RELEVIUM TECHNOLOGIES INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE-MONTH PERIODS ENDED SEPTEMBER 30, 2021 AND 2020

UNAUDITED - PREPARED BY MANAGEMENT
EXPRESSED IN CANADIAN DOLLARS

CONTENTS

Interim Condensed Consolidated 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 unaudited interim condensed 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.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian dollars)

As at,	**September 30, 2021**	June 30, 2021 (audited)
	$	$
Assets		
Current Assets		
Cash and cash equivalents	**29,522**	64,346
Short-term investments (Note 6)	**5,000**	5,000
Receivables (Note 7)	**120,466**	51,758
Inventory	**40,788**	38,791
Deposits and prepaid expenses	**25,624**	18,975
Total current assets	**221,400**	178,870
Non-current assets		
Property and equipment (Note 8)	**4,023**	5,188
Intangible assets (Note 9)	**574,802**	574,802
Total Assets	**800,225**	758,860
Liabilities		
Current liabilities		
Bank advances	**419,266**	195,299
Accounts payable and accrued liabilities	**1,450,996**	1,311,527
Customer deposits	**1,060,312**	1,031,434
Loans payable (Note 10)	**200,000**	200,000
Settlement provision	**75,000**	75,000
Current portion of long-term debt (Note 11)	**449,667**	2,801,310
Total current liabilities	**3,655,241**	5,614,570
Non-current liabilities		
Warrant liability	**48,252**	48,252
Total Liabilities	**3,703,493**	5,662,822
Shareholder's Deficiency		
Share capital (Note 12)	**16,618,511**	14,184,072
Share purchase warrants (Note 13)	**3,197,570**	3,197,570
Equity component of convertible debt (Note 11)	**99,738**	99,738
Contributed surplus	**1,418,935**	1,418,935
Accumulated other comprehensive income (loss)	**(47,621)**	15,392
Deficit	**(24,190,401)**	(23,819,669)
Total Shareholder's Deficiency	**(2,903,268)**	(4,903,962)
Total Liabilities and Shareholders' Deficiency	**800,225**	758,860

Going Concern (Note 2), Commitments (Note 19) and Subsequent Events (Note 20)

Approved on behalf of the Board:

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

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

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

For the three-month periods ended,	**September 30, 2021**	September 30, 2020
	$	$
Sales	**182,800**	333,116
Cost of Sales	**84,394**	139,844
Gross Profit	**98,406**	193,272
Expenses		
Administration fees	**15,120**	31,970
Amortization of assets (Note 8)	**1,165**	1,165
Consulting fees	**56,697**	61,951
General and administrative expenses	**70,711**	135,748
Interest on long-term debt (Note 11)	**100,077**	50,202
Gain on foreign exchange	**(315)**	(23)
Professional fees	**106,145**	135,542
Selling and marketing	**119,538**	116,274
Total Expenses	**469,138**	532,829
Net Loss	**(370,732)**	(339,557)
Other Comprehensive Items		
Exchange differences on translation of foreign operations	**(63,013)**	12,325
Comprehensive Income (Loss)	**(63,013)**	12,325
Net Comprehensive Loss	**(433,745)**	(327,232)
Loss per share - Basic and fully diluted	**(0.002)**	(0.002)
Weighted average number of common shares outstanding	**231,585,554**	205,386,700

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

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

For the three-month periods ended,	**September 30, 2021**	September 30, 2020
	$	$
Operating Activities		
Net loss and comprehensive loss	**(370,732)**	(339,557)
Items not affecting cash:		
Unrealized (gain) loss on foreign exchange	**(63,013)**	12,325
Amortization of property and equipment (Note 8)	**1,165**	1,165
	(432,580)	(326,067)
Net changes in non-cash working capital items (Note 15)	**90,993**	(12,083,298)
Cash outflow (used in) operating activities	**(341,587)**	(12,409,365)
Investing Activities		
Cash outflow (used in) investing activities	**-**	-
Financing Activities		
Bank advances	**223,967**	(5,759)
Customer deposits	**-**	27,811,768
Subscription receivable	**-**	210,000
Issuance of shares, net of issue costs (Note 12)	**2,434,439**	92,747
Loan from officer	**-**	(46,152)
Repayment of loan payable	**-**	(23,225)
Increase (decrease) in long-term debt (Note 11)	**(2,351,643)**	-
Cash inflow (outflow) from financing activities	**306,763**	28,039,379
Net (decrease) increase in cash and cash equivalents	**(34,824)**	15,630,014
Cash and cash equivalents, beginning of period	**64,346**	194,919
Cash and cash equivalents, end of period	**29,522**	15,824,933

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY

(Expressed in Canadian dollars)

For the three-month periods ended September 30, 2021

	Number of shares (Note 12)	Share capital (Note 12)	Warrants (Note 13)	Equity component convertible debt (Note 11)	Contributed surplus (Note 14)	Shareholders' Deficit	Foreign currency translation reserve	
	#	$	$	$	$	$	$	$
Balance – June 30, 2021	**207,770,388**	**14,184,072**	**3,197,570**	**99,738**	**1,418,935**	**(23,819,669)**	**15,392**	**(4,903,962)**
Net loss for the period	-	-	-	-	-	(370,732)	-	(370,732)
Other comprehensive loss	-	-	-	-	-	-	(63,013)	(63,013)
Conversion of loan notes	121,721,958	2,434,439	-	-	-	-	-	2,434,439
Balance – September 30, 2021	**329,492,346**	**16,618,511**	**3,197,570**	**99,738**	**1,418,935**	**(24,190,401)**	**(47,621)**	**(2,903,268)**

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars)

For the three-month periods ended September 30, 2020

	Number of shares (Note 12)	Share capital (Note 12)	Warrants (Note 13)	Equity component convertible debt (Note 1`)	Subscription receivable	Contributed surplus (Note 14)	Shareholders' Deficit	Foreign currency translation reserve	
	#	$	$	$	$	$	$	$	$
Balance – June 30, 2020	**202,820,472**	**14,067,808**	**3,172,766**	**99,738**	**(210,000)**	**1,418,935**	**(18,451,333)**	**(42,392)**	**55,522**
Net loss for the period	-	-	-	-	-	-	(339,557)	-	(339,557)
Other comprehensive loss	-	-	-	-	-	-	-	12,325	12,325
Private placement	2,649,916	67,943	24,804	-	-	-	-	-	92,747
Warrants exercised	1,500,000	-	-	-	-	-	-	-	-
Subscription receivable	-	-	-	-	210,000	-	-	-	210,000
Balance – September 30, 2020	**206,970,388**	**14,135,751**	**3,197,570**	**99,738**	**-**	**1,418,935**	**(18,790,890)**	**(30,067)**	**31,037**

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

1. General information and nature of operations

Relevium Technologies Inc. ("Relevium" or 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 and impact of COVID-19

The accompanying interim condensed 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 September 30, 2021.

During the three-month period ended September 30, 2021, the Company incurred a net loss of $370,732 (September 30, 2020 – $339,557) and incurred cash outflow from operations of $341,587 (September 30, 2020 – cash outflow from operations of $12,409,365). As at September 30, 2021, the Company had a negative working capital of $3,433,841 (June 30, 2021 - $5,435,700).

Historically, the Company has 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. Therefore, as at September 30, 2021, 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, generate cash flows from operations and continued support from existing creditors. These consolidated 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.

The outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization declared to be a pandemic on March 11, 2020, has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. It has created challenges for the entire market.

State of emergency or shutdown declarations by several governments have impacted the Company's operations for the period ended September 30, 2021, resulting in a decrease in sales as well as earnings. Given the continued developments in the COVID-19 global pandemic, Management is closely monitoring the evolution of this pandemic, As the uncertainty regarding the full extent and duration of the pandemic continues, Management is focussing on a cash conservation plan aimed at ensuring maximum available liquidity and financial flexibility until crisis abates and market conditions stabilize.

3. Basis of preparation

These interim condensed consolidated financial statements were authorized for issuance on March 10, 2023 by the Board of Directors (the "Board") of the Company.

Statement of compliance
These unaudited interim condensed consolidated 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. These interim condensed consolidated financial statements should be read in conjunction with the Company's most recently issued audited financial statements which include 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 the consolidated financial statements for the years ended June 30, 2021 and 2020 and have been consistently applied in the preparation of these interim condensed consolidated financial statements. These interim condensed consolidated financial statements have been prepared on a historical cost basis except for certain financial assets which are recorded at fair value. In addition, these unaudited interim condensed consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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

Basis of consolidation
These interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Ovid Acquisition Corp., Biocannabix Health Corporation, Relevium E-Health Inc. and BGX E-Health LLC. 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 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

Accordingly, the accounting policies adopted by the Company for its IFRS annual consolidated financial statements will be determined as at June 30, 2022. In the event that accounting policies adopted at June 30, 2022 differ materially from the accounting policies used in the preparation of these financial statements, these financial statements would be restated retrospectively to account for the application of those policies adopted at June 30, 2022.

See the annual consolidated financial statements for the years ended June 30, 2021 and 2020 for a list of accounting policies used by the Company.

5. Summary of accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions about the carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods presented. Actual results could differ from those estimates and such differences could be significant. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Unaudited – Prepared by Management in Canadian Dollars

See the annual consolidated financial statements for the years ended June 30, 2021 and 2020 for a list of accounting estimates and judgments considered significant by management

6. 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.

7. Receivables

Receivables are comprised of the following:

	September 30, 2021	June 30, 2021
	$	$
Trade and other receivables (net)	**38,518**	(12,942)
Sales tax receivable	**81,948**	64,700
	120,466	51,758

8. Property and equipment

Property and equipment are comprised of the following balances:

	$
Office equipment - at cost:	
As at June 30, 2020	23,296
Additions	**-**
As at June 30, 2021	**23,296**
Additions	-
As at September 30, 2021	**23,296**
Depreciation and impairment:	
As at June 30, 2020	13,449
Depreciation	4,659
As at June 30, 2021	**18,108**
Depreciation	1,165
As at September 30, 2021	**19,273**
Net carrying amount:	
As at June 30, 2020	9,847
As at June 30, 2021	5,188
As at September 30, 2021	**4,023**

Unaudited – Prepared by Management in Canadian Dollars

9. Intangible assets

Intangible assets were comprised of the following balances:

	Brand	Trademarks	Amortizable Licenses *Note (a)*	Non amortizable Licenses	Non-Compete Agreements	Goodwill *Note (b)*	Total
	$	$	$	$	$	$	$
Cost							
As at July 1, 2020	901,263	11,702	1,154,267	2,411,837	286,766	2,275,061	7,040,896
Additions	-	-	-	-	-	-	-
As at June 30, 2021	901,263	11,702	1,154,267	2,411,837	286,766	2,275,061	7,040,896
Additions	-	-	-	-	-	-	-
Balance, as at September 30, 2021	**901,263**	**11,702**	**1,154,267**	**2,411,837**	**286,766**	**2,275,061**	**7,040,896**
Amortization and impairment							
Balance as at July 1, 2020	-	-	1,154,267	-	286,766	2,067,246	3,508,279
Amortization	-	-	-	-	-	-	-
Impairment	338,163	-	-	2,411,837	-	207,815	2,957,815
Balance as at June 30, 2021	338,163	-	1,154,267	2,411,837	286,766	2,275,061	6,466,094
Amortization	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-
Balance as at September 30, 2021	**338,163**	**-**	**1,154,267**	**2,411,837**	**286,766**	**2,275,061**	**6,466,094**
Net carrying amount:							
As at June 30, 2020	901,263	11,702	-	2,411,837	-	207,815	3,532,617
As at June 30, 2021	563,100	11,702	-	-	-	-	574,802
As at September 30, 2021	**563,100**	**11,702**	**-**	**-**	**-**	**-**	**574,802**

Note (a) – In January 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 years term upon reaching certain targets. The acquisition of the license which belongs to the Pediatric Biopharma segment 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 June 30, 2020, the license was not available for use due to delays in getting access to the SOP, formulations, and scientific data. The initial license term will expire in January 2022, and the Company does not expect to derive any economic benefits from the license. As a result, for the year ending June 30, 2020, the Company recorded an impairment of 100% of the value of the amortizable licenses ($1,154,267).

Note (b) – Goodwill allocation was to a single CGU, BioGanix E-Health LLC (“BGX”). The recoverable amount of the goodwill was based on value in use, determined by discounting the future cash flows to be generated from the continuing use of the

Unaudited – Prepared by Management in Canadian Dollars

CGU. The carrying amount was determined to be more than the recoverable amount. Therefore, the Company recorded an impairment of $2,067,246 against the goodwill for a net value of $207,815 as at June 30, 2020.

Key assumptions used in the estimate of value in use for the year ended June 30, 2020 were as follows:

Pre-tax Discount Rate	23%
Terminal Growth Rate	2%
Budgeted revenue growth rate (average)	65%
EBITDA margin (average)	1%
Cash flow period	3 years

For the year ending June 30, 2021, the Company recognized total impairment of $2,957,815. The Company recorded an impairment of the remainder of the goodwill of $207,815. The Company also recorded an impairment of 100% of the value of the non-amortizable licenses of $2,411,837. An impairment of $338,163 was applied against the value of the brand, resulting in a book value of $563,100 at June 30, 2021. The Company recognized these impairments as the budgeted revenue growth assumed for the year ended June 30, 2020 (as shown above) did not materialize in the year ended June 30, 2021. The key assumptions used in the estimate of the value in use for the year ended June 30, 2021 were the same as presented above for the year ended June 30, 2020, except that the terminal growth rate was assumed to be 0%, the budgeted revenue growth rate (average) was assumed to be 0% and the EBITDA margin was assumed to be 15%.

For the three-month period ended September 30, 2021, no further amortization and/or impairment was recorded for the intangible assets.

10. Loan payable

During the year ended June 30, 2020, the Company entered into a letter of intent to roll its interest in its wholly-owned subsidiary BGX E-Health LLC into Newscope Capital Corporation (“Newscope”). Due to poor economic conditions, the transaction was cancelled. From the potential transaction, the Company received $200,000 in advanced funds from Newscope, which have been captured as a payable to Newscope as at June 30, 2021 and September 30, 2021. This loan payable bears no interest.

	September 30, 2021	June 30, 2021
	$	$
Newscope Capital Corporation	**200,000**	200,000
	200,000	200,000

Unaudited – Prepared by Management in Canadian Dollars

11. Long-term debt

	September 30, 2021	June 30, 2021
	$	$
Convertible Notes (1)	**449,667**	2,801,310
Total obligations	**449,667**	2,801,310
Less: due within one year	**(449,667)**	(2,801,310)
	-	-

(1) On December 20, 2018, the Company issued convertible notes in the aggregate principal amount of $2,352,942, which includes a discount of $352,942 and $2,000,000 of which would be convertible into shares of the Company at $0.15 per share. On initial recognition, the convertible notes of $2,000,000 were broken down into the following financial components: a financial liability of $1,900,262 and an equity instrument of $99,738. 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. On February 1, 2020, the exercise price of these warrants was changed to $0.05 (Note 13).

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

On December 18, 2020, the Company signed an agreement with the convertible note holders to extend the term of the repayment of the convertible notes to January 31, 2021, subject to the conditions below:

- All warrants issued to the convertible note holders, which have a strike price of $0.05 and were scheduled to expire on December 20, 2020, had their expiration date amended to December 20, 2022;
- The Company agreed to pay an extension fee of $24,000 to the convertible note holders, which was paid through the issuance of 800,000 common shares of the Company at a deemed price of $0.03; and
- Interest and monitoring fees for January 2021 had to be paid by December 28, 2020.

In addition, the Company had the option to extend the maturity date of the convertible notes up to three times for an additional 30 days each by paying an additional extension fee equal to 2% of the principal balance of the convertible notes for each extension. The Company exercised this option to extend the convertible notes, which were further extended to June 1, 2021. Beginning in January 2021, the principal of the convertible notes outstanding included any unpaid fees and interest.

On June 30, 2021, The Company reached an agreement with the convertible note holders to settle the outstanding convertible notes, which amounted to $2,798,550 at that date. The Company and the convertible note holders agreed to settle the total of $2,798,550, including interest and accrued fees, as follows:

- Shares for debt settlement of $2,434,439.16 at a price equal to $0.02, reflecting market closing pricing in accordance with TSX Venture Exchange ("TSX-V") policy relief extended to issuers doe to the pandemic, representing the issuance of 121,721,958 common shares; and
- Cash payment for the balance over the subsequent days totalling $364,111.

On September 13, 2021, the 121,721,958 common shares were issued at a deemed price of $0.02 per share.

Covenants

The Company has agreements in place with the convertible note holders, which require the Company to adhere to certain covenants. These agreements, which were amended, require the Company to:
(1) Have a minimum debt-to-equity ratio of 1.25:1;
(2) Generate revenues of at least $900,000 per quarter; and

Unaudited – Prepared by Management in Canadian Dollars

(3) Generate minimum EBITDA of $100,000 per fiscal year and positive EBITDA per quarter for the BGX E-Health subsidiary of the Company.

As at and during the three-month ended and as at September 30, 2021, the Company was in default at times with respect to all three covenants above.

12. Share capital

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

Issued	**September 30, 2021**		June 30, 2021	
	#	**$**	#	$
Common shares	**329,492,346**	**16,618,511**	207,770,388	14,184,072

Capital stock transactions are summarized as follows for the three-months period ended September 30, 2021:

- On September 13, 2021, the Company completed a shares-for-debt settlement, pursuant to which the Company settled an aggregate of $2,434,439 of debt with certain holders of outstanding Convertible Notes through the issuance of 121,721,958 common shares in the capital stock of the Company at a deemed price of $0.02 per share ("Shares-for-Debt Settlements"). Please see Note 20 (Subsequent events) for additional information in this regard.

Capital stock transactions are summarized as follows for the year ended June 30, 2021:

- On July 9, 2020, the Company has completed a private placement (third tranche) that was originally announced on May 25, 2020. The Company issued 2,649,916 units of the Company at a price of $0.035 per unit, for gross proceeds of $92,747 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 $0.05 for the next 2 years. No finder's fees were paid.

- On September 18, 2020, the convertible note holders elected to complete cashless exercise of 4,500,000 warrants, with the Warrant price to be deducted from the Common Shares issuable upon such exercise. The number of Common Shares received upon such cashless exercise was equal to 1,500,000 based on the closing price of $0.075 and $0.05 warrant price.

- On December 21, 2020, the Company issued 800,000 shares at $0.03 for $24,000.

Unaudited – Prepared by Management in Canadian Dollars

13. Share purchase warrants

Share purchase warrants outstanding and exercisable as at September 30, 2021 are summarized as follows**:**

	Warrants #	Weighted average exercise price $
Balance - June 30, 2020	**67,267,581**	**0.056**
Warrants expired	(5,837,500)	0.120
Warrants expired	(730,980)	0.050
Warrants exercised	(4,500,000)	0.050
Private placement - July 2020	2,049,916	0.050
Balance – June 30, 2021	**58,249,017**	**0.050**
Balance – September 30, 2021	**58,249,017**	**0.050**

Share purchase warrants transactions are summarized as follows for the three-month period ended September 30, 2021:

- There was no warrant transaction during the three-months period ended September 30, 2021.

Share purchase warrants transactions are summarized as follows for the year ended June 30, 2021:

- On September 18, 2020, the convertible note holders elected to complete cashless exercise of 4,500,000 warrants, with the warrant price to be deducted from the Common Shares issuable upon such exercise. The number of Common Shares received upon such cashless exercise was equal to 1,500,000 based on the closing price of $0.075 and $0.05 warrant price (see Note 12).

Each share purchase warrant entitles the holder to purchase one common share of the Company. As at September 30, 2021, the Company's share purchase warrants are summarized as follows:

Exercise price	Number outstanding and exercisable	Weighted average remaining contractual life (months)	Expiry dates
$0.05	46,894,194	8 months	May 2022
$0.05	6,000,000	9 months	June 2022
$0.05	2,049,916	10 months	July 2022
$0.05	3,304,907	15 months	December 2022
$0.05	**58,249,017**		

14. 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 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 when granted and expire after a period of up to ten 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.

Unaudited – Prepared by Management in Canadian Dollars

The Board 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 three-month period ended September 30, 2021, 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, 2020	**3,955,000**	**0.17**
Expiry of options	(600,000)	0.19
Balance - June 30, 2021	**3,355,000**	**0.17**
Balance - September 30, 2021	**3,355,000**	**0.17**

As at September 30, 2021 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	15 months
1,250,000	0.15	September 2025	48 months
1,675,000	0.19	December 2027	75 months
250,000	0.15	October 2028	85 months
3,355,000	**0.17**		

15. Statements of cash flows

Changes in non-cash working capital items:

	September 30, 2021	June 30, 2021	September 30, 2020
	$	$	$
Receivables	**(68,708)**	328,788	(254,289)
Inventory	**(1,997)**	87,398	45,891
Deposits and prepaid expenses	**(6,649)**	66,373	(11,933,695)
Accounts payable and accrued liabilities	**139,469**	(79,161)	58,795
Customer deposits	**28,878**	1,031,434	-
Settlement expense	**-**	75,000	-
	90,993	1,509,832	(12,083,298)

16. Related party transactions

The Company’s related parties include the CEO, CFO, directors, corporate secretary, and family members of these parties. 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 three-month period ended September 30, 2021 and 2020 were as follows:

Unaudited – Prepared by Management in Canadian Dollars

	Three-months ended September 30	
	2021	**2020**
	$	**$**
Management and directors' fees	**84,026**	123,805
Professional fees to corporate secretary	**-**	9,000
Loan with Aurelio Useche	**-**	28,779

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

	As at	Amounts owed to Related Parties $
Management and directors	**September 30, 2021**	**442,398**
	June 30, 2021	391,339
Corporate secretary	**September 30, 2021**	**64,082**
	June 30, 2021	64,082

17. 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, 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. As previously reported, given the recent developments in the COVID-19 global pandemic, Management has put in place a response plan and is closely monitoring the evolution of this pandemic, including how it may affect the Company, the economy, and the general population.

The Company is exposed to the covenant requirements associated with the convertible notes, as disclosed in Note 11.

18. 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 – Fair Value Measurement 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.

Unaudited – Prepared by Management in Canadian Dollars

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, bank advances, accounts payable and accrued liabilities, loan payable, loan from officer and long-term debt approximate their fair values due to the immediate or short-term maturity of these financial instruments.

The determination of the fair value of intangible assets, goodwill and warrant liability was 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 the credit term allowed from the sale. The Company has recorded an allowance for doubtful accounts for those receivables for which it deems the collection is not probable. Please consult Note 7, Receivables for more information in this regard.

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, which were $Nil at September 30, 2021 (June 30, 2021 – $Nil).

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 $**
September 30, 2021	1%	6,497
June 30, 2021	1%	30,013

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 September 30, 2021, assets and liabilities in foreign currencies are approximately as follows:

	September 30, 2021	June 30, 2021
(US Dollars)	**$**	$
Cash and cash equivalents	**23,171**	47,173
Accounts payable and accrued liabilities	**269,024**	227,960
Customer deposits	**832,205**	832,204

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 are actively involved in the review, planning and approval of significant expenditures and commitments.

As at September 30, 2021, undiscounted cash flows, including capital and interest related to the Company's liabilities expire as follows:

	Carrying amount	**Maturing in less than 12 months**	**Maturing in 1 to 3 years**	**September 30, 2021 Total**
	$	**$**	**$**	**$**
Bank advances	**419,266**	419,266	-	**419,266**
Accounts payable and accruals	**1,450,996**	1,450,996	-	**1,450,996**
Customer deposits	**1,060,312**	1,060,312	-	**1,060,312**
Loans payable	**200,000**	200,000	-	**200,000**
Long-term debt	**449,667**	449,667	-	**449,667**
	3,580,241	3,580,241	-	**3,580,241**

19. Contingencies and commitments

Contingencies
In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with customers, suppliers, location owners and former employees. Management has accrued for these contingent liabilities where an amount can be reasonable estimated:

- On April 8, 2019, the Company entered into an agreement with CK properties to acquire an exclusive licence to use the trademarks with a Royalty to be paid of 13% of Gross Sales. Per Note 8, this license was fully written off due to impairment, however the Company would be liable for royalty payments if the license were to be used in the future.

- On June 4, 2019, the Company signed a letter of intent with Weedsense Inc. ("Weedsense") for the purchase of up to a 30% interest of Weedsense. A share purchase and sale agreement were later signed on October 16, 2019. Due to poor economic conditions, the Company no longer pursued the transaction and did not meet the obligations outlined in the share purchase agreement. On April 17, 2020, Weedsense claimed per a demand letter to the Company requesting payment in the amount of $809,326 and $500,000 in shares of the Company. On December 17, 2021, Relevium announced an out-of-court settlement between the Company and Weedsense. The parties had agreed to settle their dispute out-of-court with Relevium paying a total amount of $75,000 in common shares of the Company at a deemed price of either the higher of a 10-day volume weighted average price prior to issuance of the shares or $0.02. The transaction is subject to the approval of the TSX-V. As of the date of these financial statements, the TSX-V has not given its approval, and no shares have been issued.

Commitments
There are no commitments as at September 30, 2021.

20. Subsequent events

Convertible Notes
On October 1, 2021, the Company announced that it had completed its shares-for-debt settlement, pursuant to which the Company has settled an aggregate of $2,434,439.16 of debt with certain holders of outstanding Convertible Notes through the issuance of 121,721,958 common shares in the capital stock of the Company at a deemed price of $0.02 per share ("Shares-for-Debt Settlements"); these 121,721,958 common shares were issued on September 13, 2021.

AIP Convertible Private Debt Fund LP and AIP Private Capital Inc. (collectively, "AIP") were participants in the Shares-for-Debt Settlements. AIP acquired a total of 65,405,520 common shares at a deemed price of $0.02 per share in settlement of an aggregate of $1,308110.40 of debt.

Immediately prior to the closing of the Shares-for-Debt Settlements, AIP held a total of 460,000 common shares. Immediately following the Shares-for-Debt Settlements, AIP held a total of 65,865,520 common shares, representing approximately 19.99% of the Company's issued and outstanding common shares.

On August 1, 2022, Aurum Maximus LLC, a Company controlled by Aurelio Useche, the Company's President & CEO, paid the remaining loan balance outstanding of $108,603 to AIP and the noteholders, and thereby assumed this debt.

Settlement with Weedsense
On December 17, 2021, Relevium announced an out-of-court settlement between the Company and Weedsense. The parties had agreed to settle their dispute out-of-court with Relevium paying a total amount of $75,000 in common shares of the Company at a deemed price of either the higher of a 10-day volume weighted average price prior to issuance of the shares or $0.02. The transaction is subject to the approval of the TSX-V. As of the date of this MD&A, the TSX-V has not given its approval, and no shares have been issued.

Cease Trade Order
On January 10, 2022, the TSX-V halted trading in the Company's common shares until such time as Relevium completes certain filings with the TSX-V.