Binovi Technologies Corp.

CONSOLIDATED FINANCIAL STATEMENTS

Years ended February 28, 2021 and February 29, 2020

(Expressed in Canadian Dollars)

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BINOVI TECHNOLOGIES CORP.

Opinion

We have audited the consolidated financial statements of Binovi Technologies Corp. and its subsidiaries (the "Company"), which comprise:

- the consolidated statements of financial position as at February 28, 2021 and February 29, 2020;
- the consolidated statements of comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at February 28, 2021 and February 29, 2020, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $9,028,312 during the year ended February 28, 2021 and, as of that date, the Company has an accumulated deficit of $34,165,037. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Sukhjit Gill.

Smythe LLP

Chartered Professional Accountants
Vancouver, British Columbia
July 27, 2021

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Binovi Technologies Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

As at	Notes	February 28, 2021	February 29, 2020
ASSETS			
Current assets			
Cash		$ 116,807	$ 230,999
Accounts receivable	5,13	285,756	296,237
Inventory	7	267,170	268,766
Prepaid expenses	8,13	1,426,700	1,145,569
		2,096,433	1,941,571
Non-current assets			
Prepaid expenses	8	113,045	565,843
Deposits		4,520	4,520
Equipment	9	16,742	21,640
Right-of-use asset	21	35,053	95,144
Intangible assets	6,10	10,030,282	841,856
		10,199,642	1,529,003
TOTAL ASSETS		**$ 12,296,075**	**$ 3,470,574**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	11,13	$ 2,165,396	$ 1,894,470
Warranty provision	16	29,706	39,608
Lease obligation	21	39,589	58,968
Subscription refundable	12	21,000	-
Unsecured loans		-	8,000
Unearned revenue		36,757	43,034
		2,292,448	2,044,080
Non-current liabilities			
CEBA loans	15	34,429	-
Earn-out obligations	6	92,541	-
Lease obligation	21	-	39,589
TOTAL LIABILITIES		**2,419,418**	**2,083,669**
SHAREHOLDERS' EQUITY			
Share capital	12	40,210,029	23,707,450
Reserves	12	3,831,665	2,816,180
Deficit		(34,165,037)	(25,136,725)
TOTAL SHAREHOLDERS' EQUITY		**9,876,657**	**1,386,905**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 12,296,075**	**$ 3,470,574**

On behalf of the Board:

"Tania Archer", Director   *"Terry Booth"*, Director

Binovi Technologies Corp.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

Years ended	**Notes**		**February 28, 2021**		**February 29, 2020**
Revenue		$	728,477	$	695,974
Cost of sales			(205,520)		(102,058)
Gross profit			522,957		593,916
Expenses					
Amortization	9,10,21		773,136		185,028
Bank charges and interest			39,479		32,352
Consulting fees	13,14		1,990,699		1,631,407
Interest accretion on lease obligation	21		13,032		8,375
Investor relations services			263,413		1,162,656
Management fees	13		750,004		777,167
Marketing fees			2,110,686		487,578
Office and rent			146,462		190,788
Professional fees			140,614		310,265
Registration and filing fees			478,635		330,162
Research and product development	13		467,127		484,053
Royalty expense, net			82,069		8,763
Salaries	13,15		254,239		456,487
Share-based payments	12,13		1,137,721		741,294
Travel and promotion			99,648		423,170
Warranty provision	16		-		(44,834)
			8,746,964		7,184,711
Loss before other items			(8,224,007)		(6,590,795)
Other items					
Loss on settlements	22		(510,000)		(1,056,950)
Loss on prepaids	14		(142,800)		-
Loss on subscriptions receivable	14		(142,800)		-
Foreign exchange loss			(8,705)		(41,395)
Net loss and comprehensive loss for the year		**$**	**(9,028,312)**	**$**	**(7,689,140)**
Loss per share – basic and diluted		**$**	**(0.10)**	**$**	**(0.42)**
Weighted average number of common shares outstanding			**84,037,690**		**18,171,351**

Binovi Technologies Corp.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Number of shares	Share capital	Reserves: Options	Reserves: Warrants	Deficit	Total
Balance at February 28, 2019	**12,042,648**	**$ 19,094,784**	**$ 1,900,681**	**$ 148,306**	**$ (17,447,585)**	**$ 3,696,186**
Shares issued from private placements	15,000,000	2,250,000	-	-	-	2,250,000
Shares issued from private placements	13,000,000	1,950,000	-	-	-	1,950,000
Share issuance costs	-	(81,316)	-	28,601	-	(52,715)
Warrants exercised	1,627,600	493,982	-	(2,702)	-	491,280
Share-based payments	-	-	741,294	-	-	741,294
Net loss for the year	-	-	-	-	(7,689,140)	(7,689,140)
Balance at February 29, 2020	**41,670,248**	**$ 23,707,450**	**$ 2,641,975**	**$ 174,205**	**$ (25,136,725)**	**$ 1,386,905**
Shares issued for asset acquisition (Note 6 (a))	9,111,111	3,006,667	-	-	-	3,006,667
Shares issued for asset acquisition (Note 6 (b))	1,200,000	276,000	-	-	-	276,000
Shares issued for asset acquisition (Note 6 (c))	18,900,000	4,252,500	-	-	-	4,252,500
Shares issued for asset acquisition (Note 6 (d))	13,390,000	2,343,250	-	-	-	2,343,250
Shares issued for business acquisition and integration (Notes 6 (c), (d))	645,800	131,915	-	-	-	131,915
Units issued for private placement	36,090,611	4,601,553	-	-	-	4,601,553
Unit issuance costs	-	(162,534)	-	22,781	-	(139,753)
Shares issued for services	214,164	40,680	-	-	-	40,680
Shares issued for debt settlement	1,223,364	214,089				214,089
Warrants exercised	4,846,472	1,459,105	-	(5,163)	-	1,453,942
Options exercised	125,000	40,095	(18,845)			21,250
Options exercised	1,150,000	299,259	(121,009)	-	-	178,250
Share-based payments	-	-	1,137,721	-	-	1,137,721
Net loss for the year	-	-	-	-	(9,028,312)	(9,028,312)
Balance at February 28, 2021	**128,566,770**	**$ 40,210,029**	**$ 3,639,842**	**$ 191,823**	**$ (34,165,037)**	**$ 9,876,657**

See accompanying notes to the consolidated financial statements.

Binovi Technologies Corp.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

Years ended	**February 28, 2021**	**February 29, 2020**
Operating activities		
Net loss for the year	$ (9,028,312)	$ (7,689,140)
Items not involving cash		
Amortization	773,136	185,028
Share-based payments	1,137,721	741,294
Interest accretion on lease obligation	13,032	8,375
Warranty provision	-	(44,834)
Shares issued for services	40,680	-
Unrealized foreign exchange	35,017	33,164
CEBA loan discounting	(27,436)	-
Accrued interest	1,865	-
Loss on prepaids	142,800	-
Loss on subscription receivable	142,800	-
Changes in non-cash working capital items:		
Accounts receivable	(109,559)	15,809
Sales tax receivable	120,040	(145,172)
Government grant receivable	-	130,041
Prepaid expenses	28,867	(416,968)
Inventory	197,994	(156,333)
Accounts payable and accrued liabilities	449,998	883,843
Subscriptions refundable	21,000	-
Unearned revenue	(6,277)	(70,149)
Net cash flows used in operating activities	(6,066,634)	(6,525,042)
Investing activity		
Equipment	-	(16,862)
Net cash flows used in investing activity	-	(16,862)
Financing activities		
Issuance of units	4,458,753	-
Issuance of shares	-	4,691,280
Proceeds from exercise of warrants	1,453,942	-
Proceeds from exercise of options	199,500	-
Lease payments	(72,000)	(30,000)
Unit and share issuance costs	(139,753)	(52,715)
CEBA loans	60,000	-
Unsecured loans	(8,000)	8,000
Net cash flows provided by financing activities	5,952,442	4,616,565
Decrease in cash	(114,192)	(1,925,339)
Cash, beginning of year	230,999	2,156,338
Cash, end of year	**$ 116,807**	**$ 230,999**

Supplemental cash flow information		
Shares issued for asset acquisitions	$ 9,878,417	$ -
Shares issued for debt settlement	$ 214,089	$ -
Right-of-use asset additions	$ -	$ 120,182
Fulfillment of warranty obligation	$ 9,902	$ 21,915
Interest paid	$ 1,433	$ 3,217
Taxes paid	$ -	$ -

1. Nature of operations and going concern

Binovi Technologies Corp. (the “Company”) was incorporated under the laws of British Columbia on September 7, 2011 as Nanton Nickel Corp and changed its name to Eyecarrot Innovations Corp on May 1, 2015. On June 30, 2020, the Company changed its name to Binovi Technologies Corp. The registered and records office is located at Suite 2080 – 777 Hornby Street, Vancouver, V6Z 1S4, Canada. Prior to 2015, the Company was engaged in the business of mineral exploration in British Columbia, Canada. The Company is listed on the TSX Venture Exchange under the symbol VISN. On June 8, 2017, the Company’s common shares started trading on the OTCQB Venture Market under the symbol BNVIF.

The Company is focused on the development and commercialization of visual and neuro-cognitive processing products and manufactures hardware and software for diagnosing and remediating visual perception disorders.

These consolidated financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

Several conditions cast significant doubt on the validity of this assumption. The Company reported a net loss of $9,028,312 for the year ended February 28, 2021 (February 29, 2020 - $7,689,140) and has an accumulated deficit of $34,165,037 as at February 28, 2021 (February 29, 2020 - $25,136,725). The Company’s ability to continue as a going concern is dependent on its ability to raise equity financing, however, there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company. Management expects the Company to incur significant additional expenditures to continue development of its technologies and launch of its new products.

If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments may be necessary to the carrying values of assets and liabilities and the reported revenue and expenses. These consolidated financial statements do not give effect should there be any adjustments necessary. Such adjustments could be material.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. This may adversely impact the expected implementation of the Company’s business plans. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

2. Basis of preparation

These consolidated financial statements have been prepared under the historical cost basis, except for certain financial instruments measured at fair value, and are presented in Canadian dollars, which is the Company’s and its subsidiaries’ functional currency. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. Basis of preparation (Continued)

Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All significant accounting policies have been consistently applied in the presentation of the consolidated financial statements.

These consolidated financial statements were approved for issue by the Board of Directors on July 27, 2021.

3. Critical accounting estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated statement of financial position, and the reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates, which, by their nature, are uncertain. The impact of such estimates appear throughout the consolidated financial statements and may require adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other relevant factors that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position reporting date, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

<u>Recoverability of accounts receivable</u>

Provisions are made against accounts that, in the estimation of management, may be uncollectible. The recoverability assessment of trade and other receivables is based on a range of factors, including the age of the receivable and the creditworthiness of the customer. Determining the recoverability of an account involves estimation as to the likely financial condition of the customer and their ability to subsequently make payments. To the extent that future events impact the financial condition of the customers these provisions could vary significantly and affect future results of operations.

<u>Amortization of prepaid expenses</u>

The Company estimates that their marketing and consulting contracts are amortized on a straight-line basis over the term of the contract. As prepaid expenses are material and the terms of the contracts are over a period of time as stated in the contracts, the amortization of the prepaid amounts is subject to estimation.

3. Critical accounting estimates and judgments (Continued)

Inventories

The Company estimates the net realizable value of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. A change to these assumptions could impact the Company’s inventory valuation and gross margins during the current and future periods.

Useful lives of intangible assets

Amortization of the Company's intangible assets incorporate estimates of useful lives. These estimates may change as market conditions change and the future economic benefits from the use of the asset changes, thereby impacting the useful life of the intangible asset. Any revisions to useful life are accounted for prospectively.

Share-based payments

The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. As the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

Warranty provision

The Company estimates the likelihood that products that have been sold will experience warranty claims and estimates the cost to resolve the claims. The provision is assessed as sales are recorded, considering the Company’s past and projected experience with the products as well as management best estimates of the costs.

Interest rates

The Company estimates a market interest rate in determining the fair value of its right-of-use asset and lease obligation. The determination of the market interest rate is subjective and could materially affect the fair value estimate.

3. Critical accounting estimates and judgments (Continued)

Determination of Purchase Price Allocation

Estimates are made in determining the fair value of assets and liabilities, including the valuation of separately identifiable intangibles acquired as part of an acquisition. Management exercises judgment in estimating the probability and timing of when cash flows are expected to be achieved, which is used as the basis for estimating fair value. Future performance results that differ from management's estimates could result in changes to liabilities recorded, which are recorded as they arise through profit or loss. The fair value of identified intangible assets is determined using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied. Acquisitions that do not meet the definition of a business combination are accounted for as asset acquisitions. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

Critical accounting judgments

Management must make judgments for items included in the consolidated financial statements. Judgments involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ from a judgment made. A summary of items involving management judgment include, but are not limited to:

Functional currency

The functional currency for the Company and its subsidiary is the currency of the primary economic environment in which the entity operates. The Company has determined its functional currency and that of its subsidiaries is the Canadian dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment.

Research and development expenditures

The application of the Company's accounting policy for research and development expenditures requires judgment in determining whether an activity is determined to be research or development, and if deemed to be development, whether it is probable that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If new information becomes available indicating that it is unlikely that future economic benefits will flow to the Company, the amount capitalized is written off to profit or loss in the period the new information becomes available.

3. Critical accounting estimates and judgments (Continued)

Determination of cash-generating units ("CGU")

CGUs are defined as the lowest grouping of integrated assets that generate identifiable cash inflows that are largely independent of the cash flows of other assets or groups of assets. The classification of assets into CGUs requires significant judgment and interpretations with respect to the integration between assets, the existence of active markets, external users and the way in which management monitors the Company's operations.

Impairment of intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its long-lived assets to determine whether there is any indication that the carrying amount is not recoverable. The determination of whether any such indication exist requires significant management judgment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When an individual asset does not generate independent cash flows, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Determining the amount of impairment of intangible assets requires an estimation of the recoverable amount, which is defined as the higher of fair value less the cost of disposal or value in use. Many factors used in assessing recoverable amounts are outside of the control of management and it is reasonably likely that assumptions and estimates will change from period to period. These changes may result in future impairments.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Asset versus business combination

Management had to apply judgement with respect to whether the acquisition of Call ConnectMe Inc., 2270377 Alberta Ltd., 1252796 B.C. Ltd. and VTA Software Corp. were asset acquisitions or business combinations. The assessments required management to assess the inputs, processes and outputs of the companies acquired at the time of acquisition. Pursuant to the assessment, the acquisition of Call ConnectMe Inc., 2270377 Alberta Ltd., 1252796 B.C. Ltd. and VTA Software Corp. were considered to be asset acquisitions.

4. Significant accounting policies

The Company's accounting policies outlined below have been applied consistently to all years presented in these consolidated financial statements:

(a) Basis of consolidation

In addition to the Company, these consolidated financial statements incorporate the financial statements of its wholly owned subsidiary in the United States, Wayne Engineering Inc., and its wholly owned subsidiaries in Canada, CallConnect Me Inc., 2270377 Alberta Ltd., 1252796 B.C. Ltd. and VTA Software Corp. These consolidated financial statements include the operating results of these subsidiaries from the date of acquisition to February 28, 2021. A subsidiary is an entity over which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. A subsidiary is consolidated from the date upon which control is acquired by the Company and all intercompany transactions and balances have been eliminated on consolidation.

(b) Inventory

Inventory components include all costs directly attributable to the production of the Binovi Touch, the Company's visual and neuro-cognitive processing product, wall mounts for the Binovi Touch, and VIMA Strobe Lenses acquired through a business acquisition in July 2020 (Note 6). Inventory as at February 28, 2021 comprises of finished units of Binovi Touches, wall mounts and the raw materials and finished products of VIMA Strobe Lens range of products. Inventory as of February 29, 2020, comprised solely of finished units of Binovi Touches. Inventory is recorded at the lower of cost, on a weighted average basis, and net realizable value. The stated value of inventory includes purchase costs of all raw materials, assembly costs, storage costs and manufacturing overhead costs directly attributable to the production of the finished units. A regular review is undertaken to determine the extent of any provision for obsolescence.

(c) Equipment

Equipment is recorded at cost less accumulated amortization and accumulated impairment losses. The cost includes its purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the estimated close down and restoration costs associated with dismantling and removing the asset.

Amortization is provided at rates calculated to write-off the cost, less their estimated residual value, using the declining-balance method over their expected useful lives as follows:

- Furniture – 20% declining balance
- Computer equipment – 20% declining balance
- Leasehold improvements – Lease term

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal, determined as the difference between the net disposal proceeds and the carrying value of the asset, is recognized in profit or loss.

4. Significant accounting policies (Continued)

(d) Equipment (Continued)

Estimates of residual values and useful lives are reassessed annually and any change in estimate is taken into account in the determination of remaining amortization charges. Amortization commences on the date the asset is available for use.

(e) Foreign currency

The functional and presentation currency of the Company and its subsidiaries is the Canadian dollar. Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Exchange gains and losses are recorded in profit or loss. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

(f) Impairment of financial assets

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

(g) Intangible assets

Intangible assets include patented technology acquired by the Company and have finite useful lives measured at cost less accumulated amortization and any accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred. Amortization is recorded using the straight-line method and is intended to amortize the cost of the assets over their estimated useful lives as follows:

- Intellectual property 10 years
- Domain name 10 years
- Website 10 years
- Mobile app 10 years
- Reseller and distribution network 5 years
- Brand Indefinite

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4. Significant accounting policies (Continued)

(h) Impairment of non-financial assets

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(i) Revenue

Revenue is derived primarily from the sales of visual and neuro-cognitive processing products and subscription fees for cloud-based software related to vision therapy activities. Revenue for product sales is recognized when the significant risks and rewards of ownership and control have been transferred to the customer. This is generally at the time the customer obtains legal title to the product and when it is physically transferred to the delivery mechanism agreed with the customer. Revenue from subscription services are recognized monthly as the services are performed.

(j) Research and development

Research costs are expensed in the period in which they are incurred. Development costs are expensed in the period in which they are incurred unless certain criteria, including technical feasibility, commercial feasibility, intent and ability to develop and use the technology, are met for deferral and amortization. Costs incurred in obtaining licenses are recorded at cost less accumulated amortization and any impairment losses. Transaction costs relating to the acquisition of technologies are recorded as deferred acquisition costs until the transaction is completed.

(k) Warranty provision

A provision for warranty costs is assessed as sales of the Binovi Touch are recorded. In establishing the warranty provision, management estimates the likelihood that products sold will experience warranty claims and the estimated cost to resolve claims received, taking into account the nature of the contract and past and projected experience with the products.

4. Significant accounting policies (Continued)

(l) Income taxes

Income tax expense consists of current and deferred tax expense.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred income taxes are accounted for using the liability method. The liability method requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities and their tax bases using tax rates enacted or substantively enacted that are expected to be in effect when the underlying items of income or expense are expected to be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

(m) Loss per share

Basic income (loss) per share is computed by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted income (loss) per share is computed using the treasury stock method, under which the weighted average number of shares outstanding is increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

4. Significant accounting policies (Continued)

(n) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares and share purchase warrants are classified as equity instruments. The Company uses the residual value method with respect to the measurement of common shares and share purchase warrants issued as private placement units. The proceeds from the issue of units is allocated between common shares and share purchase warrants on a residual value basis, wherein the fair value of the common shares is based on the market trading price on the date the units are issued and the balance, if any, is allocated to the attached warrants. Share issue costs are recorded against share proceeds.

(o) Reserves

Reserves consists of the fair value of stock options and warrants granted since inception, less amounts transferred to share capital for exercised stock options and warrants. If granted stock options or warrants vest and then subsequently expire, no reversal of reserves is recognized.

(p) Share-based payments

The Company has a stock option plan as described in Note 12. Share-based payments to employees are measured at the fair value of the equity instruments issued and are amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or at the fair value of the equity instrument issued (if it is determined the fair value of the goods or services cannot be reliably measured) and are recorded at the date the goods or services are received. The offset to the recorded cost is to options reserve. Upon exercise of the stock options, the applicable amount will transfer from options reserve to share capital.

(q) Government assistance

Government assistance, including investment tax credits, towards current expenses is included in profit or loss for the period as a reduction of the expense to which it relates. Government program credits are recognized only when there is reasonable assurance that the Company has complied with all conditions necessary to receive the credits and collectability is reasonably assured.

(r) Financial instruments

<u>Financial assets</u>

Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

4. Significant accounting policies (Continued)

(r) Financial instruments (Continued)

Amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for such financial assets is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value less transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary. The Company's accounts receivable is measured at amortized cost.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. The Company's cash is measured at FVTPL.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value less transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income. The Company does not have any financial assets measured at FVTOCI.

Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

<u>Financial liabilities</u>

Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

4. Significant accounting policies (Continued)

(r) Financial instruments (Continued)

Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

Financial liabilities measured at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method. The Company's accounts payable and accrued liabilities, warranty provision, lease obligation, subscription refundable, and unearned revenue are measured at amortized cost.

Financial liabilities measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. The Company's CEBA loans and earn-out obligations are measured at FVTPL.

Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

<u>Fair value hierarchy</u>

The Company categorizes its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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

The carrying amount of the Company's financial assets and liabilities at February 28, 2021 and February 29, 2021 approximate their fair values due to their short-term maturities. Lease obligations and CEBA loans are measured as Level 2 financial instruments.

4. Significant accounting policies (Continued)

(s) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the consolidated statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

(t) New standards adopted

Effective March 1, 2020, the Company adopted the amendments that were issued by the IASB on October 22, 2018, to IFRS 3, which clarified the classification of whether a transaction results in an asset or a business acquisition. The amendments include an election to use a concentration test. This is a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. If a preparer chooses not to apply the concentration test, or the test is failed, then the assessment focuses on the existence of a substantive process. The adoption of the amendment to IFRS 3 had no significant impact on the Company’s consolidated financial statements as at and for the year ended February 28, 2021.

(Expressed in Canadian dollars)

5. Accounts receivable

Accounts receivable for the Company is broken down as follows:

	February 28, 2021		February 29, 2020	
Trade receivables	$	115,069	$	5,510
Sales tax receivable		170,687		290,727
Total	**$**	**285,756**	**$**	**296,237**

All accounts receivable for the Company are expected to be received within the next 12 months. As at February 28, 2021, $82,390 (February 29, 2020 - $Nil) of trade receivables are due from related parties (Note 13).

6. Acquisitions

(a) Acquisition of Call ConnectMe Inc.

On February 10, 2020, the Company entered into a share exchange agreement with the shareholders of Call ConnectMe Inc. (the "Target") to acquire all of the issued and outstanding shares of the Target. This acquisition was completed on March 13, 2020.

Consideration for the acquisition was an aggregate 9,111,111 common shares of the Company with a value of $0.33 per common share for a total consideration of $3,006,667.

The purpose of the acquisition of the Target was to indirectly acquire ConnectMe Solution, a lead delivery and monetization 'Software As A Service' solution.

Under IFRS 3, the acquisition of the Target does not constitute a business combination as there were no processes or outputs acquired and was accounted for as an asset acquisition recognized in intangible assets (Note 10).

The following table summarizes the fair value of consideration paid on the acquisition date and the net assets acquired:

Fair value of 9,111,111 common shares issued	$	3,006,667
Total purchase price	**$**	**3,006,667**

Intangible asset - ConnectMe Solution	$	3,006,667
Net assets acquired	**$**	**3,006,667**

(b) Acquisition of 2270377 Alberta Ltd.

On July 3, 2020, the Company entered into a share exchange agreement with the shareholders of 2270377 Alberta Ltd. ("2270377") to acquire all of the issued and outstanding shares of 2270377. This acquisition was completed on July 24, 2020.

(Expressed in Canadian dollars)

6. Acquisitions (Continued)

(b) Acquisition of 2270377 Alberta Ltd. (Continued)

Consideration was an aggregate 1,200,000 common shares of the Company at a value of $0.23 per common share for total consideration of $276,000.

The purpose of the acquisition of 2270377 was to indirectly acquire the Binovi domain name held by 227037.

Under IFRS 3, the acquisition of the 2270377 does not constitute a business combination as there were no processes or outputs acquired and was accounted for as an asset acquisition recognized in intangible assets (Note 10).

The following table summarizes the fair value of consideration paid on the acquisition date and the net assets acquired:

Fair value of 1,200,000 common shares issued	$	276,000
Total purchase price	**$**	**276,000**

Intangible asset – domain name	$	276,000
Net assets acquired	**$**	**276,000**

(c) Acquisition of 1252796 B.C. Ltd.

On July 9, 2020, the Company entered a share purchase agreement with the shareholders of 1252796 B.C Ltd. (“1252796”) to acquire all the issued and outstanding shares of 1252796. This acquisition was completed on July 20, 2020.

Consideration for this acquisition was an aggregate 18,900,000 common shares of the Company with a value of $0.225 per common share for total consideration of $4,252,500. The Company also paid transaction costs of 378,000 common shares of the Company with a fair value of $85,050 and legal fees of $37,331.

The acquisition serves to expand and broaden the suite of service offerings, add key customers and realize synergies between the Company and 1252796, an entity that owns VIMA Strobe Lenses, its related patents, associated intellectual property, trademark, all rights to its domain, all copyright materials associated with the VIMA product and its usage, all client and supplier lists and all available inventories. The acquisition of the VIMA portfolio of products is subject to a perpetual sales royalty based on gross sales of VIMA products.

Under IFRS 3, the acquisition of the 1252796 does not constitute a business combination as there were no processes or outputs acquired and was accounted for as an asset acquisition recognized in intangible assets (Note 10).

(Expressed in Canadian dollars)

6. Acquisitions (Continued)

(c) Acquisition of 1252796 B.C. Ltd. (Continued)

The following table summarizes the fair value of consideration paid on the acquisition date and the net assets acquired:

Fair value of 18,900,000 common shares issued	$	4,252,500
Fair value of 378,000 common shares issued as transaction costs		85,050
Legal expenses incurred related to the transaction		37,331
Total purchase price	**$**	**4,374,881**

Inventory – raw materials	$	108,611
Inventory – finished goods		135,020
Intangible asset – mobile app development		53,022
Intangible asset – website development		18,925
Intangible asset – resellers and distribution network		891,149
Intangible asset – brand		962,306
Intangible asset – intellectual property		2,205,848
Net assets acquired	**$**	**4,374,881**

A pre-tax discount rate of 27% was used in the fair value assumptions for the intangible assets acquired.

The Company issued an additional 378,000 common shares as administration fee to a consultant of the Company in connection with the transaction with a fair value of $85,050. These costs are included into the total purchase price and are capitalized to the assets acquired.

(d) Business acquisition of VTA Software Corp.

On December 7, 2020, the Company entered into a share purchase agreement with the shareholders of VTA Software Corp. ("VTA") to acquire all of the issued and outstanding shares of VTA. This acquisition was completed on December 18, 2020.

Consideration was an aggregate 13,390,000 common shares of the Company at a value of $0.175 per common share for total consideration of $2,343,250. The Company also paid transaction costs of 267,800 common shares of the Company with a fair value of $46,865.

The acquisition serves to expand and broaden the suite of service offerings and realize synergies between the Company and VTA, an entity that owns the vision screening and vision therapy software platform developed and marketed under the trade name "VERA", associated intellectual property, all copyright materials associated with the Vera product and its usage.

Under IFRS 3, the acquisition of the VTA does not constitute a business combination as there were no processes or outputs acquired and was accounted for as an asset acquisition recognized in intangible assets (Note 10).

(Expressed in Canadian dollars)

6. Acquisitions (Continued)

(d) Business acquisition of VTA Software Corp. (Continued)

Management used an income-based approach to estimate the fair values of the intangible asset acquired.

The following table summarizes the fair value of consideration paid on the acquisition date and the net assets acquired:

Fair value of 13,390,000 common shares issued	$	2,343,250
Fair value of 267,800 common shares issued as transaction costs		46,865
Total purchase price	**$**	**2,390,115**

Intangible asset – intellectual property	$	2,482,656
Earn-out obligation		(92,541)
Net assets acquired	**$**	**2,390,115**

A pre-tax discount rate of 24.7% was used in the fair value assumptions for the intangible assets acquired.

Prior to the acquisition of VTA by the Company, VTA entered into an earn-out agreement with a vendor whereby VTA is required to make the following earn-out payments:

- US $50,000 upon VTA entering into written agreements for the use of its products at five school locations before December 15, 2023; and
- US $50,000 upon VTA entering into written agreements for the use of its products at twenty school locations before December 15, 2023.

These earn-out obligations were determined to have a fair value of $92,541 using a pre-tax discount rate of 8.5%.

The Company issued 267,800 common shares as administration fee to a consultant of the Company in connection with the transaction with a fair value of $46,865. These costs are included into the total purchase price and are capitalized to the assets acquired.

7. Inventory

Inventory is comprised of the following:

		February 28, 2021		**February 29, 2020**
Finished goods – Binovi Touch	$	48,381	$	268,766
Finished goods – Wall Mounts		12,102		-
Finished goods – VIMA		98,076		-
Raw material – VIMA		108,611		-
Total	$	267,170	$	268,766

(Expressed in Canadian dollars)

8. Prepaid expenses

Prepaid expenses for the Company are summarized as follows:

		February 28, 2021		February 29, 2020
Current				
Consulting Fees	$	921,024	$	482,763
Investor Relations Services		-		358,333
Marketing Fees		481,888		255,163
Other		23,788		49,310
		1,426,700		1,145,569
Non-Current				
Consulting Fees		102,083		168,750
Investor Relations Services		-		312,500
Marketing Fees		9,465		78,593
Other		1,497		6,000
		113,045		565,843
Total	**$**	**1,539,745**	**$**	**1,711,412**

9. Equipment

		Leasehold Improvement		Furniture		Computer Equipment		Total
Cost:								
At February 28, 2019	$	7,629	$	2,500	$	5,427	$	15,556
Additions		15,962		900		-		16,862
At February 29, 2020		23,591		3,400		5,427		32,418
Additions		-		-		-		-
At February 28, 2021	$	23,591	$	3,400	$	5,427	$	32,418
Accumulated amortization:								
At February 28, 2019	$	763	$	2,500	$	5,427	$	8,690
Charge for the year		2,058		30		-		2,088
At February 28, 2020		2,821		2,530		5,427		10,778
Charge for the year		4,718		180		-		4,898
At February 28, 2021	$	7,539	$	2,710	$	5,427	$	15,676
Net book value:								
At February 28, 2021	**$**	**16,052**	**$**	**690**	**$**	**-**	**$**	**16,742**
At February 29, 2020	$	20,770	$	870	$	-	$	21,640

(Expressed in Canadian dollars)

10. Intangible assets

	Intellectual Property $	Domain Name $	Website $	Mobile App $	Reseller and Distribution Network $	Brand $	Total $
Cost:							
February 28, 2019 and February 29, 2020	1,579,021	-	-	-	-	-	1,579,021
Additions	7,695,171	276,000	18,925	53,022	891,149	962,306	9,896,573
February 28, 2021	9,274,192	276,000	18,925	53,022	891,149	962,306	11,475,594
Accumulated amortization:							
February 28, 2019	579,263	-	-	-	-	-	579,263
Charge for the year	157,902	-	-	-	-	-	157,902
February 29, 2020	737,165	-	-	-	-	-	737,165
Charge for the year	632,746	16,560	1,156	3,240	54,445	-	708,147
February 28, 2021	1,369,911	16,560	1,156	3,240	54,445	-	1,445,312
Net book value:							
At February 28, 2021	7,904,281	259,440	17,769	49,782	836,704	962,306	10,030,282
At February 29, 2020	841,856	-	-	-	-	-	841,856

Intellectual Property

<u>Eyecarrot intellectual property</u>

The Eyecarrot intellectual property consists of patents, trademarks and internally developed technologies relating to the Binovi Platform which were acquired through a reverse takeover transaction during the year ended February 29, 2016.

<u>Super intellectual property</u>

The Super intellectual property consists of licensed intellectual property, patents and copyrights for neuro-optometry and neurocognitive processing which were acquired through a share purchase agreement during the year ended February 28, 2015.

<u>ConnectMe intellectual property</u>

On March 13, 2020, the Company completed the acquisition of the Call Connect Me Inc., to acquire ConnectMe Solution, a lead delivery and monetization 'Software As A Service' solution (Note 6(a)).

<u>VTA Software Corp. intellectual property</u>

On December 18, 2020 the Company completed the acquisition of VTA Software Corp. The intangible asset consists of intellectual property (Note 6(d)).

Domain Name

On July 3, 2020, the Company entered into a Share Exchange Agreement with 2270377 Alberta Ltd., to acquire Binovi domain owned by 2270377 Alberta Ltd. (Note 6(b)).

Other

On July 20, 2020, the Company completed the acquisition of 1252796 B.C. Ltd. The intangible assets consist of patented intellectual property, mobile app development, website development, resellers and distribution network and the brand (Note 6(c)).

(Expressed in Canadian dollars)

11. Accounts payable and accrued liabilities

	February 28, 2021	February 29, 2020
Amounts due to non-related parties	$ 2,077,418	$ 1,846,553
Amounts due to related parties (note 13)	87,978	47,917
Total	**$ 2,165,396**	**$ 1,894,470**

12. Share capital

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued

During the year ended February 28, 2021:

- On March 13, 2020, the Company completed the acquisition of the Call ConnectMe Inc. As consideration for the transaction, the Company issued 9,111,111 common shares of the Company with a market value of $0.33 per share for a total consideration of $3,006,667.
- On July 20, 2020, the Company completed the acquisition of 2270377 Alberta Ltd. As consideration for the transaction, the Company issued 1,200,000 common shares with a market value of $0.23 per share for a total consideration of $276,000.
- On July 20, 2020, the Company completed the acquisition of 1252796 B.C. Ltd. As consideration for the transaction, the Company issued 18,900,000 common shares with a market value of $0.225 per share for a total consideration of $4,252,500.
- On December 18, 2020, the Company completed the acquisition of VTA Software Corp. As consideration for the transaction, the Company issued 13,390,000 common shares with a market value of $0.175 per share for a total consideration of $2,343,250.
- The Company issued 378,000 common shares as administration fee to a consultant in connection with the acquisition of 1252796 B.C. Ltd., at a price of $0.225 per share for a consideration of $85,050. In addition, the Company issued 267,800 common shares as administration fee to a consultant in connection with the acquisition of VTA Software Corp, at a price of $0.175 per share for a consideration of $46,865.
- 4,846,472 shares were issued upon exercise of 4,846,472 warrants at a price of $0.30 per share for gross proceeds of $1,453,942.
- On June 9, 2020, the Company closed a non-brokered private placement in which 7,843,137 units were issued at $0.1275 per unit for gross proceeds of $1,000,000. Each unit comprised of one common share and one common share purchase warrant, with each warrant exercisable into one common share at an exercise price of $0.25 and expires June 8, 2022. The Company expensed $34,650 as unit issuance cost.
- On July 2, 2020, the Company issued 52,154 common shares to a consultant for services with a market value of $0.26 per share for total consideration of $13,560.
- On September 18, 2020, the Company issued 57,702 common shares to a consultant for services with a market value of $0.235 per share for total consideration of $13,560.

12. Share capital (Continued)

(b) Issued

- On October 6, 2020, the Company closed a non-brokered private placement in which 12,169,043 units were issued at $0.1275 per unit for gross proceeds of $1,551,553. Each unit comprised of one common share and one common share purchase warrant, with each warrant exercisable into one common share at an exercise price of $0.40 and expires October 5, 2022. In connection with the closing, the Company expensed issuance costs of $25,380 in cash and issued 53,053 finders' warrants fair valued at $10,514.
- On November 17, 2020, the Company closed a non-brokered private placement in which 16,078,431 units were issued at $0.1275 per unit for gross proceeds of $2,050,000. Of this amount, $142,800 was not received from a subscriber, and the amount was written off as a loss on subscriptions receivable (Note 14). Each unit comprised of one common share and one common share purchase warrant, with each warrant exercisable into one common share at an exercise price of $0.40 and expires November 16, 2022. In connection with the closing, the Company expensed issuance costs of $79,723 in cash and issued 166,860 finders' warrants fair valued at $12,267.
- On November 25, 2020, the Company issued 104,308 common shares to a consultant for services with a market value of $0.13 per share for total consideration of $13,560.
- On December 10, 2020, 125,000 shares were issued upon exercise of 125,000 options at $0.17.
- On December 18, 2020, the Company issued 1,223,364 shares at a price of $0.175 per share to settle debt for $214,089.
- On February 17, 2021, 1,150,000 shares were issued on exercise of 1,150,000 options at $0.155 per share.
- During the year ended February 28, 2021, the Company received $21,000 in proceeds from a subscriber that did not participate in the private placements described above. This amount is non-interest bearing and repayable on demand.

During the year ended February 29, 2020:

- On November 27, 2019, the Company announced the closing of a non-brokered private placement in which 15,000,000 units were issued at $0.15 per unit for gross proceeds of $2,250,000. Each unit comprised of one common share and one common share purchase warrant, with each warrant exercisable into one common share for a period of 24 months at an exercise price of $0.30.
- On January 6, 2020, the Company announced the closing of a non-brokered private placement in which 13,000,000 units were issued at $0.15 per unit for gross proceeds of $1,950,000. Each unit comprised of one common share and one common share purchase warrant, with each warrant exercisable into one common share for a period of 24 months with an exercise price of $0.30. The warrants are subject to an acceleration clause whereby if the common share price is equal to or greater than $0.60 for a period of 5 consecutive trading days (at any time at or following the expiry of the four months resale restriction period), the Company may, by notice to the warrant holder reduce the remaining exercise period applicable to the warrants to not less than 30 days from the date of such notice. In connection with the closing, the Company expensed issuance costs of $52,715 in cash and issued 133,401 finders' warrants, with an exercise price of $0.30 and a term of two years, fair valued at $28,601.
- 1,627,600 shares were issued upon exercise of 1,607,600 warrants at a price of $0.30 per share and 20,000 warrants at a price of $0.45 per share for gross proceeds of $491,280.
- During the year ended February 29, 2020, the Company consolidated the common shares of the Company on a ten to one basis. These consolidated financial statements reflect the share consolidation retrospectively.
- During the year ended February 29, 2020, the Company incurred share issuance costs of $81,316.

(Expressed in Canadian dollars)

12. Share capital (Continued)

(c) Stock Options

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the plan will not exceed 10% of the total issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities.

As at February 28, 2021, there are 2,231,677 (February 29, 2020 – 1,667,024) options available for granting. The terms of the options are determined at the date of grant.

A summary of outstanding and exercisable stock options is as follows:

Expiry Date	Exercise Price	**February 28, 2021**	**February 29, 2020**
December 12, 2021	$ 0.30	2,000,000	2,500,000
January 21, 2023	$0.155	3,150,000	-
May 21, 2025	$ 0.17	2,375,000	-
July 21, 2025	$0.25	100,000	-
October 8, 2025	$ 0.15	3,000,000	-
		10,625,000	2,500,000
Exercisable		**10,625,000**	**2,500,000**

The remaining contractual life for the outstanding options at February 28, 2021 is 3.00 (February 29, 2020 – 1.79) years.

(Expressed in Canadian dollars)

12. Share capital (Continued)

(c) Stock Options (Continued)

Stock option transactions are summarized as follows:

	February 28, 2021			February 29, 2020		
	Number of Options	Weighted Average Exercise Price		Number of Options	Weighted Average Exercise Price	
Balance, beginning of period	2,500,000	$	0.30	1,155,000	$	2.20
Granted	-		-	2,500,000		0.30
Granted	2,500,000		0.17	-		-
Granted	100,000		0.25	-		-
Granted	3,000,000		0.15	-		-
Granted	4,300,000		0.155	-		-
Forfeited	-		-	(72,500)		1.70
Cancelled	-		-	(1,082,500)		2.19
Cancelled	(500,000)		0.30	-		-
Exercised	(125,000)		0.17	-		-
Exercised	(1,150,000)		0.155	-		-
Balance, end of period	**10,625,000**	**$**	**0.19**	**2,500,000**	**$**	**0.30**

The fair value of 9,900,000 stock options granted during the year ended February 28, 2021, were estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

Weighted average risk-free rate	0.30%
Weighted average expected life of options (years)	3.67
Weighted average volatility	121.41%
Dividend	Nil%
Estimated forfeiture rate	Nil%

The fair value of 2,500,000 stock options granted during the year ended February 29, 2020 were estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

Weighted average risk-free rate	1.24%
Weighted average expected life of options (years)	2.00
Weighted average volatility	140.34%
Dividend	Nil%
Estimated forfeiture rate	Nil%

(Expressed in Canadian dollars)

12. Share capital (Continued)

(c) Stock Options (Continued)

The Company expensed stock- based compensation expense for $1,137,721 (February 29, 2020 - $741,294) during the year ended February 28, 2021.

(d) Warrants

A summary of outstanding common share purchase warrants is as follows:

Expiry Date	Exercise Price	**February 28, 2021**	**February 29, 2020**
March 6, 2020	$ 0.45	-	271,167
March 6, 2020	$ 0.45	-	458,673
April 27, 2020	$3.00	-	7,000
November 8, 2020	$ 3.00	-	7,000
November 8, 2020	$ 3.00	-	1,305,556
November 26, 2021	$0.30	11,583,333	15,000,000
December 22, 2021[1]	$0.30	98,996	120,801
December 22, 2021	$0.30	2,931,065	3,239,065
January 2, 2022	$0.30	8,660,934	9,760,934
June 8, 2022	$0.25	7,843,137	-
October 5, 2022	$0.40	12,169,043	-
October 5, 2022[2]	$0.40	53,053	-
November 16, 2022	$0.40	16,078,431	-
November 16, 2022[3]	$0.40	166,860	-
		59,584,852	**30,170,196**

[1] The fair value of these finders' warrants of $28,601 was recorded as share issuance costs estimated using the Black-Scholes option pricing model with the following assumptions: volatility of 109.75%, risk-free rate of 1.24%, expected life of 2 years and expected dividend yield of 0.00%.

[2] The fair value of these finders' warrants of $10,514 was recorded as share issuance costs estimated using the Black-Scholes option pricing model with the following assumptions: volatility of 135.21%, risk-free rate of 0.24%, expected life of 2 years and expected dividend yield of 0.00%.

[3] The fair value of these finders' warrants of $12,267 was recorded as share issuance costs estimated using the Black-Scholes option pricing model with the following assumptions: volatility of 138.24%, risk-free rate of 0.27%, expected life of 2 years and expected dividend yield of 0.00%.

(Expressed in Canadian dollars)

12. Share capital (Continued)

(d) Warrants (Continued)

Common share purchase warrant transactions are summarized as follows:

	February 28, 2021		February 29, 2020	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of period	30,170,196	$ 0.42	3,677,896	$ 2.60
Issued	7,843,137	0.25	28,133,400	0.30
Issued	28,467,387	0.40	-	-
Exercised	(4,846,472)	0.30	(1,627,600)	0.30
Expired	(1,319,556)	3.00	-	-
Expired	(729,840)	0.45	(13,500)	0.45
Balance, end of period	**59,584,852**	**$ 0.34**	**30,170,196**	**$ 0.42**

The remaining contractual life for the outstanding warrants at February 28, 2021 is 1.27 (February 29, 2020 – 1.70) years

(Expressed in Canadian dollars)

13. Related party transactions

Key management comprises directors and executive officers. The Company did not pay post-employment benefits and long-term benefits to key management. The following compensation was paid to key management and their spouses:

		February 28, 2021		February 29, 2020
Management fees	$	750,004	$	777,167
Consulting fees		216,952		73,499
Research and product development		5,207		55,820
Salaries		-		145,831
Share-based payments		438,775		374,917
Total	**$**	**1,410,938**	**$**	**1,427,234**

The Company entered into the following transactions with related parties during the year ended February 28, 2021:

i) Paid or accrued management and consulting fees of $280,000 (February 29, 2020 - $452,500) to the President and CEO of the Company;
ii) Paid or accrued research and product development costs of $Nil (February 29, 2020 - $55,820) to a Company owned by the President and CEO of the Company;
iii) Paid or accrued management fees of $90,000 (February 29, 2020 - $88,000) to the CFO of the Company;
iv) Paid or accrued salary, management and consulting fees of $380,004 (February 29, 2020 - $429,997) to the CTO and director of the Company;
v) Paid or accrued management fees and research and product development of $36,326 (February 29, 2020 - $15,000) to a director of the Company;
vi) Paid or accrued consulting fees of $60,000 (February 29, 2020 - $nil) to the spouse of the President and CEO; and
vii) Paid or accrued consulting fees of $125,833 (February 29, 2020 - $11,000) to the spouse of the CTO.

As at February 28, 2021, $87,978 (February 29, 2020 - $88,482) was included in accounts payable and accrued liabilities owing to those directors and officers for consulting fees, management fees, bonus accrual, and expense reimbursements.

As at February 28, 2021, $82,390 (February 29, 2020 - $Nil) was included in accounts receivable for amounts owing from those directors and officers.

As at February 28, 2021, $729 (February 29, 2020 - $21,350) is included in prepaid expenses to the President and CEO for expense disbursements, $18,261 February 29, (2020 - $27,981) is included in prepaid expenses to the CTO for consulting services and $174,167 (February 29, 2020 - $110,000) included in prepaid expenses to the spouse of the CTO for consulting services.

14. Non-related consulting transactions

During the year ended February 28, 2021, the Company incurred consulting fees of $1,809,447 (February 29, 2020 - $1,557,908) to arm's length parties. Of these consultants, nine (February 29, 2020 – four) individuals participated in the private placements completed during the year, providing total proceeds of $936,328 (February 29, 2020 - $105,481).

(Expressed in Canadian dollars)

14. Non-related consulting transactions (Continued)

The loss on prepaids relates to $142,800 paid to an individual during the year for consulting services which as of February 28, 2021 had not been performed. Management does not believe the services will be provided by the consultant so has written off the prepaid balance as a loss on prepaids. The consultant had also subscribed to a private placement for the amount of $142,800, however funds for the shares subscribed were not received by year-end and a loss was recorded into net income as a loss on subscriptions receivable, resulting in a total loss of $285,600 from this consultant.

15. Government assistance

In connection to the outbreak of COVID-19, the Company received $60,000 in Canada Emergency Business Account ("CEBA") loans from the government of Canada. These CEBA loans are non-interest bearing and mature on December 31, 2022. The loan can be extended to December 31, 2025 and 25% will be forgiven if the principal is repaid before the initial maturity date. The Company has recognized the forgiveness in the year ended February 28, 2021 as the Company intends, with reasonable assurance, to repay the CEBA loans prior to the initial maturity date. As at February 28, 2021, the Company has not made a payment on the CEBA loans. The CEBA loans have been discounted using an incremental borrowing rate of 8.5%. The expense recovery from discounting the CEBA loans was recorded against salaries.

The reconciliation of the CEBA loans is as follows:

Balance, February 29, 2020	$	-
Loan funds		60,000
Discounting		(27,436)
Accrued finance expense		1,865
Balance, February 28, 2021	$	34,429

During the year ended February 28, 2021, the Company recognized an expense recovery of $55,340 (February 29, 2020 - $Nil) relating to the Canada Emergency Wage Subsidy. The expense recovery was recorded against salaries.

During the year ended February 29, 2020 the Company recognized an expense recovery of $14,460 relating to a National Research Council Canada – Industrial Research Assistance Program grant. The expense recovery was recorded against salaries.

16. Warranty provision

The Company guarantees each Binovi Touch sold for a period of one year after the product has been delivered. The Company has recorded a warranty provision of $29,706 as of February 28, 2021 (February 29, 2020 - $39,608). The Company used $9,902 (February 29, 2020 - $28,987) of inventory to satisfy warranty provisions in the current year.

The warranty provision relates to first generation Binovi Touch units; the Company expects to replace them with second generation units within twelve months after year end. During the year ended February 28, 2021, the Company shipped 4 (February 29, 2020 – 15) second generation units of the Binovi Touch to satisfy the warrant provision for the first generation Binovi Touch. The Company offers a one-year warranty on its second generation Binovi Touch units. No warranty obligation has been recognized on the second-generation units as there has not been any warranty claims to date.

17. Capital management

The capital structure of the Company consists of equity attributable to common shareholders comprising all components of shareholders' equity. The Company's objectives when managing capital are to: (i) preserve capital and (ii) maintain liquidity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

There were no changes to the Company's capital management approach during the year ended February 28, 2021. The Company is not subject to externally imposed capital requirements.

18. Management of financial risk

The types of risk exposure and the Company's methods of managing the risks remain consistent and are as follows:

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other price risk.

(i) Interest rate risk

The Company is not subject to significant interest rate risk with respect to its financial instruments.

(ii) Currency risk

The Company's reported earnings include gain/losses on foreign exchange, largely reflecting revaluation of its foreign operations, primarily in the United States. The future foreign exchange gain or loss would change based on the level of foreign operating activities.

As at February 28, 2021 and February 29, 2020, the Company was exposed to currency risk for its US dollar equivalent of financial assets and liabilities denominated in currencies other than Canadian dollars as follows:

	Held in US dollars (stated in Canadian dollars)	
	February 28, 2021	**February 29, 2020**
Cash	$ 12,553	$ 1,620
Accounts payable	(627,868)	(412,878)
Net financial liabilities	**$ (615,315)**	**$ (411,258)**

Based upon the above net exposure as at February 28, 2021, a 6% (February 29, 2020 - 1%) depreciation or appreciation of the US dollar relative to the Canadian dollar would result in approximately $60,400 (February 29, 2020 - $5,200) change in the Company's consolidated net loss and comprehensive loss.

(Expressed in Canadian dollars)

18. Management of financial risk (Continued)

(a) Market risk (Continued)

(iii) Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate as a result of changes in market prices. The Company is not exposed to significant other price risk on its financial instruments.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash. The Company limits exposure to credit risk through maintaining its cash with high-credit quality Canadian and US financial institutions. The Company is not exposed to significant credit risk on its trade receivables. The carrying amount of financial assets represents the maximum credit exposure.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet liabilities when due by forecasting cash flows for operations, anticipated investing and financing activities, and through management of its capital structure. All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 90 days.

The Company has been successful in raising financing in the past; however, there is no assurance that it will be able to do so in the future. As at February 28, 2021, the Company had a working capital of $421,085 (February 29, 2020 – working capital deficit of $102,509).

19. Income tax

A reconciliation of income tax provision computed at Canadian statutory rates to the reported income tax provision is provided as follows:

	February 28, 2021	February 29, 2020
Loss before income taxes	$ (8,518,312)	$ (7,689,140)
Canadian statutory tax rate	27.00%	27.00%
Income tax benefit computed at statutory rates	(2,299,944)	(2,076,068)
Items not deductible for tax purposes	385,979	211,214
Effect of changes in tax rates	-	-
Changes in timing differences	(31,591)	143,758
Impact of foreign exchange on tax assets and liabilities	-	-
Under (over) provided in prior years	-	88,866
Unused tax losses and tax offsets not recognized	1,945,556	1,632,230
	$ -	**$ -**

(Expressed in Canadian dollars)

19. Income tax (Continued)

The Company recognizes tax benefits on losses or other deductible amounts generated in countries where it is probable that future taxable profits will be available to utilize those tax assets. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

	February 28, 2021	February 29, 2020
Non-capital losses	$ 27,625,000	$ 20,190,000
Furniture and equipment	-	-
Share issue costs	188,000	111,000
Warranty provision	30,000	92,000
Unearned revenue	37,000	43,000
Intangible asset	834,000	131,000
Unrecognized deferred tax assets	**$ 28,714,000**	**$ 20,567,000**

As at February 28, 2021, the Company's unrecognized unused non-capital losses have the following expiry dates:

	United States	Canada	Total
2035	$ 10,000	$ -	$ 10,000
2036	55,000	5,562,000	5,617,000
2037	24,000	2,926,000	2,950,000
2038	-	2,323,000	2,323,000
2039	-	3,595,000	3,595,000
2040	-	6,702,000	6,702,000
2041	-	6,428,000	6,428,000
	$ 89,000	**$ 27,536,000**	**$ 27,625,000**

20. Segmented Information

During the year ended February 28, 2021, the Company had one operating segment, the development and commercialization of visual and neuro-cognitive processing products, with operations located in Canada and the United States. Selected segmented financial information is as follows:

	February 28, 2021	February 29, 2020
Revenues		
US	$ 467,339	$ 453,687
Canada	104,321	108,745
Other	156,817	133,542
	$ 728,477	**$ 695,974**

The Company's long-term assets are located in Canada.

(Expressed in Canadian dollars)

21. Leases

The continuity of the right-of-use asset is presented in the table below:

Balance, March 1, 2019	$	-
Additions from adoption of IFRS 16		120,182
Amortization		(25,038)
Balance, February 29, 2020	**$**	**95,144**
Amortization		(60,091)
Balance, February 28, 2021	**$**	**35,053**

Right-of-use asset consists of a sub-lease for warehouse space amortized over 24 months.

The continuity of the lease obligation is presented in the table below:

Balance, March 1, 2019	$	-
Additions from adoption of IFRS 16		120,182
Interest accretion on lease obligation		8,375
Lease payments		(30,000)
Balance, February 29, 2020	**$**	**98,557**
Interest accretion on lease obligations		13,032
Lease payments		(72,000)
Balance, February 28, 2021	**$**	**39,589**

Annual payments are due as follows:

Less than one year	$	39,589
Greater than one year		-
Total lease obligation	**$**	**39,589**

22. Loss on settlement and contingent liabilities

During the year ended February 29, 2020, the Company initiated a settlement (the "Settlement Agreement") with a former dissident shareholder of the Company (the "Dissident Shareholder"). As part of the Settlement Agreement, the Company paid the Dissident Shareholder an initial payment of $500,000 in good faith and the final payment of $500,000 was paid after executing the Settlement Agreement dated April 14, 2020. The Dissident Shareholder agreed to dismiss the notice of civil claim filed in the B.C. Supreme Court against the Director Group. The parties also agreed to provide mutual covenants not to bring further claims arising from matters occurring prior to the Settlement Agreement as well as to provide full irrevocable releases from any such matters. The $1,000,000 payments were recorded as loss on settlement in net loss.

During the year ended February 29, 2020, the Company entered into a mutual release agreement (the "Mutual Release Agreement") with a former consultant (the "Former Consultant") of the Company. As part of the Mutual Release Agreement, the Company agreed to pay the Former Consultant $120,000 for the release of any and all manner of actions, claims, demands and obligations of any kind. $63,050 of the release payment was applied against existing accounts payable to the Former Consultant. The remaining $56,950 was recorded as a loss on settlement in net loss.

During the year ended February 28, 2021, a shareholder of the Company filed a notice of civil claim in the Supreme Court of British Columbia against the Company, requesting the return of its investment in the Company of $900,000 and removal of certain members of the Company's board of directors.

Subsequent to year end the claim was settled with a $400,000 cash payment and 2,000,000 in common shares which was accrued for as at February 28, 2021, included in accounts payable and in net income as a loss on settlement (Note 24).

23. Commitments

The Company entered a media services contract with an arms-length party to provide 12 months of consulting services for consideration of $100,000 plus $5,000 in GST. This amount was settled subsequent to year-end through the issuance of shares (Note 24).

24. Subsequent events

Subsequent to February 28, 2021, the Company entered into several significant contracts as further discussed below:

a) On April 15, 2021, the Company entered into a Share Purchase Agreement (the "Agreement") with Samurai Motion Tracking Corp. ("Samurai") to acquire all outstanding shares of Samurai, a software-based vision therapy company.

   Pursuant to the terms of the Agreement, the Company has agreed to acquire all of the outstanding shares of Samurai for $2,516,000, payable through the issuance of 31,450,000 common shares of the Company at a deemed price of $0.08.

b) The Company settled $105,000 of accounts payable and accrued liabilities with an arms-length party through the issuance of 954,545 shares.

24. Subsequent events (Continued)

c) The Company settled USD $16,139 ($19,938) of accounts payable and accrued liabilities with an arms-length party through the issuance of 305,197 shares.

d) The Company granted 1,375,000 stock options to two consultants at an exercise price of $0.08 which expire on March 25, 2023. These options were exercised on April 1, 2021 for gross proceeds of $110,000.

e) Subsequent to year end, 3,150,000 shares were issued upon the exercise of 3,150,000 options at a price of $0.155 per share for gross proceeds of $488,250.

f) Subsequent to year end the Company settled a claim with a shareholder of the Company for a $400,000 cash payment and 2,000,000 in common shares.