that is not consistent with applicable law. This could have a materially adverse effect on the Company's business, results of operations and financial condition.

Forward-Looking Information May Prove Inaccurate

Investors are cautioned not to place undue reliance on forward-looking statements and forward-looking information. By its nature, forward-looking statements and forward-looking information involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements and forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found in this Prospectus under the heading "Forward-Looking Information".

Quarterly Results

The Company expects its quarterly operating results to fluctuate as a result of many factors, including StageZero's ability to generate revenue, changes in the demand for the Company's technology, the introduction of competing technologies, market acceptance of such enhancements or services, delays in the introduction of such enhancements or services, changes in the Company's pricing policies or those of the Company's competitors, the ability of SZ to obtain reimbursement for tests and the time to collect these amounts, the mix of services sold, foreign currency exchange rates, the effects of the COVID-19 pandemic, public health responses to COVID-19, the changing demand for COVID-19 Tests, the eventual development of a vaccine or treatment for COVID-19, general economic conditions and the other risk factors described in this Prospectus and the AIF.

Risks Related to the Offering

Offering Amount

Completion of the Offering is subject to achievement of the Minimum Offering amount.

If the Maximum Offering is not achieved, the Company may need significant additional financing, which it may seek to raise through, among other things, public and private equity offerings. Any equity financings will be dilutive to existing shareholders of the Company and additional financing may not be available on acceptable terms, or at all. If additional capital is not available, the Company may not be able to continue to operate its business pursuant to its business plan or the Company may have to discontinue StageZero's operations entirely.

Active Liquid Market for Common Shares

There may not be an active, liquid market for the Offered Shares and Warrant Shares. There is no guarantee that an active trading market for the Common Shares will be maintained on the TSX. Investors may not be able to sell their Offered Shares and Warrant Shares quickly or at the latest market price if trading in the Common Shares is not active.

Future Sales or Issuances of Securities and Dilution

The Company may sell additional Common Shares or other securities in subsequent offerings to finance future activities. The Company cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares, investors will suffer dilution to their voting power and the Company may experience dilution in its earnings per share.

The Company may also consider issuing convertible debt or equity securities, which may rank prior to the Common Shares, in the future to fund potential acquisitions or investments, or for general corporate purposes. The Company's articles of amalgamation provide that StageZero has an unlimited number of non-voting preference shares, of voting special shares (entitling the holder to a dividend if and when declared by the board of directors in parity with the Common Shares and convertible into Common Shares) and of voting common shares that may be issued. If the Company issues convertible debt or equity securities to raise additional funds, StageZero's existing shareholders may experience dilution, and the new convertible debt or equity securities may have advantageous rights, preferences and privileges when compared to those of the Company's existing shareholders. The Company is unable to predict the future amount of such issuances or dilution.

Price of the Company's Common Shares May Fluctuate

Market prices for securities in general, and that of pharmaceutical companies in particular, tend to fluctuate. Factors such as COVID-19; the announcement to the public or in various scientific or industry forums of technological innovations; new commercial products; patents, exclusive rights obtained by the Company or others; disputes or other developments relating to proprietary rights, including patents, litigation matters and the Company's ability to obtain patent protection for the Company's technologies; the commencement, enrollment or results of future clinical trials the Company may conduct, or changes in the development status of the Company's product candidates; results or delays of pre-clinical and clinical studies by the Company or others; any delay in the Company's regulatory filings for the Company's product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings; a change of regulations; additions or departures of key scientific or management personnel; overall performance of the equity markets; general political and economic conditions; publications; failure to meet the estimates and projections of the investment community or that the Company may otherwise provide to the public; research reports or positive or negative recommendations or withdrawal of research coverage by securities analysts; actual or anticipated variations in quarterly operating results; announcements of significant acquisitions, strategic partnerships, joint ventures or capital commitments by us or the Company's competitors; public concerns over the risks of pharmaceutical products and dietary supplements; unanticipated serious safety concerns; future sales of securities by the Company or its shareholders; and many other factors, many of which are beyond the Company's control, could have considerable effects on the price of the

Company's securities. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future. As a result of any of these factors, the market price of the securities of the Company at any given point in time may not accurately reflect the value of the Company or its securities.

In addition, the stock market in general, and pharmaceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of the Company's Common Shares, regardless of the Company's actual operating performance. In the past, securities class action litigation has often been instituted against companies following periods of volatility in the market price of a company's securities. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which would harm the Company's business, operating results or financial condition.

Accordingly, investors may not be able to sell their Offered Shares or Warrant Shares at or above the Offering Price or at all.

Use of Proceeds

The Company will have broad discretion concerning the use of the proceeds of this Offering as well as the timing of their expenditure. As a result, purchasers will be relying on the judgment of management for the effective use of such proceeds. Management may use such proceeds in ways that purchasers may not consider desirable. The results and the effectiveness of the investment of the proceeds of this Offering are uncertain. If the proceeds are not applied effectively, the results of the Company's business, financial condition, operations and prospects may suffer.

No Current Market for the Warrants

There is currently no market through which the Warrants may be sold and purchasers of Units may not be able to resell the Warrants purchased under this Prospectus. Although the Company has applied to list the Warrants on the TSX, conditional approval from the TSX for such listing has not been received. If such approval is not granted, this may affect the pricing of the Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Warrants and the extent of issuer regulation. Even if a market develops for the Warrants, it is not possible to predict the price at which the Warrants will trade in the secondary market or whether such market will be liquid or illiquid. To the extent Warrants are exercised, the number of Warrants outstanding will decrease, resulting in a diminished liquidity for the remaining Warrants. A decrease in the liquidity of the Warrants may cause, in turn, an increase in the volatility associated with the price of the Warrants. To the extent that the Warrants become illiquid, an investor may have to exercise such Warrants to realize value. The Offering Price and the allocation thereof between the Offered Shares and the Warrants comprising the Units have been determined by negotiation between the Company and the Agents.

Sale of Common Shares Issued Upon Exercise of the Warrants Could Encourage Short Sales by Third-Parties Which Could Further Depress the Price of the Common Shares

Any downward pressure on the price of Common Shares caused by the sale of Warrant Shares issued upon the exercise of the Warrants could encourage short sales by third-parties. In a short sale, a prospective seller borrows Common Shares from a shareholder or broker and sells the borrowed Common Shares. The prospective seller anticipates that the Common Share price will decline, at which time the seller can purchase Common Shares at a lower price for delivery back to the lender. The seller profits when the Common Share price declines because it is purchasing Common Shares at a price lower than the sale price of the borrowed Common Shares. Such sales could place downward pressure on the price of the Common Shares by increasing the number of Common Shares being sold, which could further contribute to any decline in the market price of the Common Shares.

Enforcement of judgments against foreign persons may not be possible

Certain directors and officers of the Company reside outside of Canada. Some or all of the assets of such persons may be located outside of Canada. Therefore, it may not be possible for investors to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for investors to effect service of process within Canada upon such persons.

Immediate Dilution

The Offering Price will significantly exceed the net tangible book value per share of Common Shares. While the net proceeds of the Offering are expected to enhance the Company's liquidity, to the extent that a portion of the net proceeds of the Offering remain as cash, or are used to pay down indebtedness with a low interest rate, the Offering may dilute the interest of holders of Common Shares.

AGENT FOR SERVICE OF PROCESS

Mr. Rory Riggs and Mr. Harry Glorikian are directors of the Company who reside outside of Canada. Each of them has appointed the following agent for service of process:

Name of Person	Name and Address of Agent
Rory Riggs	WeirFoulds LLP 4100- 66 Wellington St. W Toronto, Ontario, M5K 1B7
Harry Glorikian	WeirFoulds LLP 4100- 66 Wellington St. W Toronto, Ontario, M5K 1B7

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

INTERESTS OF EXPERTS

Certain legal matters relating to the Offering hereby will be passed upon on behalf of the Company by WeirFoulds LLP, and on behalf of the Agents by Wildeboer Dellelce LLP. As at the date of this Prospectus, the partners and associates of WeirFoulds LLP and Wildeboer Dellelce LLP beneficially owned, directly or indirectly, less than 1% of the outstanding Common Shares.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditors are BDO Canada LLP and are independent of the Company in accordance with the CPA Code of Professional Conduct of the l'Ordre des Comptables Professionels Agréés du Quebec.

Marcum LLP acted as auditors of the Company prior to May 15, 2019 and was independent of the Company in accordance with the AICPA Code of Professional Conduct of the American Institute of Certified Public Accountants.

TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, is the transfer agent and registrar of the Common Shares at its principal offices in Toronto, Ontario.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two (2) business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the warrants were offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon the exercise of the warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

ADDITIONAL INFORMATION

Following the completion of the Offering, the Company will be required to file reports and other information with the securities commissions in certain provinces and territories of Canada. These filings will be electronically available from SEDAR at www.sedar.com.

CERTIFICATE OF THE COMPANY

Dated: October 20, 2020

This amended and restated short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated short form prospectus as required by the securities legislation of each of the provinces of British Columbia, Alberta and Ontario.

"James Howard-Tripp"
James Howard-Tripp
President & Chief Executive Officer

"Carl Solomon"
Carl Solomon
Interim Chief Financial Officer

On behalf of the Board of Directors

" Garth MacRae"
Garth MacRae
Director

"Rory Riggs"
Rory Riggs
Director

CERTIFICATE OF THE AGENTS

Dated: October 20, 2020

To the best of our knowledge, information and belief, this amended and restated short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this amended and restated short form prospectus as required by the securities legislation of each of the provinces of British Columbia, Alberta and Ontario.

ECHELON WEALTH PARTNERS INC.

"Christine Young"

Christine Young
Managing Director, Head of Origination

CLARUS SECURITIES INC.

"Robert Orviss"

Robert Orviss
Managing Director, Investment Banking