RELEVIUM TECHNOLOGIES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX- MONTH PERIODS ENDED DECEMBER, 2019 AND 2018

UNAUDITED - PREPARED BY MANAGEMENT
EXPRESSED IN CANADIAN DOLLARS

CONTENTS

Condensed Consolidated Interim Financial Statements

NOTICE TO READER

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

The accompanying unaudited interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

As at	**December 31, 2019** (unaudited) **$**	June 30, 2019 (audited) $
ASSETS		
Current assets		
Cash and cash equivalents	**112,677**	875,000
Short-term investments (note 7)	**5,000**	5,000
Receivables (note 8)	**684,221**	162,958
Inventory	**223,939**	559,118
Advances to Lifeline Pharma (note 9)	**72,398**	72,398
Prepaid expenses	**253,603**	121,542
Total current assets	**1,351,838**	1,796,016
Non-current assets		
Deposit on acquisition (note 9)	**163,925**	-
Property and equipment (note 10)	**12,176**	14,506
Intangible assets (note 11)	**4,477,869**	4,474,869
Goodwill (note 11)	**2,275,061**	2,275,061
TOTAL ASSETS	**8,280,869**	8,560,452
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**1,171,118**	571,109
Bridge loan payable (note 12)	**200,000**	-
Loan payable (note 13)	**229,071**	458,045
Current portion of long-term debt (note 14)	**2,439,060**	314,510
Total current liabilities	**4,039,249**	1,343,664
Non-current liabilities		
Warrant liability (note 16)	**42,000**	195,000
Long-term debt (note 14)	**-**	1,973,480
TOTAL LIABILITIES	**4,081,249**	3,512,144
SHAREHOLDERS' EQUITY		
Share capital (note 15)	**13,656,700**	13,373,632
Share purchase warrants (note 16)	**1,624,891**	1,521,276
Equity component of convertible debt	**99,738**	99,738
Obligation to issue shares and warrants	**-**	193,920
Contributed surplus	**1,418,935**	1,418,935
Accumulated other comprehensive loss	**211,479**	(39,488)
Deficit	**(12,812,123)**	(11,519,705)
TOTAL SHAREHOLDERS' EQUITY	**4,199,620**	5,048,308
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**8,280,869**	8,560,452

Going Concern (note 2), Commitments (note 22) and Subsequent Events (note 23)

Approved on behalf of the Board:

/s/ Aurelio Useche	*/s/ Andre Godin*
Director	Director

Accompanying notes form an integral part of these condensed consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

For the periods ended	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	3 months	3 months	**6 months**	6 months
(unaudited)	**$**	$	**$**	$
Sales	**1,124,254**	1,006,501	**2,141,940**	1,991,552
Cost of Sales	**479,457**	451,894	**951,808**	898,244
Gross Profit	**644,797**	554,607	**1,190,132**	1,093,308
Expenses				
Administration fees	**49,845**	117,019	**132,350**	226,777
Consulting fees	**289,764**	187,177	**472,931**	346,227
General and administrative expenses	**173,036**	252,176	**480,988**	456,698
Selling and marketing	**428,709**	569,150	**1,230,229**	1,075,598
Professional fees	**71,283**	108,931	**124,274**	137,799
Amortization of assets	**1,165**	37,012	**2,330**	73,918
Share-based payments	**-**	32,250	**-**	32,350
(Gain) loss on foreign exchange	**1,512**	(2,018)	**1,828**	(576)
Write-down of contingent consideration payable	**-**	(77,670)	**-**	(77,670)
Change in fair value of warrants	**-**	243,000	**(153,000)**	234,000
Amortization of deferred financing costs	**-**	43,655	**-**	58,207
Interest on long-term debt	**70,225**	53,393	**138,220**	133,047
Accreted interest	**1,330**	7,483	**54,400**	51,857
	1,086,869	1,571,588	**2,482,550**	2,748,132
Net Loss	**(442,072)**	(1,016,951)	**(1,292,418)**	(1,654,824)
Other Comprehensive Items				
Exchange differences on translation of foreign operations	**253,621**	15,800	**250,967**	(3,724)
Comprehensive Gain (Loss)	**253,621**	15,800	**250,967**	(3,724)
Net Comprehensive Loss	**(188,451)**	(1,001,151)	**(1,041,451)**	(1,658,548)
Loss per share - Basic and fully diluted	**(0.0013)**	(0.0090)	**(0.0071)**	(0.0153)
Weighted average number of common shares outstanding	**147,446,356**	111,918,730	**145,965,140**	108,249,069

Accompanying notes form an integral part of these condensed consolidated interim financial statements

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(Expressed in Canadian dollars)

For the six-month periods ended (unaudited)	**December 31, 2019** **$**	December 31, 2018 $
OPERATING ACTIVITIES		
Net loss and comprehensive loss	**(1,292,418)**	(1,654,824)
Items not affecting cash:		
Share-based payments	**-**	32,250
Change in fair value of warrants	**(153,000)**	234,000
Write-down of contingent consideration payable	**-**	(77,670)
Unrealized gain (loss) on foreign exchange	**250,967**	(3,724)
Accreted interest	**-**	51,857
Amortization of property and equipment	**2,330**	2,224
Amortization of intangible assets	**-**	71,694
Amortization of deferred financing costs	**-**	58,207
	(1,192,121)	(1,285,986)
Net changes in non-cash working capital items (note 18)	**281,864**	(131,531)
	(910,257)	(1,417,517)
INVESTING ACTIVITIES		
Repayment of contingent consideration payable	**-**	(71,133)
Advances to Lifeline Pharma	**-**	-
Deposit on acquisition (note 9)	**(163,925)**	-
Acquisition of intangible assets	**(3,000)**	-
Acquisition of property and equipment	**-**	(2,113)
	(166,925)	(73,246)
FINANCING ACTIVITIES		
Issue of shares on exercise of options and warrants	**-**	375
Issue of bridge loan	**200,000**	-
Proceeds on issue of convertible notes payable, net of issue costs	**-**	575,000
Issuance of shares, net of shares issue costs	**386,683**	-
Obligation to issue shares and warrants	**(193,920)**	-
Repayment of loan payable	**(228,974)**	(362,576)
Issue of loan payable	**-**	298,760
Issue of long-term debt	**151,070**	-
Repayment of long-term debt	**-**	(82,490)
	314,859	(429,069)
Net increase (decrease) in cash and cash equivalents	**(762,323)**	(1,061,694)
Cash and cash equivalents beginning of period	**875,000**	2,075,050
Cash and cash equivalents end of period	**112,677**	1,013,356

Accompanying notes form an integral part of these condensed consolidated interim financial statements

RELEVIUM TECHNOLOGIES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars)

	Number of shares	Share capital	Warrants	Equity component of convertible debt	Obligation to issue shares and warrants	Contributed surplus	Deficit	Foreign currency translation reserve	
	#	$	$	$	$	$	$	$	$
Balance - June 30, 2019	**141,265,106**	**13,373,632**	**1,521,276**	**99,738**	**193,920**	**1,418,935**	**(11,519,705)**	**(39,488)**	**5,048,308**
Net loss for the period	-	-	-	-	-	-	(1,292,418)	-	(1,292,418)
Other comprehensive loss	-	-	-	-	-	-	-	250,967	250,967
Private placement	2,000,000	104,000	56,000	-	(160,000)	-	-	-	-
Shares issue costs	400,000	18,880	2,240	-	(33,920)	-	-	-	(12,800)
Private placement	3,437,500	182,188	41,250	-	-	-	-	-	223,438
Shares issue costs	343,750	(22,000)	4,125	-	-	-	-	-	(17,875)
Balance - December 31, 2019	**147,446,356**	**13,656,700**	**1,624,891**	**99,738**	**-**	**1,418,935**	**(12,812,123)**	**211,479**	**4,199,620**

	Number of shares	Share capital	Warrants	Equity component of convertible debt	Obligation to issue shares and warrants	Contributed surplus	Deficit	Foreign currency translation reserve	
Balance - June 30, 2018	**104,579,273**	**10,737,413**	**683,884**	**96,734**	**-**	**1,289,951**	**(7,685,285)**	**(15,894)**	**5,106,803**
Net loss for the period	-	-	-	-	-	-	(1,654,824)	-	(1,654,824)
Other comprehensive loss	-	-	-	-	-	-	-	(3,724)	(3,724)
Conversion of a portion of convertible notes	9,000,000	1,211,811	-	(96,734)	-	96,734	-	-	1,211,811
Issue of convertible notes	-	-	-	78,544	-	-	-	-	78,544
Issue of warrants	-	(260,000)	260,000	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	32,250	-	-	32,250
Exercised warrants and option	2,500	459	(84)	-	-	-	-	-	375
Balance - December 31, 2018	**113,581,773**	**11,689,683**	**943,800**	**78,544**	**-**	**1,418,935**	**(9,340,109)**	**(19,618)**	**4,771,235**

Accompanying notes form an integral part of these condensed consolidated interim financial statements

1. General information and nature of operations

Relevium Technologies Inc. (the "Company"), was incorporated under the Canada Business Corporations Act on July 19, 2012, is a publicly traded company currently trading under ticker symbol "RLV" on the TSX Venture Exchange and "6BX" on the Open Market Segment of the Frankfurt Stock Exchange.

The address of the Company's registered head office is 1000 Sherbrooke St. West, Suite 2700, Montreal, Quebec, Canada.

The principal business of the Company is the identification, evaluation, acquisition and operation of brands and businesses in the health and wellness markets, including medical cannabis.

2. Going concern disclosure

The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on the going concern basis, which presumes the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of business. The Company has a history of losses, has consumed significant amount of cash resources in the past and has continued to do so in the period ended December 31, 2019.

During the six-month period ended December 31, 2019, the Company incurred a net loss of $1,041,451(December 31, 2018 - $1,658,548) and had negative cash flow from operations of $910,257 (December 31, 2018 - $1,417,517). As at December 31, 2019, the Company had a negative working capital of $2,687,411 (June 30, 2019 - $452,352 positive).

The Company successfully raised financing through the issuance of debt and common shares. However, the Company expects that cash disbursements over the next 12 months will exceed cash resources, and additional funds will be required to finance the operations of the Company. As such, the use of the going concern assumption may not be appropriate. Therefore, as at December 31, 2019, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern without obtaining additional financial resources.

To date, the Company has financed its cash requirements primarily by issuing shares, warrants and debt instruments. The Company's ability to continue as a going concern is subject to its ability to raise additional financing and to generate cash flows from its operations. These condensed consolidated interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

3. Basis of preparation

These condensed consolidated interim financial statements were authorized for issuance on February 28, 2020 by the Board of Directors of the Company.

Statement of Compliance: these unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements should be read in conjunction with the Company's most recently issued Annual Report, which includes information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's significant accounting policies were presented in Note 4 of the consolidated financial statements for the years ended June 30, 2019 and 2018 and have been consistently applied in the preparation of these consolidated interim financial statements. These consolidated interim financial statements have been prepared on a historical cost basis except for certain financial assets, which are recorded at fair value. In addition, these consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency: these consolidated interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

Basis of Consolidation: the consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries, Ovid Acquisition Corp., Biocannabix Health Corporation, Relevium E-Health Inc., BGX E-Health LLC and BIOGX HM Corp. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The subsidiaries are included in the consolidated interim financial statements from the date the Company gains control until it ceases to control. Intercompany balances and transactions and unrealized gains and losses arising from intercompany transactions are eliminated in preparing the consolidated financial statements. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Company loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

4. Summary of significant accounting policies

See the annual consolidated financial statements for the years ended June 30, 2019 and 2018 for a list of accounting policies used by the Company.

5. Summary of accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make estimates and judgements that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continuously evaluated and are based on management's experience and other factors, including on historical experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and assumptions. The estimates and judgements that, in management's opinion, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are disclosed in the annual audited consolidated financial statements.

See the annual consolidated financial statements for the years ended June 30, 2019 and 2018 for a list of accounting estimates and judgements considered significant by management.

6. Accounting standards issued but not yet effective

At December 31, 2019, a number of new standards, amendments to standards and interpretations have been issued but are not yet effective. Accordingly, they have not been applied in preparing these consolidated interim financial statements. The Company is currently assessing the impact that these standards will have on the consolidated financial statements. The standards issued but not yet effective that are expected to be relevant to the Company's consolidated financial statements are provided below.

Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of each pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's consolidated financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's consolidated financial statements and are not listed.

IFRS 16 Leases
IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

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The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under IAS 17.

Transition to IFRS 16
The Company plans to adopt IFRS 16 retrospectively to each prior reporting period presented. The Company will elect to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4. The Company will therefore not apply the standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4.

The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low value.

The Company has assessed that IFRS 16 will not have a significant impact on its consolidated financial statements.

7. Short-term investments held for trading

The short-term investment is a cashable guaranteed investment certificate with the Company's bank, bearing interest at the rate of 0.5%, maturing within one year and whose market value approximates cost.

8. Receivables

Receivables are comprised of the following:

	December 31, 2019	June 30, 2019
	$	$
Trade and other receivables	**665,950**	67,153
Sales tax receivable	**18,271**	95,805
	684,221	162,958

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9. Advances to Lifeline Pharma

On June 12, 2019, the Company, through its wholly-owned subsidiary, Biocannabix Health Corporation (''BCX''), entered into a binding letter of intent with Lifeline Pharma S.A.S (''LPC''), a privately-owned start-up incorporated in Cali, Colombia, currently seeking the licensing approval by the Government of Colombia to cultivate and produce medical grade cannabis extracts. This letter of intent confirms the discussions to date between the parties about the mutual intention to merge LPC into BCX for the purposes of pursuing a going public transaction, partner on the development of the business plan of LPC (genetics, cultivation, extraction and commercialization on a B2B basis) and BCX (pediatric endo-medicine development, patent and commercialization) with the common objective of pursuing an initial public offering (IPO) via a spinout, plan of arrangement or any other method. The proposed terms of the transaction are as follows:

- A deposit of $250,000 USD payable by BCX in two tranches, 50% in July 2019 and 50% at grant of the first license of cannabis to LPC by the Colombian government;
- A direct investment in cash of $650,000 USD by BCX over the next 7 months to January 2020 to fund LPC activities;
- Subject to an initial series A convertible debenture financing, BCX will invest an additional $1,150,000 USD to complete investment requirements;
- Subject to the successful completion of the licensing process in Colombia, BCX will issue $3,650,000 USD in common shares to the shareholders of LPC;
- Subject to the successful IPO, BCX will either pay $1,500,000 USD in cash or issue the equivalent number shares at the election of the shareholders of LPC;
- Subject to the successful IPO, BCX will also issue shares of the resulting company to a consultant equal to 2.5% of the valuation of LPC pre-series A convertible debenture financing.

As of December 31, 2019, the Company advanced $72,398 (June 30, 2019 - $72,398) to LPC according to the letter of intent for funding the activities. On July 2, 2019, the Company paid $163,925 ($125,000 USD) as the first 50% deposit according to the agreement, as deposit on acquisition.

10. Property and equipment

Property and equipment were comprised of the following balances:

	$
Office equipment - at cost:	
As at July 1, 2018	21,183
Additions	2,113
As at June 30, 2019	23,296
Additions	-
As at December 31, 2019	**23,296**
Depreciation and impairment:	
As at July 1, 2018	4,237
Depreciation	4,553
As at June 30, 2019	8,790
Depreciation	2,330
As at December 31, 2019	**11,220**
Net carrying amount:	
At June 30, 2019	14,506
At December 31, 2019	**12,176**

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11. Intangible assets

Intangible assets were comprised of the following balances:

	Brand	Trademarks	Amortizable Licenses *note (a)*	Non amortizable Licenses	Non compete agreements	Patents	Goodwill	Total
	$	$	$	$	$	$	$	$
Cost								
As at July 1, 2018	901,263	-	-	2,411,837	286,766	1,236,041	2,275,061	7,110,968
Additions	-	7,502	1,154,267	-	-	-	-	1,161,769
As at June 30, 2019	901,263	7,502	1,154,267	2,411,837	286,766	1,236,041	2,275,061	8,272,737
Additions	3,000	-	-	-	-	-	-	-
As at December 31, 2019	**904,263**	**7,502**	**1,154,267**	**2,411,837**	**286,766**	**1,236,041**	**2,275,061**	**8,275,737**
								-
Amortization and impairment								
As at July 1, 2018	-	-	-	-	143,383	1,236,041	-	1,379,424
Amortization	-	-	-	-	143,383	-	-	143,383
As at June 30, 2019	-	-	-	-	286,766	1,236,041	-	1,522,807
Amortization	-	-	-	-	-	-	-	-
As at December 31, 2019	**-**	**-**	**-**	**-**	**286,766**	**1,236,041**	**-**	**1,522,807**
Net carrying amount:								
At June 30, 2019	901,263	7,502	1,154,267	2,411,837	-	-	2,275,061	6,749,930
At December 31, 2019	**904,263**	**7,502**	**1,154,267**	**2,411,837**	**-**	**-**	**2,275,061**	**6,752,930**

Note (a) - On April 8, 2019, the Company entered into an agreement with CK properties to acquire an exclusive licence to use the trademarks, including formulations, standard operating procedures (SOPs) and sampling of patient data for pediatric applications for the Canadian market, with a 13% royalty on gross sales. This licensing agreement is for an initial three-year period and is renewable for two consecutive three-year terms upon reaching certain targets. The acquisition of the license was structured as follows:

- Issuance of 11,733,333 shares valued at fair value, for a total value of $880,000, and 5,866,666 warrants that are giving the holders the ability to purchase 5,866,666 shares at $0.15 for a period of one year, valued at $76,267 according to the value determined by the Black-Scholes option pricing model;
- Cash payment of $198,000 (US$150,000).

As of December 31, 2019, the license was not available for use due to delays in getting access to the SOP, formulations and scientific data, and therefore it was not amortized during the period. The Company performed its annual impairment test of goodwill and indefinite-life intangible assets as of December 31, 2019. All the assets are related to BGX E-Health CGU.

The Company conducted its annual impairment test as at June 30, 2019, in accordance with its policy described in note 4 of the annual audited consolidated financial statements. The Company's recoverable amount was determined using a fair value less costs to sell, by using the average of the capitalized adjusted EBITDA approach and the price to earnings method. Based on a 7.4X multiple and a sales growth of 33%, whereby the Company referenced comparable companies in determining adjusted EBITDA multiples. Comparable companies were determined based by reference to size and operation in similar industries. As a result of this analysis, the recoverable amount exceeded its carrying value, and no impairment was recorded. The calculation of the fair value less cost to sell approach is most sensitive to the adjusted EBITDA multiple and sales growth rate. A reduction of the adjusted EBITDA multiple below 7.0x or a reduction of the sales growth rate by 2 percentage points would result in an impairment.

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12. Bridge loan payable

On September 20, 2019, the Company entered into a bridge loan agreement for a total amount of $200,000. The loan bears interest at a rate of 10% per year and is redeemable in full on April 30, 2020.

13. Loan payable

The loan is the balance of a US$350,000 product development and marketing facility issued on June 13, 2019. It bears interest at a rate of 15.22% per annum, repayable in 12 monthly payments of US$31,627, including interest. The loan is repaid automatically from ongoing sales and cash flows from the Company's Amazon account and is secured by the inventory in Amazon fulfillment centers and the Company's Amazon account administered by Amazon Services LLC.

The previous balance of loan of US$350,000 product development and marketing facility issued on April 3, 2018 was repaid in full on October 4, 2018. It was bearing interest at a rate of 13.99% per annum, repayable in 9 monthly payments of US$41,191, including interest. On October 4, 2018, the Company contracted a new product development and marketing facility of US$219,000 that was bearing interest at a rate of 15.22% per annum, repayable in 12 monthly payments of US$25,902, including interest. This loan was repaid in full on June 10, 2019.

14. Long-term debt

	December 31, 2019 **$**	June 30, 2019 $
Convertible notes payable bearing interest at the 12-month $US Libor rate plus 8% per year, payable monthly, in advance, maturing December 31, 2019 (6), secured by a general assignment of all of the assets of the Company. The note holders have a right to convert 85% of the outstanding capital of $Nil (2) (3) at a strike price of $0.15 per share. The Company may prepay any portion of the principal amount together with accrued interest thereon at any time after December 7, 2017 (1).	**314,510**	314,510
Convertible notes payable bearing interest at the 12-month $US Libor rate plus 8% (10% if in default) per year, payable monthly, in advance, maturing December 20, 2020, secured by a general assignment of all of the assets of the Company. The note holders have a right to convert 85% of the outstanding capital of $1,176,471 at a strike price of $0.15 per share. The Company may prepay any portion of the principal amount together with accrued interest thereon at any time (4).	**1,012,275**	986,740
Convertible notes payable bearing interest at the 12-month $US Libor rate plus 8% (10% if in default) per year, payable monthly, in advance, maturing December 20, 2020, secured by a general assignment of all of the assets of the Company. The note holders have a right to convert 85% of the outstanding capital of $1,176,471 at a strike price of $0.15 per share. The Company may prepay any portion of the principal amount together with accrued interest thereon at any time (5).	**1,012,275**	986,740
Advance bearing no interest rate	**100,000**	-
Total obligations	**2,439,060**	2,287,990
Less current portion of long-term debt	**2,439,060**	314,510
Long-term debt	**-**	1,973,480

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(1) On initial recognition, the convertible notes of $2,250,000 were broken down into the following financial components: a financial liability of $2,088,777 and an equity instrument of $161,223.

(2) On December 12, 2017, $900,000 of the convertible note were converted into 6,000,001 shares at $0.15 per share and 2,999,999 warrants at an exercise price of $0.15 per warrant.

(3) On December 20, 2018, $1,350,000 of the convertible note were converted into 9,000,000 shares at $0.15 per share and $82,490 of convertible notes were repaid.

(4) On December 20, 2018, the bridge loan was converted into convertible notes in the aggregate principal amount of $1,176,471, which includes a discount of $176,471 and $1,000,000 of which would be convertible into shares of the Company at $0.15 per share. On initial recognition, the convertible notes of $1,000,000 were broken down into the following financial components: a financial liability of $950,131 and an equity instrument of $49,869. In addition, 4,500,000 cashless warrants exercisable at $0.15 per warrant were issued to the lenders. On June 26, 2019, the exercise price of these warrants was changed to $0.12.

(5) On December 20, 2018, the Company issued convertible notes in the aggregate principal amount of $1,176,471, which includes a discount of $176,471 and $1,000,000 of which would be convertible into shares of the Company at $0.15 per share. On initial recognition, the convertible notes of $1,000,000 were broken down into the following financial components: a financial liability of $950,131 and an equity instrument of $49,869. In addition, 5,000,000 warrants exercisable at $0.15 per warrant were issued to the lenders. On June 26, 2019, the exercise price of these warrants was changed to $0.12.

(6) On June 26, 2019, the maturity of the remaining notes issued on June 7, 2017 was extended from June 7, 2019 to December 31, 2019.

15. Share capital

Authorized - an unlimited number of common shares and an unlimited number of preferred shares without nominal or par values

Issued –

	December 31, 2019		June 30, 2019	
	#	**$**	#	$
Common shares	**147,446,356**	**13,656,700**	141,265,106	13,373,632

Capital stock transactions are summarized as follows for the period ended December 31, 2019:

The Company issued a total of 6,181,250 shares pursuant to the following:

- On July 9, 2019, the Company completed a private placement and issued an aggregate amount of 2,000,000 units of the Company at a price of $0.08 per unit, for gross proceeds of $160,000 to the Company. Each unit consists of one common share of the Company and one share purchase warrant entitling the holder thereof to purchase one common share at a price of $0.12 until July 9, 2020;

- On July 9, 2019, as part of the private placement, the Company issued 400,000 common shares and 400,000 share purchase warrants as finder's fees, entitling the holder thereof to purchase one common share at a price of $0.12 until July 9, 2020. An amount of $12,800 was also paid as issue costs.

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- On September 6, 2019, the Company completed a private placement and issued an aggregate amount of 3,437,500 units of the Company at a price of $0.065 per unit, for gross proceeds of $223,437.50 to the Company. Each unit consists of one common share of the Company and one share purchase warrant entitling the holder thereof to purchase one common share at a price of $0.12 until September 6, 2020;

- On September 6, 2019, as part of the private placement, the Company issued 343,750 common shares and 343,750 share purchase warrants as finder's fees, entitling the holder thereof to purchase one common share at a price of $0.12 until September 6, 2020. An amount of $17,875 was also paid as issue costs.

16. Share purchase warrants

Share purchase warrants outstanding and exercisable as at December 31, 2019 are summarized as follows**:**

	Warrants **#**	**Weighted average exercise price** **$**
Balance - June 30, 2018	**24,829 832**	**0.1474**
Issued in connection of exclusive licenses	5,866,666	0.1500
Private placement - June 2019	15,350,000	0.1200
Issued in December 2018 to lenders	9,500,000	0.1200
Exercised for cash	(160,000)	0.1000
Exercised for cash	(2,500)	0.1500
Warrants expired	(18,061,833)	0.1500
Balance - June 30, 2019	**37,322,165**	**0.1271**
Private placement - July 2019	2,000,000	0.1200
Private placement - September 2019	3,437,500	0.1200
Issued for agent's fees	743,750	0.1200
Warrants expired	(1,722,500)	0.1125
Warrants expired	(3,383,000)	0.1500
Warrants expired	(1,499,999)	0.1200
Balance - December 31, 2019	**36,897,916**	**0.1248**

Share purchase warrants transactions are summarized as follows for the period ended December 31, 2019:

The Company issued a total of 6,181,250 share purchase warrants pursuant to the following:

- On July 9, 2019, the Company issued 2,400,000 share purchase warrants entitling the holder thereof to purchase one common share at a price of $0.12 until July 9, 2020. The fair value of the warrants was determined using the Black Scholes option pricing model with the following assumptions: risk free interest rate at 1.51%, expected volatility at 98.27%, dividend yield at Nil, expected life 1 year and grant date fair value $0.026;

- On September 6, 2019, the Company issued 3,781,250 share purchase warrants entitling the holder thereof to purchase one common share at a price of $0.12 until September 6, 2020. The fair value of the warrants was determined using the Black Scholes option pricing model with the following assumptions: risk free interest rate at 1.51%, expected volatility at 98.27%, dividend yield at Nil, expected life 1 year and grant date fair value $0.026.

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Each share purchase warrant entitles the holder to purchase one common share of the Company. The share purchase warrants are summarized as follows:

Exercise price	Number outstanding and exercisable	Weighted average remaining contractual life (months)	Expiry dates
$0.12	9,500,000	12 months	December 2020
$0.15	5,866,666	4 months	April 2020
$0.12	15,350,000	6 months	June 2020
$0.12	2,400,000	7 months	July 2020
$0.12	3,781,250	9 months	September 2020
	36,897,916		

17. Share-based payments

On November 7, 2012, the Company established an incentive stock option plan (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares.

On December 22, 2017, the Company amended the Stock Option Plan to increase the maximum number of common shares issuable to 6,983,684. These options vest over a period determined by the Board of Directors when granted and expire after a period of up to 10 years, provided that the number of common shares reserved for issuance under the Stock Option Plan does not exceed ten percent of the outstanding common shares issued.

The Board of Directors determines the exercise price per common share and the number of common shares that may be allotted to each director, officer, employee and consultant of the Company and all other terms and conditions of the options granted under the Stock Option Plan.

During the period ended December 31, 2019, there were no options granted to directors and officers. The option activity, under the share option plan and information concerning outstanding and exercisable options is as follows:

	No. of Options Vested	Weighted Average Exercise Price ($)
Balance - June 30, 2018	**4,812,800**	**0.1793**
Options granted	250,000	0.1500
Options expired	(1,107,800)	0.2033
Balance - June 30, 2019	**3,955,000**	**0.1477**
No transactions	-	-
Balance - December 31, 2019	**3,955,000**	**0.1477**

As at December 31, 2019, the stock options issued and outstanding are as follows:

Options granted and exercisable	Weighted Average Exercise Price ($)	Expiry dates	Weighted average remaining contractual life (months)
180,000	0.10	December 2022	36 months
1,250,000	0.15	September 2025	69 months
2,275,000	0.15	December 2027	96 months
250,000	0.15	October 2028	106 months
3,955,000	**0.15**		

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18. Statement of cash flows

Changes in non-cash working capital items:

	December 31, 2019	December 31, 2018
	$	$
Receivables	**(521,263)**	67,718
Inventory	**335,179**	(85,462)
Prepaid expenses	**(132,061)**	(236,145)
Accounts payable and accrued liabilities	**600,009**	124,404
	281,864	(129,485)

19. Related party transactions

The Company's related parties include the CEO, CFO, directors and corporate secretary. Unless otherwise stated, none of the transactions incorporates special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash. All balance of advances receivable and advances payable are measured at fair value and occurred in the normal course of business.

Transactions with related parties for the six-month period ended December 31, 2019 were as follows:

Six-months ended December 31 (unaudited)	**2019 $**	**2018 $**
Management and directors' fees	158,301	171,794
Professional fees to corporate secretary	34,645	23,914

Amounts payable to related parties included in the non-current liabilities and in the accounts payable and accrued liabilities were as follows:

	Period	**Amounts owed to Related Parties $**
Management and directors	December 31, 2019	106,642
	June 30, 2019	19,500
Corporate secretary	December 31, 2019	48,212
	June 30, 2019	15,064

20. Capital disclosure

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders;
- to maintain sufficient cash resources to support its ongoing activities;
- to maintain a flexible capital structure which optimizes the cost of capital at an acceptable level of risk.

In the management of capital, the Company considers the items included in shareholders' equity in the definition of capital.

The Company manages its capital structure and makes adjustments to it in light of economic conditions and the risk characteristics of the underlying assets. The Company, upon the approval of the Board of Directors, will balance its overall capital structure through the issue of new shares, acquiring or disposing of assets, or by undertaking other activities as deemed appropriate under specific circumstances.

The Company is not exposed to any other externally imposed capital requirements.

21. Financial instruments and risk management

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, market risk and interest rate risk.

Fair value
Hierarchy of Fair Value Measurements
IFRS 13 requires disclosure of a three-level hierarchy for fair value measurements based upon transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1: Fair value is based on quoted market prices in active markets for identical assets or liabilities.

Level 2: Fair value is based on observable inputs other than Level 1 prices, such as quoted market prices for similar, but not identical, assets or liabilities in active markets, quoted market prices for identical assets or liabilities in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Fair value is based on non-observable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Financial instruments classified within Level 3 of the fair value hierarchy are initially fair valued at their transaction price, which is considered the best estimate of fair value. After initial measurement, the fair value of Level 3 assets and liabilities is determined using valuation models, discounted cash flow methodologies, or similar techniques.

The carrying values of cash and cash equivalents, short-term investments, receivables, advances to Lifeline Pharma, accounts payable and accrued liabilities, bridge loan payable and loan payable approximate their fair values due to the immediate or short-term maturity of these financial instruments.

The determination of the fair value of cash and cash equivalents was calculated using level 1 fair value hierarchy.

The determination of the fair value of intangible assets and goodwill were calculated using level 3 fair value hierarchy.

The determination of the contingent consideration payable and the convertible notes payable was calculated using level 2 fair value hierarchy.

Credit risk
The Company is exposed to credit risk through its cash and cash equivalents and trade and other receivables. Credit risk results from the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract.

Cash and cash equivalents are maintained with a high-quality financial institution. As the Company's cash is held by a single Canadian bank, there is a concentration of credit risk. The carrying amount of cash and cash equivalents represents the Company's maximum credit exposure. Trade and other receivables are all current and are recouped within a couple of days from the sale.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity
The following table demonstrates the sensitivity to a possible change in interest rates on its debts. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease %	**Effect on loss before tax $**
2020	1%	28,681
2019	1%	26,675

Currency risk
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Carrying amounts in the Company's consolidated financial statements are based upon best estimates of amounts ultimately realizable after conversion to Canadian funds. As at December 31, 2019, assets and liabilities in foreign currencies are approximately as follows:

(US Dollars)	**December 31, 2019 $**	June 30, 2019 $
Cash	**10,898**	63,310
Prepaid expenses	**16,910**	19,069
Accounts payable and accrued liabilities	**172,290**	42,744

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by continuously forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

22. Commitments

Under the new license agreement, the Company is subject to minimum royalty payable commitments that detailed over the term of the contract as follows:

	$USD
Year one	400,000 to 800,000
Year two	5,000,000 to 8,000,000
Year three	18,000,000 to 25,000,000

23. Subsequent events

On January 28, 2020, Relevium provided an update to shareholders on the proposed transactions with Newscope Capital and a Montreal-based contract manufacturing company (as previously announced by the Company). The Company has received the support of the 2018 secured convertible noteholders ("Noteholders") for the proposed transactions. Under the updated proposed terms for the transaction, the current notes, which are secured against all of the assets of the Company, will be exchanged for notes of Newscope Capital, and the corresponding security interest will follow the shares and membership interests of BGX E-Health LLC that will be sold to Newscope Capital, resulting in the following:

Newscope Capital will acquire from the Company all of the shares and membership interests of BGX E-Health LLC and the rights for the contract manufacturing company in Montreal, which includes assuming the indebtedness relating to the outstanding notes with a principal and accrued interest obligations of $2.35 million, thereby reducing the purchase price being paid by Newscope Capital by an equivalent amount.

The term of the new notes, now an assumed liability by Newscope Capital, shall be extended to 24 months following the closing date of the transaction, bearing the same interest rate, a conversion equal to the transaction price (i.e. $0.50 per share) and a mechanism for early repayment subject to the concurrent financing and listing of the shares of Newscope Capital on the Canadian Securities Exchange.

Without any restrictions, the Company undertakes to escrow the shares it received from Newscope Capital pursuant to the transaction to provide additional security to the Noteholders.

The Company will remain obligated to the Noteholders with non-convertible notes totaling $325,000, which is expected to be paid in instalments over four months. If the Company closes a significant financing, it is intended that the remaining notes will be accelerated and repaid in full.