BLACK LION CAPITAL CORP.

FILING STATEMENT

IN RESPECT OF THE QUALIFYING TRANSACTION INVOLVING THE ACQUISITION BY BLACK LION CAPITAL CORP.
OF ALL OF THE ISSUED AND OUTSTANDING COMMON SHARES OF
2204901 ONTARIO INC. o/a Globally Local
("Globally Local")

Dated as of March 19, 2021

Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this filing statement.

FILING STATEMENT
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GLOSSARY

"**Affiliate**" means a Company that is affiliated with another Company as described below.

A Company is an "Affiliate" of another Company if:

(a) one of them is the subsidiary of the other; or

(b) each of them is controlled by the same Person.

A Company is "controlled" by a Person if:

(a) voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person; and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that are beneficially owned by:

(a) a Company controlled by that Person; or

(b) an Affiliate of that Person or an Affiliate of any Company controlled by that Person.

"**Agent**" means Canaccord Genuity Corp.

"**Agency Agreement**" means the agency agreement between Globally Local and the Agent in respect of the Financing.

"**Agent's Commission**" means the commission payable to the Agent equal to 8% of the aggregate gross proceeds of the Financing (excluding proceeds from Subscription Receipts sold to certain excluded purchasers in respect of which the Agent the commission will be equal to 4% of the gross proceeds of the Subscription Receipts sold to such purchasers) payable in cash or Subscription Receipts, or any combination of cash or Subscription Receipts at the option of the Agent.

"**Agent's Compensation Options**" means the compensation options granted to the Agent equal to 8.0% of the number of Subscription Receipts sold pursuant to the Financing (excluding Subscription Receipts sold to certain excluded purchasers in respect of which the Agent will be issued Agent's Compensation Options equal to 4% of the Subscription Receipts sold (subject to certain exceptions)). Each such Agent's Compensation Option is exercisable for one Globally Local Share for a period of 24 months following the Escrow Release Date at a price of $0.40 per Globally Local Share.

"**Arm's Length Transaction**" means a transaction which is not a Non-Arm's Length Qualifying Transaction.

"**Associate**" when used to indicate a relationship with a person or company, means:

(a) an issuer of which the person or Company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;

(b) any partner of the person or Company;

(c) any trust or estate in which the person or Company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity;

(d) in the case of a person, a relative of that person, including

(i) that person's spouse or child; or

(ii) any relative of the person or of his spouse who has the same residence as that person;

but

(e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm (as defined by the Exchange's policies), Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

"**Available Funds**" means the estimated minimum working capital available to the Resulting Issuer, its subsidiaries and proposed subsidiaries as of the most recent month end, and the amounts and sources of other funds that will be available to the Resulting Issuer, its subsidiaries and proposed subsidiaries prior to or concurrently with the completion of the Transaction.

"**BCBCA**" means the *Business Corporations Act* (British Columbia), including the regulations promulgated thereunder, as amended.

"**Black Lion**" or "**Issuer**" means Black Lion Capital Corp., a corporation incorporated pursuant to the BCBCA.

"**Black Lion Consolidated Shares**" means the post-Black Lion Consolidation common shares in the capital of Black Lion.

"**Black Lion Consolidation**" means the consolidation of Black Lion Shares on the basis of one Black Lion Consolidated Share for every 2.5 Black Lion Shares to be completed prior to the Completion of the Qualifying Transaction.

"**Black Lion Name Change**" means the name change of Black Lion to Globally Local Technologies Inc., approved by the Black board.

"**Black Lion Shareholders**" means the holders from time to time of Black Lion Shares or Black Lion Consolidated Shares, as the case may be.

"**Black Lion Shares**" means common shares in the capital of Black Lion, as constituted on the date hereof (on a pre-Black Lion Consolidation basis).

"**Black Lion Stock Option Plan**" has the meaning ascribed thereto in *Part III - Information Concerning the Issuer - Stock Option Plan.*

"**Black Lion Sub**" means 2801318 Ontario Ltd., a wholly-owned subsidiary of Black Lion, incorporated pursuant to the OBCA.

"**Black Lion Sub Shares**" means common shares in the capital of Black Lion Sub.

"**CEO**" means the Chief Executive Officer.

"**CFO**" means the Chief Financial Officer.

"**Closing**" means the completion of the Transaction.

"**Closing Notice**" means the notice to be delivered by Globally Local and the Agent to the Escrow Agent directing the Escrow Agent to release the Escrowed Funds.

"**Company**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"**Completion of the Qualifying Transaction**" means the date the Final Exchange Bulletin is issued by the Exchange.

"**Control Person**" means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

"**CPC**" means a corporation:

(a) that has been incorporated or organized in a jurisdiction in Canada;

(b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the Exchange Policy 2.4; and

(c) in regard to which the Completion of the Qualifying Transaction has not yet occurred.

"**CPC Compensation Options**" means the compensation options issued to the Agent in connection with its services under the CPC IPO.

"**CPC IPO**" means the Issuer's initial public offering of 6,000,000 Black Lion Shares at $0.10 per Black Lion Share (on a pre-Black Lion Consolidation basis) which was completed on April 4, 2016.

"**CPC Options**" means stock options to acquire Black Lion Shares pursuant to the Black Lion Stock Option Plan.

"**CPC Seed Escrow Agreement**" means the escrow agreement dated January 22, 2016 among the Issuer, the Escrow Agent and certain shareholders of the Issuer with respect to an aggregate of 2,615,000 Black Lion Shares (on a pre-Black Lion Consolidation basis).

"**Definitive Agreement**" means the amended and restated amalgamation agreement entered into between Black Lion, Black Lion Sub and Globally Local in respect of the Transaction.

"**Escrow Agent**" means AST Trust Company (Canada), in its capacity as escrow agent.

"**Escrow Deadline**" means 5:00 p.m. (Toronto time) on May 31, 2021 or such later date as holders of not less than two-thirds of the Subscription Receipts may agree in writing.

"**Escrowed Funds**" means the gross proceeds of the Financing (net of 50% of the Agent's Commission and the Agent's expenses) to be deposited in escrow with the Escrow Agent on the Financing Closing Date.

"**Escrow Release Conditions**" means, in respect of the Financing, the occurrence or waiver by the Agent of all of the following events: (i) the completion or satisfaction, or waiver by Globally Local, its securityholders and Black Lion, of all conditions precedent to the Transaction (other than the release of the Escrowed Funds); (ii) the receipt of the Exchange conditional approval for the listing of the Resulting Issuer Shares issuable in connection with the Transaction; (iii) the receipt of all required shareholder and regulatory approvals and third party consents necessary to complete the Transaction; and (iv) Globally Local and the Agent having delivered a notice to the Escrow Agent that all of the Escrow Release Conditions have been satisfied or waived.

"**Escrow Release Date**" means the date on which the Escrow Release Conditions are met and the Escrowed Funds are released to Globally Local.

"**Exchange**" or "**TSXV**" means the TSX Venture Exchange.

"**Exchange Policy 2.2**" means Exchange Policy 2.2 – *Sponsorship and Sponsorship Requirements* of the TSXV Corporate Finance Manual.

"**Exchange Policy 2.4**" means Exchange Policy 2.4 – *Capital Pool Companies* of the TSXV Corporate Finance Manual.

"**Exchange Ratio**" means the exchange of Globally Local Shares in exchange for Resulting Issuer Shares on the basis of one (1) Resulting Issuer Share for every one (1) Globally Local Share so held.

"**Financing**" means the private placement of Subscription Receipts at an issuance price of $0.40 per Subscription Receipt for a minimum gross proceeds of $3,200,000 and a maximum gross proceeds of up to $4,200,000 pursuant to the terms and conditions of the Agency Agreement (a portion of the Financing may be conducted directly by Black Lion in Common Shares).

"**Financing Closing Date**" means the closing date of the Financing.

"**Final Exchange Bulletin**" means the Exchange Bulletin which is issued following closing of the Qualifying Transaction and the submission of all required documentation and that evidences the final Exchange acceptance of the Qualifying Transaction.

"**Finder's Fee**" means the 2,812,500 Resulting Issuer Shares issued to the Agent as finder in connection with the Transaction.

"**Globally Local Board**" means the board of directors of Globally Local.

"**Globally Local Shareholders**" means the holders from time to time of Globally Local Shares.

"**Globally Local Shares**" means the common shares in the capital of Globally Local, as constituted on the date hereof.

"**IFRS**" means the International Financial Reporting Standards as adopted by the International Accounting Standards Board.

"**Insider**" if used in relation to the Issuer, means:

(a) director or senior officer of the Issuer;

(b) a director or senior officer of the Company that is an Insider or subsidiary of the Issuer;

(c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the Issuer; or

(d) the Issuer itself if it holds any of its own securities.

"**Letter of Intent**" has the meaning ascribed thereto in *Summary of Filing Statement – Summary of the Qualifying Transaction*.

"**Maximum Financing**" means the Financing in the amount of $4,200,000.

"**Minimum Financing**" means the Financing in the amount of $3,200,000.

"**Non-Arm's Length Party**" means:

(a) in relation to a Company:

 (i) a Promoter, officer, director, other Insider or Control Person of that Company and any Associates or Affiliates of any of such Persons; or

 (ii) another entity or an Affiliate of that entity, if that entity or its Affiliate have the same Promoter, officer, director, Insider or Control Person as the Company; and

(b) in relation to an individual, any Associate of the individual or any Company of which the individual is a Promoter, officer, director, Insider or Control Person.

"**Non-Arm's Length Parties to the Qualifying Transaction**" means the Vendor(s), any Target Company(ies) and includes, in relation to Significant Assets or Target Company(ies), the Non-Arm's Length Parties of the Vendor(s), the Non-Arm's Length Parties of any Target Company(ies) and all other parties to or associated with the Qualifying Transaction and Associates or Affiliates of all such other parties.

"**Non-Arm's Length Qualifying Transaction**" means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction.

"**OBCA**" means the *Business Corporations Act* (Ontario), including the regulations promulgated thereunder, as amended.

"**Person**" means a Company or individual.

"**Promoter**" has the meaning ascribed thereto in the *Securities Act* (Alberta).

"**Qualifying Transaction**" means a transaction where the Issuer acquires Significant Assets other than cash, by way of purchase, amalgamation, merger or arrangement with another company or by other means.

"**Resulting Issuer**" means Globally Local Technologies Inc., the issuer that was formerly a CPC and that exists upon issuance of the Final Exchange Bulletin.

"**Resulting Issuer Compensation Options**" means the compensation options of the Resulting Issuer to be issued in exchange for the Agent's Compensation Options in connection with the Transaction, which are exercisable into Resulting Issuer Shares.

"**Resulting Issuer Options**" means the stock options of the Resulting Issuer to be granted at Closing of the Transaction, which are exercisable into Resulting Issuer Shares.

"**Resulting Issuer Shares**" means the common shares (on a post-Black Lion Consolidation basis) of the Resulting Issuer.

"**Significant Assets**" means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the Issuer, together with any other concurrent transactions, would result in the Issuer meeting the initial listing requirements of the Exchange.

"**Subscription Receipts**" means the subscription receipts of Globally Local being issued pursuant to the Financing at an issuance price of $0.40 per Subscription Receipt. Each Subscription Receipt shall be exchangeable, without payment of any additional consideration and without further action by the holder thereof, into one Globally Local Share upon the satisfaction of the Escrow Release Conditions, all as more particular set forth in the Subscription Receipt Agreement.

"**Subscription Receipt Agreement**" means the subscription receipt agreement to be entered into by Globally Local, the Escrow Agent governing the terms and conditions of the Financing.

"**Target Company**" or "**Globally Local**" means 2204901 Ontario Inc., the company to be acquired by the Issuer as its Qualifying Transaction.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended.

"**Transaction**" means the transaction pursuant to which Black Lion will acquire all of the Globally Local Shares on the terms and conditions set out in the Definitive Agreement.

"**Transaction Closing Date**" means the date of completion of the Transaction.

"**TSXV Corporate Finance Manual**" means the Corporate Finance Manual of the TSXV.

"**U.S.**" means the United States of America.

"**U.S. Securities Act**" means the U.S. *Securities Act of 1933*, as amended.

FORWARD LOOKING STATEMENTS

Certain statements in this Filing Statement and the schedules attached hereto are forward looking statements which may include, but are not limited to, statements with respect to the future financial or operating performance of Globally Local and its projects, the market conditions, business strategy, corporate plans, objectives and goals, the completion, timing and expected effects of the Transaction and the benefits anticipated to be received by Black Lion, Globally Local and/or the Resulting Issuer from such transactions. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of Globally Local or the Resulting Issuer, as applicable, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, but are not limited to, the factors discussed in the section entitled "*Risk Factors*" in this Filing Statement. Although Black Lion and Globally Local have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Filing Statement and, other than as required by law, Black Lion and Globally Local disclaim any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

MARKET AND INDUSTRY DATA

The market and industry data contained in this Filing Statement relating to Globally Local and its business is based upon information from independent industry and other publications and Globally Local management's knowledge of, and experience in, the industry in which Globally Local operates. None of the sources of market and industry data have provided any form of consultation, advice or counsel regarding any aspect of, or is in any way whatsoever associated with, the Transaction. Market and industry data are subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data at any particular point in time, the voluntary nature of the data gathering process or other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy and completeness of these data are not guaranteed. Neither Black Lion nor Globally Local has independently verified any of the data from third party sources referred to in this Filing Statement or ascertained the underlying assumptions relied upon by such sources.

INFORMATION CONCERNING THE TARGET COMPANY

The information contained or referred to in this Filing Statement relating to Globally Local has been furnished by Globally Local. In preparing this Filing Statement, Black Lion relied upon Globally Local to ensure that the Filing Statement contains full, true and plain disclosure of all material facts relating to Globally Local. Although Black Lion has no knowledge that would indicate that any statements contained herein concerning Globally Local are untrue or incomplete, neither Black Lion nor any of its respective directors or officers assumes any responsibility for the accuracy or completeness of such information or for any failure by Globally Local to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to Black Lion, Globally Local and, assuming completion of the Qualifying Transaction set out hereunder, the Resulting Issuer, and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. Capitalized terms used in this summary, and not defined in this summary, will have the meaning provided in the Glossary or elsewhere in this Filing Statement. No person is authorized to give any information or to make any representation not contained in this Filing Statement and, if given or made, such information or representation should not be relied upon as having been authorized. This Filing Statement does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. **Neither delivery of this Filing Statement nor any distribution of the securities referred to in this Filing Statement shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Filing Statement.**

Any material change reports (excluding confidential reports), comparative interim financial statements, comparative annual financial statements and the auditors' report thereon, information circulars, annual information forms and business acquisition reports filed by the Issuer with the securities commissions or similar authorities in the provinces of Canada subsequent to the date of this Filing Statement and prior to the closing of the Transaction, shall be deemed to be incorporated by reference in this Filing Statement.

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

Summary of the Qualifying Transaction

As announced in a press release dated November 9, 2020, the Issuer and Globally Local entered into a letter of intent dated November 6, 2020 (the "**Letter of Intent**") to complete the Transaction. A more comprehensive press release regarding the same was issued by the Issuer on March 5, 2021**.**

On February 12, 2021, the Issuer, Black Lion Sub and Globally Local entered into an amalgamation agreement which was amended and restated on March 8, 2021 as the Definitive Agreement, which supersedes the Letter of Intent, and pursuant to which the Issuer will acquire all of the issued and outstanding Globally Local Shares in exchange for the issuance of 72,000,000 Resulting Issuer Shares (giving effect to the Minimum Financing) or 74,500,000 Resulting Issuer Shares (assuming the Maximum Financing), as applicable, in accordance with the Exchange Ratio. The Transaction will be structured as a three-cornered amalgamation. Upon completion of the Transaction, Globally Local will become a wholly-owned subsidiary of the Issuer.

The Transaction will constitute the Issuer's Qualifying Transaction pursuant to Exchange Policy 2.4.

The principal features of the Transaction may be summarized as follows:

- Globally Local and Black Lion Sub will amalgamate and continue as one corporation under the provisions of the OBCA and, as a result, the property and liabilities of Black Lion Sub and Globally Local will become the property and liabilities of the amalgamated company;

- each Globally Local Share shall be cancelled and the holder thereof shall receive that number of Resulting Issuer Shares as is equal to the number of Globally Local Shares held by such Globally Local shareholder immediately prior to amalgamation multiplied by the Exchange Ratio; and

- each Black Lion Sub Share shall be cancelled and, after the amalgamation, the amalgamated company shall issue one share to the Issuer in respect of every Black Lion Sub Share so cancelled.

The completion of the Transaction contemplated by the Definitive Agreement is subject to certain conditions, including but not limited to (a) obtaining all necessary regulatory approvals, including Exchange approval of the Transaction, the Black Lion Consolidation and the Black Lion Name Change, and other transactions comprising part of the Transaction; (b) the approval by the Globally Local Shareholders of the Transaction; and (c) other customary conditions.

See "*Part I – The Transaction*".

Black Lion Approvals

The Black Lion Board approved resolutions to proceed with the Black Lion Consolidation and the Black Lion Name Change. The current directors of Black Lion have no intention of acting upon the authority granted them under the foregoing resolutions if the Transaction is not completed.

Arm's Length Qualifying Transaction

The proposed Transaction is not a Non-Arm's Length Qualifying Transaction.

The Financing

In connection with the Transaction, Globally Local proposes to complete the Financing for minimum gross proceeds of $3,200,000 and maximum gross proceeds of up to $4,200,000. In connection with the Financing, Globally Local may issue up to 10,500,000 Subscription Receipts at an issuance price of $0.40 per Subscription Receipt. Each Subscription Receipt shall be exchanged, without payment of any additional consideration and without further action on the part of the holder thereof, into one Globally Local Share upon the satisfaction of the Escrow Release Conditions, all in accordance with the terms and conditions of the Subscription Receipt Agreement, and until such time, no Subscription Receipts may be exchanged into Globally Local Shares by the holders thereof.

At the direction of Globally Local and the Agent, the Escrowed Funds will, upon the Financing Closing Date, be deposited into an interest bearing account of the Escrow Agent and invested by the Escrow Agent in short-term obligations of, or guaranteed by, the Government of Canada or a major Schedule 1 Canadian chartered bank, or any interest bearing trust account of the Escrow Agent. The Escrowed Funds will only be released to Globally Local upon receipt by the Escrow Agent, on or before the Escrow Deadline of (i) a Closing Notice directing the Escrow Agent to release the Escrowed Funds, net of (A) the balance of the Agent's Commission, and (B) the balance of the Agent's reasonable expenses incurred in connection with the Financing; and (ii) confirmation from Globally Local of the satisfaction or waiver of each of the Escrow Release Conditions.

In the event that (i) Globally Local provides written notice to the Agent confirming that the Transaction will not be completed; or (ii) the Escrow Release Conditions have not been satisfied prior to the Escrow Deadline, the Escrowed Funds (together with any accrued interest earned thereon (less applicable withholding taxes)), net of the Agent's Commission paid on Closing and the Agent's reasonable expenses incurred in connection with the Financing, will be returned to the holders of the Subscription Receipts on a *pro rata* basis and the Subscription Receipts will be deemed to have been cancelled. To the extent that there are insufficient funds to reimburse the holders of Subscription Receipts in full, Globally Local will contribute to the Escrowed Funds such amount as may be necessary to satisfy any shortfall.

The Financing shall be completed on a "commercially reasonable efforts" agency basis pursuant to the terms and conditions of the Agency Agreement.

Effect of the Transaction

Following completion of the Black Lion Consolidation and the Closing and assuming the completion of the Financing, it is expected that:

(a) the Black Lion Shares will have been consolidated on the basis of one Black Lion Consolidated Share for every 2.5 Black Lion Shares (with each Black Lion Consolidated Share being designated a Resulting Issuer Share upon completion of the Transaction);

(b) the Subscription Receipts will have been exchanged for Globally Local Shares;

(c) Globally Local shall have amalgamated with Black Lion Sub and the amalgamated company will become a wholly-owned subsidiary of Black Lion;

(d) Black Lion will have acquired all of the issued and outstanding Globally Local Shares on the basis of the Exchange Ratio, being one (1) Resulting Issuer Share for every one (1) Globally Local Share;

(e) each Agent's Compensation Option shall be exchanged into one Resulting Issuer Compensation Option with each such Resulting Issuer Agent's Compensation Option being exercisable into Resulting Issuer Shares on the same terms and conditions as the original outstanding Agent's Compensation Options;

(f) the Resulting Issuer will carry on the business theretofore carried on by Globally Local;

(g) there will be an aggregate of 79,473,818 Resulting Issuer Shares issued and outstanding (giving effect to the Minimum Financing) or 81,973,818 Resulting Issuer Shares issued and outstanding (after giving effect to the Maximum Financing), and assuming the Agent's Commission is paid in cash;

(h) former Globally Local Shareholders will hold an aggregate of 64,000,000 Resulting Issuer Shares (excluding any Resulting Issuer Shares issued pursuant to the Financing) representing approximately 80% of the outstanding Resulting Issuer Shares on a non-diluted basis (after giving effect to the Minimum Financing) or 78% of the outstanding Resulting Issuer Shares on a non-diluted basis (after giving effect to the Maximum Financing);

(i) existing shareholders of Black Lion, on a post-Black Lion Consolidation basis, will hold an aggregate of 4,661,318 Resulting Issuer Shares representing approximately 6% of the outstanding Resulting Issuer Shares on a non-diluted basis (after giving effect to the Minimum Financing) or 6% of the outstanding Resulting Issuer Shares on a non-diluted basis (on a non-diluted basis and after giving effect to the Maximum Financing); and

(j) the board of directors of the Resulting Issuer shall be comprised of: James McInnes (Chairman), Edward (Ted) Sehl, Vasiliki McInnes, Dean Cebulski and William MacDonald. In addition, it is expected that James McInnes will serve as President and CEO, Carlo Rigillo will serve as CFO and Corporate Secretary, Vasiliki McInnes will serve as COO, Braden Halpin will serve as Vice-President Operations and Store Development and Avra Epstein will serve as Vice-President, Marketing of the Resulting Issuer.

See "Part I – The Transaction – Effect of the Transaction".

About Globally Local

Globally Local is a plant-based food technology company focused on disrupting the fast food industry. Globally Local creates, manufactures and distributes plant-based proteins and dairy alternatives through a food service product line that is used at corporate owned and franchised restaurant locations. Globally Local's mission is to create nutritious and delicious plant-based food using locally sourced and sustainable ingredients that are good for people and the planet.

See "*Part II – Information Concerning the Target Company – General Development of the Business of Globally Local*".

About Black Lion

Black Lion is a CPC formed in accordance with Exchange Policy 2.4 and, at present, Black Lion does not own any material assets other than cash. To date, Black Lion has not conducted any active business operations. Since its incorporation, the principal activities of Black Lion have consisted of the financing of Black Lion through its initial public offering, the initial listing of the Black Lion Shares on the Exchange, the identification of potential acquisitions, the negotiation of the Definitive Agreement and efforts to implement the Transaction.

See "*Part III – Information Concerning the Issuer – General Development of the Business of Issuer*".

Interests of Insiders, Promoter or Control Person of Black Lion, Globally Local and the Resulting Issuer

The following is a summary of the interests of any Insider, Promoter or Control Person of Black Lion, Globally Local and the Resulting Issuer and their respective Associates and Affiliates (before and after giving effect to the Transaction and the Financing, including any consideration that such individual may receive if the Transaction proceeds.

Insiders, Promoter, Control Person	Position	Number of Globally Local Shares and/or Black Lion Shares as at the Date of the Filing Statement(1)	Resulting Issuer Shares upon Completion of the Transaction Giving Effect to the Minimum Financing(2)	Resulting Issuer Shares upon Completion of the Transaction After Giving Effect to the Maximum Financing(2)
Michael P. Walsh(3) *Vancouver, British Columbia*	Director of Black Lion	330,000 Black Lion Shares (2.8%)	132,000 Resulting Issuer Shares (less than 1%)	132,000 Resulting Issuer Shares (less than 1%)
Sean Mitchell(4) *Vancouver, British Columbia*	President, CEO, CFO, secretary and Director of Black Lion	250,000 Black Lion Shares (2.1%)(8)	100,000 Resulting Issuer Shares (less than 1%)	100,000 Resulting Issuer Shares (less than 1%)
William L. MacDonald(5) *Vancouver, British Columbia*	Director of Black Lion	100,000 Black Lion Shares (less than 1%)	40,000 Resulting Issuer Shares (less than 1%)	40,000 Resulting Issuer Shares (less than 1%)
Ronald A. Schmitz(6) *Vancouver, British Columbia*	CFO, Secretary and Director of Black Lion	250,000 Black Lion Shares (2.1%)	100,000 Resulting Issuer Shares (less than 1%)	100,000 Resulting Issuer Shares (less than 1%)
Jesse Sims(7) *Vancouver, British Columbia*	Director of Black Lion	125,000 Black Lion Shares (1%)	50,000 Resulting Issuer Shares (less than 1%)	50,000 Resulting Issuer Shares (less than 1%)

Insiders, Promoter, Control Person	Position	Number of Globally Local Shares and/or Black Lion Shares as at the Date of the Filing Statement(1)	Resulting Issuer Shares upon Completion of the Transaction Giving Effect to the Minimum Financing(2)	Resulting Issuer Shares upon Completion of the Transaction After Giving Effect to the Maximum Financing(2)
Doug Besse(8) *Vancouver, British Columbia*	Director of Black Lion	250,000 Black Lion Shares (2.1%)	100,000 Resulting Issuer Shares (less than 1%)	100,000 Resulting Issuer Shares (less than 1%)
James McInnes *Toronto, Ontario*	President, CEO and Director of Globally Local; Proposed President, CEO and director of the Resulting Issuer	21,525,000 Globally Local Shares (33.6%)	21,525,000 Resulting Issuer Shares (27.0%)	21,525,000 Resulting Issuer Shares (26.2%)
Vasiliki McInnes *Toronto, Ontario*	COO of Globally Local; Proposed COO and Director of the Resulting Issuer	21,525,000 Globally Local Shares (33.6%)	21,525,000 Resulting Issuer Shares (27.0%)	21,525,000 Resulting Issuer Shares (26.2%)
BoxOne Ventures Inc.	Insider of Globally Local (not a Non-Arm's Length Party)	12,637,500 Globally Local Shares (19.7%)	12,637,500 Resulting Issuer Shares (15.9%)	12,637,500 Resulting Issuer Shares (15.4%)
Edward (Ted) Sehl *Guelph, Ontario*	Proposed Director of the Resulting Issuer	Nil	Nil	Nil
Dean Cebulski *Cambridge, Ontario*	Proposed Director of the Resulting Issuer	Nil	Nil	Nil
Carlo Rigillo *York Region, Ontario*	CFO and Corporate Secretary of Globally Local; Proposed CFO and Corporate Secretary of the Resulting Issuer	Nil	Nil	Nil
Braden Halpin *Mississauga, Ontario*	Vice-President Operations and Store Development of Globally Local; Proposed Vice-President Operations and Store Development of the Resulting Issuer	Nil	Nil	Nil
Avra Epstein *Toronto, Ontario*	Vice-President Marketing of Globally Local; Proposed Vice-President Marketing of the Resulting Issuer	Nil	Nil	Nil

Notes:

1. As of the date hereof, there are 11,653,294 Black Lion Shares (on a pre-Black Lion Consolidation basis) outstanding and 64,000,000 Globally Local Shares outstanding.
2. Upon completion of the Transaction, it is expected there will be 79,473,818 Resulting Issuer Shares issued and outstanding (giving effect to the Minimum Financing) and 81,973,818 Resulting Issuer Shares issued and outstanding (after giving effect to the Maximum Financing) and assuming the Agent's Commission is paid in cash. The numbers in the table above assume no participation in the Financing by any Insider, Promoter or Control Person of Black Lion, Globally Local and the Resulting Issuer and their respective Associates and Affiliates.
3. Michael P. Walsh also holds CPC Options to purchase 230,000 Black Lion Shares (on a pre-Black Lion Consolidation basis). Such options were granted on April 4, 2016, have an exercise price of $0.10 (on a pre-Black Lion Consolidation basis) and expire on April 4, 2026 (or such other earlier date in accordance with the Black Lion Option Plan).

4. Sean Mitchell also holds CPC Options to purchase 279,300 Black Lion Shares (on a pre-Black Lion Consolidation basis). Such options were granted on April 4, 2016 and December 14, 2016, have an exercise price of $0.10 (on a pre-Black Lion Consolidation basis) and expire on April 4, 2026 (as to 129,300 options) and December 14, 2021 (as to 150,000 options) (or such other earlier date in accordance with the Black Lion Option Plan).
5. William L. MacDonald also holds CPC Options to purchase 129,300 Black Lion Shares (on a pre-Black Lion Consolidation basis). Such options were granted on April 4, 2016, have an exercise price of $0.10 (on a pre-Black Lion Consolidation basis) and expire on April 4, 2026 (or such other earlier date in accordance with the Black Lion Option Plan).
6. Ronald A. Schmitz also holds CPC Options to purchase 129,300 Black Lion Shares (on a pre-Black Lion Consolidation basis). Such options were granted on April 4, 2016, have an exercise price of $0.10 (on a pre-Black Lion Consolidation basis) and expire on April 4, 2026 (or such other earlier date in accordance with the Black Lion Option Plan).
7. Jesse Sims also holds CPC Options to purchase 129,300 Black Lion Shares (on a pre-Black Lion Consolidation basis). Such options were granted on April 4, 2016, have an exercise price of $0.10 (on a pre-Black Lion Consolidation basis) and expire on April 4, 2026 (or such other earlier date in accordance with the Black Lion Option Plan).
8. Doug Besse also holds CPC Options to purchase 129,300 Black Lion Shares (on a pre-Black Lion Consolidation basis). Such options were granted on April 4, 2016, have an exercise price of $0.10 (on a pre-Black Lion Consolidation basis) and expire on April 4, 2026 (or such other earlier date in accordance with the Black Lion Option Plan).

Available Funds and Principal Purposes

Available Funds

It is anticipated that the Resulting Issuer will have Available Funds after closing the Transaction of approximately $4,335,000 (after giving effect to the Minimum Financing) and $5,255,000 (after giving effect to the Maximum Financing and assuming the Financing is fully subscribed). See "*Part IV - Information Concerning the Resulting Issuer - Available Funds and Principal Purposes*."

Principal Purposes of Funds

The principal purposes of the Available Funds will be as follows:

Principal Use of Funds	Amount (after giving effect to the Minimum Financing) (C$)	Amount (after giving effect to the Maximum Financing) (C$)
Multi-restaurant build out costs (10 locations with Maximum Financing, 5 with the Minimum Financing)	500,000	1,000,000
Multi-restaurant rental deposits, ($4,500/location avg.)	45,000	90,000
Manufacturing center equipment upgrades/expansion	400,000	400,000
Distribution Center Build-Out Costs	265,000	265,000
Research & Development costs	110,400	110,400
Marketing and Advertising	500,000	500,000
Executive Salaries	578,004	578,004
Board Costs	65,004	65,004
Ongoing Public Company Costs	150,000	150,000
Unallocated Funds	1,721,592	2,096,592
TOTAL	4,335,000	5,255,000

Note:

1. The above uses of available funds are estimates only and assumes the Agent will elect to receive the Agent's Commission in cash on the Financing in cash. Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult at this time to definitively project the total funds necessary to execute the planned undertakings of the Resulting Issuer. For these reasons, management considers it to be in the best interests of the Resulting Issuer and its shareholders to permit management a reasonable degree of flexibility as to how the Resulting Issuer's funds are employed among the above uses or for other purposes, as the need may arise.

See "*Part IV – Information Concerning the Resulting Issuer – Available Funds and Principal Purposes*".

Selected *Pro Forma* Consolidated Financial Information

The following table summarizes selected pro forma financial information for the Resulting Issuer (as at October 31, 2020), after giving effect to the Transaction, and should be read in conjunction with the pro forma financial statements of the Resulting Issuer attached hereto as Schedule "E".

Pro Forma Balance Sheet (C$)	Issuer October 31, 2020 (audited)($)	Target Company December 31, 2020 (unaudited) ($)	Pro Forma Adjustments (unaudited)($)	Resulting Issuer Pro Forma (unaudited)($)
Current Assets	704,614	786,834	3,001,287	4,492,735
Total Assets	704,614	1,303,840	3,001,287	5,009,741
Current Liabilities	14,613	450,902	(30,489)	435,026
Total Liabilities	14,613	823,146	(30,489)	807,270
Total Shareholders' Equity	690,001	480,694	3031,776	4,202,471

See "*Part IV – Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization*".

Public Market

The Black Lion Shares have been listed on the Exchange since about April 2016 under the symbol "BLC.H". Trading in Black Lion Shares is currently halted pending completion of the Transaction. The closing price of the Black Lion Shares on the last day on which the Black Lion Shares traded prior to the announcement of the Transaction on November 9, 2020 was $0.055 per Black Lion Share.

The Globally Local Shares are not traded publicly and there is no public market for the securities of Globally Local.

Summary of Relationship or Other Arrangement between the Issuer and the Target Company and the Agent

Other than the Transaction, there is no relationship or other arrangement between the Issuer and the Target Company.

There is no relationship or other arrangement between the Issuer or the Target Company and any agent, other than the Financing or as otherwise disclosed herein. In addition, the Agent (along with sub-agents) will also be issued Globally Local Compensation Options pursuant to the Agency Agreement and the Finder's Fee. See "*Part II - Information Concerning the Target Company - General Development of the Business*".

Sponsorship

Sponsorship of a Qualifying Transaction of a CPC is required by the Exchange unless exempt in accordance with Exchange Policy 2.4. Black Lion has applied for, and was granted, an exemption from sponsorship requirements in accordance with Exchange policies.

Details of Any Conflict of Interest

Other than as disclosed herein, neither the management of the Issuer nor Globally Local is aware of any material conflicts of interest arising out of the Transaction.

The directors and officers of the Issuer are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and the laws requiring disclosure by directors and officers of conflicts of interest. The Issuer will rely upon such laws in respect of any such conflict of interest or in respect of any breach of duty by any of the Issuer's directors or officers. All such conflicts are required to be disclosed by such directors or officers in accordance with the BCBCA and the directors of the Issuer are required to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

Certain of the Issuer's directors are also directors, officers or shareholders of, or are otherwise involved with or consulted by other companies that are engaged in biotechnology development. Such associations may give rise to conflicts of interest from time to time.

Interests of Experts

No person or company, whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement, holds any beneficial interest, directly or indirectly, in any property of Black Lion, Globally Local or the Resulting Issuer or of an Associate or Affiliate of Black Lion, Globally Local or the Resulting Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of Black Lion, Globally Local or the Resulting Issuer or of an Associate or Affiliate of Black Lion, Globally Local or the Resulting Issuer and no such person is a Promoter of Black Lion, Globally Local or the Resulting Issuer or an Associate or Affiliate of the Issuer, Globally Local or the Resulting Issuer.

Risk Factors

An investment in the securities of the Resulting Issuer is highly speculative and involves a high degree of risk. Material risk factors affecting the Resulting Issuer include the following: risks related to limited operating history, funding and future financing risks, risks associated with stringent regulatory requirements and regulatory approvals, licensing risks, risks related to the cost, timing and outcome of production capacity, risk of reliance on third parties for supplies and raw materials, risk of reliance of key personnel, industry competition risks, product development and commercialization risk, insurance risks, risks related to ability to achieve publicly announced milestones, risks related to changes in governmental regulation including applicable food safety and consumer health regulations, risks relating to the controlling position held by significant shareholders, environmental risks, risks related to availability of key components, intellectual property risks, risks relating to Covid-19, litigation risks, product liability risks, dilution and liquidity risks, foreign exchange risk, risk relating to fluctuations in market price, risks relating to pursuing other business opportunities, risks related to management of growth, risks related to implementation and maintenance of internal controls and other usual risks associated with an investment in a business at an early stage of development. For a further description of material risk factors affecting the Resulting Issuer. See "*Risk Factors*".

Listing Approval

The proposed Transaction is subject to the acceptance of the Exchange and the Issuer fulfilling all of the requirements of the Exchange. The Exchange has conditionally accepted the Transaction subject to Black Lion fulfilling all of the requirements of the Exchange on or before the prescribed Exchange deadlines.

RISK FACTORS

AN INVESTMENT IN SECURITIES OF THE RESULTING ISSUER IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK AND SHOULD ONLY BE MADE BY INVESTORS WHO CAN AFFORD TO LOSE THEIR ENTIRE INVESTMENT.

Prior to making an investment decision, investors should consider the investment risks set forth below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Issuer and the Target Company consider the risks set forth below to be the most significant, but do not consider them to be all of the risks associated with an investment in securities of the Issuer, the Target Company or the Resulting Issuer. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider not to be material in connection with the Resulting Issuer's business, actually occur, the Resulting Issuer's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Resulting Issuer's securities could decline and investors may lose all or part of their investment.

Risk Factors Relating to the Issuer

The value of the Issuer will be adversely affected if the Transaction is not completed and completion of the transaction is not guaranteed.

The completion of the Transaction contemplated by the Definitive Agreement is subject to certain conditions, including (a) obtaining all necessary regulatory approvals, including Exchange approval of the Transaction, the Black Lion Consolidation and the Black Lion Name Change, and other transactions comprising part of the Transaction; (b) the approval by the Globally Local Shareholders of the Transaction; and (c) other customary conditions. There can be no assurance that all of the necessary regulatory and shareholder approvals will be obtained. If the Transaction contemplated by the Definitive Agreement is not completed for these reasons or for any other reasons, the Issuer will have incurred significant costs associated with the failed implementation of the Transaction.

Furthermore, Black Lion only has limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that Black Lion will be able to identify a suitable Qualifying Transaction in the future. Even if a proposed Qualifying Transaction is identified in the future, there can be no assurance that Black Lion will be able to successfully complete such other Qualifying Transaction, the completion of which is subject to a number of conditions, including acceptance by the Exchange and, in the case of a Non-Arm's Length Qualifying Transaction, approval of the majority of the minority shareholders.

Black Lion has a limited operating history and history of losses.

Black Lion was only recently incorporated, has not commenced commercial operations and has no assets other than cash. Black Lion has no history of earnings and will not generate earnings or pay dividends until at least after the completion of a Qualifying Transaction. Until completion of a Qualifying Transaction, Black Lion is not permitted to carry on any business other than the identification and evaluation of potential transactions.

Financing of the Qualifying Transaction will involve the issuance of additional securities which will result in the dilution of ownership interests.

The Qualifying Transaction will be financed all or in part by the issuance of additional securities and this will result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of Black Lion.

The success of the completion of the Qualifying Transaction depends on the efforts of management of Black Lion, who may be involved in conflicts of interest.

The ability of Black Lion to successfully complete a Qualifying Transaction is dependent on the performance of its current directors and officers, who only devote a portion of their time to the business and affairs of Black Lion and are, or will be, engaged in other projects or businesses. The current directors, officers and Promoters of Black Lion also serve as directors and/or officers of other companies which may compete with Black Lion in its search for the businesses or assets targeted in order to complete a Qualifying Transaction. Accordingly, situations may arise where the directors, officers and promoters of Black Lion are in a position of conflict with Black Lion.

Risk Factors Relating to the Resulting Issuer

Globally Local's current business will be the Resulting Issuer's business upon completion of the Transaction. Certain risk factors associated with the principal business of the Resulting Issuer are discussed below. Due to the nature of Globally Local's business and the present stage of development, the Resulting Issuer may be subject to significant risks. This section does not describe all risks applicable to the Resulting Issuer or its business, and is intended only as a summary of certain material risks. Readers should carefully consider all such risks set out in the discussion in Schedule "F". Globally Local's actual operating results may be very different from those expected as at the date of this Filing Statement.

Other Risks

The Resulting Issuer may have significant additional future capital needs and there are uncertainties as to its ability to raise additional funding.

The Resulting Issuer may require significant additional capital resources to expand its business, in particular the further development of its proposed products. Advancing its products and locations and development of any new products or locations will require considerable resources and additional access to capital markets. In addition, the Resulting Issuer's future cash requirements may vary materially from those now expected.

The Resulting Issuer can potentially seek additional funding through corporate collaborations and franchising arrangements, through public or private equity or debt financing, or through other transactions. However, if business results are neutral or unfavorable, or if capital market conditions in general, or with respect to companies in our industry, are unfavourable, the Resulting Issuer's ability to obtain significant additional funding on acceptable terms, if at all, will be negatively affected. Additional financing that it may pursue may involve the sale of Resulting Issuer Shares or financial instruments that are exchangeable for, or convertible into, Resulting Issuer Shares, which could result in significant dilution to its shareholders. If sufficient capital is not available, the Resulting Issuer may be required to delay the implementation of its business strategy, which could have a material adverse effect on its business, financial condition, prospects or results of operations.

A prolonged decline in the price of the Resulting Issuer Shares could result in a reduction in the liquidity of the Resulting Issuer Shares and a reduction in the Resulting Issuer's ability to raise capital. As a significant portion of the Resulting Issuer's operations will probably be financed through the sale of equity securities a decline in the price of the Resulting Issuer Shares could be especially detrimental to liquidity.

Future sales or issuances of equity securities or the conversion of securities to common shares could decrease the value of the common shares, dilute investors' voting power, and reduce earnings per share.

The Resulting Issuer may sell additional equity securities in future offerings, including through the sale of securities convertible into equity securities, to finance operations, acquisitions or projects, and issue additional common shares if outstanding securities are converted to common shares, which may result in dilution. See "*Information about the Target Company - Description of the Securities*", below, for details of outstanding securities convertible into common shares.

The Resulting Issuer's board of directors will have the authority to authorize certain offers and sales of additional securities without the vote of, or prior notice to, shareholders. Based on the need for additional capital to fund expected expenditures and growth, it is likely that the Resulting Issuer will issue additional securities to provide such capital. Such additional issuances may involve the issuance of a significant number of Resulting Issuer Shares at prices less than $0.40 per common share.

Sales of substantial amounts of securities, or the availability of such securities for sale, as well as the issuance of substantial amounts of common shares upon conversion of outstanding convertible equity securities, could adversely affect the prevailing market prices for securities and dilute investors' earnings per share. A decline in the future market prices of the Resulting Issuer's securities could impair its ability to raise additional capital through the sale of securities should it desire to do so.

Any future profits will likely be used for the continued growth of the business and products and will not be used to pay dividends on the issued and outstanding shares.

The Resulting Issuer will not pay dividends on the issued and outstanding Resulting Issuer Shares upon completion of the Transaction or in the foreseeable future. If the Resulting Issuer generates any future earnings such cash resources will be retained to finance further growth and current operations. The board of directors will determine if and when dividends should be declared and paid in the future based on the Resulting Issuer's financial position and other factors relevant at the particular time. Until the Resulting Issuer pays dividends, which it may never do, a shareholder will not be able to receive a return on his or her investment in the Resulting Issuer Shares unless such Resulting Issuer Shares are sold. In such event, a shareholder may only be able to sell his, her or its Resulting Issuer Shares at a price less than the price such shareholder originally paid for them, which could result in a significant loss of such shareholder's investment.

The market for shares in Canada is not stable or predictable and shareholder profits are not in the foreseeable future.

The market price for the Resulting Issuer Shares cannot be assured. Securities markets have recently experienced an extreme level of price and volume volatility, and the market price of securities of many companies has experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

The trading price of the Black Lion Shares has been, and the trading price of the Resulting Issuer Shares may continue to be, subject to large fluctuations. For the same reason, the value of any of the Resulting Issuer's securities convertible into, or exchangeable for, Resulting Issuer Shares may also fluctuate significantly, which may result in losses to investors. The trading price of the Resulting Issuer Shares and, if applicable, any securities exercisable for, convertible into, or exchangeable for, Resulting Issuer Shares may increase or decrease in response to a number of events and factors, both known and unknown. In addition, the market price of the Resulting Issuer Shares will be affected by many variables not directly related to the Resulting Issuer's success and will therefore not be within its control, including other developments that affect the market for all resource sector securities, the breadth of the public market for the common shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Black Lion Shares has historically made the Black Lion Shares price volatile and suggests that the price of the Resulting Issuer Shares will continue to be volatile in the future.

In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial costs and diversion of management attention and resources, which could significantly harm the Resulting Issuer's profitability and reputation.

The market price for the Resulting Issuer Shares may also be affected by the Resulting Issuer's ability to meet or exceed expectations of analysts or investors. Any failure to meet these expectations, even if minor, may have a material adverse effect on the market price of the Resulting Issuer Shares.

The Resulting Issuer may pursue other business opportunities in order to develop its business and/or products.

From time to time, the Resulting Issuer may pursue opportunities for further research and development of other products and locations. The Resulting Issuer's success in these activities will depend on its ability to identify suitable market needs, and effectively execute any such research and development opportunities. Any research and development would be accompanied by risks as a result of the use of business efforts and funds. In the event that the Resulting Issuer chooses to raise debt capital to finance any such research or development opportunities, its leverage will be increased. There can be no assurance that the Resulting Issuer would be successful in overcoming these risks or any other problems encountered in connection with any research or development opportunities.

Generally, a litigation risk exists for any company that may compromise its ability to conduct the Resulting Issuer's business.

All industries are subject to legal claims, with and without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding could have a material adverse effect on the Resulting Issuer's business, prospects, financial condition and results of operations.

The Resulting Issuer's success depends on its ability to effectively manage its growth.

The Resulting Issuer may be subject to growth-related risks including pressure on its internal systems and controls. The Resulting Issuer's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. Inability to deal with this growth could have a material adverse impact on its business, operations and prospects. The Resulting Issuer may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for its personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Resulting Issuer will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Resulting Issuer will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support its operations or that the Resulting Issuer will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Any failure to maintain an effective system of internal controls may result in material misstatements of the Resulting Issuer's consolidated financial statements or cause the Resulting Issuer to fail to meet the reporting obligations or fail to prevent fraud; and in that case, shareholders could lose confidence in the Resulting Issuer's financial reporting, which would harm the business and could negatively impact the price of the common shares.

Effective internal controls are necessary to provide reliable financial reports and prevent fraud. If there is a failure to maintain an effective system of internal controls, the Resulting Issuer might not be able to report financial results accurately or prevent fraud; and in that case, shareholders could lose confidence in the Resulting Issuer's financial reporting, which would harm the business and could negatively impact the price of the common shares. While the Resulting Issuer believes that it will have sufficient personnel and review procedures to maintain an effective system of internal controls, no assurance can be provided that potential material weaknesses in internal control could arise. Even if it is concluded that the internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm results of operations or cause a failure to meet future reporting obligations.

PART I – THE TRANSACTION

Details of the Transaction

On March 8, 2021, the Issuer, Black Lion Sub and Globally Local entered into the Definitive Agreement pursuant to which the Issuer will acquire all of the issued and outstanding Globally Local Shares in exchange for the issuance of Resulting Issuer Shares, as applicable, in accordance with the Exchange Ratio. The Transaction will be structured as a three-cornered amalgamation.

Black Lion, a CPC, intends for the Transaction to constitute as a Qualifying Transaction under the Exchange Policy 2.4. The Transaction is not a Non Arm's-Length Qualifying Transaction. As such, Black Lion does not require the approval of its shareholders in order to complete the Transaction. Black Lion has approval of the Black Lion Board in connection with the proposed Black Lion Consolidation and the Black Lion Name Change.

In connection with the Transaction, Globally Local proposes to complete the Financing for aggregate gross proceeds of a minimum of $3,200,000 and a maximum of $4,200,000. Completion of the Minimum Financing is a condition precedent to completion of the Transaction.

The Amalgamation

The Issuer has entered into the Definitive Agreement with Globally Local and Black Lion Sub pursuant to which the Issuer will acquire all of the issued and outstanding Globally Local Shares by way of a three-cornered amalgamation. Pursuant to the Definitive Agreement: (i) Globally Local will amalgamate with Black Lion Sub, (ii) the Globally Local Shares will be disposed of and cancelled in exchange for the Resulting Issuer Shares in accordance with the Exchange Ratio, and (iii) the Black Lion Sub Shares will be disposed of and cancelled, and in exchange therefor, the amalgamated company will issue to the Issuer one common share in respect of every cancelled Black Lion Sub Share. Although the Transaction will result in Globally Local becoming a wholly-owned subsidiary of the Issuer, the Transaction will constitute a reverse takeover of the Issuer inasmuch as the former Globally Local Shareholders will own a substantial majority of the Resulting Issuer Shares. Upon completion of the Transaction, the current business of Globally Local will be the business of the Resulting Issuer. See "*Part II – Information Concerning the Target Company– Narrative Description of Business*".

As a condition of closing the Transaction, concurrently with, or immediately prior to the closing of the Transaction, the Issuer will undertake the Black Lion Consolidation on the basis of one Black Lion Consolidated Share for every 2.5 Black Lion Shares. The exercise price and the number of Black Lion Consolidated Shares issuable upon the exercise of the CPC Options will be adjusted according to the Black Lion Consolidation ratio.

In addition, each Globally Local Agent Compensation Option will be exchanged into one Resulting Issuer Agent Compensation Option, on the same terms and conditions as the original outstanding Globally Local Agent Compensation Options.

Upon completion of the Transaction (after giving effect to the Minimum Financing) the former Globally Local Shareholders will hold approximately 80% of the Resulting Issuer Shares and the Black Lion Shareholders will hold approximately 6% of the Resulting Issuer Shares (the Financing subscribers will hold the remainder). Accordingly, the Transaction will constitute a "reverse take-over" for accounting purposes.

The Completion of the Qualifying Transaction contemplated by the Definitive Agreement is subject to certain conditions, including but not limited to (a) obtaining all necessary regulatory approvals, including Exchange approval of the Transaction, the Black Lion Consolidation, the Black Lion Name Change and other transactions comprising part of the Transaction; (b) the approval by the Globally Local Shareholders of the Transaction; and (c) other customary conditions. See "*Part I – The Transaction – Definitive Agreement*".

The Financing

In connection with the Transaction, Globally Local proposes to complete the Financing for gross proceeds of a minimum of $3,200,000 and a maximum of $4,200,000. In connection with the Financing, Globally Local will issue up to 10,500,000 Subscription Receipts at an issuance price of $0.40 per Subscription Receipt. Each Subscription Receipt shall automatically be exchanged, without payment of any additional consideration and without further action on the part of the holder thereof, into one Globally Local Share upon the satisfaction of the Escrow Release Conditions, all in accordance with terms and conditions of the Subscription Receipt Agreement, and until such time, no Subscription Receipts may be exchanged for Globally Local Shares by the holders thereof.

At the direction of Globally Local and the Agent, the Escrowed Funds will, upon the Financing Closing Date, be deposited into an interest bearing account of the Escrow Agent and invested by the Escrow Agent in short-term obligations of, or guaranteed by, the Government of Canada or a major Schedule 1 Canadian chartered bank, or any interest bearing trust account of the Escrow Agent. The Escrowed Funds will only be released to Globally Local upon receipt by the Escrow Agent, on or before the Escrow Deadline, of (i) a Closing Notice directing the Escrow Agent to release the Escrowed Funds, net of (A) the balance of the cash commission payable to the Agent, and (B) the balance of the Agent's reasonable expenses incurred in connection with the Financing, to Globally Local; and (ii) confirmation from Globally Local of the satisfaction or waiver of each of the Escrow Release Conditions.

In the event that (i) Globally Local provides written notice to the Agent confirming that the Transaction will not be completed; or (ii) the Escrow Release Conditions have not been satisfied prior to the Escrow Deadline, the Escrowed Funds (together with any accrued interest earned thereon (less applicable withholding taxes)), net of the Agent's Commission paid on Closing and the Agent's reasonable expenses incurred in connection with the Financing, will be returned to the holders of the Subscription Receipts on a *pro rata* basis and the Subscription Receipts will be deemed to have been cancelled. To the extent that there are insufficient funds to reimburse the holders of Subscription Receipts in full, Globally Local will contribute to the Escrowed Funds such amount as may be necessary to satisfy any shortfall.

The Financing shall be completed on a "commercially reasonable efforts" agency basis pursuant to the terms and conditions of the Agency Agreement.

In connection with the Financing, the Agent will be paid the Agent's Commission. In addition, the Agent will also be issued Agent's Compensation Options equal to 8.0% of the Subscription Receipts sold (excluding Subscription Receipts sold to certain excluded purchasers in respect of which the Agent will be issued Agent's Compensation Options equal to 4% of the Subscription Receipts sold (subject to certain exceptions)). Each Agent's Compensation Option is exercisable for one Globally Local Share at an exercise price of $0.40 per Globally Local Share for a period of 24 months following the date of Escrow Release Date. In addition, the Agent will also be paid a corporate finance fee of $50,000 (of which $15,000 was paid in December 2020).

Effect of the Transaction

Following completion of the Black Lion Consolidation and the Closing and assuming the completion of the Financing, it is expected that:

(a) the Black Lion Shares will have been consolidated on the basis of one Black Lion Consolidated Share for every 2.5 Black Lion Shares (with each Black Lion Consolidated Share being designated a Resulting Issuer Share upon completion of the Transaction);

(b) Globally Local shall have amalgamated with Black Lion Sub and the amalgamated company will become a wholly-owned subsidiary of Black Lion;

(c) Black Lion will have acquired all of the issued and outstanding Globally Local Shares on the basis of the Exchange Ratio, being one (1) Resulting Issuer Share for every one (1) Globally Local Share;

(d) each Agent's Compensation Option shall be exchanged into one Resulting Issuer Agent's Compensation Option with each such Resulting Issuer Agent's Compensation Option being exercisable into Resulting Issuer Shares on the same terms and conditions as the original outstanding Agent's Compensation Options;

(e) the Resulting Issuer will carry on the business theretofore carried on by Globally Local;

(f) there will be an aggregate of 79,473,818 Resulting Issuer Shares issued and outstanding on a non-diluted basis (giving effect to the Minimum Financing) or 81,973,818 Resulting Issuer Shares issued and outstanding on a non-diluted basis (after giving effect to the Maximum Financing) and assuming the Agent's Commission is paid in cash;

(g) the following convertible securities will be issued and outstanding: (i) a maximum of 840,000 Resulting Issuer Agent's Compensation Options (after giving effect to the Maximum Financing), each exercisable to acquire a Resulting Issuer Share at a price of $0.40 per Resulting Issuer Share; and (ii) 410,600 Resulting Issuer Options, comprised of the 410,600 CPC Options, each exercisable to acquire one Resulting Issuer Share at an exercise price of $0.25 per Resulting Issuer Share (on a post-Black Lion Consolidation basis) and 4,604,506 Resulting Issuer Options to be issued in connection with the Closing of the Transaction, each exercisable to acquire one Resulting Issuer Share at an exercise price of $0.40 per Resulting Issuer Share (on a post-Black Lion Consolidation basis).

(h) former Globally Local Shareholders will hold an aggregate of 64,000,000 Resulting Issuer Shares (excluding any Resulting Issuer Shares issued pursuant to the Financing) representing approximately 80% of the outstanding Resulting Issuer Shares on a non-diluted basis (giving effect to the Minimum Financing) or 78% of the outstanding Resulting Issuer Shares on a non-diluted basis (after giving effect to the Maximum Financing);

(i) existing shareholders of Black Lion, on a post-Black Lion Consolidation basis, will hold an aggregate of 4,661,318 Resulting Issuer Shares representing approximately 6% of the outstanding Resulting Issuer Shares on a non-diluted basis (giving effect to the Minimum Financing) or 6% of the outstanding Resulting Issuer Shares on a non-diluted basis (on a non-diluted basis and after giving effect to the Maximum Financing); and

(j) the board of directors of the Resulting Issuer shall be comprised of: James McInnes (Chairman), Edward (Ted) Sehl, Vasiliki McInnes, Dean Cebulski and William MacDonald. In addition, it is expected that James McInnes will serve as President and CEO, Carlo Rigillo will serve as CFO and Corporate Secretary, Vasiliki McInnes will serve as COO, Braden Halpin will serve as Vice-President Operations And Store Development and Avra Epstein will serve as Vice-President, Marketing of the Resulting Issuer.

Background of the Transaction

On April 4, 2016 , Black Lion completed its initial public offering. As a CPC, Black Lion has no assets other than cash and has not carried on active business or commercial operations. Under the policies of the Exchange, the activities of Black Lion are limited to identifying and evaluating assets or businesses which, when acquired, would qualify Black Lion for listing as a Tier 1 or Tier 2 issuer on the Exchange.

In October 2020, Black Lion began discussions with Globally Local directors and management about the possibility of a transaction that would see Black Lion and Globally Local combine. On November 6, 2020, Black Lion and Globally Local signed the Letter of Intent to proceed with the Transaction.

The negotiations were conducted at arm's length.

On March 8, 2021, Black Lion, Black Lion Sub and Globally Local entered into the Definitive Agreement which supersedes the Letter of Intent. Pursuant to the Definitive Agreement and subject to receipt of all requisite approvals, Black Lion will acquire all of the issued and outstanding Globally Local Shares in exchange for the issuance of Resulting Issuer Shares in accordance with the Exchange Ratio.

Reasons for the Transaction

Black Lion was formed as a CPC and has been engaged in the business of identifying and evaluating properties or businesses with a view to completing a Qualifying Transaction. The Transaction will constitute a Qualifying Transaction for Black Lion for the purposes of Exchange Policy 2.4.

Globally Local is a plant-based food technology company that creates, manufactures and distributes plant-based proteins and dairy alternatives. Globally Local's mission is to create nutritious and delicious plant-based food using locally sourced and sustainable ingredients that are good for people and the planet. Currently, Globally Local has created a food service product line that is distributed to corporate owned and franchised restaurant locations as well as a retail product line currently in development. The Transaction allows Globally Local to provide the potential for liquidity to its existing shareholders and gain access to the capital markets.

The terms of the Transaction were established through arm's length negotiations and is therefore not a Non-Arm's Length Qualifying Transaction.

Definitive Agreement

The following is a summary of the material provisions of the Definitive Agreement. This description is not a complete description of the provisions of the Definitive Agreement and is qualified in its entirety by the Definitive Agreement, which is available for review under the Issuer's SEDAR profile at www.sedar.com.

General

The Definitive Agreement was entered into effective as of March 8, 2021.

The principal features of the Transaction may be summarized as follows:

- Globally Local and Black Lion Sub will amalgamate and continue as one corporation under the provisions of the OBCA and, as a result, the property and liabilities of Black Lion Sub and Globally Local will become the property and liabilities of the amalgamated company;

- each Globally Local Share will be cancelled and the holder thereof shall receive that number of Resulting Issuer Shares as is equal to the number of Globally Local Shares held by such Globally Local shareholder immediately prior to amalgamation multiplied by the Exchange Ratio; and

- each Black Lion Sub Share shall be cancelled and, after the amalgamation, the amalgamated company shall issue one share to the Issuer in respect of every Black Lion Sub Share so cancelled.

Representations, Warranties and Covenants

The Definitive Agreement contains certain customary representations and warranties of each of Black Lion, Black Lion Sub and Globally Local relating to, among other things, their respective organization, capitalization, qualification, operations, compliance with laws and regulations and other matters, including their authority to enter into the Definitive Agreement and to consummate the Transaction. Pursuant to the Definitive Agreement, the parties have agreed to advise each other of any material adverse changes. Further, the parties have agreed to use their commercially reasonable efforts to obtain all regulatory and other consents, waivers and approvals required for the consummation of the Transaction.

In addition, pursuant to the Definitive Agreement, each of the parties has covenanted, among other things, until the completion of the Transaction, to maintain their respective businesses and not take certain actions outside the ordinary course.

Conditions to the Transaction

The Definitive Agreement contains a number of conditions precedent to the obligations of Black Lion, Black Lion Sub and Globally Local thereunder. Unless all such conditions are satisfied or waived by the party or parties for whose benefit such conditions exist, to the extent they may be capable of waiver, the Transaction will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all. The conditions to the Transaction becoming effective are set out in the Definitive Agreement and are summarized below.

Mutual Conditions

The respective obligations of Black Lion and Globally Local to complete the Transaction are subject to the fulfillment of the following conditions at or prior to the Transaction Closing Date, each of which may be waived with the written consent of the parties:

- each of Globally Local, Black Lion and Black Lion Sub shall have received appropriate approval of their respective boards of directors, as the case may be, for the Transaction and for all matters incidental thereto or as may be required to effect the Transaction;
- the Globally Local Shareholders shall have approved the resolutions authorizing the Transaction on or before April 30, 2021;
- there shall be no action taken under any existing laws that (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Transaction or any other transactions contemplated; or (ii) results in a judgment or assessment of material damages directly or indirectly relating to the Transaction;
- the amalgamation of Black Lion Sub and the Target Company shall have been completed in accordance with the OBCA and all applicable laws;
- the Definitive Agreement shall not have been terminated;
- the Transaction shall have been conditionally approved by the Exchange and the Exchange shall have conditionally approved for listing all of the Resulting Issuer Shares to be issued to Globally Local Shareholders pursuant to the Transaction on or before April 30, 2021;
- the Issuer, Black Lion Sub and Globally Local shall have obtained all consents, waivers, approvals and authorizations (including, without limitation, all stock exchange, securities commission and other regulatory approvals) required or necessary in connection with the Transaction on terms and conditions reasonably satisfactory to Globally Local and Black Lion;
- James McInnes (Chairman), Edward (Ted) Sehl, Dean Cebulski, William MacDonald and Vasiliki McInnes shall be appointed as directors of the Resulting Issuer;
- the Black Lion Consolidation and the Black Lion Name Change shall have been approved by the Black Lion directors;
- each of Black Lion, Black Lion Sub and Globally Local shall have tabled such other deliverables as are customary for the Transaction; and
- the date of the Closing shall occur on or before April 30, 2021.

Conditions to Obligations of Black Lion and Black Lion Sub

The obligations of Black Lion and Black Lion Sub to complete the Transaction are subject to the fulfillment of the following conditions at or prior to the Transaction Closing Date:

- the representations and warranties made in the Definitive Agreement by Globally Local shall be true in all material respects as of the Transaction Closing Date as if made on and as of such date (except for representations and warranties which refer to another date, which shall be true as of that date) and Globally Local shall have provided to Black Lion a certificate of one officer of Globally Local certifying as to such matters on the Transaction Closing Date and Black Lion shall have no knowledge to the contrary;

- Globally Local shall have complied in all material respects with its covenants in the Definitive Agreement and Globally Local shall have provided to Black Lion a certificate of an officer certifying as to such compliance as of the Transaction Closing Date;

- before giving effect to the transactions contemplated by the Definitive Agreement, there shall have been no "Material Adverse Change" (as such term is defined in the Definitive Agreement) in respect of Globally Local or its business since the date of the Definitive Agreement;

- there shall be no action taken under any applicable law that will, in the sole judgement of Black Lion, acting reasonably, impose any material limitations on the ability of the parties to complete the Transaction and the transactions contemplated by the Definitive Agreement or would result in a "Material Adverse Effect" (as such term is defined in the Definitive Agreement) on Globally Local; and

- Black Lion shall be satisfied, acting reasonably, that the Resulting Issuer Shares issuable to Globally Local Shareholders that are U.S. persons shall be issuable in accordance with applicable laws and in accordance with transactions that do not require registration under the U.S. Securities Act or applicable state securities laws.

Conditions to Obligations of Globally Local

The obligations of Globally Local to complete the Transaction are subject to the fulfillment of the following conditions at or prior to the Transaction Closing Date:

- the representations and warranties made by each of Black Lion and Black Lion Sub in the Definitive Agreement shall be true in all material respects as of the Transaction Closing Date as if made on and as of such date (except for representations and warranties which refer to another date, which shall be true as of that date) and Black Lion shall have provided to Globally Local a certificate of one officer of Black Lion certifying as to such matters on the Transaction Closing Date and Globally Local shall have no actual knowledge to the contrary;

- each of Black Lion and Black Lion Sub shall have complied in all material respects with their covenants in the Definitive Agreement and Black Lion shall have provided to Globally Local a certificate of an officer of Black Lion certifying as to such compliance as of the Transaction Closing Date and Globally Local shall have no actual knowledge to the contrary;

- before giving effect to the transactions contemplated by the Definitive Agreement, there shall have been no "Material Adverse Change" in respect of Black Lion and Black Lion Sub since the date of the Definitive Agreement;

- the Resulting Issuer Shares to be delivered pursuant to the Transaction shall have been approved for issuance and Black Lion shall deliver such securities to the Globally Local Shareholders who are entitled to receive such consideration in accordance with the terms of the Definitive Agreement and upon completion of the Transaction;

- the Resulting Issuer Compensation Option to be delivered pursuant to the Transaction shall have been approved for issuance and Black Lion shall deliver such securities to the Agent in accordance with the terms of the Definitive Agreement and upon completion of the Transaction;
- each director and officer of Black Lion (other than William L. MacDonald who is continuing as a director of the Resulting Issuer) shall have provided their written resignation as a director and/or officer, as applicable, effective on or before the Transaction Closing Date, together with a release (satisfactory to Globally Local, acting reasonably) in favour of Globally Local;
- Black Lion shall have working capital of not less than $650,000 at the Effective Time less the costs reasonably incurred by Black Lion with respect to the Amalgamation;
- there shall be no action taken under any applicable law that will, in the sole judgement of Globally Local, acting reasonably, impose any material limitations on the ability of the parties to complete the Transaction and the transactions contemplated by the Definitive Agreement or would result in a "Material Adverse Effect" on Black Lion;
- the Resulting Issuer Shares to be delivered pursuant to the Transaction shall be issued as fully paid and non-assessable common shares in the capital of Black Lion, free and clear of any and all encumbrances, except those pursuant to any relevant Exchange policies or applicable securities laws; and
- Black Lion shall have completed the Black Lion Consolidation and the Black Lion Name Change.

Superior Proposal

If prior to the completion of the Transaction, a bona fide Globally Local take-over proposal (a "**Globally Local Take-Over Proposal**") is proposed, offered or made to the Globally Local Shareholders or to Globally Local which, in the bona fide opinion of the Globally Local Board would result in a financially superior transaction, directly or indirectly, for the Globally Local Shareholders than that contemplated by the Transaction (any such proposal being referred to herein as a "**Globally Local Superior Proposal**"), the Globally Local Board may withdraw, modify or change its approval of the Transaction if, in the opinion of the Globally Local Board acting reasonably and upon the written advice of its legal counsel, such withdrawal, modification or change is required or would be consistent with the fiduciary duties of the Globally Local Board under applicable laws.

Provided that Black Lion or Black Lion Sub is not in breach of its material obligations, covenants and agreements under this Agreement, Globally Local has agreed to pay to Black Lion in cash (within ten business days of the date of the occurrence of any event below) the amount of $150,000 (the "**Globally Local Break Fee**") if:

- the Globally Local Board fails to recommend that the Globally Local Shareholders vote in favour of the Transaction, or withdraws, modifies or changes its recommendation to the Globally Local Shareholders to vote in favour of the Transaction;
- a bona fide Globally Local Take-Over Proposal is publicly announced or commenced and the Globally Local Board fails to publicly reaffirm and maintain its recommendation of the Transaction to the Globally Local Shareholders within 10 days after the commencement of such Globally Local Take-Over Proposal;
- the Globally Local Board recommends that the Globally Local Shareholders deposit their Globally Local Shares under, vote in favour of, or otherwise accept, a Globally Local Take-Over Proposal; or
- a bona fide Globally Local Take-Over Proposal has been announced by any third party and has not been withdrawn prior to the date of approval of the Transaction by the Globally Local Shareholders and such Globally Local Take-Over Proposal is implemented within 180 days of the Agreement.

Termination of Agreement

The Definitive Agreement may be terminated at any time prior to the Transaction Closing Date:

- by mutual written consent of Black Lion, Globally Local and Black Lion Sub;

- by either Globally Local or Black Lion, provided that the party desiring to terminate the Definitive Agreement is not materially in default of any of its representations, warranties or covenants under the Definitive Agreement, if (i) the Transaction Closing Date shall not have occurred by April 30, 2021, unless otherwise agreed to by the parties; (ii) if the Transaction is not approved by the Globally Local Shareholders; or (iii) if the Globally Local Break Fee shall become payable;

- by Globally Local, if (i) a Material Adverse Change in respect of Black Lion shall have occurred after the date of the Definitive Agreement; (ii) if Black Lion shall be in breach of any of its covenants, agreements or representations and warranties contained in the Definitive Agreement that would have a Material Adverse Effect on Black Lion or on the ability of Black Lion and Globally Local to consummate the transactions contemplated by the Definitive Agreement and Black Lion fails to cure such breach within three (3) business days after receipt of written notice thereof from Globally Local (except that no cure period shall be provided for a breach which by its nature cannot be cured); or (iii) the failure of Black Lion or Black Lion Sub to complete any of the conditions precedent specified in the Definitive Agreement; or

- by Black Lion if (i) a Material Adverse Change (as such term is defined in the Definitive Agreement) in respect of Globally Local shall have occurred; (ii) if Globally Local shall be in breach of any of its covenants, agreements or representations and warranties contained in the Definitive Agreement that would have a Material Adverse Effect on Globally Local or on the ability of Globally Local and Black Lion to consummate the transactions contemplated by the Definitive Agreement and Globally Local fails to cure such breach within three (3) business days after receipt of written notice thereof from Black Lion (except that no cure period shall be provided for a breach which by its nature cannot be cured); or (iii) the failure of Globally Local to complete any of the conditions precedent specified in the Definitive Agreement.

Procedure for the Transaction to Become Effective

Black Lion Approvals

The proposed Transaction does not constitute a Non-Arm’s Length Transaction since: (a) the proposed Transaction was negotiated by the parties dealing at arm’s length with each other, and (b) no party (together with its respective Associates or Affiliates) (i) holds more than 20% of the outstanding voting securities of the Issuer and Globally Local, or (ii) holds a sufficient number of securities of both the Issuer and the Target so as to affect materially the control of both Black Lion and Globally Local. As a result, approval of the proposed Transaction by the Black Lion Shareholders is not required under the Exchange policies as a condition to the completion of the proposed Transaction.

In connection with the Transaction, the Black Lion directors approved, or will approve, the Black Lion Consolidation and the Black Lion Name Change.

Globally Local Approvals

As a condition of the Transaction, the Globally Local Shareholders are required to approve special resolutions authorizing the Transaction on or before April 30, 2021, all in accordance with the articles and notice of articles of Globally Local and any applicable laws.

Exchange Approval

The Transaction is subject to the approval of the Exchange. Listing of the Resulting Issuer Shares to be issued in connection with the Transaction is subject to the Resulting Issuer fulfilling all requirements of the Exchange on completion of the Transaction.

The Resulting Issuer will be considered to have completed the Transaction on the date that the Exchange issues the Final Exchange Bulletin, which is expected to be on or about the fifth business day after the closing of the Transaction, provided that all required documentation is filed with the Exchange. Exchange Policy 2.4 regarding CPCs shall cease to apply after the completion of the Transaction, with the exception of any escrow resale restrictions, which will continue in full force and effect.

PART II - INFORMATION CONCERNING GLOBALLY LOCAL

Corporate Structure

Name and Incorporation

Globally Local is a private company that was incorporated as "2204901 Ontario Inc." under the Business Corporations Act (Ontario) on August 25, 2008. On December 3, 2020 the articles of Globally Local were amended to split the Globally Local Shares on a 1:86,100 ratio.

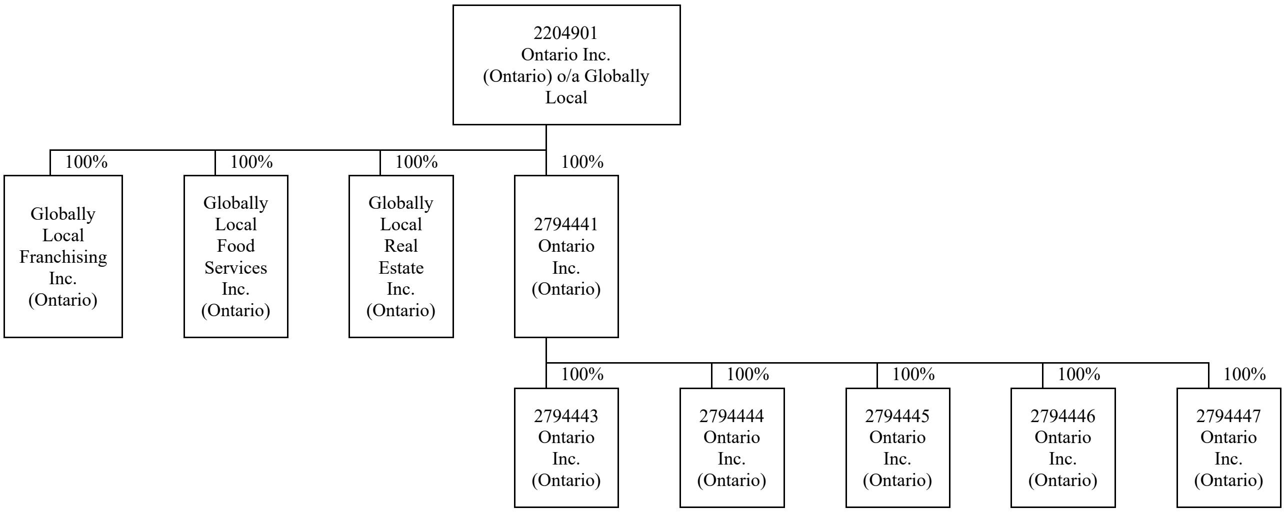
Globally Local has nine subsidiaries.

Current Legal Name of Subsidiary	Original Incorporation Name	Jurisdiction of Formation	Formation Date	Subsidiary of
Globally Local Franchising Inc.	Same as current	Ontario (OBCA)	31-May-19	2204901 Ontario Inc.
Globally Local Food Services Inc.	Globally Local Franchise Corp. (name changed on 04-Jun-19)	Ontario (OBCA)	26-Feb-18	2204901 Ontario Inc.
Globally Local Real Estate Inc.	Same as current	Ontario (OBCA)	9-Nov-20	2204901 Ontario Inc.
2794441 Ontario Inc.	Same as current	Ontario (OBCA)	23-Nov-20	2204901 Ontario Inc.
2794443 Ontario Inc.	Same as current	Ontario (OBCA)	23-Nov-20	2794441 Ontario Inc.
2794444 Ontario Inc.	Same as current	Ontario (OBCA)	23-Nov-20	2794441 Ontario Inc.
2794445 Ontario Inc.	Same as current	Ontario (OBCA)	23-Nov-20	2794441 Ontario Inc.
2794446 Ontario Inc.	Same as current	Ontario (OBCA)	23-Nov-20	2794441 Ontario Inc.
2794447 Ontario Inc.	Same as current	Ontario (OBCA)	23-Nov-20	2794441 Ontario Inc.

The head office and registered office of each of the entities listed above is 505 Consortium Court, London ON, N6E 2S8.

__Intercorporate Relationships__

The following organizational chart demonstrates the intended corporate structure of Globally Local:



General Development of the Business

Globally Local is a plant-based food technology company focused on disrupting the fast food industry. Globally Local creates, manufactures and distributes plant-based proteins and dairy alternatives through a food service product line that is used at corporate owned and franchised restaurant locations. Globally Local's mission is to create nutritious and delicious plant-based food using locally sourced and sustainable ingredients that are good for people and the planet.

Three Year History

As of 2018 James and Lia McInnes spent years developing a vegan fast food menu through two corporate owned restaurant locations. One location opened in late 2016 in downtown London, Ontario while the second was a 24 hour drive thru that opened in June 2017. The chain was popular and one of the first vegan fast food concepts in the world at the time. Although James and Lia had success in the restaurant industry, their goal was to scale the business by creating a food technology division that would centralize food production, allow for the continuous research and development of products and ultimately produce unique, proprietary plant-based food on a large scale.

In January 2018 Globally Local received an Investment from, BoxOne Ventures (not a Non-Arm’s Length Party), of $500,000 to facilitate the launch of their food technology division, Globally Local Food Services.

In February 2018 the Business Development Bank of Canada approved a $250,000 term loan to finance equipment purchases and leasehold improvements that would be needed by Globally Local Food Services at the newly proposed facility.

In March 2018 a lease was signed at 509 Consortium Court, London, Ontario for a 1,500 square foot space and construction began shortly thereafter. Globally Local engaged numerous industrial food equipment experts to develop and test technology that would be used for the manufacturing process. Shortly after construction began, it was apparent that additional space was needed and a 3,000 square foot unit was leased at the end of March directly next door at 505 Consortium Court, London, Ontario and the units were connected by creating an opening between them. In May 2018, the first plant-based proteins were shipped from Globally Local Food Services to the corporate restaurant locations and a mobile food truck. The food truck traveled around Ontario from May to September to various festivals and events, allowing thousands of people yearly to taste company products. The food truck also provided valuable market research for demand in various regions, which was later used to open brick and mortar restaurant locations.

In August 2018 the Preposterous Burger, a burger with an authentic meaty flavour and that "bleeds" was launched. This burger was a seitan-based patty, with beet juice infused into it. Due to its success at the restaurant locations, the manufacturing company was later renamed after this burger.

In October 2018, newly hired production manager, John Nguyen continued to implement Globally Local's manufacturing technology. This implementation included small assembly lines, programmable ovens, forming machines, industrial blenders, packaging equipment and various software systems.

In March 2019, the cooking technology at all restaurant locations were transitioned from grills to convection/impingement ovens. These rapid cook ovens were able to drastically improve food quality, while reducing the need for higher skilled kitchen staff. Globally Local Food Services also modified some of the products so that they would cook properly in the new ovens and cook in a shorter amount of time. These two factors combined allowed for the creation of a truly consistent food experience at restaurant locations while still delivering quick service and low cost.

In May 2019 a new restaurant design focused on takeout and delivery was created. This new store concept included self-checkout kiosks and eliminated the use of cash. The appeal of this store design was the smaller footprint, lower labour rates and a financial model that worked with delivery partners. Many aspects of this model were built and tested at the 252 Dundas location in London, Ontario, which served as a test location for equipment layout and workflow.

In June 2019 the restaurant franchise agreement was completed and the public announcement of franchising restaurant locations led to a significant amount of media attention. Following this announcement, hundreds of franchise leads were received, primarily for the US market.

In July 2019, a newly leased location at 492 College Street, in Toronto, Ontario was set to become a model concept store with the implementation of a fresh new store design along with the latest technology.

In August 2019, Globally Local raised $400,000 in capital from friends and family, using the investment vehicle called a Simple Agreement for Future Equity (SAFE). Following this, construction at the Toronto location commenced.

In September 2019 Globally Local successfully received a Scientific Research and Experimental Development tax credit from the Canada Revenue Agency. Management believe this credit validated Globally Local's food technology as unique and significant in nature.

In October 2019, after receiving a $103,460 loan from the Royal Bank of Canada to finance leasehold improvements and equipment, construction of the Toronto location was completed.

In November 2019 the Toronto location which opened with success and an estimated 1,000 people attending on the grand opening day alone.

In December 2019, the first franchise agreement was signed for a location in Windsor, Ontario. Shortly thereafter, an additional $449,982 in capital was raised through a second SAFE financing round with strategic investors.

In January 2020 construction of the Windsor location commenced.

In February 2020 an exclusivity deal was signed with Doordash, which allowed for an competitive delivery commission rate for current and future locations.

In March 2020, all operations and construction projects were temporarily closed due to the Covid-19 pandemic. During this time, the restaurant growth strategy was refined to become 100% takeout/delivery based with a much more compact restaurant design. As well, a retail product line was created and product testing commenced shortly thereafter.

In April 2020, a Canada Export Grant was approved in the amount of $37,500 by the Canadian Government to assist with positioning the Globally Local brand for the US market.

In May 2020, the locations in Toronto and London reopened and construction on the Windsor site resumed. The drive-thru location located at 1141 Highbury Ave. N. in London, ON was permanently closed as it no longer fit with the new store design and cost model.

In June 2020 Braden Halpin, VP of operations and store development was recruited to manage existing locations and to assist the Globally Local with franchise sales and new corporate locations.

In August 2020 the Windsor location which opened and Erik Hansen joined Globally Local in the role of operations manager.

In October 2020, Carlo Rigillo became the Chief Financial Officer of Globally Local providing financial oversight of the corporation.

In November 2020 a letter of intent was signed between Black Lion Capital Corp. and Globally Local for a proposed qualifying transaction on the TSX Venture Exchange. The purpose of the transaction was to raise at least $3,200,000 for the resulting issuer. In addition, a binding agreement to lease a second Toronto, ON restaurant location was signed and another binding agreement to lease a Vaughan, ON restaurant location was signed.

In December 2020, a private placement in the amount of $350,000 was completed at a price of $0.40/share.

In January 2021 Avra Epstein, Vice-President, Marketing was recruited to manage marketing.. In addition, Globally Local competed an asset sale of the existing London, ON Dundas St. restaurant location in the amount of $90,000 and concurrently completed an agreement to terminate the lease with the landlord at this location. Both of these agreements take effect March 31 2021 at which point the London ON Dundas St. location will permanently close.

In February 2021, binding agreements were signed to lease new restaurant locations in Waterloo, ON and Hamilton, ON

In March 2021, binding agreements were signed to lease new restaurant locations in Oshawa, ON and London, ON. In addition, a private placement in the amount of $600,000 was completed at a price of $0.40/share.

Significant Acquisitions and Dispositions

Globally Local has not conducted any significant acquisitions or dispositions.

Narrative Description of the Business

General

Principal Products and Services

Manufactured Food Products

Globally Local Food Services is our food manufacturing division that creates all of our proprietary plant-based food. Globally Local Food Services currently manufactures 29 different products that are primarily focused on plant-based proteins and dairy alternatives. The food product line is completely nut free and has certain items that are gluten free and/or soy free. The current product line is designed for the food service industry and is packaged and priced in a way that fits into that business model. The food service products currently in production include:

Plant-based proteins

- **Chickpea Patties** – The first plant-based protein we developed. This patty is made primarily with chickpeas, flax, onions and has a classic fast food flavour and satisfying texture. A gluten and soy free version is currently being developed as well.

- **Bacun Strips** – Made from organic, fermented soybeans. These strips are sliced thin, marinated and partially cooked to infuse the smokey and rich flavours. This product is gluten free.

- **BacUn Bits** – Made from organic, fermented soybeans. These crumbles have the same great flavour as our bacun strips, but come fully cooked and ready to use as a topping for salad, wraps or fries. This product is gluten free.

- **Breakfast Sausage Patties** – Our plant-based version of the traditional sausage patty. These patties are primarily made from gluten, chickpeas, oats and a proprietary blend of seasonings.

- **Gyro 'Meat'** – Traditional Greek street meat, made plant-based. This plant-meat is made from a house made seitan roast and is then thinly sliced.

- **Preposterous Burger** – Our take on the plant-based burger that "bleeds". This meaty and indulgent burger utilizes our plant-meat granule technology and is bound together with flax, and then infused with beet juice.

- **Pulled Jack** – Plant-based pulled pork made with jackfruit. This stringy-textured fruit is seasoned with a special spice mix and Smokey bbq sauce.

- **Crispy ChickUN Fillets** – Specially formed chickUn fillets, breaded, flash frozen and ready to go into a deep fryer. One of our signature proteins made from 3 primary ingredients: oats, chickpeas and wheat.

- **Grilled ChickUN Strips** – Specially seasoned chickUn fillet, thinly sliced, ready to heat and serve within minutes. This protein is the same one used for our crispy chickUn fillets.

- **Wingalings** – Specially formed protein log which is then sliced, breaded and flash fried. Wingalings are shaped like nuggets, and designed to be tossed in a sauce.

- **ChickUN PreTenders** – Specially formed protein log which is then sliced, breaded and flash fried. Our plant-based buttermilk batter and seasoning creates a crinkle crust that is authentic to the traditional version.

- **Taco Meat** – This meaty protein crumble is marinated in a seasoned gravy and can simply be heated and eaten. Our plant-meat granule technology creates small pieces of protein that have an authentic texture and mouthfeel to traditional ground meat.

- **Scrambled 'egg'** – Made from tofu and a special turmeric seasoning blend. This egg replacement is both healthy and tasteful.

Plant-based dairy alternatives

- **Mayo** – Made from an organic soy milk base, our mayo is thick, rich and delicious.

- **Ranch Sauce** – Crafted from an organic soy milk base, with a delicious blend of dry seasonings and lemon juice.

- **Famous Sauce** – A truly unique sauce that mimics specialty sauces found at other major fast food chains. Sweet and savoury with a blend of relish, mustard and other seasonings.

- **Cheeze Sauce** – Plant-based cheeze sauce made primarily from carrots, onion, potato, turmeric, nutritional yeast and our own soy-based cream cheeze. This sauce is super creamy and indulgent, yet still far more healthy than traditional cheese sauces.

- **Tzatziki Dressing** – A Greek delight, made with fresh cucumber, dill and garlic and on organic soy milk base. This sauce is ultra rich, yet has a lightness from the fresh ingredients - a delicious and unique plant-based product.

- **Sour Cream** – This sauce is a delight, with some tang and umami flavours added in. Goes perfectly with loaded fries or tacos.

- **Caesar Dressing** – This dressing has lots of garlic and capers creating an incredible plant-based Caesar dressing that is indulgent, yet free of cholesterol.

- **Honey Mustard Sauce** – Modeled after the classic fast food chicken dipping sauce, this sauce is sweet and tangy and an incredible pairing with anything crispy.

- **Chocolate Fudge Sauce** – Dark fudge sauce made with pure cocoa, melted chocolate, sugar and an organic soy milk base. Designed to be used as a hot topping for ice cream.

<u>Other plant-based products</u>

- **Chia French Toast** – French toast made with chia seeds instead of egg. Thickly cut bread is dipped into a chia seed and organic soy milk batter and then baked.

- **Vanilla Cake Crumble** – Classic vanilla cake made without eggs. Light, fluffy and nearly indistinguishable from the traditional version. This product is designed as an ice cream sundae topping.

- **Fudge Brownie** – Chewy, fudge brownie crumble that is gluten free and simply indulgent. This product is designed as an ice cream sundae topping and can be eaten on its own.

- **Brown Rice Noodles** – Gluten free rice noodles that are pre-portioned and designed to cook in the microwave in less than one minute.

<u>Restaurant Services</u>

Our restaurant division is called Globally Local Fast Food and its mission is to radically change the fast food industry by providing better quality foods that use healthier plant-based ingredients while still delivering an indulgent fast food experience. Many of the products developed at Preposterous Foods found their beginning at our restaurant chain. Globally Local Food Services then continued the development of these early prototypes and implemented processes and technology to scale the manufacturing of food products needed by our restaurants. The restaurants provided an incredible testing platform, which allowed us to create many iterations of our products, ultimately creating food that is loved and craved by a wide spectrum of consumers. The full Globally Local menu is shown below, as well as a description of each menu item:

<u>*Globally Local Fast Food Menu*</u>

- **Breakfast**

    - *Breakfast Sandwich* – bacun/ham/sausage with non-GMO tofu 'egg' and plant-based cheese on an English muffin.

- *Maple Crunch*- bacun/ham/sausage with non-GMO tofu 'egg' and plant-based cheese topped with a hash brown and maple syrup on an English Muffin.
- *BLT* – Smokey organic tempeh bacun topped with lettuce, tomato and mayo on an everything bagel.
- *Southwest Scramble* – Scrambled 'egg' with lettuce, tomato and green onion in a tortilla wrap.
- *Chia French Toast* – Grilled to perfection, served with syrup.

- **Burgers**
  - *Famous Burger* – This infamous burger has two house-made patties topped with our famous sauce, onion, iceberg lettuce, dairy-free American style cheese and pickles, served on a toasted triple bun.
  - *Vopper* - This perfectly balanced burger starts with our house-made chickpea patty, topped with dairy-free American style cheddar cheese, smokey bacUn, pickles, onion, tomato, green leaf lettuce, ketchup and mayo.
  - *Bacun Famous Melt* - It starts with a toasted bun, then we add our famous sauce, shredded iceberg lettuce, a grilled patty and topped with a slice of dairy-free mozzarella cheese, two strips of bacUn and caramelized onions on top.
  - *Preposterous Burger* - This creation is similar to the "real" thing. Our hand-made burger patties are loaded with juicy flavour, served on a golden bun with mayo, lettuce, ketchup, mustard, pickle and a sprinkle of red onion.
  - *Pulled Jack* - Our jack is marinated in smokey BBQ sauce & spices, grilled then placed on a toasted sesame seed bun and topped with shredded lettuce and mayo.
  - *Kids Burger* - Grilled house-made patty topped with ketchup, mustard, pickles and onion served on a toasted soft plain bun.

- **ChickUN**
  - *Crispy ChickUn Burger* - our signature chickUn made from scratch, seasoned and battered, then fried for an extra crispy texture. Served on a toasted sesame bun, and topped with fresh green leaf lettuce, two slices of tomato and our house-made 'mayo'.
  - *ChickUn Cordon Bleu* - A classic meal with a twist. We take our crispy chickUn burger and top it with dairy-free American style mozzarella cheese, 'ham', iceberg lettuce and our creamy 'mayo' sauce.
  - *Buffalo ChickUn* - Our classic crispy chickUn fillet, tossed in hot buffalo sauce and topped with shredded lettuce and rich tangy mayo on a toasted sesame bun.
  - *Sticky ChickUn* - This burger starts with our crispy chickUn fillet and is then tossed in Korean sesame sauce, topped with vegan mayo, crispy lettuce and fresh pickles
  - *Wingalings* - Try our seasoned "wings", fried to perfection and tossed with spicy buffalo, bbq or korean sesame sauce served with a side of ranch.
  - *ChickUn Pretenders* - We promise you will not be able to get enough of these crispy and flavourful preTENDERS.

- **Salads & Wraps**
    - *ChickUn Souvlaki* - This classic Greek wrap is made with our grilled and seasoned chickUn, topped with creamy tzatziki sauce, diced tomatoes, red onion and seasoning salt.
    - *Gyro* - This classic Greek wrap is made with grilled and seasoned gyro meat, topped with creamy tzatziki sauce, diced tomatoes, red onion and seasoning salt.
    - *ChickUn Caesar Wrap* - This wrap is perfect for a light meal. We take a plain or whole wheat wrap and add fresh green leaf lettuce, our creamy house-made Caesar sauce, bacUn bits and choice of hot or cold grilled chickUN
    - *Caesar Salad* - Crispy green leaf lettuce tossed with creamy Caesar dressing, croutons and bacUn bits.
    - Taco Salad - This fresh salad starts with crispy iceberg lettuce and is topped with our fresh sour 'cream'. We then add vegan taco meat, diced tomatoes, green onions and cheddar style shreds.
    - Tacos - Hard or soft shelled tacos filled with house-made vegan taco meat, lettuce, tomato, sour ‘cream’ topped with dairy free cheddar cheese shreds.
- **Sides**
    - *Fries* - Delicious thickly cut fries with a fluffy inside and crispy battered coating on the outside. Just a hint of cracked black pepper, garlic and sea salt for a perfect bite every time.
    - *Onion Rings* – Our onion rings start with sweet red onions and then are coated with a distinctive peppery batter.
    - *Hash browns* - Enjoy our potato and onion hash browns fried to crispy perfection.
    - *Fries Supreme* - This is our take on a classic fast food side item - and it is even better than the real thing. Our crispy thick cut fries are smothered in creamy cheeze sauce, topped with taco meat, sour 'cream', diced tomatoes and green onions.
    - *Famous Style Fries* - Hold onto your hats. We have created an unreal food experience with our amazing fries by adding creamy cheeze sauce, caramelized onions, smokey bacUn bits topped with our delicious famous sauce.
    - *Greek Fries* - We take our crispy thick cut fries and smother them in creamy cheeze sauce, gyro ‘meat’, tzatziki sauce, diced tomatoes, diced red onion and sprinkled with seasoning salt.
    - *Mac & Cheeze* - Completely free of gluten, mac & cheeze made with brown rice noodles and house made cheeze sauce. Add bacUn bits or make it a supreme with house made taco meat, sour cream, tomatoes and green onions.
- **Desserts & Shakes**
    - *Shakes* – Thick and delicious, crafted with house made coconut milk soft serve ice cream and organic soy milk. Choose from 4 spectacular flavours: strawberry, chocolate, vanilla and orange.
    - *Coconut Soft Serve* – Delicious house made coconut milk soft serve. Get it in a cup or cone.
    - *Hot fudge Brownie Sundae* - Our plant-based sundae using our house made coconut soft serve ice cream. Layered with our fudge brownie crumble and topped with our delicious hot fudge sauce.

- *Strawberry Shortcake Sundae* - Our plant-based sundae using our house made coconut soft serve ice cream. Layered with our vanilla cake crumble and topped with our sweet strawberry sauce.

- *Baked goods* – various cookies, squares and desserts provided by our partner Sweets From The Earth.

- **Beverages**

  - *Fountain Pop* – Choose from Coke, Diet Coke, Fanta Orange, Root Beer, Ginger Ale, Ice Tea.

  - *Juice* – Choose from Minute Maid orange juice or apple juice.

  - *Coffee/Tea* – Drip coffee and various flavours of tea.

Operations & Sales

We currently sell our products through two primary distribution channels: fast food restaurant locations and a food service product line. Our fast food restaurants allow us to connect directly with customers, providing them with delicious and indulgent food that is affordable, quick and convenient. Our food service product line allows us to distribute our products from our production center to corporate and franchised fast food restaurant locations so that these operations can easily replicate our proven model and provide a consistent and delicious food experience.

Restaurant Operations

Test Kitchen

Our test kitchen is currently located in downtown London, ON and operates as both a full service fast food restaurant, as well as a test kitchen where we are able to trial new product releases, equipment, processes and training systems. This is also where we opened our first fast food restaurant in late 2016 and where many of our product innovations and processes found their beginning.

Our self checkout and cashless model was first tested at this location and then rolled out at all future locations. Furthermore, we drastically changed our cooking technology from using standard flat top grills to rapid cook oven technology in early 2019 and then utilized this technology across our organization. The rapid cook oven technology allowed us to create push button, pre-set cooking programs for our menu, and allowed us to cook food consistently and quickly.

Our restaurant operations gained efficiency from these changes with average labour rates dropping below 25% and speed of service increasing to less than 4 minutes per order. This location is open 5 days a week and is open Wednesday to Sunday 12pm-8pm, offering both take out service as well as delivery through Doordash. It is staffed with 1 to 2 people, depending on the time of day and has a total staffing pool of 4 staff plus one manager.

Model Store

Our model restaurant location opened in late 2019 and is located in the neighbourhood of Little Italy in Toronto, ON. This was our first restaurant that was situated in an ideal location based on target demographics and income levels. This location was the first restaurant where we implemented a fully designed build, and where we created a completely branded store. This location was also designed to fit into a space of less than 1000 square feet, much smaller compared to previous locations, allowing us to have a much lower cost per square foot. The successful launch of this location allowed potential franchisees, partners and landlords to experience our full vision and to have confidence in our products and brand.

In January 2020, we conducted a trial using only one delivery service in Toronto (Doordash) instead of three delivery services. The goal was to streamline our delivery channel and get a competitive delivery commission rate by giving all of our volume to one delivery partner. Based on our strong delivery sales data during this trial, we signed an exclusivity deal with Doordash in February 2020 which provided all of our locations with a 20% delivery fee and a commission-free pickup option. Delivery orders at the time were a small part of our total revenue (less than 25%) however, once the Covid-19 hit our region, our delivery business increased to well over 50% of our total sales, making our lower commission rate a big factor in our success through Covid-19.

Our sales pre-Covid-19 versus post Covid-19 are virtually equal and our operational costs are only marginally higher. We believe that we are well positioned to flourish in the current Covid-19 business environment due to our compact size, take-out/delivery model, low labour cost, vertically integrated supply chain, competitive delivery commission and strong brand that we have established in Toronto.

This location is open 7 days a week from 12pm-9pm daily, offering both take out as well as delivery via Doordash. It is staffed with 2 to 3 people at once, depending on the time of day with a staffing pool of 8 staff plus one manager.

Food Truck

Our food truck normally operates from May to October and travels around southwestern Ontario, attending various festivals and serving thousands of people each season. Due to Covid-19, our food truck did not operate in 2020 as all festivals were cancelled. The food truck has been operating since 2017 and has served as a phenomenal marketing tool that has allowed us to connect with customers across Ontario. We are using all of our sales data from our food truck to now position brick and mortar takeout restaurant locations across Ontario. We plan to operate our food truck if/when restrictions are lifted from Covid-19.

Franchised Restaurants

Our first franchised restaurant location opened in Tecumseh ON (a region of Windsor/Essex) in August 2020. This restaurant adopted the design, layout and style of our Toronto model location and was also the first external food service customer of Globally Local Food Services. The Tecumseh franchisee paid a franchise fee of $30,000 upon execution of the franchise agreement in December 2019 and pays a weekly royalty of 5% of gross sales to Globally Local Franchising Inc. plus a weekly contribution of 2.5% of gross sales to an advertising fund. The advertising fund is managed by our franchising Company and all funds are spent directly on sales and marketing.

In total, the Tecumseh franchisee has paid $5,260.88 in royalties for the period of August to September 2020 and has contributed $2,729.66 to the advertising fund over the same period. The franchised restaurant spends approximately 63% of its total food cost on food from our manufacturing Company. For the period of August to September, 2020, the Tecumseh franchisee has purchased $32,786 of food from Globally Local Food Services, which included an opening inventory. Food products provided by other suppliers include vegetables, bread, fries, and various other food and packaged products.

Restaurant Operations Management

Our restaurants are managed with a series of technology platforms that provide our operations team with key data and metrics to efficiently run our operations remotely. Our point-of-sale system is called Talech and this platform provides us with self checkout kiosk technology, real-time product/sales reports by location and the ability to manage pricing remotely.

We use the Jolt operations management platform to create and manage task lists that must be completed at certain times of the day by our restaurant staff and management. Jolt also provides staff/management a way of documenting equipment failures, customer complaints and food issues so that our remote management team can help to resolve issues quickly and effectively. We also use the Jolt platform to count inventory and create orders for suppliers based on predefined inventory par levels ensuring that restaurants are always well supplied.

Our menu boards are controlled with Raspberry Pi Linux boxes, running custom scripts and plugged into our menu board screens. These menu board devices then connect to a company-managed secure web service, allowing us to update digital menu boards remotely and in real time. This menu board technology provides a low cost, highly flexible technology solution that has been effective for us.

We use one centralized management system called Monday.com to connect our various technology platforms together into one place and provide upper management with an easy way to monitor all of the operations. Monday.com is used to track/resolve support issues from our website, enter sales data and labour rates to help track profitability, manage operations tasks and allows members of the operations team a better way to communicate and collaborate on larger projects. By utilizing all of our technology platforms we are easily able to open more restaurant locations, while still ensuring high quality service, happy staff and efficient operations.

Other suppliers

Except for Globally Local Food Services, the restaurant operations source product from a variety of other suppliers. This includes local produce suppliers, larger food service companies such as Cisco/Flannagan/GFS, chemical/cleaning suppliers such as Cintas, Canada Bread, Sweets From The Earth, Coca Cola, and Renu Paper. Without written supply agreements, we can use a combination of suppliers to achieve good inventory levels. Our goal is to always source from local suppliers where possible and to get the freshest possible product while also supporting local businesses.

Production Centre

Production Facilities and Manufacturing Capacity

Globally Local Food Services is the division of Globally Local that operates our food production centre. Globally Local Food Services is located in an industrial area in London ON and operates Sunday to Friday 8am-10pm with two shifts per day and between 2 to 4 staff members per shift. We currently produce 29 different plant-based food products, representing approximately 60% of the total food sold at our restaurant chain. Restaurant locations enter their orders through a web site/e-commerce platform hosted by Shopify. Orders are then synchronized through an integration between Shopify and our manufacturing software called ERPAG. Our manufacturing software allows us to control all aspects of our manufacturing process including inventory, work orders, manufacturing runs, labeling, barcodes/lot numbers, creation of purchase orders and processing of sales orders.

The total food currently produced is approximately 2,000 lbs of product per week. We estimate that our London production facility can produce 40,000 lbs of product per week once we add additional staff on both day and night shifts and upgrade our equipment. Although we have recently added significant freezer and refrigerator storage capacity to our production facility, we would only be able to ship approximately 10,000 lbs of product per week from our current facility. Our current facility would support approximately 15 restaurant locations in total with an annualized production in the range of 519,000 lbs.

To reach maximum production capacities we would require the creation of a distribution centre so that finished foods from our production centre can be transferred over as they are produced. With the addition of a distribution centre and our production centre running at an optimized level, we estimate that we could reach an annualized production capacity in the range of 2,080,000 lbs. Increasing our production capacity will allow us to service more restaurant locations and will allow us to launch our planned retail product line.

Certification

In December 2018 we engaged a consultant from B&N ProCon Inc. to assist us in beginning the process of obtaining our Analysis Critical Control Point (HACCP) and our Good Manufacturing Practices (GMP). The result of this consultation were recommendations for significant renovations to our production space in order to meet HACCP and our GMP standards. These renovations were completed approximately 12 months later and included the addition of an exhaust plus fire suppression system, new flooring, new lighting and the addition/removal of several walls. In July 2020, we engaged a company called Dicentra Food Safety and Quality Consulting to aid us in completing our HACCP certification. In November 2020 we completed our HACCP plan and all related documentation and are currently operating under HACCP standards. Our HACCP inspection date is currently scheduled for March 2021 at which point we expect to be certified. Obtaining HACCP/GMP certification will allow us to create retail products that can be sold in grocery stores.

Ingredients and suppliers

We primarily source our ingredients from Canadian suppliers carrying Canadian-grown raw ingredients. Our main supplier for grains, flours, chickpeas and proteins is Grain Process Enterprises. We also source from Ontario Natural Food Coop, Flannagan/Cisco/GFS, Cintas and local produce suppliers. To date we have not had any significant supply disruptions that we have not been able to overcome. We keep fairly large inventories of raw ingredients on hand so that any minor disruptions do not affect us. All of our ingredients are readily available and some can be sourced from alternative suppliers if needed or required. As our production increases, we plan to maintain much larger supplies of raw ingredients at our distribution centre. We plan to arrange supply agreements with some of our suppliers and potentially work directly with farmers/processors. We are always looking to improve our supply chain by accessing simple and readily available plant-based ingredients.

Real Property

Globally Local does not currently own any real estate, however we do have a number of leases on restaurant spaces and one production space. All of our leases are held by Globally Local Real Estate Inc. – a division of Globally Local that manages our real estate assets and then subleases these spaces to their respective operating company.

London, Production Centre – The London production centre, operated by Globally Local Food Services is located at two side-by-side units: 505 and 509 Consortium Court, London, ON. The first unit at 509 Consortium Court was leased February 12 2018 from Skyline Commercial Real Estate Holdings Inc. and is 1495 square feet. The second unit at 505 Consortium Court was added onto the original lease on May 1 2018 and is 2955 square feet. The total term on both units was extended until April 2021. The two units were connected with two openings so that the entire space could be used as a single unit. Both units are subject to a 3 year lease term expiring April 30 2021 and are rented at a rate of $5.60 net per square foot per year. The additional rent on the space is approximately $5.60 per square foot, with yearly adjustments applied as stipulated by our lease. Utilities are separately billed and are in addition to the rent. The production space totals approximately 4500 square feet, with about 10% used as office space and the rest dedicated to production and storage space. Our food truck is parked here and operates out of this facility. The space is leased by 2204901 Ontario Inc. o/a Globally Local without any personal guarantees from any of the founders. The lease term does not have any options to renew, however a lease extension is currently being negotiated.

London, Dundas St. Restaurant – This restaurant location, also called the "Test Kitchen" is operated by Globally Local Fast Food and was initially opened in December 2016 through a one year sublease agreement with the tenant at the time. The location is 2868 square feet and is a double unit comprised of the address 252 Dundas St. and 254 Dundas St., London Ontario. In October 2017, a lease was signed with the landlord of the building, 2202227 Ontario Inc. for a period of 2 years with a renewal term of two additional three year terms. In March 2018 the lease was extended until September 30 2022 at a lease rate of $14.47 per square foot for the year 2020 and $15.22 per square foot for the year 2021. The per square foot rate is a gross rent and includes all taxes and management fees, with utilities billed separately and in addition to the rent. The space is leased by 2204901 Ontario Inc. o/a Globally Local without any personal guarantees from any of the founders.

Toronto, College Street Restaurant – This location, also called the "Model Store" is operated by Globally Local Fast Food and is located at 492 College St., Toronto ON. The location is approximately 900 square feet on the ground floor. It has a full basement with two washrooms and a prep kitchen. The lease was executed in July 2019 with the landlord Palmerston Gates Inc. in July 2019 for a term of 3 years, ending September 30 2022 and became operational in November 2019. Initially, the rental rate was $87 per square feet including taxes, building management, heat and gas. In June 2020, the landlord reduced the rent to $80 gross per square feet. As well, a lease extension was executed, extending the term until September 30 2025. The space is leased by 2204901 Ontario Inc. o/a Globally Local without any personal guarantees from any of the founders.

Toronto, 731 Broadview Avenue Restaurant – This 1100 square foot location currently under development is a former fast food restaurant, with patio. A binding offer to lease was signed with an independent landlord, with a projected possession date of Feb. 1, 2021, a projected opening date of April 1, 2021 and a lease term of 10 years with 2x5 year renewal options. The space is head leased by Globally Local Real Estate Inc., and it's strategically located within a two minute walk from the Broadview subway station, Riverdale Park, and right next to the Don Valley Parkway.

Vaughan, 9960 Dufferin Street Restaurant – This 1100 square foot currently under development is a new build from shell. A binding offer to lease was signed with Embee Properties, with a projected possession date of Feb. 1, 2021, a projected opening date of May 1, 2021, and a lease term of 10 years with 2x5 year renewal options. The space is head leased by Globally Local Real Estate Inc., and it's anchored by Shoppers Drug Mart, LCBO, and Highland Farms.

Waterloo, Waterloo Town Square, 75 King St S Restaurant - This 1021 square foot location is currently under development and is a former restaurant. A binding offer to lease was signed with an independent landlord on February 8, 2021, with a projected possession date of May 9th, 2021, a projected opening date of August 1, 2021, and lease term of 10 years with 2x5 year renewal options. The space is head leased by Globally Local Real Estate Inc., and it's anchored by LCBO, Valu-Mart, and has co-tenancies such as Beertown, Cora, Starbucks, SPINCO, and more.

Hamilton, Kingfisher Plaza, 920 Upper Wentworth Street Restaurant - This 1063 square foot location, with patio, is currently under development. A binding offer to lease was signed with BentallGreenOak and Equitable Life of Canada on February 17, 2021, with a projected possession date of May 1, 2021, a projected opening date of July 1, 2021, and a term of 10 years + 1x5 year option. The space is head leased by Globally Local Real Estate Inc., and has co-tenancies such as Mark's, Subway, Canada Computers, and Sleep Country Canada. Additionally, it is shadow anchored by Lime Ridge Mall, Dollarama, Staples, The Bay, and more.

London, Wellington Corners, 631-645 Commissioners Rd East Restaurant This 1059 square foot location is currently under development. A binding offer to lease was signed with First Capital Realty on March 3, 2021, with a projected possession date of March 31, 2021, and a projected opening date of June 1, 2021. The space is head leased by Globally Local Real Estate Inc., and is anchored by FreshCo with co-tenancies such as Bank of Montreal, Tokyo Smoke, Starbucks, Subway, Pet Valu, and more.

Oshawa, 212 Ritson Road North Restaurant This 1200 square foot location is under development and is a new build. A binding offer to lease was signed with CHOICE REIT and RICE on March 4, 2021, with a projected possession date of October 1, 2021, a projected opening date of December 1, 2021, and a term of 10 years + 2x5 year options. The space is head leased by Globally Local Real Estate Inc., and is anchored by Costco, No Frills, Dollarama, Goodlife Fitness, Bulk Barn, LCBO, the Beer Store, with co-tenancies such as BMO, Panera Bread, Mucho Burrito, Burger King, Popeye's, and more.

Marketing Strategy

Physical Locations – Our restaurant locations are one of our most powerful marketing tools because this is where customers ultimately eat our food and fully experience our brand. The restaurant locations are styled in a way that is consistent with our branding guide, which provides consistent colours, fonts, signage, interior murals, digital menu boards and paint colours. Our branding guide allows us to tie the restaurant experience directly into the online experience where we primarily promote our food in order to provide continuity and consistency with our branding. We also use our interior and exterior wall space to convey messaging about our products, ingredients, brand, ethics and other important ideas that we want to convey to our customers. Customers often use our backdrops for taking pictures and sharing content thus providing a critically important place for customers to capture our brand and experience.

Packaging – Our packaging is a key marketing tool that we use to reinforce our brand, both in store and at the customer's home/office. As we have evolved to a primarily takeout and delivery-based business, our packaging has become even more important. Most of our packaging is branded with Globally Local colours, messaging and logo. All of our packaging is plastic-free. As an alternative we use compostable paper and plant-based materials in our packaging which is a critically important part of our environmental leadership objectives. Our packaging is ultimately what customers take away with them and is what gets photographed and posted on social media, thus it is a key part of their food experience.

Website – Our website is primarily a support tool and resource centre for customers seeking information and also to provide various means of contact. All of our ingredients and allergens are listed on our website along with detailed pictures of each product. We are currently working on the addition of a complete nutritional analysis of each menu item so that customers can more easily integrate our food into any dietary programs. In addition, interested persons can learn more about franchising and about our brand in general. We have integrated webforms that tie directly into our CRM system so that franchise leads will automatically enter our sales pipeline. We track support tickets from customers to ensure that we follow up with all customer inquiries. Our website is search engine optimized and designed in such a way to provide maximum search results targeted at anyone searching for vegan fast food.

Social Media Marketing – Social media is our primary marketing tool. We have a strong following on both Instagram (19,700 followers) and Facebook (22,451 followers) and an engaged following. We also have started LinkedIn and Twitter pages, however, these platforms are still to be fully realized. Engagement is always the most critical measure of success in any social media post and we design content to be fun and trendy. We post on our social platforms every other day and we have a social media team that creates content on a regular basis. This includes bi-monthly photo shoots, video production, digital graphics and the creation of copy. We are currently developing a marketing strategy built around a new and popular method of fan engagement called Instagram Reels. We engage with our followers in near real-time so that they feel a sense of presence and community with us. Most of our marketing budget is spent on social media platforms by which we promote posts or advertisements. We spend $50 to $100 per post in promotional dollars per platform, with the goal of increasing this expenditure as our number of restaurant locations increases.

Influencer Partnerships – Influencer partnerships is a key part of our marketing strategy as it creates engagement on other pages about our brand. We currently use a platform called Node, a Toronto based application, which allows influencers to claim free food from us in exchange for content that they post to their followers. This has been effective because it targets micro-influencers (2,000 to 50,000 followers) and these pages often have a very strong and highly engaged following. Over an approximately 6 month period we have had 67 posts through Node, with nearly 32,664 impressions and 5,526 likes/comments. We have also partnered directly with other larger influencers such as EdgyVeg in a Youtube video that had more than 250,000 views. We plan to commit substantial marketing dollars for our influencer program as we partner with influencers with a larger followings and expand our micro-influencer program to other cities outside of Toronto.

Industry Sites & Associations – We are a member of the Canadian Franchise Association (CFA) and Be The Boss Canada. Both of these industry sites list us on their website and provide us with franchise leads. These sites list us as a certified franchise (as they have reviewed our legal documents) and provide franchise leads with confidence in our brand.

Festivals/Special Events – Although all food festivals were canceled for the 2020 seasons due to Covid-19, we have had success marketing our brand with our food truck at these events. We have regularly seen huge lineups and have often sold out at these events, feeding thousands of people in a single day. We have a great deal of experience participating in large high-volume events, and we plan to attend and expand our festival attendance if/when the festivals resume. Festivals allow us to bring our brand to new territories and obtain marketing data about a specific region without investing capital into a physical location. We also have the ability to cater weddings and other special events, further providing additional marketing opportunities.

Charitable Partnerships – We have worked with many vegan and social justice non-profit organizations. We believe that giving back to our community is a core part of our brand and mission, and that we also benefit from these partnerships through co-marketing. Partnerships include store openings, festivals, special events and other related activities whereby we donate money directly and provide exposure to farm sanctuaries, vegan social justice organizations and human social justice organizations. We plan to greatly expand this initiative and further our support of a vast number of community organizations.

Competitive Conditions

<u>Plant-Based Protein & Dairy Alternatives</u>

The plant-based protein & dairy alternative space is a highly competitive industry with many large and established brands. These include Beyond Meat, Impossible Foods, Lightlife, Gardein, Yves, Field Roast, Tofurkey, Sol Cuisine, Daiya, Silk, Tofutti and Earth Island to name a few. Many of these brands make both plant-based proteins and dairy alternatives and also carry both retail product lines as well as food service product lines. The primary competitive factors that exist in this industry include:

- Cost
- Value (price per kg/per L)
- Nutritional Profile (calories, fat, sodium etc.)
- Taste & Texture
- Ingredient Profile (organic, non-GMO, unprocessed, natural, locally sourced etc.)
- Allergens (gluten free, soy free, nut free, to name a few)
- Ease of Use
- Certifications
- Branding & Packaging
- Available Sales Channels
- Distribution Partners

Our manufactured products are currently designed for the food service industry and we currently supply these products only to our own restaurant chain. We believe that we are competitive in this space in several areas with the potential to become much more competitive as we grow our distribution and sales channels. In particular, we excel at cost, value, taste and texture, ingredient profile and ease of handling. We are currently a nut-free production facility. As we continue to develop our product line, we plan to expand our gluten-free and soy-free options, and implement processes and facilities to ensure that these items are free of these allergens. Our nutritional profiles are still in development; however, we plan to do these analyses in the near future since our restaurant chain will be required to provide nutritional information when we exceed 20 locations. Our branding and packaging are currently designed only for food service; however, part of our goal is to launch retail products and thus develop additional product and branding assets to support this endeavour. Once we launch our retail product line, we will develop our sales channels and distribution partners to support this growth. Ultimately, we have a proven product line that has potential in both the food service space and the retail space. We are competing against brands with far greater resources, better distribution partners, longer operating histories, more certification and higher production capacities. We will require substantial resources and effort to bring our products to a broader market and compete in this industry.

<u>Fast Food</u>

The fast food industry is a highly competitive market with long term and established brands that have a large and loyal customer base. These brands include: McDonalds, A&W, Wendy's, Burger King, Harvey's, Dairy Queen, Arby's and KFC to name a few. Many of these brands are now including some plant-based options into their menus by partnering with various plant-based food manufacturers. There are also some plant-based fast food chains beginning to emerge, including: Plant Power Fast Food, Neat Burger, Halo Burger, Lord of Fries, and several other small players. The primary competitive factors in the fast food industry include:

- Cost
- Value
- Speed of Service
- Nutritional Profile (ex. calories, fat, sodium)
- Taste and Texture
- Branding & Marketing
- Number of Locations
- Sales Channels (ex. Drive Thru, Walk In, Delivery)
- Delivery Service and Coverage
- Allergens (ex. gluten-free, egg-free, soy-free, nut-free)
- Ingredient Profile (ex. organic, non-GMO, unprocessed, natural, locally-sourced)

Our fast food chain is currently well developed and highly competitive in many areas. In terms of cost, many of our menu items are only marginally higher than McDonalds, and price-matched on many menu items at other chains such as A&W. Given the importance that price plays in the fast food model, this is a critically important accomplishment. In terms of value, our portion sizes are often considerably larger, so when one factors in the amount of food that the consumer receives for the price, we are often a better value than most other fast food chains. Our speed of service is moderately slower than other chains because we make our food to order rather than use hot-holding. Because speed of service is critical to success with this sales channel, we were challenged to operate as a drive-thru model. We are of the opinion that the quality of product suffered with the use of hot-holding, thus we made the decision to focus on delivery rather than drive-thru. Many fast food chains lack options for customers with allergies, something that we currently offer and plan to expand. Generally, the quality of fast food has been low because of the extensive use of highly processed ingredients coupled with a drive to lower food costs. We use much more natural foods, made from simple, locally sourced, high quality plant-based ingredients that consumers do not receive from most fast food chains. In terms of nutritional profile, we compare with other fast food chains in terms of content such as fat, sodium and calories. However, we focus on the benefits of a plant-based diet including sustainability, simpler ingredients, the avoidance of harm to animals and other related benefits rather than assert that our food is "healthy". Our store locations are optimized for delivery rather than traffic flow or walking scores. We believe that delivery is the most significant sales channel for fast food and, by optimizing under these conditions, our store footprint will be much more efficient while still being able to service the same geographic areas. Currently we are a smaller player in terms of store count, however, we believe that with an increased number of locations our model will dominate the market because our product offering is unique and unmatched, and our technology and efficiency are exceptional. Plant-based is the future of the fast food industry and we believe that, in time, other players will become more and more competitive with our model as they increase their plant-based options. The market is dominated by massive players with far greater resources, access to many more customers due to huge numbers of locations and massive marketing budgets. Despite this, we feel that with significant investment and rapid growth we are able to capture a large part of the plant-based fast food market.

Government Regulations

Government regulation is a large part of the food industry. There are numerous regulatory bodies that are involved in all parts of food manufacturing and serving food to the public. On the food manufacturing side, the primary governing bodies involved are the Canadian Food Inspection Agency (CFIA) and Health Canada. These agencies govern the manufacturing, distribution, labelling and advertising of consumer food products. On the restaurant side, local public health officials oversee safe food handling practices performed by the restaurant staff and at the restaurant facility.

All government food and health agencies have the right to inspect our facilities without notice and to ensure that we are compliant with the regulations. The current laws and regulations that impact our business and operations in Canada include:

<u>Federal Regulation</u>

The main federal laws fall under the following Acts & Regulations: *The Safe Food for Canadians Act and Regulations*, and *The Food and Drugs Act (FDA) and Regulations*. Food labeling is shared between the Canadian Food and Inspection Agency (CFIA) and Health Canada. Pursuant to the FDA, Health Canada administers regulations regarding health and safety, nutritional quality, the labeling of nutrients or health concerns, presence of allergens, and expiration dates. In recent years a number of companies that produce plant-based protein and dairy alternatives have come under scrutiny for their use of the terms "meat", "burgers" or "cheese", to name a few. The CFIA can impose harsh penalties for companies that mislead consumers and can impose fines up to $250,000. On occasion, producers were forced to change their use of the word completely, or add a hyphenated version or a version with a different spelling. This was so as to avoid consumer confusion and to ensure that plant-based products are clearly marked for what they are. We use every effort to properly distinguish our products as plant-based, including using words such as bacUN or chickUN and, in addition, adding the words plant-based as a prefix. We use the term "meat" in relation to a general word used for plant-based protein. Since we are still in the process of launching our retail products, our descriptions and product labels have not yet been reviewed by our legal team, which is part of the planning and process before the launch of these products.

Provincial/Municipal Regulation

The Ontario Health Protections and Promotions Act requires at least one staff person with their Safe Food Handler Certificate be on site at all times. We ensure that all managers and supervisors have acquired their Certificates and that someone is on site at all times. Our restaurants operate subject to the regulation of local health officials, currently including the Middlesex Public Health Unit, Windsor-Essex Public Health Unit and Toronto Public Health. We have passed all certification standards and currently hold Green Pass designations at all locations. We are inspected semi-annually, thus certification may be affected based on the results of inspections and any corrective actions required. We operate pursuant to the highest health standards and typically work with public health personnel to immediately correct any concerns to ensure the continued operations of our restaurants. Failure to pass inspection can result in cancellation of the business license, immediate closure of the business, prosecution, inventory confiscation, fines, and damage to brand and reputation along with the public disclosure of reported infractions.

Intangible Assets

Trademarks

We have applied for 3 trademarks with both the Canadian Intellectual Property Office and the U.S. Patent and Trademark Office. These marks include Globally Local, Preposterous Foods and Odd Burger. We have also applied for a design mark for Globally Local, which includes our logo. Our Globally Local trademark registration was filed nearly two years ago, however, an objection was raised in Canada by Joey Restaurant Group. We anticipate that we will successfully challenge the objection and have applied for an extension of time to file our own objection. The U.S. Patent and Trademark Office objected to our trademark registration for Globally Local and, in response, we have appealed and amended our registration which may resolve the issues. Preposterous Foods and Odd Burger are both newly filed trademarks. Our marks can be challenged during the consideration of the registration which can take up to 24 months to determine. The purpose of filing the trademark for Odd Burger is to anticipate a potential re-branding of our Globally Local Fast Food chain for the U.S. market if trademark objections are successful and we are forced to discontinue the use of the Globally Local brand.

Trade Secrets

We have a number of trade secrets that are critical to our success, with the majority of these held by our manufacturing company, Globally Local Food Services. Our proprietary recipes, processes and formulae are all trade secrets and we consider these to be highly confidential. Our employees all have a confidentiality clause in their employment contracts that prohibit them from disclosing information to our competitors or anyone outside of the organization. We rely on our employee agreements to protect our proprietary information. Our technology system allows us to partially obfuscate our information by limiting access to full recipes and processes. We have broken up our manufacturing process into smaller sections where staff work only on part of the manufacturing process and often do not always see the full end-to-end production process of a given product. We plan to increase our investment in automation technology at our manufacturing centre, which will further protect our trade secrets by having machines replace people for some of the tasks. We believe that we have implemented a strong program to continue the protection of our trade secrets with many processes and legal protections already in place.

URL & Social Media

We have a number of URL addresses and social media handles that we consider to be intangible assets. We currently own the following URL addresses: globallylocal.ca, preposterousfoods.com, oddburger.ca, and the following social media handles: @globallylocalfastfood, @preposterousfoods, @odd_burger. If we are successful in obtaining our trademarks, then we would potentially be able to secure the @globallylocal and @oddburger social media handles. We are currently in the process of purchasing globallylocal.com as well as oddburger.com.

Cycles

We expect to have more demand at our restaurant locations during the summer months due to increased seasonal sales of our ice cream products and generally additional foot traffic from in-store orders. During the winter months we generally see a larger demand for delivery. In addition, we operate our food truck during the summer months which contributes to additional demand during warmer weather. We have seen a reduction in demand during major holidays, as people generally eat out less during these times.

Employees

As of the date of this listing statement, Globally Local has 26 employees spread across our organization, 7 of whom are employed on a full time basis. We have not included employees of any franchised locations as those employment agreements are signed with the franchisee. Globally Local Fast Food has 12 part time and 2 full time employees. Globally Local Food Services has 9 full time and 1 part time employee. Globally Local has 2 full time employees (the founders) as well as our Chief Financial Officer, who is currently working as a self-employed contractor on a part time basis. Globally Local Franchising Inc. and Globally Local Real Estate Inc. currently have no employees.

Industry & Principal Market

The vegan food market share is expected to reach approximately US$ 24.3 billion by 2026 and will grow at an estimated compound annual growth rate of 9.1% from 2019-2026. In the past two years in the U.S. alone (Q1 2018 - Q4 2019), grocery sales of plant based food that directly replace animal products have surged by 29% from $3.9 billion to approximately $5 billion.[1]

In comparison, total U.S retail food dollar sales grew by only 4% over that same timeline. This shift is driven primarily from the health benefits of eating plant-based foods, ethical considerations around animal use, and reduced environmental impact from responsible food choices. Consumer awareness of these benefits will be an ongoing catalyst for the massive shift in demand towards plant-based foods.

<u>Health</u>

Consumers are turning to plant-based products in large part because of the documented health benefits of doing so. For instance, consumption of plant-based protein offers protective effects against chronic degenerative conditions, such as cardiovascular disease.[2] Further, a 2016 study from PLoS Medicine found a plant-based diet of high-quality plant foods reduced the risk of developing Type 2 diabetes by 34 percent.[3] Perhaps most persuasive in encouraging consumers to adopt a plant- based diet, it is that it has been shown that whole-food plant-based diets can be effective in helping individuals lose weight. A 2017 study in Nutrition & Diabetes saw that overweight adults who participated in their study saw an average weight loss of 9.25 pounds when adopting a whole-food plant-based diet for one year.[4]

These are just a few examples of the beneficial health outcomes of adopting a plant-based diet, and positive outcomes can be seen across the spectrum when it comes to improving individuals' health and well-being.

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[1] Plant-based market dollar sales. SPINSscan Natural and Specialty Gourmet (proprietary), SPINSscan Conventional Multi Outlet (powered by IRI), 104 weeks ending 2019-Dec-29
[2] M Krajcovicova-Kudlackova et al, Health benefits and risks of plant proteins, Bratislava Medical Journal, 2005;106(6-7):231-4, https://www.ncbi.nlm.nih.gov/pubmed/16201743
[3] Satija A, Bhupathiraju SN, Rimm EB, Spiegelman D, Chiuve SE, Borgi L, Willett WC, Manson JE, Sun Q, Hu FB. Plant-Based Dietary Patterns and Incidence of Type 2 Diabetes in US Men and Women: Results from Three Prospective Cohort Studies. PLoS Med. 2016 Jun 14;13(6):e1002039. doi: 10.1371/journal.pmed.1002039. PMID: 27299701; PMCID: PMC4907448.
[4] Wright N, Wilson L, Smith M, Duncan B, McHugh P. The BROAD study: A randomised controlled trial using a whole food plant-based diet in the community for obesity, ischaemic heart disease or diabetes. Nutr Diabetes. 2017 Mar 20;7(3):e256. doi: 10.1038/nutd.2017.3. PMID: 28319109; PMCID: PMC5380896.

Environment

The concerns around environmental impacts of consuming animal products are well documented. The United Nations Environment Programme's (UNEP) International Panel of Sustainable Resource Management stated in 2010: "*Impacts from agriculture are expected to increase substantially due to population growth and increasing consumption of animal products. Unlike fossil fuels, it is difficult to look for alternatives: people have to eat. A substantial reduction of impacts would only be possible with a substantial worldwide diet change, away from animal products*."[5] While the World Resource Institute went a step further in 2019, claiming that the global population will increase to roughly 10 billion by 2050, and meat demand will rise by roughly 88%. They noted that this is an unsustainable number and we are headed for ecological catastrophe unless Americans and Europeans substantially reduce their meat consumption.[6]

Animal Welfare

Undoubtedly, animals suffer the most from our reliance upon animal products, and factory farming techniques have cruel and unseen consequences. Animals have their teeth clipped, tails docked, and their beaks trimmed so that factory farming companies can pack animals more tightly together without incident.[7] Cows are routinely impregnated (typically annually) so that they can produce milk continuously, while the calf is immediately taken from its mother at birth, both having documented detrimental effects on the well-being of these animals.[8] Broiler chickens are genetically selected and bred to produce more meat, yet their organs fail and their limbs give out due to the weight of their bodies.[9] The inhumane treatment of farm animals can be addressed by reducing our reliance on animal products and turning instead to plant-based food.

Plant-Based Demand and our Industry

Globally Local operates in two primary markets: the plant-based food manufacturing market, where we operate our Globally Local Food Services division, and the fast food market, where we operate our Globally Local Fast Food division.

The plant-based food manufacturing market is a relatively new and rapidly growing industry that was founded on the success of companies such as Lightlife, Gardein, Daiya, Yves, Beyond Meat, Impossible Foods and a number of other smaller brands that have had success in the market. We see an opportunity to provide a unique offering in this space. Many food technology companies use highly processed and engineered ingredients to create plant-based foods that mimic the taste and texture of animal protein. However, these highly processed plant-based foods have come under scrutiny recently because consumers want more natural products with wholesome ingredients, while still delivering an incredible taste. We believe that the future in plant-based food is creating products with this balanced approach, because ultimately consumers want to feel good about what they eat.

When it comes to our fast food vision, it is no secret that the fast food market is already well established. The global fast food market generated $647.7 billion in 2019, and is estimated to reach $931.7 billion by 2027, with a compound annual growth rate of 4.6% from 2020 to 2027.[10] This segment is consistently growing and dominated by international brands such as McDonalds, Burger King, Wendy's and Arby's (to name a few). However, the plant-

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[5] Assessing the Environmental Impacts of Consumption and Production: Priority Products and Materials (PDF), UNEP, 2010, p. 82,.
[6] https://www.wri.org/blog/2019/04/6-pressing-questions-about-beef-and-climate-change-answered
[7] The risks associated with tail biting in pigs and possible means to reduce the need for tail docking considering the different housing and husbandry systems - Scientific Opinion of the Panel on Animal Health and Welfare, EFSA Journal, December 2007
[8] Kathrin Wagner, Daniel Seitner, Kerstin Barth, Rupert Palme, Andreas Futschik, Susanne Waiblinger. Effects of mother versus artificial rearing during the first 12 weeks of life on challenge responses of dairy cows. Applied Animal Behaviour Science, 2015; 164: 1 DOI: 10.1016/j.applanim.2014.12.010
[9] K.M. Hartcher & H.K. Lum (2020) Genetic selection of broilers and welfare consequences: a review, World's Poultry Science Journal, 76:1, 154-167, DOI: 10.1080/00439339.2019.1680025
[10] Allied Market Research, Fast Food Market by Type (Pizza/Pasta, Burger/Sandwich, Chicken, Asian/Latin American Food, Seafood, and Others) and End User (Food-Service Restaurants, Quick Service Restaurants, Caterings, and Others): Global Opportunity Analysis and Industry Forecast, 2020–2027.

based fast food industry is still in its infancy, and consumers who want plant-based options in this space have to compromise their motivations by turning to plant-based options within chains predominately serving animal products. By increasing our footprint in this space, we see an extraordinary opportunity to serve an underrepresented and growing market share, while also expanding our Globally Local Food Services brand and product awareness along with our potential distribution networks.

Workplace Values and Environment

Globally Local is proudly vegan and this fundamentally drives our workplace and the environment in which we operate. Vegan ethics differs from a simple plant-based diet in that it implies a moral baseline by which vegans avoid all use or exploitation of animals. It extends to things such as furniture, clothing, art and other products not necessarily related to food. Our mission drives our business and the following are important workplace values and environmental practices that we have put in place:

Vegan community: We are big supporters of vegan charitable organizations and farm sanctuaries, often holding fundraisers at restaurant openings, and raising money at anniversary events and during holiday seasons. It is our mission to promote goodness in the world and this is a major contribution to that positive change.

Natural and Wholesome Ingredients: We believe that whole foods and natural plant-based ingredients are key to improving human health and providing customers with food that will both nourish them and taste great. Our commitment is to continue developing foods that are minimally processed and provide some positive health benefits.

Gender diversity: We believe that all genders should be equally represented and respected in our organization, especially in management positions. This includes our gender neutral bathrooms, supporting the LGBTQ+ community (we have attended numerous gay pride festivals), providing a safe space for all genders at the work place and empowering women throughout our organization in senior roles (one of our founders is a woman, as are many past and present managers).

Racial diversity: We believe that all races should be equally represented, supported and respected in our organization, especially in management positions. We have supported the Black Lives Matter initiative and we conducted a large fundraiser in 2020 to show our support for this dynamic cause. As an organization we have committed to ensuring that racially diverse, qualified individuals are supported and encouraged to participate in all aspects of Globally Local, especially in management positions.

Environmental Stewardship: We believe that our environmental mission is one of our most important tasks. We believe that the world is in critical need of direction in terms of fixing our environmental problems. We believe that our efforts to transform the fast food industry into a plant-based industry will have a positive impact. All of our packaging is free of plastic and most is fully compostable. We do not use plastic bottles, bags, forks or any plastic or styrofoam containers. We are members of an organization called Random Acts of Green which highlights companies making positive changes for the benefit of the environment. We also participate in a waste diversion program called Rethink Resource Management, which helps us to properly recycle, compost and dispose of our waste responsibly, while diverting as much as possible away from landfill.

Workplace harassment policies: To operationalize our commitment that workplace harassment is not tolerated, we have developed policies to which all employees are expected to adhere. We have made great effort to develop and document clear and open channels of communication that flow directly to senior management with the goal that employees can feel safe and secure in the workplace.

Impact of Covid-19 Pandemic

In March 2020, the Covid-19 pandemic spread to our area of Southwestern Ontario and had a significant impact on our operations. The government imposed strict lockdown measures and quarantines which forced us to temporarily close our operations while we put safety procedures and policies in place to handle the new health and safety risks. To date the Covid-19 pandemic has affected our operations in several ways, requiring that we respond with a number of adaptations to our business model:

Impact on restaurant operations

The restaurant operations have shifted to a take-out and delivery only model. We have eliminated dine-in seating while offering outdoor seating (weather permitting). We strictly enforce a mask policy at all locations in order to make the space safer for staff and customers. We have gone to a cashless model, where customers can enter orders only through our self-checkout terminals or place orders online for pickup and delivery. These innovations greatly reduce the contact between customers and staff and conform with social distancing guidelines. We have limited the number of people that are allowed in our restaurants at one time, and added social distancing stickers to the floor to guide customers where to stand and to allow sufficient space between them. We have implemented a Covid-19 policy for all staff, requiring pre-screening before the start of every shift. To date, none of our staff members have contracted Covid-19 and we have not been notified by authorities of any outbreaks related to customers visiting our restaurants. Because we were a takeout-focused business before Covid-19, and because all of our locations have direct access to the street with no mall/food court locations, we have benefited from this business model by experiencing strong sales throughout the Covid-19 pandemic. We believe that we have sufficient safety measures in place to provide a safe workplace and customer experience so that our business will continue to show strong growth despite the pandemic.

Impact on food truck

Our food truck was not operational in 2020 due to the cancellation of all festivals, concerts and large gatherings. Our food truck depends on these events, thus we were forced to discontinue operations for the season. When Covid-19 restrictions are lifted on large outdoor gatherings we plan to re-launch the food truck.

Impact on food manufacturing

In the wake of Covid-19, adjustment to processes and procedures have been made at our food production facility. Since there are no customers attending this facility, these adjustments have been policy driven and minor in nature. We have implemented policies similar to our restaurants regarding masks, staff pre-screening health checks and social distancing staff wherever possible. We have added additional security measures to eliminate the casual entrance of visitors to our facility. We have staggered staff meal and comfort breaks. Since the Covid-19 pandemic began there have been no disruptions in food production and there have been no issues with our supply chain. None of our staff have been diagnosed with Covid-19 and we have not had any public health reported outbreaks. We continue to monitor the situation and follow public health best practices.

Future Developments and Growth Strategy

We believe that Globally Local has significant growth potential across our organization with the ability to substantially disrupt the fast food industry. Our growth strategy is focused primarily on the addition of new takeout and smart kitchen fast food restaurant locations with small footprints, low costs and optimized for delivery coverage between locations. Initially, this expansion will be driven primarily by corporate restaurant locations, followed by significant franchise store expansion. Our real estate division will initially hold leases; however, there is also the potential to acquire real estate assets, thereby building a significant business component here as well. Furthermore, we believe that by leveraging our current product innovations, we can create a line of unique plant-based retail products that will gain significant market share in the retail space. A huge planned push for research and development will also lead to many more products in our food service line as well as our yet to be launched retail line. We will also be looking for acquisitions to further bolster our technology, supply chain and positioning in the marketplace. Globally Local will also continue to develop their automation technology that will focus on creating robotics and software systems to enhance the efficiency of the restaurant and manufacturing divisions.

Globally Local Food Services

A major source of our planned growth will be in our food manufacturing division, Globally Local Food Services. We have recently completed our HACCP/GMP program and have a planned inspection date early 2021. This certification will allow us to launch our wholesale programme and bring retail products into the grocery stores. We currently have five retail products in development with a planned launch date early to mid 2021. These products are designed for home consumption, leveraging most of the technology, ingredients, processes and equipment currently in use with the food service product line. The products include:

Retail Product Launches

Grilled ChickUn Fillet – A pre-seasoned, juicy, grilled chickUN fillet that has incredible flavour and versatility. Pan fry in minutes, or bread and fry for a crispy chickUN experience. This product was developed from our grilled chickUN protein that is currently used in our food service line. This product is packaged with 4 fillets with a total packaging weight of approximately 280g. The product has been field tested and is ready to launch. The product is nut-free and soy-free.

ChickUn Cordon Bleu - A delicious "ham" and cheeze stuffed chickUn fillet, breaded and fried to perfection. A single wrapped serving that consumers can simply place in the oven then serve. This product consists of the plant-based chickUn protein already developed as part of our food service line and the same cheeze and "ham" used at our restaurant locations. The product has been field tested in our restaurants as a deconstructed version; however, the retail version will have the "ham" and cheeze stuffed inside the protein. The product size and weight have not yet been determined and the product is yet to be field tested in its final form. The product is nut-free.

Taco 'Meat' – Ground 'meat' crafted from soy and wheat protein with a delicious thick gravy that is intended to make taco Tuesday into a meat free treat. This product is identical to our food service version, however, it will be repackaged for retail. The package size will be 500g and will be individually portioned. The product has been field tested and is ready for launch. The product is nut free.

Holiday Roast – A plant-based roast with delicious stuffing in the middle and an added crispy breading on the outside, served with plant-based gravy. The product is currently in the early stages of development, with the expected launch date of fall of 2021, in time for the holiday season.

Black Bean Burger – The ultimate healthy plant-based burger, celebrating vegetables in their most natural form. This patty has roasted sesame seeds, black beans, carrots, mushrooms, onions and ground rice. This product was extensively field tested with success at the farmer's market we operated before the launch of our fast food chain. At the time, we offered this product prepared on site, and in a retail form for home consumption. The proposed package size will be approximately 454g and will include 4 patties per package. This product is gluten-free, soy- free and nut-free.

Crabby Cakes – These delicious 'crab' cakeshaphalpi are crafted with all natural plant-based ingredients including artichoke hearts, kelp, red peppers, onions and ground rice all coated in a panko crust and fried to a golden brown. Ready to cook by simply putting into the oven and then serving with a favourite sauce. This product was extensively and successfully field tested as part of our earlier meal kit programme. We have yet to determine the weight or package size. The product is gluten-free, soy-free and nut-free.

Food Service Product Launches

Chickpea Patty (Gluten Free/Soy Free Version) – Our current chickpea patty has been in production for several years and has been the cornerstone of our most popular burgers. Customers love the healthy aspects of this burger and that it is made with whole food plant-based ingredients. We are currently working on the development of a gluten-free and soy-free version to appeal to a broader spectrum of customers. The first version has been field tested, however, a number of adjustments will be required to ensure that the taste and texture match our current product. We expect this new allergen friendly version to replace our current version in early 2021.

Fillet NO' Fish Patty – An amazing fish free burger that we believe tastes even better than the original. This product is still in the early stage of development, with significant prototypes yet to be developed. We plan to continue with the development and product launch anticipated in mid 2021.

Tartar Sauce – Creamy, indulgent and a perfect match for our plant-based fishless fillet. This product will have as its base our dairy free sauce which is used as a base in many of our other sauces currently in production. A test version has been created and it will be field tested with our own plant-based fishless patty. This product is in its early development and is expected to launch in mid 2021.

Cheeze Curds – Squeaky and melty, these plant-based curds are specially designed for poutine or just eating as a snack. Several formulations have been tested, however, the curd texture and shape required some tweaking. This product is considered to still be in its early development and is expected to be launched in its finished form in mid 2021.

Beefy Poutine Gravy – A Quebec specialty, this gravy is intended to have all of the richness and depth that one would expect from a classic beef-based gravy. The deep umami flavours are being refined with several versions being tested. The planned launch of this product is in mid 2021.

Manufacturing/Distribution Expansion

To support our planned retail product launches and our restaurant expansion, significant upgrades to our manufacturing and distribution infrastructure are required. We have engaged Pembertons, a manufacturing equipment supplier that specializes in build-outs of large food manufacturing facilities. We plan to add a breading/battering/flash freezing line to greatly increase production capacity for our fried chickUN products. In addition, we are adding several large pieces of equipment, including a larger mixer, automated slicer, blender, packaging machines, ovens and kettle. Quotes for equipment have been requested and setup timelines are being established. We are currently negotiating for the acquisition of an additional 3000 square feet of space in the units adjacent to our production centre.

We also plan to establish a distribution centre which will store large quantities of raw ingredients needed for production, as well as finished goods inventory intended for our customers/restaurants. We are currently in discussions with our production centre's landlord regarding the acquisition of leased distribution space based on a three year term. It is anticipated that eventually we will be looking to purchase a 25,000 to 35,000 square foot building in the London, ON region for our permanent production centre, together with a significant amount of adjacent land to accommodate future expansion. We would ultimately transition to this facility as expansion requirements necessitate. These upgrades will greatly increase our output capabilities and improve the efficiency of our entire operation in the long term.

Globally Local Fast Food (Corporate)

With the success of our Toronto store opening in October 2019, and our Windsor location in August 2020, we have been able to assess our performance, refine our growth model, and plan for an immediate expansion across Ontario and Canada. We see a significant opportunity to rapidly expand our restaurant footprint and capitalize on a multi-pronged approach to reach customers where they live, work, and play. The fundamentals of our approach are described below.

Demographic Targets

Key to any real estate expansion strategy is an intimate and evolving understanding of target demographics. For Globally Local, our early targets place a high value on post-secondary education, high average household incomes, female skewed, and lower average age. Markets that are strong on these demographic markers historically have been viewed as likely to consume more vegan and vegetarian food. That said, we also have our own beliefs that will be tested as we grow; for instance, we see no impediment to ethnically diverse markets, as we fundamentally believe that fast food can transcend ethnic boundaries. Of course, our analysis will evolve, and each new store is analyzed against its surrounding demographics to help us better understand, over time, how our existing site demographics relate to store performance.

Today, we are targeting markets that serve a census metropolitan area or census agglomeration population of at least 75,000 people, and potential sites must have access to that population within either a five-kilometre radius or a ten minute drive time. On a more granular level, we typically analyze demographic variables in a one, three, and five-kilometre radius from any given site within the market, along with five and ten minute drive times. In dense urban areas, we may include a two-kilometre demographic analysis to better assess those specific trade areas.

Finally, it is important to note that our approach is not rigid, and many unique variables that are particular to any given site may alter our decision making. Details such as site specifications, vehicular and pedestrian traffic volumes, daytime population counts, and natural trade barriers (such as highways or rivers) also play a role in deciding whether to pursue a site.

Site Specifications

Each site has an exhaustive list of potential variables and physical characteristics that affect our decision making. High level, our preference is for sites located on major arterial roadways, at major transit junctions, near highways, and/or within retail focused epicentres. We use multiple approaches here, but fundamentally we source areas with high AADT (Average Annual Daily Traffic) in vehicular and pedestrian volumes. The viability of those traffic volumes depends on whether we are searching in an urban, light urban, or suburban setting. When sourcing urban sites, we prefer opportunities that have strong vertical density, and that are within five-minute walking distance of public transit hubs, subway stations, or sites that have light rail access.

While it is true that sites located within commerce epicentres carry heavy weight in our decision making, equally as important are sites with access to large populations within a three to five kilometre radius of our stores. A healthy mix of daytime population and residential population is preferred here as well. These variables are necessary to protect our delivery business and insulate our bottom line. Of course, delivery is much more than a contingency or protective strategy, as this is a segment that is rapidly evolving. To that end, we have a goal of achieving complete delivery coverage within major metropolitan centres, and we are focused on continually improving this aspect of our business. The following image highlights an example of our strategic planning in Toronto - with four key markets identified that capitalize on minimal overlap between our delivery zones. These specific sites also meet and exceed our demographic, market, and site-specific variable targets.

These markets, from left to right, are: **Bloor West Village**, **Little Italy (Existing)**, **Yonge & Eglinton**, and **the Danforth (Existing)**.

Finally, when determining whether a specific location is viable, we analyze whether it is anchored or closely shadow-anchored by major grocery, large pharmacy chains, Walmart or Costco locations, key fitness chains (such as LA Fitness, Goodlife Fitness, etc.), or major beer/wine/cannabis stores. Sites that have a combination of those anchors and shadow anchors are typically where we will focus our efforts. Related to these anchors, we also place a strong importance upon 'daily trips' to drive traffic towards our stores and make us part of customers' routine, and to create habit-forming behaviours. Of course, proximity to other national or international food chains is important as well, but secondary to the importance of major draws or anchors. In that same vein, community and 'place-making' spaces and places are another key variable, whether it be popular city parks in urban settings, or lifestyle centres within suburban markets.

As a final step to verifying any potential site, we leverage our industry relationships to determine the success of retailers and chains within those markets, and then use that data as part of our overall analysis.

Store Format and Deal Structure

The four key pillars of any growth strategy are: mapping out desired markets (detailed below); understanding demographic targets; having a strong grasp of site specific requirements; and perhaps most importantly, achieving favourable deal terms within our target parameters.

To that end, we target stores anywhere from 750 to 1200 square feet, geared towards grab-and-go business, and optimized for delivery. This small format allows us to keep fixed costs low. Our preferred unit types are endcap or inline CRU (Commercial Rental/Retail Units) with a minimum frontage of 20 feet. Currently, we are not considering drive-thru units due to their (typically) exorbitant cost, however we continually review all potential deal formats for unique opportunities. We are constantly looking for strategic opportunities to expand our footprint in a cost-effective and low-risk manner.

We also target sites with strong visibility and accessibility. If a site is not immediately visible from the main road (typical in larger power-centres), we then negotiate either permanent pylon signage or mobile signage to increase our exposure. We prefer multiple signage opportunities to increase brand awareness in the trade area. Regarding parking and access, we prefer sites with 10 spaces per 1000 square feet, with signalized access from the main road, and with multiple ingress and egress points. Ease of access and parking, especially in suburban centres, is a key consideration for us.

Accessibility also refers to store layout in this case, and many variables come into play here as well. For instance, we target sites with minimal internal columns or obstructions which, in turn, allows us to deliver a clean and navigable build-out. Just as importantly, we avoid sites with multiple step-downs or step-ups to the entrance, as we prefer street-level access and barrier-free accessibility. Certain markets (such as historic areas or dense urban settings) may necessitate sites that break from this format. Finally, we try to avoid sites that front onto either a steep incline or decline, as market data has shown that these sites tend to perform worse (in general) compared to level access.

Regarding our contract structure, our sites are corporately head-leased under Globally Local Real Estate Inc., and subleased (where applicable) to franchisees. They are typically structured as ten-year deals with two five-year exercisable options. This structure gives us significant leverage during site selection and negotiation, as the strength of our covenant allows us to achieve more favourable deal terms and to edge out smaller players, or low security / shell company proposals from competitors.

We typically look for 90 days of lead time from a binding deal, 90 days of gross rent-free fixturing from our possession date, three months minimum rent-free after opening, and a tenant allowance of $20 per square foot. Our rental targets in suburban markets will typically not exceed $5,000 per month gross rent, and our urban rental targets typically will not exceed $6,500 per month gross rent. However, we review all compelling opportunities, and every site and subsequent rent proposal is weighed against neighbouring rental and sales comparisons, traffic volumes, demographic profiles, and site quality. To that end, we use our industry knowledge and relationships to secure deals at or below market rates and, if needed, we can slot into smaller units (750 to 900 square feet). We use this strategy to break into high-demand markets (such as sites in major downtown cores or AAA centres) and avoid large monthly rental commitments.

Rental commitments and cost savings are important variables to navigate as we aim to keep our risk profile low. With that mindset, we target stores with patio space, which typically allows us to increase our footprint without incurring additional rental costs. We also prefer stores that were former restaurants and have pre-existing infrastructure where possible, as this can allow us to realize significant cost savings and cut down on permitting and build time.

Our flexibility on spaces is one of our competitive advantages, as we can operate in both vented and ventless retail spaces. More specifically, we can operate with either a gas-powered fryer, or we can go full-electric and use a model of electric-powered fryer that was installed in our Windsor store. This gives us significant flexibility to build out spaces that many competing restaurant brands cannot.

Growth Targets

Our growth strategy in the short term involves aggressive and targeted store openings in Southern Ontario, coupled with a strategic expansion nationally across Canada. The national expansion plan focuses on major markets such as Vancouver, Edmonton, Calgary, Winnipeg, Montreal, and Halifax. We are utilizing strong broker relationships on the ground in these markets to source and negotiate high quality locations within our search parameters and price range.

Regionally within Ontario, our immediate target markets include major trade areas within Southwestern Ontario, Central Ontario, and Eastern Ontario. This includes major markets such as Toronto, Ottawa, Mississauga, Brampton, Hamilton, London, Markham, Vaughan, Kitchener-Waterloo, Richmond Hill, Burlington, Oshawa, Barrie, to name a few.

For our first wave of Ontario sites, we have 70 identified trade areas that meet our market/demographic criteria, and that are broken down into three tiers of priority. Each tier of sites meets our core criteria, and each of the 70 sites could be opened with appropriate distance between each other. Our "Tier 1" sites contain about 20 different high priority trade areas that meet and exceed many of our targets, and that have significant demand from our customer base. Our "Tier 2" sites contain another 20 markets that are either in secondary markets or are additional sites within established markets. These are also very strong trade areas. Finally, our 30 identified "Tier 3" sites are markets that meet our population and demographic thresholds but are secondary or tertiary to surrounding opportunities. This plan will be continually re-evaluated as we open new sites and as market dynamics change and evolve. This plan does not yet include smaller Ontario markets, or cities/municipalities in Northern Ontario. As our brand recognition grows, and as our minimum requirements evolve, we expect to "unlock" additional tiers of sites with lower population thresholds or different demographic variables.

On the national stage, as previously mentioned, we are searching for sites in key markets. We are taking time here to identify and analyze each market, with the assistance of local professionals, to determine the most strategic location to expand our brand. In this endeavor, we are taking care to strike the right balance between establishing a strong "first to market" flagship location, while also controlling our risk profile and not over-extending our standard model. Once established in different key cities across Canada, we will use our flagship location to assess our performance and assist our strategic growth in order to "fill out" those markets through a combination of both corporate and franchised locations.

For our international strategy we will first focus on the US market. Over the next 6 to 12 months we will establish key partnerships and relationships with industry professionals and potential franchisees in the US. Our targeted first expansion city at this time is Detroit, and we will be undertaking to secure a site there in the near future. We see a strong opportunity to leverage existing relationships in the region through our presence in Windsor ON, and to utilize our operational depth in the Southwest Ontario region to service stores in this market. Beyond that, we are aiming to undertake a rapid US expansion within the next 1 to 2 years. Finally, outside of the US, our international growth strategy will be established and likely ready to implement within 2 years.

At this time, we have mapped our deal signings and store openings for the remainder of fiscal year(FY) 2021 and for fiscal year 2022. For the current fiscal year, we are projecting to have averaged two signed deals per month by early 2021. In that same timeframe, we are projecting to open at least one deal per month, for a total of 24 deals signed and 12 store openings in FY 2021. For FY 2022, we plan to increase our monthly deal signings to three, and to more than double our monthly store openings. Specifically, we are projecting a total of 36 deals signed in FY 2022, and to open 30 stores within that time frame.

Active Deals

As of November 2020, we have three sites under development, and eight additional sites at contract negotiation stage - including a site in advanced negotiation within Metro Vancouver. Additionally, we are currently reviewing approximately twenty-five viable sites within Ontario and in key markets across Canada. Our specific sites under development are in Vaughan, Hamilton, and in Toronto (on the Danforth).

Globally Local Franchising Inc.

For the immediate future, we are focused on a corporate roll-out and as such our franchising efforts are secondary to this core objective. Nevertheless, we are constantly refining our franchise sales process, our marketing techniques, and our overall strategy. Today, we operate one franchised store out of Windsor Ontario that opened in August of 2020, and we are currently developing our strategy from our experiences gained in that market (and via industry research and key partnerships).

Franchising Structure and Obligations

Our franchising strategy is based on corporate control to secure high quality sites and contractual terms, and to create a turnkey opportunity for our franchise partners. We find, negotiate, and secure all our locations corporately. We lease them corporately, manage the buildout process and, once completed, we hand them over to our franchisees. Franchise partners will then sublease locations from us, and we will manage all aspects related to financial obligations of the lease as well as key dates (such as exercising lease extensions). In each instance, franchisees are responsible to follow the rules, regulations, and provisions of the lease and our Franchise Agreement.

At this time, the structure of our franchise agreement is based on a franchise fee of $30,000; however, we expect to increase this to $35,000 soon. Our total estimated investment cost is anywhere from $343,000 to $610,000 depending on a multitude of variables including rent, build costs, grand opening costs, opening inventory costs, and so on. Our franchise term is structured as five years with a five year option, we charge a 5% weekly royalty fee, a 2.5% weekly advertising fund contribution, and we mandate 1% of sales to be diverted to minimal yearly local and regional advertising.

Franchise Requirements + Sales & Growth Strategy

We require our potential franchise partners to have a minimum of $100,000 in liquid cash, and a minimum net worth of $300,000. We prefer that our partners have previous restaurant experience, that they are passionate about our food and our mission, and that they want to grow into multi-store operators. Ideally, our system will consist of high net-worth individuals with a depth of business and restaurant experience. Ultimately, we want strategic partners that will sign large territory agreements. Finally, we require our franchise partners to spend at least 40 hours per week in their store working on the business. We do not permit absent owners or investors in our system.

Regarding lead generation, we source potential franchisees through our marketing efforts and our lead generation partnerships. We are a member of the Canadian Franchise Association (CFA), and we are subscribed to lead generation services such as "betheboss.ca". Additionally, we generate leads from our website and social media which are typically submitted through our franchising website. In the future, we will expand our franchising efforts to include franchise shows and additional lead generation sources.

Once a lead is received, we use internal management tools to qualify and follow up in a timely manner. We move "qualified" leads (those who meet our minimum requirements) to our interview process, where we perform a video conference interview to assess the viability of any candidate. During these interviews we discuss their interest in the brand, their past work experience, their vision for growing their potential store and we answer questions they have for us. After the interview, we make an assessment of the candidate's viability, and if they pass this initial stage we then invite them to complete our application in which they answer important questions and detail their financial standing. Once the application is returned, and if the franchise lead meets our requirements, we present them with opportunities within our system to franchise an existing store, or to franchise a store in development. Alternatively, we may agree on a market that is undeveloped to start a site search and selection process. Once their decision is made we disclose to them and, at the expiry of the disclosure period, the Franchise Agreement is finalized, executed by all parties and funds are received from the franchisee.

Once in our system, we provide extensive training to our franchise partners through a combination of our online training platform and our hands-on, in-store training program, along with ongoing support to ensure they have the resources and help needed to be successful.

In summary, aggressive franchise growth is not part of our core growth plan at this time. However, as we continue to expand, we will ramp up our franchising efforts to bring in well-capitalized and experienced franchise partners to help us grow nationally and internationally. We believe franchising can provide the most value if utilized in distant or niche markets, where operational support is limited and corporate growth is not currently planned. When ready, we will seek out large master franchise agreements for various international markets and throughout select markets in the US.

Globally Local Real Estate Inc.

Globally Local Real Estate Inc. is our real estate arm, and in the immediate future we plan to use this Company to hold all Globally Local leases. Globally Local will grow to hold future real estate assets such as production facilities and additional property that will allow us to strategically grow our brand.

Selected Consolidated Financial Information and Management's Discussion and Analysis

Annual Information

The following table sets forth selected historical financial information for Globally Local for the periods ended September 30, 2020 and 2019 and the interim period ended December 31, 2020 (unaudited).

Income Statement Data (C$)	As at December 31, 2020 (Unaudited)($)	12 Months Ended September 30, 2020 (audited)($)	12 Months Ended September 30, 2019 (unaudited)($)
Total Revenues	268,349	1,068,595	1,007,310
Gross Margin	(54,216)	(25,373)	(1,626)
Operating Expenses	185,025	563,370	564,616
Net (Loss) and Comprehensive Loss	(134,370)	(2,781,225)	(596,881)

Balance Sheet Data (C$)	As at December 31, 2020 (Unaudited)($)	As at September 30, 2020 (audited)($)	As at September 30, 2019(unaudited)($)
Current Assets	786,834	631,669	350,825
Total Assets	1,303,840	1,156,003	1,123,473
Total Liabilities	823,146	4,515,949	1,702,194
Shareholders' Equity/ (Deficiency)	480,694	(3,359,946)	(578,721)

Management's Discussion and Analysis

Globally Local's MD&A for the financial years ended September 30, 2020 and 2019 and the three month periods ended December 31, 2020 and 2019 are attached hereto as Schedule "D.

Globally Local's MD&A has been prepared based on information available to Globally Local and includes the results of operations of Globally Local for the periods indicated. This discussion should be read in conjunction with the financial statements of Globally Local for such periods, copies of which may be found attached hereto as Schedule "C".

Certain information included in Globally Local's MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Forward-Looking Statements*" for further details.

Description of the Securities

The authorized share capital of Globally Local consists of an unlimited number of Globally Local Shares of which 64,000,000 Globally Local Shares are issued and outstanding as fully paid and non-assessable as at the date hereof. Up to an additional 10,500,000 Globally Local Shares are issuable immediately prior to the closing of the Transaction for no additional consideration upon conversion of an aggregate of up to 10,500,000 Subscription Receipts.

In addition, there may be an aggregate of up to 840,000 Globally Local Shares that will be issuable upon the due exercise of the Agent's Compensation Options issued in connection with the Financing and up to 840,000 Subscription Receipts issued to the Agent pursuant to the Agent's Commission (assuming the Maximum Financing is completed).

Globally Local Shares

Holders of Globally Local Shares are entitled to receive notice of and to attend all meetings of the Globally Local Shareholders and shall have one vote for each Globally Local Share held at all meetings of the Globally Local Shareholders. Globally Local Shareholders are entitled to (a) receive any dividends as and when declared by the Globally Local Board out of the assets of Globally Local properly applicable to the payment of dividends, in such amount and in such form as the board of directors may from time to time determine, and (b) receive the remaining property of Globally Local (after payment of all outstanding debts) in the event of any liquidation, dissolution or winding-up of Globally Local. The Globally Local Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do the provisions relating thereto contain any sinking or purchase fund provisions or provisions requiring a securityholder to contribute additional capital. The articles of Globally Local do not contain any provisions restricting the issuance of additional securities or any other material restrictions.

Subscription Receipts

Each Subscription Receipt shall be automatically exchanged, without payment of any additional consideration and without further action on the part of the holder thereof, into one Globally Local Share upon the satisfaction of the Escrow Release Conditions, all in accordance with terms and conditions of the Subscription Receipt Agreement, and until such time, no Subscription Receipts may be exchanged into Globally Local Shares by the holders thereof.

At the direction of Globally Local and the Agent, the Escrowed Funds will, upon the Financing Closing Date, be deposited into an interest bearing account of the Escrow Agent and invested by the Escrow Agent in short-term obligations of, or guaranteed by, the Government of Canada or a major Schedule 1 Canadian chartered bank, or any interest bearing trust account of the Escrow Agent. The Escrowed Funds will only be released to Globally Local upon receipt by the Escrow Agent, on or before the Escrow Deadline of (i) a Closing Notice directing the Escrow Agent to release the Escrowed Funds, net of (A) the balance of the cash commission payable to the Agent, and (B) the balance of the Agent's reasonable expenses incurred in connection with the Financing, to Globally Local; and (ii) confirmation from Globally Local of the satisfaction or waiver of each of the Escrow Release Conditions.

In the event that (i) Globally Local provides written notice to the Agent confirming that the Transaction will not be completed; or (ii) the Escrow Release Conditions have not been satisfied prior to the Escrow Deadline, the Escrowed Funds (together with any accrued interest earned thereon (less applicable withholding taxes)), net of the Agent's Commission paid on Closing and the Agent's reasonable expenses incurred in connection with the Financing, will be returned to the holders of the Subscription Receipts on a *pro rata* basis and the Subscription Receipts will be deemed to have been cancelled. To the extent that there are insufficient funds to reimburse the holders of Subscription Receipts in full, Globally Local will contribute to the Escrowed Funds such amount as may be necessary to satisfy any shortfall.

Consolidated Capitalization

The following table sets forth the capitalization of Globally Local as at the dates indicated.

Designation of Security	Amount authorized or to be authorized	Amount outstanding as of September 30, 2020	Amount outstanding as at February 28, 2021 prior to giving effect to the Transaction (1)(2)(3)
Globally Local Shares	Unlimited	625(1)	64,000,000(1)(2)

Notes:

1. An additional minimum of 8,000,000 Globally Local Shares and a maximum of 10,500,000 Globally Local Shares are issuable immediately prior to the closing of the Transaction for no additional consideration upon conversion of Subscription Receipts issued pursuant to the Financing.
2. On December 4, 2020 the Globally Local Shares were split on a 1:86,100 ratio. This is the post split number of Globally Local Shares including an additional 875,000 Globally Local Shares issued pursuant to a private placement and Globally Local Shares pursuant to the conversion of SAFEs. On March 8, 2021 a total of 1,500,000 Globally Local Shares were issued for gross proceeds of $600,000. These Globally Local Shares are included in this figure. See "*Prior Sales*".
3. As at February 28, 2021, Globally Local had an estimated accumulated deficit of approximately $3,648,966.

Prior Sales

The table below sets forth for the 12-month period prior to the date of this Filing Statement details of the price at which securities have been issued or are to be issued by Globally Local, the number of securities issued at that price and the date on which the securities were issued. All of the parties who acquired these Globally Local Shares are not a Non-Arm's Length Party to Globally Local.

Date	Type of Security	Number of Securities	Issue/Exercise Price Per Security ($)	Reason for Issue
December 4, 2020	Globally Local Shares	875,000[(1)]	0.40	Private Placement
December 4, 2020	Globally Local Shares	1,250,000[(2)]	0.08	SAFE conversion[(2)]
December 4, 2020	Globally Local Shares	2,500,000 [(3)]	0.08	SAFE conversion[(3)]
December 4, 2020	Globally Local Shares	312,500 [(4)]	0.08	SAFE conversion[(4)]
December 4, 2020	Globally Local Shares	312,500 [(5)]	0.08	SAFE conversion[(5)]
December 4, 2020	Globally Local Shares	625,000[(6)]	0.08	SAFE conversion[(6)]
December 4, 2020	Globally Local Shares	1,562,500[(7)]	0.16	SAFE conversion[(7)]
December 4, 2020	Globally Local Shares	625,000[(8)]	0.16	SAFE conversion[(8)]
December 4, 2020	Globally Local Shares	625,000[(9)]	0.16	SAFE conversion[(9)]
March 8, 2021	Globally Local Shares	1,500,000[(1)]	0.40	Private Placement

Notes:

1. These Globally Local Shares were issued pursuant to a private placement.
2. This is a SAFE conversion. The original SAFE was issued on July 26, 2019.
3. This is a SAFE conversion. The original SAFEs were issued on July 29, 2019.
4. This is a SAFE conversion. The original SAFE was issued on August 2, 2019.
5. This is a SAFE conversion. The original SAFE was issued on August 6, 2019.
6. This is a SAFE conversion. The original SAFEs were issued on August 30, 2019.
7. This is a SAFE conversion. The original SAFEs were issued on December 18, 2019.
8. This is a SAFE conversion. The original SAFEs were issued on December 19, 2019.
9. This is a SAFE conversion. The original SAFEs were issued on December 20, 2019.

Stock Exchange Price

There is no public market for Globally Local's securities. The Globally Local Shares are not, or have not been, posted for trading on any stock exchange.

Executive Compensation

Compensation Discussion and Analysis

The Globally Local board as constituted at the date of this filing statement is comprised of one director: James McInnes (Chairman).

Globally Local's compensation structure has been historically comprised of a small base salary due to the "sweat equity" component of the capital structure for the founders.

Globally Local has relied on the experience of its board in setting executive compensation. In considering compensation awards, Globally Local's board has considered such factors as Globally Local's current financial situation, the estimated financial situation of Globally Local in the mid-term, the need to attract and retain the key executives necessary for Globally Local's long term success, the skill level of its executives as well as comparable levels of compensation for individuals with similar capabilities and experience.

Although Globally Local has not yet established a compensation committee of the board, Globally Local has determined that it will establish a compensation committee for the Resulting Issuer following the closing of the Transaction. It is intended that the existing compensation arrangements of Globally Local will initially be transferred to the Resulting Issuer following the Transaction. Once established, the compensation committee of Globally Local will assess the compensation arrangements of the Resulting Issuer with reference to the relevant circumstances and make any amendments as such committee may deem necessary or appropriate in the circumstances.

In this section, Named Executive Officer ("**NEO**") means each of the following individuals:

- the CEO;
- the CFO;
- each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year; and
- each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of Globally Local, nor acting in a similar capacity, at September 30, 2020.

Summary Compensation Table

The following table sets forth the compensation paid each NEO of Globally Local during the three most recently completed financial years ended September 30, 2020, 2019 and 2018.

Name and principal position[(1)]	**Fiscal period**	**Salary (C$)**	**Share-based awards (C$)**	**Option-based awards (C$)**	**Non-equity incentive plan compensation**		**All other compensation (C$)**	**Total compensation (C$)**
					Annual incentive plans (C$)	**Long-term incentive plans (C$)**		
James McInnes, Co-Founder & CEO	2020	25,509	Nil	Nil	Nil	Nil	Nil	25,509
	2019	66,502	Nil	Nil	Nil	Nil	Nil	66,502
	2018	13,000	Nil	Nil	Nil	Nil	Nil	13,000
Vasiliki McInnes, Co-Founder & COO	2020	24,821	Nil	Nil	Nil	Nil	Nil	24,821
	2019	36,627	Nil	Nil	Nil	Nil	Nil	36,627
	2018	13,000	Nil	Nil	Nil	Nil	Nil	13,000
Braden Halpin VP Operations & Store Development	2020	25, 600	Nil	Nil	Nil	Nil	Nil	25,600
	2019	N/A	Nil	Nil	Nil	Nil	Nil	N/A
	2018	N/A	Nil	Nil	Nil	Nil	Nil	N/A

Note:

1. Carlo Rigillo started in October 2020 as the CFO.

Director Compensation Table

During the fiscal year ended September 30, 2020, James McInnes was the sole director of Globally Local. He did not receive any compensation for his role as director of Globally Local.

Incentive Plan Awards - Outstanding Share-based Awards and Option-based Awards

Globally Local has not adopted any formal stock option or other incentive compensation plan. There are no stock options or similar share based compensation arrangement outstanding.

Pension Plan Benefits

Globally Local does not have a pension plan or similar benefit program.

Termination and Change of Control Benefits

Except as otherwise disclosed herein, Globally Local has not entered into management contracts with any director, officer, employee or consultant. Except as disclosed herein, no management function of Globally Local or its subsidiaries are performed by a person other than a director or senior officer of Globally Local. Except as outlined below, there are no compensatory plan(s) or arrangement(s), with respect to any NEO resulting from the resignation, retirement or any other termination of employment of an officer's employment or from a change of NEO's responsibilities following a change in control.

Each of the executive Employment Agreements with each of the Named Executive Officers (other than Mr. Rigillo) is substantially the same.

The Named Executive Officers (other than Mr. Rigillo) have agreed to serve the named capacity for Globally Local and will continue until terminated under the terms of the Employment Agreement.

The employment agreements sets out the duties and terms of employment, as well as compensation, benefits, and incentives. Under the terms of the employment agreement, each Named Executive Officer (other than Mr. Rigillo) will have an initial annual salary, which amount will be subject to annual review by the Board or the Compensation Committee.

The employment agreements include confidentiality and non-solicitation provisions which extend beyond termination of the agreement. The non-solicitation provision extends for 12 months following termination.

Employment Agreement with James McInnes

Effective December 30, 2020, Globally Local has entered into an employment agreement with James McInnes dated pursuant to which James McInnes will act as President and CEO of Globally Local. Under the terms of the agreement, James McInnes is entitled to a base salary of $150,000 per annum. In addition, James McInnes is eligible to participate in any benefit plan or program offered from time to time.

In the event the James McInnes' employment is terminated by Globally Local with cause, by voluntary resignation of James McInnes, or by reason of illness, disability or incapacity, James McInnes is entitled to receive, due and payable in a lump sum within seven days following the date of termination, the portion of his annual salary and benefits earned up to the date of termination not already paid. In the event James McInnes's employment is terminated by Globally Local without cause or there is a change of control of Globally Local, James McInnes is entitled to receive, due and payable in a lump sum on the 15th day following the last day worked: (i) all salary earned, but not yet paid, up to the last day actually worked by the executive, as well as all vacation pay due and owing as of such date; (ii) any accrued but unpaid annual bonuses; and (iii) a retiring allowance equal to $150,000 plus the annual average of any annual bonus amounts over the previous two years. Upon a change of control, all Options, prior to the change of control but unvested will automatically and irrevocably become vested in full.

This Employment Agreement will transfer to the Resulting Issuer upon completion of the Transaction. The Transaction will not by a change of control pursuant to this Agreement.

Employment Agreement with Vasiliki McInnes

Effective December 30, 2020, Globally Local has entered into an employment agreement with Vasiliki McInnes dated pursuant to which Vasiliki McInnes will act as COO of Globally Local. Under the terms of the agreement, Vasiliki McInnes is entitled to a base salary of $135,000 per annum. In addition, Vasiliki McInnes is eligible to participate in any benefit plan or program offered from time to time.

In the event the Vasiliki McInnes' employment is terminated by Globally Local with cause, by voluntary resignation of Vasiliki McInnes, or by reason of illness, disability or incapacity, Vasiliki McInnes is entitled to receive, due and payable in a lump sum within seven days following the date of termination, the portion of her annual salary and benefits earned up to the date of termination not already paid. In the event Vasiliki McInnes' employment is terminated by Globally Local without cause or there is a change of control of Globally Local, Vasiliki McInnes is entitled to receive, due and payable in a lump sum on the 15th day following the last day worked: (i) all salary earned, but not yet paid, up to the last day actually worked by the executive, as well as all vacation pay due and owing as of such date; (ii) any accrued but unpaid annual bonuses; and (iii) a retiring allowance equal to $135,000 plus the annual average of any annual bonus amounts over the previous two years. Upon a change of control, all Options, prior to the change of control but unvested will automatically and irrevocably become vested in full.

This Employment Agreement will transfer to the Resulting Issuer upon completion of the Transaction. The Transaction will not by a change of control pursuant to this Agreement.

Employment Agreement with Braden Halpin

Effective January 12, 2021, Globally Local has entered into an employment agreement with Braden Halpin pursuant to which Mr. Halpin will act as the Vice-President Operations and Store Development of Globally Local. Under the terms of the agreement, Braden Halpin is entitled to a base salary of $80,000 per annum. In addition, Braden Halpin is eligible to participate in any benefit plan or program offered from time to time and Mr. Halpin will be paid a bonus based on locations opened.

In the event the Braden Halpin's employment is terminated by Globally Local with cause, by voluntary resignation of Braden Halpin, or by reason of illness, disability or incapacity, Braden Halpin is entitled to receive, due and payable in a lump sum within seven days following the date of termination, the portion of his annual salary and benefits earned up to the date of termination not already paid. In the event Braden Halpin's employment is terminated by Globally Local without cause or there is a change of control of Globally Local, Braden Halpin is entitled to receive, due and payable in a lump sum on the 15th day following the last day worked: (i) all salary earned, but not yet paid, up to the last day actually worked by the executive, as well as all vacation pay due and owing as of such date; (ii) any accrued but unpaid annual bonuses; and (iii) a retiring allowance equal to $80,000 plus the annual average of any annual bonus amounts over the previous two years. Upon a change of control, all Options, prior to the change of control but unvested will automatically and irrevocably become vested in full.

This Employment Agreement will transfer to the Resulting Issuer upon completion of the Transaction. The Transaction will not by a change of control pursuant to this Agreement.

Employment Agreement with Avra Epstein

Effective January 18, 2021, Globally Local has entered into an employment agreement with Avra Epstein pursuant to which Ms. Epstein will act as the Vice-President Marketing of Globally Local. Under the terms of the agreement, Ms. Epstein is entitled to a base salary of $120,000 per annum. In addition, James McInnes is eligible to participate in any benefit plan or program offered from time to time.

In the event the Ms. Epstein's employment is terminated by Globally Local with cause, by voluntary resignation of Avra Epstein , or by reason of illness, disability or incapacity, Avra Epstein is entitled to receive, due and payable in a lump sum within seven days following the date of termination, the portion of his annual salary and benefits earned up to the date of termination not already paid. In the event Avra Epstein's employment is terminated by Globally Local without cause or there is a change of control of Globally Local, Avra Epstein is entitled to receive, due and payable in a lump sum on the 15th day following the last day worked: (i) all salary earned, but not yet paid, up to the last day actually worked by the executive, as well as all vacation pay due and owing as of such date; (ii) any accrued but unpaid annual bonuses; and (iii) a retiring allowance equal to $120,000 plus the annual average of any annual bonus amounts over the previous two years. Upon a change of control, all Options, prior to the change of control but unvested will automatically and irrevocably become vested in full.

This Employment Agreement will transfer to the Resulting Issuer upon completion of the Transaction. The Transaction will not by a change of control pursuant to this Agreement.

Services Agreement with Carlo Rigillo

Effective October 22, 2020, Globally Local has entered into a consulting services agreement with Carlo Rigillo pursuant to which Carlo Rigillo will act as the CFO. Under the terms of the agreement, Carlo Rigillo is entitled to a monthly consulting fee of $8,500 plus HST.

There are no termination or change of control payments provisions in this services agreement.

Non-Arm's Length Party Transactions

Other than as described herein, within five years prior to the date hereof, Globally Local has not acquired any assets or been provided any services from any director, officer, Insider or Promoter of Globally Local, except in their capacities as directors, officers or employees of Globally Local.

Legal Proceedings

There are no material legal proceedings material to Globally Local to which Globally Local or a subsidiary of Globally Local is a party or of which any of their respective property is the subject matter and no such proceedings known to Globally Local are contemplated.

Material Contracts

The only material contracts entered into by Globally Local in the last two years, currently still in effect or in respect of which Globally Local has outstanding obligations (other than contracts entered into in the ordinary course of business), are as follows:

(a) the Definitive Agreement;

(b) an engagement letter between Globally Local and the Agent in respect of the Financing, to be superseded by the Agency Agreement.

See "*Information Concerning the Target Company – General Development of Business – Recent Developments*".

Copies of these agreements will be available for inspection at the offices of Globally Local located at 505 Consortium Court, London, ON, N6E 2S8 until the date of closing of the Transaction and for a period of 30 days thereafter.

PART III - INFORMATION CONCERNING THE ISSUER

Corporate Structure

Name and Incorporation

Black Lion was incorporated on January 20, 2015 under the laws of British Columbia pursuant to the Business Corporations Act (British Columbia) under the name "Black Birch Capital Corp.". Effective April 7, 2015, the Issuer changed its name to "Black Lion Capital Corp.".

The principal office of the Issuer is located at Suite 409, 221 West Esplanade, North Vancouver, British Columbia, V7M 3J3, and its registered and records office is located at Suite 409, 221 West Esplanade, North Vancouver, British Columbia, V7M 3J3.

Black has one subsidiary formed solely for the purpose of the Transaction. 2801318 Ontario Ltd., (formerly defined as “Black Lion Subco”) a wholly-owned subsidiary of Black Lion, incorporated pursuant to the OBCA on .

General Development of the Business

History

The Issuer is a capital pool company created pursuant to the CPC Policy which completed its initial public offering (“**Initial Public Offering**”) on April 4, 2016 pursuant to a prospectus dated January 27, 2016 (the "**IPO Prospectus**"). The Issuer sold an aggregate of 6,000,000 Black Lion Shares at a price of $0.10 per Black Lion Share pursuant to its IPO Prospectus, raising gross proceeds of $600,000. The Black Lion Shares became listed and posted for trading on the Exchange on April 5, 2016. The outstanding Black Lion Shares are listed on the Exchange under the Trading Symbol "BLC.N".

On May 12, 2016, the Issuer closed a non-brokered private placement (the "**Private Placement**") issuing a total of 2,810,000 Black Lion Shares at a price of $0.10 per Black Lion Share for gross proceeds of $281,000. In connection with the Private Placement, the Issuer paid cash finder's fees to various arm's length finders I the aggregate amount of $15,060. All of the shares issued in the Private Placement were subject to a four month hold period, which expired on September 13, 2016.

On August 8, 2016, the Issuer announced that it had entered into a letter of intent dated August 8, 2016 for the acquisition of Thomson Power Inc. ("**Thomson**"), a private British Columbia corporation, which would have constituted the Issuer's Qualifying Transaction pursuant to the CPC Policy. On November 4, 2016, the Company announced that the letter of intent had been terminated due to the expiry of the letter of intent for the proposed acquisition of Thomson.

On July 4, 2018, the Issuer announced the deadline for the Issuer to complete a Qualifying Transaction (as defined in the CPC Policy) was July 9, 2018. Prior to this date, the Issuer was required to complete a Qualifying Transaction or receive the approval of its shareholders for the transfer of its listing to the NEX board of the Exchange (the "**NEX**"). The Issuer held its annual and special meeting of shareholders on June 18, 2018 at which time, pursuant to the CPC Policy, it received shareholder approval to transfer its listing to the NEX and to cancel an aggregate of 1, 175,000 Seed Shares (as defined by the Exchange) held by Non-Arm's Length Parties of the CPC (including the officers, directors and insiders of the Corporation). The Black Lion Shares were transferred to the NEX effective at the opening of trading on July 6, 2018, at which time trading in the Black Lion Shares was reinstated.

The principal business of the Issuer is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction, and, once identified and evaluated, to negotiate an acquisition or participation in such assets or businesses. Until the Issuer completes a Qualifying Transaction, it will not carry on business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction. The Acquisition is intended to be the Issuer's Qualifying Transaction.

On November 6, 2020, the Issuer announced that it had entered into a letter of intent for an arm's length acquisition of all of the issued and outstanding shares of Globally Local. The transaction is an arm's length transaction and will constitute the Issuer's Qualifying Transaction.

The Definitive Agreement is available under the Issuer's profile on SEDAR at www.sedar.com.

Selected Consolidated Financial Information

Information from Inception

Since incorporation, the Issuer has incurred costs in carrying out the CPC IPO, in seeking, evaluating and negotiating potential Qualifying Transactions, and in meeting the disclosure obligations imposed upon it as a reporting issuer listed for trading on the Exchange. The following table sets forth selected historical financial information for the Issuer for period from incorporation on January 20, 2015 to October 31, 2015, and the years ended October 31, 2016, October 31, 2017, October 31, 2018, and October 31, 2019 and October 31, 2020. Such information should be read in conjunction with such financial statements.

	Total Expenses ($)	Amounts Deferred in Connection with the Acquisition
Period ended October 31, 2015	$12,996	Nil
Year ended October 31, 2016	$221,491	Nil
Year ended October 31, 2017	$56,661	Nil
Year ended October 31, 2018	$45,952	Nil
Year ended October 31, 2019	$32,278	Nil
Year ended October 31, 2020	$42,746(1)	Nil

Notes:

1. The Issuer incurred total expenses of $12,767 in the three month period ended October 31, 2020.

Management's Discussion and Analysis

Management's Discussion and Analysis of the Issuer in respect of its most recently completed financial year ended October 31, 2020, is attached as Appendix "B" hereto and available on SEDAR, and should be read in conjunction with the Issuer's financial statements and notes thereto for the year ended October 31, 2020, which are attached hereto as Appendix "A" and are also available on SEDAR at www.sedar.com.

Unless otherwise stated, financial results are being reported in accordance with IFRS.

Certain information included in the Issuer's MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Forward-Looking Statements*" for further details.

Description of the Securities

Description of Black Lion Shares

The authorized capital of the Issuer consists of an unlimited number of Black Lion Shares without nominal or par value and an unlimited number of Preferred Shares, which are issuable in series. As of the date of this Filing Statement, 11,653,294 Black Lion Shares are issued and outstanding as fully paid and non-assessable shares and 1,026,500 Black Lion Shares had been reserved for issuance pursuant to the exercise of Black Lion Options that have been granted to current Insiders of the Issuer.

The holders of the Black Lion Shares are entitled to receive notice of and attend any meeting of the Company's shareholders and are entitled to cast one vote for each Black Lion Share held. The holders of the Black Lion Shares are entitled to receive dividends, if, as and when declared by the board of directors of the Company and to receive a proportionate share, on a per share basis, of the assets of the Issuer available for distribution in the event of a liquidation, dissolution or winding-up of the Issuer.

Stock Option Plan

The Issuer has adopted the Option Plan, which provides that the board of directors of the Issuer may, from time to time, in its discretion and in accordance with the Exchange requirements, grant to directors, officers, employees and technical consultants to the Issuer, non-transferable options to purchase Black Lion Shares, provided that the aggregate number of Black Lion Shares allocated and made available to be granted will not exceed 10% of the issued and outstanding Black Lion Shares as of the date of the grant (on a non-diluted basis). Such CPC Options will be exercisable for a period of up to ten (10) years from the date of grant. The number of Black Lion Shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding Black Lion Shares, unless disinterested shareholder approval is obtained. The Option Plan provides that options granted to any participant while Black Lion is a CPC that does not continue as a director, officer, technical consultant or employee of the Resulting Issuer, have a maximum term of the later of 12 months after the completion of a Qualifying Transaction (as such term is defined in Policy 2.4 of the TSX Venture) and 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised with a maximum period of one year after such death, subject to the expiry date of such option. Further, the Option Plan provides that any Black Lion Shares acquired pursuant to the exercise of options prior to the completion of a Qualifying Transaction, must be deposited in escrow and will be subject to escrow until the Final Exchange Bulletin is issued.

970,000 CPC Options were granted to the Issuer's directors and officers at the time of completion of the CPC IPO in accordance with Exchange requirements, as set forth below. On December 15, 2016 the Company granted an additional 150,000 CPC Options at an exercise price of $0.10 to Sean Mitchell upon his appointment as Chief Executive Officer of the Issuer. Concurrently therewith, the Issuer cancelled 93,500 CPC Options held by Michael Walsh. The exercise price for the CPC Options must be paid in full upon exercise of the CPC Options. All Black Lion Shares acquired by Non-Arm's Length Parties pursuant to the exercise of CPC Options prior to the completion of the Transaction must be deposited in escrow and may only be released in accordance with the escrow provisions of the CPC Policy.

	Number of Black Lion Shares Under Option	Exercise Price Per Black Lion Share (2)	Expiry Date (2)
Michael P. Walsh	230,000(1)	$0.10	April 4, 2026
William L. MacDonald	129,300	$0.10	April 4, 2026
Ron A. Schmitz	129,300	$0.10	April 4, 2026
Jesse Sims	129,300	$0.10	April 4, 2026
Sean Mitchell	129,300	$0.10	April 4, 2026
Doug Besse	129,300	$0.10	April 4, 2026
Sean Mitchell	150,000	$0.10	December 14, 2021
Total	**1,026,500(2)**		

Notes:

1. Michael Walsh was granted a total of 323,500 CPC Options, of which, 93,500 were cancelled.
2. In addition, the Issuer issued 600,000 agent's options, each option entitling the agent to one Black Lion Share at an exercise price of $0.10 per Black Lion Share, concurrently with the closing of the CPC IPO.

Prior Sales

Since the date of incorporation, 12,828,294 Black Lion Shares have been issued as set out in the following table.

Date	Number of Black Lion Shares	Issue Price Per Black Lion Share	Aggregate Issue Price	Nature of Consideration Received
January 20, 2015	1(1)	$0.01	$0.01	Cash
August 4, 2015	3,710,000(2)	$0.05	$185,000	Cash
April 4, 2016	6,000,000	$0.10	$600,000	Cash
May 12, 2016	2,810,000	$0.10	$281,000	Cash
October 31, 2018(3)	308,294	$0.10	$30,829	Cash

Notes:

1. This represents the incorporator's share which was issued on the date of incorporation and subsequently transferred back to the Issuer and cancelled.
2. Of these shares 2,615,000 are subject to escrow pursuant to the Escrow Agreement. See "*Information Concerning the Resulting Issuer – Escrowed Securities*".
3. This represents the year-end of the period that the Black Lion Shares were issued pursuant to the exercise of agent's warrants granted in connection with the CPC IPO.

On June 19, 2018, the Issuer cancelled 1,175,000 Black Lion Shares that were originally held in escrow. As at the date of this Filing Statement, 11,653,294 Black Lion Shares are issued and outstanding.

Stock Exchange Price

The outstanding Black Lion Shares are listed on the Exchange under the trading symbol "BLC.P". The Black Lion Shares were listed for trading on the Exchange on April 4, 2016. On November 9, 2020 the Black Lion Shares were halted for trading on the Exchange the request of the Issuer in connection with the Transaction. The following table sets forth the high and low sales prices and trading volumes of board lots of Black Lion Shares as reported by the Exchange from October 31, 2018 to November 9, 2020.

	High (Cdn$)	Low (Cdn$)	Volume (Shares)
2018			
November	$0.13	$0.13	Nil
December	$0.13	$0.13	Nil
2019			
January			
February	$0.13	$0.13	1,000
March	$0.12	$0.12	33,500
April	$0.095	$0.095	2,787
May	$0.095	$0.095	20,000
June	$0.095	$0.095	Nil
July	$0.095	$0.095	Nil
August	$0.07	$0.06	184,500
September	$0.06	$0.06	Nil
October	$0.05	$0.05	15,000
November	$0.07	$0.07	10,000
December	$0.05	$0.05	90,179
2020			
January	$0.065	$0.05	5,000
February	$0.05	$0.05	Nil
March	$0.095	$0.095	1,473
April	$0.095	$0.095	179
May	$0.095	$0.095	200
June	$0.095	$0.095	Nil
July	$0.09	$0.09	8,000
August	$0.09	$0.09	20,000
September	$0.07	$0.055	255,000
October	$0.065	$0.055	144,000
November(1)	$0.055	$0.055	Nil

Notes:
1. Trading in the Black Lion Shares was halted at the request of Black Lion on November 10, 2020.

Arm's-Length Qualifying Transaction

The proposed Transaction does not constitute a Non-Arm's Length Transaction since: (a) the proposed Transaction was negotiated by the parties dealing at arm's length with each other, and (b) no party (together with its respective Associates or Affiliates) (i) holds more than 20% of the outstanding voting securities of the Issuer and Globally Local, or (ii) holds a sufficient number of securities of both the Issuer and the Target so as to affect materially the control of both Black Lion and Globally Local.

Legal Proceedings

There are no material pending legal proceedings to which the Issuer is a party or of which any of its property is the subject matter nor are any such proceedings known to the Issuer to be contemplated.

Auditor, Transfer Agents and Registrars

Black Lion's current auditors are Davidson and Company LLP, whose principal office is located 1200-609 Granville St, Vancouver, BC V7Y 1G6.

Black Lion's current transfer agent and registrar is AST Trust Company (Canada) through its principal office located at Suite 1600-1066 W Hastings St, Vancouver, BC V6E 3X1.

Material Contracts

Since incorporation, the only material contracts entered into by the Issuer, other than contracts entered into in the ordinary course of business, are as follows:

(a) the CPC Seed Escrow Agreement; and

(b) the Definitive Agreement.

Copies of these material contracts will be available for inspection without charge at the registered office of MacDonald Tuskey, Corporate and Securities Lawyers, #409 - 221 W. Esplanade, North Vancouver BC V7M 3J3 during ordinary business hours from the date hereof until the Closing of the Acquisition and for a period of 30 days thereafter.

PART IV - INFORMATION CONCERNING THE RESULTING ISSUER

Corporate Structure

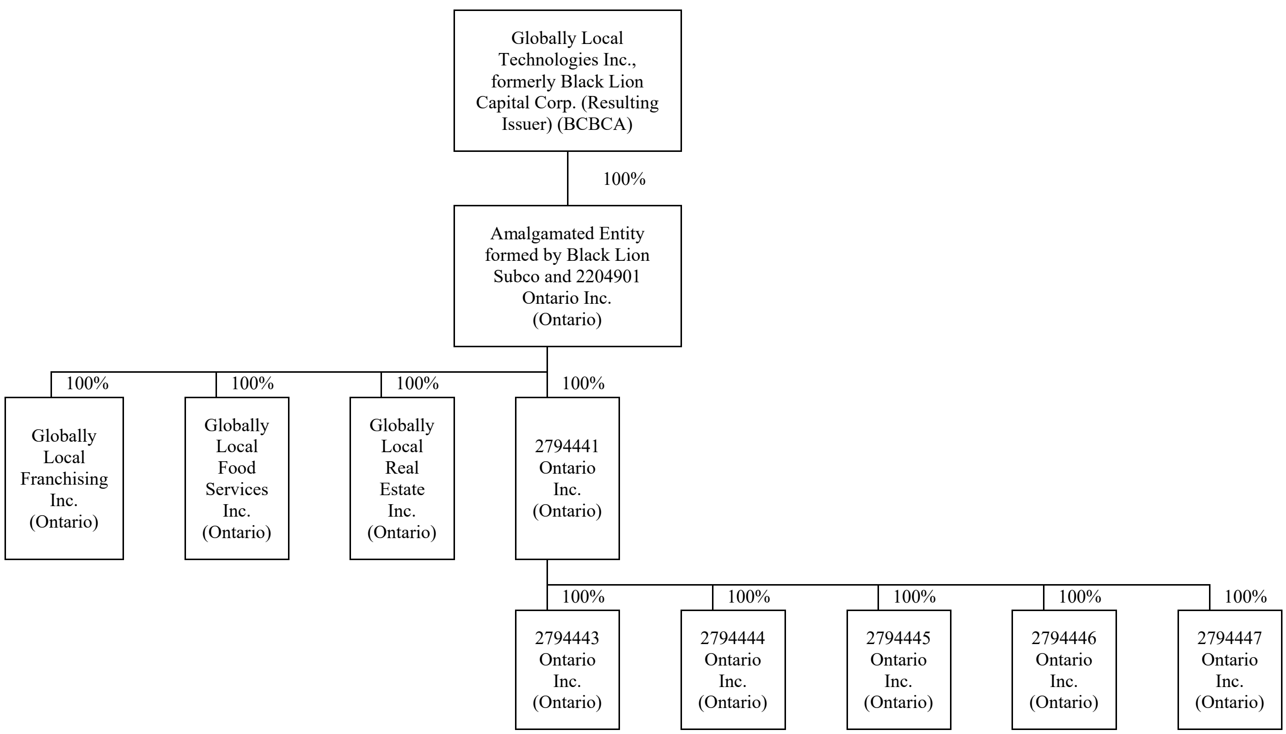
Name and Incorporation

Following the completion of the Transaction, the Resulting Issuer will operate under the name "Globally Local Technologies Inc." and will be governed by the provisions of the BCBCA.

Intercorporate Relationships

Following the completion of the Transaction, the Resulting Issuer will own, directly or indirectly, all of the issued and outstanding common shares of Globally Local. As a result of the Transaction, the previous shareholders of Globally Local will become shareholders of the Resulting Issuer.

The following organizational chart demonstrates the intended corporate structure of the Resulting Issuer:



Narrative Description of the Business

The Resulting Issuer will have the same stated objectives and milestones as Globally Local. For the narrative description of the business of the Resulting Issuer, including business and development milestones, see "*Part II – Information Concerning the Target Company – General Development of Business*". See "*Part II – Information Concerning the Target Company – Narrative Description of Business*" for further information on Globally Local's product.

Description of the Securities

Upon completion of the Transaction, the Black Lion Consolidated Shares will be the Resulting Issuer Shares. For a description of the attributes of the Black Lion Shares (and the Black Lion Consolidated Shares), please refer to "*Part III – Information Concerning the Issuer – Description of Securities*" of this Filing Statement.

Pro Forma Consolidated Capitalization

The following table sets forth the pro forma share and loan capital of the Resulting Issuer as at October 31, 2020 on a consolidated basis, based on the pro forma consolidated statement of financial position contained in this Filing Statement after giving effect to the Transaction and the Financing. This table should be read in conjunction with the pro forma consolidated financial statements and notes thereto included in this Filing Statement.

Designation of Security	Amount authorized or to be authorized	Amount outstanding after giving effect to the Transaction and Minimum Financing(1)(2)(3)(4)	Amount outstanding after giving effect to the Transaction and the Maximum Financing(1)(2)(3)(4)
Common Shares	Unlimited	79,473,818 $8,594,174	81,973,818 $9,514,174

Notes:

1. Following completion of the Transaction it is expected that there will be an aggregate of 79,473,818 Resulting Issuers Shares issued and outstanding (giving effect to the Minimum Financing) or 81,973,818 Resulting Issuer Shares issued and outstanding (after giving effect to the Maximum Financing) assuming the Agent's Commission is paid in cash.
2. In addition to the number of issued and outstanding Resulting Issuer Shares, the following convertible securities will be outstanding: (i) a maximum of 840,000 Resulting Issuer Agent's Compensation Options (after giving effect to the Maximum Financing), each exercisable to acquire a Resulting Issuer Share at a price of $0.40 per Resulting Issuer Share; and (ii) 410,600 Resulting Issuer Options, comprised of the 410,600 CPC Options, each exercisable to acquire one Resulting Issuer Share at an exercise price of $0.25 per Resulting Issuer Share (on a post-Black Lion Consolidation basis) and 4,604,506 Resulting Issuer Options to be issued in connection with the Closing of the Transaction, each exercisable to acquire one Resulting Issuer Share at an exercise price of $0.40 per Resulting Issuer Share (on a post-Black Lion Consolidation basis). Options granted in connection with the Transaction will be granted at Closing under a fixed 10% option program or plan. Globally Local is presently considering entering into an understanding with Edge Growth Holdings Corporation ("Edge") for strategic investor relations and capital markets communications services. The relationship has not been finalized but it is expected to be a six month initial period (extendable for additional periods), where the Resulting Issuer will pay Edge a monthly fee of $5,000 and grant to Kevan Matheson, the principal of Edge, an additional 150,000 Options. The Edge retainer is subject to TSXV acceptance. See "*Part IV – Information Concerning the Resulting Issuer – Fully Diluted Share Capital*."
3. Up to an additional 840,000 Agent's Compensation Options are issuable to the Agent in connection with the Financing.
4. After giving effect to the Transaction, the accumulated deficit of the Resulting Issuer as at October 31, 2020 will be $5,009,741 (unaudited).

Fully Diluted Share Capital

The following table outlines the expected number and percentage of securities of the Resulting Issuer to be outstanding on a non-diluted and fully-diluted basis after giving effect to the Transaction and the Financing:

Designation of Security	After Giving Effect to the Transaction					
	Number, Giving Effect to the Minimum Financing(1)(2)	Number, After Giving Effect to the Maximum Financing(1)(2)(3)	Percentage Giving Effect to the Minimum Financing (undiluted)	Percentage, After Giving Effect to the Maximum Financing	Percentage, Giving Effect to the Minimum Financing (fully-diluted)	Percentage, After Giving Effect to the Maximum Financing
Resulting Issuer Shares						
Shares Issued						
Black Lion Shares	4,661,318	4,661,318	5.9%	5.7%	5.4%	5.3%
Globally Local Shares	64,000,000	64,000,000	80%	78%	74.6%	72.3%
Finder's Fee Shares	2,812,500	2,812,500	3.5%	3.4%	3.2%	3.2%
Subscription Receipts	8,000,000	10,500,000	10%	12.8%	9.3%	11.8%
Subtotals	**79,473,818**	**81,973,818**	**100.00%**	**100.00%**		
Reserved for issuance under the:						
CPC Options	410,600	410,600	N/A	N/A	Less than 1%	Less than 1%
CPC Compensation Options	0	0	N/A	N/A	-	-
New Resulting Issuer Options	4,604,506(2)(4)	4,604,506(2)(4)	N/A	N/A	5.4%	5.2%
Agent's Commission paid in Subscription Receipts	640,000	840,000	N/A	N/A	Less than 1%	Less than 1%
Agent's Compensation Options	640,000	840,000	N/A	N/A	Less than 1%	Less than 1%
Subtotal Convertible Securities	**6,295,106**	**6,695,106**	**N/A**	**N/A**		
Total (fully-diluted)	**85,768,924**	**88,668,924**			**100.00%**	**100.00%**

Notes:

1. After giving effect to the Black Lion Consolidation.
2. Options granted in connection with the Transaction will be granted at Closing under a fixed 10% option program or plan.
3. Includes 2,812,500 Black Lion Shares (on a post-Black Lion Consolidation basis) to be issued to the Agent as a finder's fee in connection with the Transaction pursuant to the terms and conditions of a finder's agreement between Black Lion and the Agent dated October 19, 2020. The agreement provided for a 5% finder's fee but the Agent agreed to reduce its fee 2,812,500 Resulting Issuer Shares.
4. Globally Local is presently considering entering into an understanding with Edge for strategic investor relations and capital markets communications services. The relationship has not been finalized but it is expected to be a six month initial period (extendable for additional periods), where the Resulting Issuer will pay Edge a monthly fee of $5,000 and grant to Kevan Matheson, the principal of Edge, an additional 150,000 Options. The Edge retainer is subject to TSXV acceptance. These additional options are not accounted for in this table.

Available Funds and Principal Purposes

Available Funds

Concurrently with the completion of the Transaction, the Financing will be completed for gross proceeds of a minimum of $3,200,000.

As at February 28, 2021, Globally Local had working capital of approximately $1,061,000 (assuming repayment of certain credit facilities at Closing and the March 8 Placement Proceeds).

As at February 28, 2021, the Issuer had working capital of approximately $680,000. Accordingly, the estimated pro forma consolidated working capital of the Resulting Issuer as at February 28, 2021 was $4,335,000 (after giving effect to the Minimum Financing) and $5,255,000 (after giving effect to the Maximum Financing), in each case after deducting Transaction expenses.

The following table sets forth the estimated Available Funds of the Resulting Issuer before and after giving effect to the Maximum Financing, as at February 28, 2021.

Source of Funds	Amount (after giving effect to the Minimum Financing) (C$)	Amount (after giving effect to the Maximum Financing) (C$)
Consolidated working capital of the Resulting Issuer as at February 28, 2021	1,741,000	1,741,000
Net proceeds from the Financing after giving effect to the Transaction[(1)]	2,594,000	3,514,000
TOTAL	**4,335,000**	**5,255,000**

Note:

1. After deducting transaction costs of $300,000, the Agent's Commission (assuming the commission is paid in cash) and expenses (estimated at $50,000) in respect of the Financing of 8% (estimated).

Dividends

The proposed directors of the Resulting Issuer anticipate that the Resulting Issuer will retain all future earnings and other cash resources for the future operation and development of its business, and accordingly, do not intend to declare or pay any cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of the board of the directors of the Resulting Issuer after taking into account many factors including the Resulting Issuer's operating results, financial condition and current and anticipated cash assets.

Principal Purposes of Funds

The principal purposes of the Available Funds will be as follows:

Principal Use of Funds	Amount (after giving effect to the Minimum Financing) (C$)	Amount (after giving effect to the Maximum Financing) (C$)
Multi-restaurant build out costs (10 locations with Maximum Financing, 5 with the Minimum Financing)	500,000	1,000,000
Multi-restaurant rental deposits, ($4,500/location avg.)	45,000	90,000
Manufacturing center equipment upgrades/expansion	400,000	400,000
Distribution Center Build-Out Costs	265,000	265,000
Research & Development costs	110,400	110,400
Marketing and Advertising	500,000	500,000
Executive Salaries	578,004	578,004
Board Costs	65,004	65,004
Ongoing Public Company Costs	150,000	150,000
Unallocated Funds	1,721,592	2,096,592
TOTAL	4,335,000	5,255,000

While the foregoing reflects management's current expectation as to the proposed use of the Available Funds, there may be circumstances where, for sound business reasons, reallocation of funds may be necessary in order for the Resulting Issuer to achieve its stated business objectives.

Principal Securityholders

To the knowledge of the Issuer or Globally Local, upon completion of the Transaction and the Financing, no person will beneficially own, directly or indirectly, or exercise control or direction over more than 10% of the Resulting Issuer Shares except as follows:

Name and Municipality of Residence	Number of Resulting Issuer Shares Owned	Percentage of Resulting Issuer Shares after giving effect to the Minimum Financing	Percentage of Resulting Issuer Shares after giving effect to the Maximum Financing	Type of Ownership
James McInnes *Toronto, Ontario*	21,525,000[(1)(2)]	27.0% (non-diluted) / 25.1% (fully-diluted)	26.2% (non-diluted) / 24.3% (fully-diluted)	Direct
Vasiliki McInnes *Toronto, Ontario*	21,525,000[(1)(3)]	27.0% (non-diluted) / 25.1% (fully-diluted)	26.2% (non-diluted) / 24.3% (fully-diluted)	Direct
BoxOne Ventures Inc. [(4)]	12,637,500[(1)]	15.9% (non-diluted) / 14.7% (fully-diluted)	15.4% (non-diluted) / 14.2% (fully-diluted)	Direct

Notes:

1. Assumes 79,473,818 Resulting Issuer Shares outstanding on the Minimum Financing (85,768,924 fully-diluted) and assumes 81,973,818 Resulting Issuer Shares outstanding on the Maximum Financing (88,568,924 fully-diluted). Assumes Agent's Commission is paid in cash.
2. Does not include 1,699,476 Resulting Issuer Options, each exercisable to acquire one Resulting Issuer Share at an exercise price of $0.40 per Resulting Issuer Share to be granted to Mr. McInnes at Closing. Resulting Issuer Options granted in connection with the Transaction will be granted at Closing under a fixed 10% option program or plan.
3. Does not include 1,699,476 Resulting Issuer Options, each exercisable to acquire one Resulting Issuer Share at an exercise price of $0.40 per Resulting Issuer Share to be granted to Mrs. McInnes at Closing. Resulting Issuer Options granted in connection with the Transaction will be granted at Closing under a fixed 10% option program or plan.
4. BoxOne Ventures Inc. is arm's length to Globally Local. The principals of BoxOne Ventures Inc. are Joshua Felker and Arvin Ramanathan.

Directors, Officers and Promoters

Name, Address, Occupation and Security Holdings

The following are the names and municipalities of residence of each proposed director and officer of the Resulting Issuer, the positions and offices to be held with the Resulting Issuer, their respective principal occupations within the five preceding years and the number and percentage of common shares of the Resulting Issuer which will be held by each of them on completion of the Financing. Each director will hold office until the next annual meeting of the Resulting Issuer unless his office is earlier vacated in accordance with the BCBCA.

Name and city of residence of each Proposed Director and Officer	Position to be Held with the Resulting Issuer	Principal Occupation for the last five years	Director of Black Lion or Target Company since	Number and Percentage of Resulting Issuer Shares giving effect to the Minimum Financing and the Transaction[(1)(2)]	Number and Percentage of Resulting Issuer Shares after giving effect to the Maximum Financing and the Transaction[(1)(2)]

Name and city of residence of each Proposed Director and Officer	Position to be Held with the Resulting Issuer	Principal Occupation for the last five years	Director of Black Lion or Target Company since	Number and Percentage of Resulting Issuer Shares giving effect to the Minimum Financing and the Transaction[(1)(2)]	Number and Percentage of Resulting Issuer Shares after giving effect to the Maximum Financing and the Transaction[(1)(2)]
James McInnes *Toronto, Ontario*	President, CEO, Director and Promoter	President, CEO and Director of Globally Local	October 30, 2011	21,525,000[(3)] (27.0%)	21,525,000[(3)] (26.2%)
Vasiliki McInnes *Toronto, Ontario*	Director and COO	COO of Globally Local	April 25, 2016	21,525,000[(4)] (27.0%)	21,525,000[(4)] (26.2%)
Edward (Ted) Sehl *Guelph, Ontario*	Director	Principal - Sehl Consulting	N/A	Nil[(5)]	Nil[(5)]
Dean Cebulski *Cambridge, Ontario*	Director	President Grand River Foods Ltd.	N/A	Nil[(6)]	Nil[(6)]
William MacDonald *Vancouver, British Columbia*	Director	Solicitor, founder and principal of Macdonald Tuskey, Corporate and Securities Lawyers since April 2008	January 2015	40,000[(7)] (less than 1%)	40,000[(7)] (less than 1%)
Carlo Rigillo *York Region, Ontario*	CFO and Corporate Secretary	Formerly CFO of 3 Sixty Risk Solutions Ltd.	N/A	Nil[(8)]	Nil[(8)]
Braden Halpin *Mississauga, Ontario*	Vice-President Operations and Store Development	Account executive at Oberfeld Snowcap, commercial real estate firm in Toronto since 2014.	N/A	Nil[(9)]	Nil[(9)]
Avra Epstein *Toronto, Ontario*	Vice-President, Marketing	Ms. Epstein was working as a legal consultant at Deloitte Canada from 2015 to January 2021, and RICOH from 2018 to 2020 with a focus on corporate, regulatory, and competition matters.	N/A	Nil[(10)]	Nil[(10)]

Notes:

1. Assumes no participation in the Financing by any proposed director or officer of the Resulting Issuer.
2. Upon completion of the Transaction, it is expected there will be 79,473,818 Resulting Issuer Shares issued and outstanding (giving effect to the Minimum Financing) and 81,973,818 Resulting Issuer Shares issued and outstanding (after giving effect to the Maximum Financing) and assumes the Agent's Commission is paid in cash.
3. James McInnes will also be granted at Closing a total 1,699,476 Resulting Issuer Options, each exercisable to acquire one Resulting Issuer Share (subject to certain vesting requirements) at a price of $0.40 per Resulting Issuer Share.

4. Vasiliki McInnes will also be granted at Closing a total 1,699,476 Resulting Issuer Options, each exercisable to acquire one Resulting Issuer Share (subject to certain vesting requirements) at a price of $0.40 per Resulting Issuer Share.

5. Edward (Ted) Sehl will also be granted at Closing a total 150,000 Resulting Issuer Options, each exercisable to acquire one Resulting Issuer Share (subject to certain vesting requirements) at a price of $0.40 per Resulting Issuer Share.

6. Dean Cebulski will also be granted at Closing a total 150,000 Resulting Issuer Options, each exercisable to acquire one Resulting Issuer Share (subject to certain vesting requirements) at a price of $0.40 per Resulting Issuer Share.

7. William MacDonald will also be granted at Closing a total 150,000 Resulting Issuer Options, each exercisable to acquire one Resulting Issuer Share (subject to certain vesting requirements) at a price of $0.40 per Resulting Issuer Share. In addition, William MacDonald will hold an additional 51,720 Resulting Issuer Options, each exercisable to acquire one Resulting Issuer Share (subject to certain vesting requirements) at a price of $0.25 per Resulting Issuer Share

8. Carlo Rigillo will also be granted at Closing a total 581,054 Resulting Issuer Options, each exercisable to acquire one Resulting Issuer Share (subject to certain vesting requirements) at a price of $0.40 per Resulting Issuer Share.

9. Braden Halpin will also be granted at Closing a total 112,500 Resulting Issuer Options, each exercisable to acquire one Resulting Issuer Share (subject to certain vesting requirements) at a price of $0.40 per Resulting Issuer Share.

10. Avra Epstein will also be granted at Closing a total 50,000 Resulting Issuer Options, each exercisable to acquire one Resulting Issuer Share (subject to certain vesting requirements) at a price of $0.40 per Resulting Issuer Share.

11. Resulting Issuer Options granted in connection with the Transaction will be granted at Closing under a fixed 10% option program or plan.

The term of office of the directors expires annually at the time of the Resulting Issuer's annual general meeting or when or until their successor is duly appointed or elected. The term of office of the Resulting Issuer's executive officers expires at the discretion of the Resulting Issuer's directors. A majority of the proposed directors of the Resulting Issuer are considered to be independent within the meaning of National Instrument 58-101- *Disclosure of Corporate Governance Practice*s. James McInnes and Vasiliki McInnes are not independent within the meaning National Instrument 58-101.

Committees of the Board of Directors

Audit Committee

The Audit Committee of the Resulting Issuer will initially be comprised of three directors as follows: Edward (Ted) Sehl (Chair), Dean Cebulski and James McInnes. Messrs. Sehl and Cebulski are each "independent" within the meaning of National Instrument 52-110 – *Audit Committees*, while Mr. McInnes is not independent by virtue of serving as the President and Chief Executive Officer of the Resulting Issuer. In addition, each Audit Committee member is "financially literate", within the meaning of National Instrument 52-110 and possesses education or experience that is relevant for the performance of their responsibilities as Audit Committee members.

The Audit Committee will oversee the accounting and financial reporting practices and procedures of the Resulting Issuer and the audits of the Resulting Issuer's financial statements. The principal responsibilities of the Audit Committee are expected to include: (i) overseeing the quality and integrity of the internal controls and accounting procedures of the Resulting Issuer, including reviewing the Resulting Issuer's procedures for internal control with the Resulting Issuer's auditor and chief financial officer; (ii) reviewing and assessing the quality and integrity of the Resulting Issuer's annual and quarterly financial statements and related management discussion and analysis, as well as all other material continuous disclosure documents, such as the Resulting Issuer's annual information form; (iii) monitoring compliance with legal and regulatory requirements related to financial reporting; (iv) reviewing and approving the engagement of the auditor of the Resulting Issuer and independent audit fees; (v) reviewing the qualifications, performance and independence of the auditor of the Resulting Issuer, considering the auditor's recommendations and managing the relationship with the auditor, including meeting with the auditor as required in connection with the audit services provided to the Resulting Issuer; (vi) assessing the Resulting Issuer's financial and accounting personnel; (vii) reviewing the Resulting Issuer's risk management procedures; (viii) reviewing any significant transactions outside the Resulting Issuer's ordinary course of business and any pending litigation involving the Resulting Issuer; and (ix) examining improprieties or suspected improprieties with respect to accounting and other matters that affect financial reporting.

Other Committees

Directors will be appointed in due course to the Compensation Committee and the Corporate Governance and Nominating Committee following completion of the Transaction in accordance with regulatory guidelines.

The Compensation Committee is expected to oversee the remuneration policies and practices of the Resulting Issuer. The principal responsibilities of the Compensation Committee are expected to include: (i) considering the Resulting Issuer's overall remuneration strategy and, where information is available, verifying the appropriateness of existing remuneration levels using external sources for comparison; (ii) comparing the nature and amount of the Resulting Issuer's directors' and executive officers' compensation to performance against goals set for the year while considering relevant comparative information, independent expert advice and the financial position of the Resulting Issuer; and (iii) making recommendations to the board in respect of director and executive officer remuneration matters, with the overall objective of ensuring maximum shareholder benefit from the retention of high quality board and executive team members.

The Corporate Governance and Nominating Committee is expected to oversee the Resulting Issuer's approach to corporate governance matters. The principal responsibilities of the Corporate Governance and Nominating Committee are expected to include: (i) monitoring and overseeing the quality and effectiveness of the corporate governance practices and policies of the Resulting Issuer; (ii) considering nominees for independent directors of the Resulting Issuer; (iii) adopting and implementing corporate communication policies and ensuring the effectiveness and integrity of communication and reporting to the Resulting Issuer's shareholders and the public generally; (iv) planning for the succession of directors and executive officers of the Resulting Issuer, including appointing, training and monitoring senior management to ensure that the board and management have appropriate skill and experience; and (v) administering the board's relationship with the management of the Resulting Issuer.

The composition of each such committee will be determined by the board of directors of the Resulting Issuer following completion of the Transaction.

Shareholdings of Directors and Executive Officers

As at the date of this Filing Statement, after giving effect to the Transaction, the Financing, the proposed directors and executive officers of the Resulting Issuer, as a group, will own 43,090,000 Resulting Issuer Shares, representing approximately 54% of the issued and outstanding Resulting Issuer Shares (on a non-diluted basis and giving effect to the Minimum Financing) and approximately 52.5% of the issued and outstanding Resulting Issuer Shares (on a non-diluted basis and after giving effect to the Maximum Financing), and assuming no convertible securities are exercised.

Biographies of the Proposed Executive Officers and Proposed Directors

James McInnes, Co-Founder, President, CEO, Chairman, Director and Promoter, Age 41

James McInnes is an accomplished entrepreneur with nearly 15 years of experience founding and building scalable, international businesses. James was the co-founder and CEO of the financial technology firm Cyborg Trading System for nearly 8 years where he built a team of over 50 employees, opened international offices and serviced large clients. Previous to this, James was an equities and derivatives trader where he gained extensive experience in arbitrage, risk management, macro-economics and capital markets.

James has nearly 20 years of experience with various technologies, including life sciences, software engineering, food technology, information technology and distributed systems. James has been a passionate vegan for nearly 8 years with a strong desire to use his knowledge and skillset to change the world for the better. James co-founded Globally Local as a disruptive technology company whose mission is to transform the global food system.

James holds an Honors Bachelor of Science degree with a major in genetics from Western University.

It is anticipated that Mr. McInnes will devote 100% of his time to the business of the Resulting Issuer, or such other time and expertise as may reasonably be required by the Resulting Issuer.

Vasiliki McInnes, Co-Founder and COO, Director, Age 38

Vasiliki McInnes is an accomplished leader with years of experience managing teams, building processes and implementing policy. In Vasiliki's previous role, she was Director of Care at a long-term care facility for over 5 years where she was responsible for overseeing over 100 unionized employees including the nursing department and person support workers. Previous to this, Vasiliki worked as a registered nurse in vascular surgery at a large hospital.

Vasiliki successfully completed the Long-Term Care Administrator Program and various graduate level public health leadership courses at Western University in infection control. Vasiliki also completed her HACCP/GMP Implementation Certificate through SGS, which supported the creation of the food manufacturing capabilities of Globally Local. Vasiliki has been a passionate vegan for over 7 years with a proven ability to provide critical operational knowledge to Globally Local. Vasiliki co-founded Globally Local with a strong desire to make plant-based food delicious and accessible by using natural plant-based ingredients.

Vasiliki has an Honors Bachelor of Science degree in nursing from York University.

It is anticipated that Ms. McInnes will devote 100% of her time to the business of the Resulting Issuer, or such other time and expertise as may reasonably be required by the Resulting Issuer.

Carlo Rigillo, Chief Financial Officer, Age 41

Carlo is a Chartered Professional accountant and has over nineteen plus years of financial experience including four years as Director of Finance and then Interim Financial Officer at Beretta Farms Inc. Most recently Carlo was the Chief Financial Officer of 3 Sixty Risk solutions Ltd. Carlo has a wealth of experience in consumer health, consumer products and the manufacturing sectors. Carlo has experience developing risk management frameworks and business processes at the strategic, operational and technical levels within organizations at an international and national level.

Carlo holds a Bachelor of Commerce from the University of Toronto.

It is anticipated that Mr. Rigillo will devote 60% of his time to the business of the Resulting Issuer, or such other time and expertise as may reasonably be required by the Resulting Issuer.

Braden Halpin, Vice-President Operations and Store Development, Age 31

Braden is leading the expansion plan for Globally Local. Braden is a commercial real estate expert, and a member & volunteer for the International Council of Shopping Centers (ICSC). Prior to joining Globally Local, Mr. Halpin was an Account Executive at Oberfeld Snowcap, a national retail advisory and brokerage firm.

Mr. Halpin has an extensive background in national advisory and management of real estate interests for a portfolio of national and international brands. Those brands include Planet Fitness, Panera Bread, Mucho Burrito, Smoke's Poutinerie, La Diperie, The Ten Spot, and 180 Smoke. Mr. Halpin's professional expertise is focused in growing brands, specifically via market planning and analysis, site selection and negotiation, project management, and store performance.

Braden holds an Honours degree in Political Science from Brock University.

It is anticipated that Mr. Halpin will devote 100% of his time to the business of the Resulting Issuer, or such other time and expertise as may reasonably be required by the Resulting Issuer.

Avra Epstein, Vice-President Marketing, Age 34

Avra is Vice President of Marketing at Globally Local fast food restaurants, and oversees all branding and marketing strategies. She is building and managing a high-performing marketing team and works closely with the sales department to align sales and marketing strategies. Avra is also a licensed lawyer (called to the Ontario Bar as a Barrister and Solicitor) and marketing expert. Prior to joining Globally Local, Ms. Epstein was working as a legal consultant at Deloitte Canada, with a focus on corporate, regulatory, and competition matters.

Ms. Epstein earned a Bachelor of Arts (B.A.) in Communication Specialized Honours and gained valuable experience at Sony Pictures Entertainment in Publicity/Promotions. Avra has strong ties to the local food industry and vegan community, fostered through her lifestyle blog and related social platforms. She founded the company Vegan Social Events, through which she hosted festivals and events that brought together local influencers, media makers, the community, and socially responsible businesses for food & drinks, sustainable shopping, and guest speakers from around the world. Brands that Avra has showcased include Ben & Jerrys, Magnum, Daiya Foods, GT's Living Foods, Field Roast, Organic Garage, and more.

Avra holds a J.D. from Windsor University and a Bachelor of Arts (B.A.) Communication Specialized Honours from York University.

It is anticipated that Ms. Epstein will devote 100% of her time to the business of the Resulting Issuer, or such other time and expertise as may reasonably be required by the Resulting Issuer.

Edward (Ted) Sehl, Director, Chair of the Audit Committee, Age 61

Ted is a Principal at Mgmt2go and is a CPA. Ted is on the Board of Directors of Hammond's Manufacturing Company Limited, and is chair of their audit committee. Ted also serves on the Board of Guelph General Hospital, where he chairs the Governance Committee and is Chair of the Governance and Strategy council of the newly formed Guelph and Area Ontario Health Team.

Ted provides business advice on financial literacy and process improvements as well as strategy and business planning. He has helped businesses from start-ups to scale ups and turn-arounds. He has extensive experience as a CFO in the manufacturing industry and in the quick service food industry.

Ted holds a Masters of Business Administration from York University and has a Chartered Director designation.

It is anticipated that Mr. Sehl will devote such time and expertise as may reasonably be required by the Resulting Issuer.

Dean Cebulski, Director, Age 59

Dean served as the President of a large food manufacturing company specializing in both animal and plant-based protein production. Dean has a deep knowledge of advanced manufacturing equipment and technologies and has built entire food divisions from scratch to international recognition.

It is anticipated that Mr. Cebulski will devote such time and expertise as may reasonably be required by the Resulting Issuer.

William MacDonald, Director, Age 53

William is a corporate lawyer and is the founder and principal of Macdonald Tuskey, Corporate and Securities Lawyers. William has served as director of a number of public companies in the mining sector as well as the oil and gas industry. William is licensed to practice law in the province of British Columbia as well as in New York State.

It is anticipated that Mr. MacDonald will devote such time and expertise as may reasonably be required by the Resulting Issuer.

Promoter Considerations

James McInnes may be considered to be a Promoter of the Resulting Issuer in that he took the initiative in founding and organizing Globally Local Mr. McInnes is expected to hold 21,525,000 Resulting Issuer Shares representing 27% of the Resulting Issuer Shares issued and outstanding on a non-diluted basis (assuming the Minimum Financing) or 26.2% of the Resulting Issuer Shares issued and outstanding on a non-diluted basis (assuming the Maximum Financing). In addition, Mr. McInnes will hold 1,699,476 Resulting Issuer Options**.**

Cease Trade Orders or Bankruptcies

Other than as set out below, as at the date of this Filing Statement, no proposed nominee for election as a director of the Resulting Issuer is, or has been, within 10 years before the date of this Filing Statement:

1. a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity:

    (a) was subject to a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order) or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an "Order"); or

    (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

2. a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

As at the date of this Filing Statement, no proposed nominee for election as a director of the Resulting Issuer has, within the 10 years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

As at the date of this Filing Statement, no proposed nominee for election as a director of the Resulting Issuer has been subject to:

1. any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

2. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Conflicts of Interest

Directors and officers of the Resulting Issuer may also serve as directors and/or officers of, or otherwise be involved with or consulted by, other companies engaged in biotechnology development and may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm's-length negotiations but only through exercise by the officers and directors of such judgment as is consistent with their fiduciary duties to the Resulting Issuer which arise under applicable corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as directors or officers of the Resulting Issuer. It is expected that all conflicts of interest will be resolved in accordance with the BCBCA. It is expected that any transactions with officers and directors will be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to the Resulting Issuer, and, depending upon the magnitude of the transactions and the absence of any disinterested board members, may be submitted to the shareholders for their approval.

Other Reporting Issuer Experience

The following table sets out the proposed directors, officers and promoters of the Resulting Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name of Reporting Issuer	Exchange or Market (Jurisdiction)	Position	From	To
Carlo Rigillo	3 Sixty Risk Solutions Ltd.	CSE	Officer	January 2019	February 2020
William Macdonald	Pipestone Energy Corp. (formerly Blackbird Energy)	TSXV	Director	May 2008	Jan 2019
	Kintavar Exploration Inc. (formerly Black Springs Capital)	TSXV	Director	Oct 2011	Mar 2017
	Standard Lithium Ltd. (formerly Patriot Petroleum)	TSXV	Director	Dec 2015	Jan 2017
	Sativa Wellness Group Inc. (formerly StillCanna Inc.)	CSE	Director	Aug 2019	Sep 2020
	Stage Holdco Ltd.	Not listed	Director	Apr 2019	Present
	Viscount Mining Corp.	TSXV	Director	Oct 2011	Present
Edward Sehl	Hammond Manufacturing Company Limited	TSX	Director	May 2007	Present

Executive Compensation

Compensation Discussion and Analysis

Following completion of the Transaction, it is expected that the executive compensation structure of the Resulting Issuer and the philosophy of the directors of the Resulting Issuer in respect of executive compensation will be substantially similar to that of Globally Local. For information on the compensation structure and philosophy of

Globally Local, please see the discussion under the heading "*Part II - Information Concerning the Target Company – Compensation Discussion and Analysis*".

Summary Compensation Table – Proposed Compensation

Upon completion of the Transaction, it is expected the Resulting Issuer will assume the executive employment agreements of each of the four executive officers of Globally Local. For further details regarding the terms and conditions of such agreements please see *Part II - Information about the Target Company - Executive Compensation - Termination and Change of Control Benefits*". The following table sets forth a proposed compensation plan for the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer of Globally Local after the completion of the listing.

Table of Proposed Compensation excluding Compensation Securities							
Name and Position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or Meeting Fees ($)**	**Value of Perquisites ($)**	**Value of all Other Compensation ($)**	**Total Compensation ($)**
James McInnes, Co-Founder & CEO	2021	150,000	Nil	Nil	Nil	Nil	150,000
Vasiliki McInnes, Co-Founder & COO	2021	135,000	Nil	Nil	Nil	Nil	135,000
Carlo Rigillo, CFO	2021	103,200[(1)]	Nil	Nil	Nil	Nil	103,200

Note:

1. Carlo Rigillo will be working as a consultant 3 days per week as CFO.

Executive compensation will be determined by the board of directors of the Resulting Issuer following the completion of the Transaction based on the recommendation of the Compensation Committee (once such committee is established).

Incentive Plans Awards

Share-based awards

During the 12 month period following completion of the Transaction, it is not expected that the Resulting Issuer will grant any share-based awards, being awards granted under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

Option-based awards

The Resulting Issuer intends to grant option-based awards, being awards under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features by granting stock options to its directors, officers and employees, however, the timing, amounts, exercise price and the recipients of such issuances have not yet been determined. Such stock options are expected to be granted under a fixed 10% option program or plan which will be adopted by the Resulting Issuer. For an overview of the current Black Lion Stock Option Plan, please see the discussion under the heading "*Part III – Information Concerning the Issuer – Stock Option Plan*".

A fixed number stock option plan that, together with all of the Resulting Issuer's other previously established stock option plans or grants, could not result at any time in the number of shares reserved for issuance under stock options exceeding 10% of the issued shares as at the date of implementation of the stock option plan does not require shareholder approval at the time the plan is to be implemented or amended.

Pension Plan Benefits

During the 12 month period following completion of the Transactions, it is not expected that the Resulting Issuer will provide for defined benefit plans or defined contribution plans, being plans that provide for payments or benefits at, following, or in connection with retirement, or provide for deferred compensation plans.

Compensation of Directors

It is anticipated that the directors of the Resulting Issuer will be paid fees for their services, however, the amounts of such fees will be determined at the discretion of the board of directors of the Resulting Issuer following completion of the Transactions. The Resulting Issuer may also grant stock options to directors in recognition of the time and effort that such directors devote to the Resulting Issuer.

Indebtedness of Directors and Officers

Other than as disclosed herein, no individual who is, or at any time since the beginning of the most recently completed financial year of Globally Local or the Issuer, was, a director or officer of Globally Local or the Issuer, no proposed director or officer of the Resulting Issuer, and no associate of any such director, officer or proposed nominee, is indebted to Globally Local or any of its subsidiaries or the Issuer or Black Lion Sub (other than for "routine indebtedness" as defined by applicable securities legislation) or has any indebtedness that is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Globally Local, or the Issuer.

Investor Relations Arrangements

Globally Local is presently considering entering into an understanding with Edge Growth Holdings Corporation ("**Edge**") for strategic investor relations and capital markets communications services. The relationship has not been finalized but it is expected to be a six month initial period (extendable for additional periods), where the Resulting Issuer will pay Edge a monthly fee of $5,000 and grant to Kevan Matheson, the principal of Edge, 150,000 Options. The Edge retainer is subject to TSXV acceptance.

Options to Purchase Securities

Other than as set out in the table below, as at the date of this Filing Statement, there are no stock options to purchase securities of the Resulting Issuer that will be held upon completion of the Transaction and the Financing by:

- proposed officers of the Resulting Issuer as a group and proposed directors of the Resulting Issuer who are not also officers as a group;
- officers of all subsidiaries of the Resulting Issuer as a group and directors of those subsidiaries who are not also officers of the subsidiary as a group;
- other employees of the Resulting Issuer as a group;
- consultants of the Resulting Issuer as a group; and
- any other person or company, including any agent or underwriter.

The following table sets out information, as of the date of this Filing Statement, on options to purchase Resulting Issuer Shares that will be held upon completion of the Transaction to the extent presently known and subject to applicable regulatory approvals:

Class of Optionee	Type of Security	Number of Resulting Issuer Shares Under Option	Exercise Price (C$)	Expiry Date
Proposed Officers	Resulting Issuer Options	4,142,506	$0.40	Five years from the date of grant
Proposed Directors (other than officers)	Resulting Issuer Options	501,720	$0.40	Five years from the date of grant
Former Directors and Officer		358,880		One Year from the Closing Date or in the case of Mr. MacDonald's Resulting Issuer Options, April 4, 2026.
Other Employees	Resulting Issuer Options	12,000	$0.40	Five years from the date of grant
Consultants	Resulting Issuer Options	0	$0.40	-
TOTAL		**5,015,106**(1)		

Note:

1. Globally Local is presently considering entering into an understanding with Edge for strategic investor relations and capital markets communications services. The relationship has not been finalized but it is expected to be a six month initial period (extendable for additional periods), where the Resulting Issuer will pay Edge a monthly fee of $5,000 and grant to Kevan Matheson, the principal of Edge, an additional 150,000 Options. The Edge retainer is subject to TSXV acceptance. These additional options are not accounted for in this table.

The option price was determined based on the Financing price of $0.40 per Resulting Issuer Share. Options granted in connection with the Transaction will be granted at Closing under a fixed 10% option program or plan.

Stock Option Plan

Upon completion of the Transaction, the Resulting Issuer intends to implement a fixed 10% option program or plan. In the future shareholder approval may be sought for a 10% rolling plan for the Resulting Issuer. See "*Part III – Information Concerning the Resulting Issuer – Description of Securities – Stock Option Plan*".

Escrowed Securities

CPC Escrowed Shares

An aggregate of 2,615,000 Black Lion Shares (the "**CPC Escrowed Shares**") on a pre-Black Lion Consolidation basis issued prior to or in connection with the CPC IPO to the directors and officers of the Issuer and their respective Associates and Affiliates, are currently held in escrow under to the policies of the Exchange pursuant to the CPC Seed Escrow Agreement.

Resulting Issuer Escrowed Shares

The following table sets out, as of the date of this Filing Statement and to the knowledge of Black Lion and Globally Local, the name and municipality of residence of the Resulting Issuer Shareholders whose Resulting Issuer Shares (the "**Resulting Issuer Escrowed Shares**") and Resulting Issuer Warrants will be subject to an Exchange Form 5D –Escrow Agreement (on an undiluted basis):

Name and Municipality of Residence of Shareholder	Escrowed Securities(1)	Number and Percentage of Securities after giving effect to the Minimum Financing and the Transaction(2)	Number and Percentage of Securities after giving effect to the Maximum Financing and the Transaction(2)
James McInnes *Toronto, Ontario*	Resulting Issuer Shares	21,525,000 (27.0%)	21,525,000 (26.2%)
Vasiliki McInnes *Toronto, Ontario*	Resulting Issuer Shares	21,525,000 (27.0%)	21,525,000 (26.2%)

Name and Municipality of Residence of Shareholder	Escrowed Securities[(1)]	Number and Percentage of Securities after giving effect to the Minimum Financing and the Transaction[(2)]	Number and Percentage of Securities after giving effect to the Maximum Financing and the Transaction[(2)]
Total	Resulting Issuer Shares	43,050,000	43,050,000

Notes:

1. The escrow agent of these Resulting Issuer Shares will be AST Trust Company (Canada) (or such other escrow agent as Resulting Issuer may appoint).
2. Assuming no Resulting Issuer Shares are purchased pursuant to the Financing.

Release Terms of the Escrow for the CPC Escrowed Shares

Pursuant to the CPC Seed Escrow Agreements, the CPC Escrowed Shares are held in escrow by AST Trust Company (Canada) as the escrow agent. The CPC Seed Escrow Agreements provide that the CPC Escrowed Shares shall not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the written consent of the Exchange. Under the CPC Seed Escrow Agreement, 10% of the CPC Escrowed Shares will be released from escrow on the issuance of the Final Exchange Bulletin (the "**Initial Release**") and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. If the Resulting Issuer meets the Exchange's Tier 1 minimum listing requirements, the release of the CPC Escrow Shares will be accelerated. An accelerated escrow release will not commence until the Resulting Issuer has made an application to the Exchange for listing as a Tier 1 issuer and the Exchange has issued a bulletin that announces the acceptance for listing of the Resulting Issuer on Tier 1 of the Exchange.

Release Terms of the Escrow for the Resulting Issuer Escrowed Shares

The Resulting Issuer Escrowed Shares listed above are expected to be subject to a value security escrow agreement in accordance with the Exchange policies ("**Value Security Escrow Agreement**"), but may be subject to a surplus security escrow agreement in accordance with the Exchange policies ("**Surplus Security Escrow Agreement**").

The principal distinction between a Value Security Escrow Agreement and a Surplus Security Escrow Agreement is the time period for release of securities from escrow. In the case of the Resulting Issuer, a Value Security Escrow Agreement will provide for a three year escrow release mechanism with 10% of the Resulting Issuer Escrowed Shares being releasable at the time of the Final Exchange Bulletin, and 15% of the Resulting Issuer Escrowed Shares being releasable every 6 months thereafter until the date which is 36 months after the Final Exchange Bulletin. In the case of the Resulting Issuer, a Surplus Security Escrow Agreement will provide for a 3 year escrow release mechanism with: 5% of the Resulting Issuer Escrowed Shares releasable at the time of the Final Exchange Bulletin, 5% on the date which is 6 months after the Final Exchange Bulletin, 10% on each of the dates which are 12 and 18 months after the Final Exchange Bulletin, 15% on each of the dates which are 24 and 30 months after the Final Exchange Bulletin and 40% on the date which is 36 months after the Final Exchange Bulletin.

Where the Resulting Issuer Escrowed Shares are held by a non-individual (a "**holding company**"), each holding company pursuant to the applicable escrow agreement has agreed, or will agree, not to carry out any transactions during the currency of the escrow agreement which would result in a change of control of the holding company, without the consent of the Exchange. Any holding company must sign an undertaking to the Exchange that, to the extent reasonably possible, it will not permit or authorize any issuance of securities or transfer of securities that could reasonably result in a change of control of the holding company. In addition, the Exchange may require an undertaking from any control person of the holding company not to transfer the shares of that company.

The Resulting Issuer Escrowed Shares may not be transferred within escrow without the approval of the Exchange for release or transfer other than in specified circumstances set out in the applicable escrow agreement.

Seed Share Resale Restrictions

In addition to the foregoing, Policy 5.4 of the TSXV imposes resale restrictions on shares held by non-principals prior to the Transaction. These resale restrictions are in addition to any hold periods applied under applicable securities laws.

Number of Shares	Average Price Per Resulting Issuer Share	Resale Provisions Tier 2
12,637,500	$0.055	2 year hold with 20% released every 6 months with first release on closing of the Transaction
3,850,000	$0.08	2 year hold with 20% released every 6 months with first release on closing of the Transaction
2,187,500	$0.16	1 year hold with 20% released every 3 months with first release on closing of the Transaction

Accordingly, an aggregate of 18,675,000 Resulting Issuer Shares will be subject to the resale matrix. Of this total 3,735,000 Resulting Issuer Shares will be released on the Closing of the Transaction.

Statutory Resale Restrictions

A portion of the Financing may be conducted directly by the Resulting Issuer on a non-brokered basis. Any Resulting Issuer Shares issued pursuant to the Financing directly by the Resulting Issuer will be subject to a statutory resale restriction of four months from the date of closing.

Auditor(s), Transfer Agent(s) and Registrar(s)

The Resulting Issuer intends to change auditors following completion of the Transaction. Davidson and Company LLP will be asked to resign as auditors and MNP LLP, Chartered Accountants, at its offices located at 111 Richmond Street West, Suite 300, Toronto, ON, M5H 2G4, are anticipated to be the independent auditors of the Resulting Issuer.

It is anticipated that the registrar and transfer agent for the Resulting Issuer Common Shares subsequent to the Completion of the Transaction will continue to be AST Trust Company (Canada) with an office located at 1600-1066 W Hastings St, Vancouver, BC, V6E 3X1.

PART V – GENERAL MATTERS

Sponsorship

Sponsorship of a Qualifying Transaction of a CPC is required by the Exchange unless exempt in accordance with Exchange Policy 2.4. The Issuer and Target Company have applied for, and were granted, an exemption from sponsorship requirements in accordance with Exchange policies.

Experts

Reports and Opinions

The following professional persons have prepared reports or provided opinions that are either included in or referred to in this Filing Statement:

- Davidson and Company LLP, Chartered Professional Accountants have provided an auditor's report on the financial statements of the Issuer for the financial periods ended October 2020 and 2019, copies of which are attached hereto as part of Schedule "A".

- MNP LLP, Chartered Accountants have provided an auditor's report on the financial statements of Globally Local for the financial periods ended September 30, 2020 and 2019, copies of which are attached hereto as part of Schedule "C"

Interest of Experts

Except as disclosed herein, no person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Filing Statement or as having prepared or certified a report or valuation described or included in this Filing Statement holds more than 1% beneficial interest, direct or indirect, in any property of the Resulting Issuer or of an associate or affiliate of the Resulting Issuer and no such person is expected to be elected, appointed or employed as a director, senior officer or employee of the Resulting Issuer or of an associate or affiliate of the Resulting Issuer and no such person is a promoter of the Resulting Issuer or an associate or affiliate of the Issuer or the Resulting Issuer.

Davidson and Company LLP are the auditors of the Issuer and have confirmed that they are independent with respect to the Issuer within the meaning of the relevant rules and related interpretations prescribed by the relevant bodies in Canada and any applicable legislation and regulations.

MNP LLP has informed the Issuer and Target Company that it is independent with respect to the Resulting Issuer within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

At the date hereof, lawyers with MacDonald Tuskey, Corporate and Securities Lawyers, counsel to the Issuer, own, directly or indirectly, in the aggregate, 100,000 of the securities of either Black Lion or none of the securities of Globally Local. No lawyer with MacDonald Tuskey, other than William MacDonald, is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer.

At the date hereof, lawyers with DLA Piper (Canada) LLP, counsel to Globally Local, own, directly or indirectly, in the aggregate, none of the securities of either Black Lion or Globally Local No lawyer with DLA Piper (Canada) LLP is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer.

Other Material Facts

There are no material facts about the Issuer, the Resulting Issuer, the Transaction and the Financing that are not disclosed under the preceding items and are necessary in order for the Filing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and the Resulting Issuer, assuming completion of the Transaction and the Financing.

Board Approval

The board of directors of the Issuer has approved this Filing Statement.

Financial Statement Requirements

Financial statements for each of the Issuer and Globally Local, as well as *pro forma* financial statements, may be found attached hereto at Schedules “A” through “E”, respectively.

CERTIFICATE OF BLACK LION CAPITAL CORP.

Dated: March 19, 2021

The foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities of Black Lion Capital Corp. assuming completion of the Transaction.

(signed) "Michael P. Walsh"
Name: Michael P. Walsh
Title: CEO

(signed) "Ron A. Schmitz"
Name: Ron A. Schmitz
Title: Director

On behalf of the board of directors of Black Lion Capital Corp.

(signed) "William L. MacDonald"
Name: William L. MacDonald
Title: Director

(signed) "Sean Mitchell"
Name: Sean Mitchell
Title: Director

CERTIFICATE OF 2204901 ONTARIO INC.

Dated: March 19, 2021

The foregoing, as it relates to 2204901 Ontario Inc., constitutes full, true and plain disclosure of all material facts relating to the securities of 2204901 Ontario Inc.

(signed) "James McInnes"
Name: James McInnes
Title: President and CEO

(signed) "Carlo Rigillo"
Name: Carlo Rigillo
Title: CFO

On behalf of the board of directors of 2204901 ONTARIO INC.

(signed) "James McInnes"
Name: James McInnes
Title: Director

CERTIFICATE OF THE PROMOTER

Dated: March 19, 2021

The foregoing, as it relates to 2204901 Ontario Inc., constitutes full, true and plain disclosure of all material facts relating to the securities of 2204901 Ontario Inc.

JAMES MCINNES

(signed) "James McInnes"

PERSONAL INFORMATION

Black Lion Capital Corp. hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

(a) the disclosure of Personal Information by Black Lion Capital Corp. to the Exchange pursuant to the Exchange's Form 3B1 – Information Required in a Filing Statement For A Qualifying Transaction; and

(b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in the Exchange's Appendix 6B or as otherwise identified by the Exchange, from time to time.

DATED this 19th day of March, 2021.

(signed) "Michael P. Walsh"
Name: Michael P. Walsh
Title: CEO

SCHEDULE "A"

FINANCIAL STATEMENTS OF ISSUER

[*see attached*]

BLACK LION CAPITAL CORP.
(A Capital Pool Company)

FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

OCTOBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Black Lion Capital Corp.

Opinion

We have audited the accompanying financial statements of Black Lion Capital Corp. (the "Company"), which comprise the statements of financial position as at October 31, 2020 and 2019, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2020 and 2019, and its financial performance and its 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 Auditor's Responsibilities for the Audit of the 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 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.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 auditor's 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.

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

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

In preparing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 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 auditor's report to the related disclosures in the 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 auditor's 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 auditor’s report is David Harris.

Davidson & Company LLP

Vancouver, Canada　　　Chartered Professional Accountants

February 25, 2021

BLACK LION CAPITAL CORP.
(A Capital Pool Company)
STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	October 31, 2020	October 31, 2019
ASSETS		
Current		
Cash	$ 702,894	$ 732,691
Receivable	1,720	4,135
Prepaid expenses	-	1,165
	$ 704,614	$ 737,991
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 5)	$ 14,613	$ 10,453
Shareholders' equity		
Share capital (Note 4)	899,926	899,926
Share-based payments reserve (Note 4)	171,801	171,801
Deficit	(381,726)	(344,189)
	690,001	727,538
	$ 704,614	$ 737,991

Nature of operations (Note 1)
Subsequent Event (Note 10)

On behalf of the Board:

"William Macdonald" Director *"Sean Mitchell"* Director

The accompanying notes are an integral part of these financial statements.

BLACK LION CAPITAL CORP.
(A Capital Pool Company)
STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED OCTOBER 31

		2020		2019
EXPENSES				
Office and miscellaneous	$	276	$	97
Professional fees (Note 5)		26,436		14,364
Registration and filing		7,029		5,629
Shareholder costs		1,126		-
Transfer agent		5,697		5,710
Travel and related		1,284		5,858
Website design and maintenance		898		823
Recovery of costs		-		(203)
Loss before other income		(42,746)		(32,278)
OTHER INCOME				
Interest income		5,209		9,512
LOSS AND COMPREHENSIVE LOSS	$	(37,537)	$	(22,766)
Basic and diluted loss per common share	$	(0.00)	$	(0.00)
Weighted average number of common shares outstanding		11,653,294		11,653,294

The accompanying notes are an integral part of these financial statements.

BLACK LION CAPITAL CORP.
(A Capital Pool Company)
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share-based Payments Reserve	Deficit	Shareholders' Equity
Balance, October 31, 2018	**11,653,294**	**$ 899,926**	**$ 171,801**	**$ (321,423)**	**$ 750,304**
Loss for the year	-	-	-	(22,766)	(22,766)
Balance, October 31, 2019	**11,653,294**	**$ 899,926**	**$ 171,801**	**$ (344,189)**	**$ 727,538**
Loss for the year	-	-	-	(37,537)	(37,537)
Balance, October 31, 2020	**11,653,294**	**$ 899,926**	**$ 171,801**	**$ (381,726)**	**$ 690,001**

The accompanying notes are an integral part of these financial statements.

BLACK LION CAPITAL CORP.
(A Capital Pool Company)
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED OCTOBER 31

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (37,537)	$ (22,766)
Changes in non-cash working capital items:		
Receivable	2,415	(790)
Prepaid expenses	1,165	2,627
Accounts payable and accrued liabilities	4,160	399
Net cash used in operating activities	(29,797)	(20,530)
Change in cash for the year	(29,797)	(20,530)
Cash, beginning of year	732,691	753,221
Cash, end of year	$ 702,894	$ 732,691
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

Supplemental disclosure with respect to cash flows (Note 8)

The accompanying notes are an integral part of these financial statements.

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

Black Lion Capital Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on January 20, 2015. The Company completed an Initial Public Offering ("IPO") on April 4, 2016 and is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company's common shares were listed for trading on the TSX-V on April 5, 2016 under the symbol BLC.P. The principal business of the Company is the identification and evaluation of assets or a business (Qualifying Transaction ("QT")) and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The Company's head office, principal address and registered and records office is located at Suite 409, 221 W. Esplande, North Vancouver, British Columbia, Canada, V7M 3J3.

These financial statements were authorized for issue by the Board of Directors on **February 25, 2021.**

These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company's continuing operations, as intended, are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses within 24 months of listing on the TSX-V. Management believes the Company has sufficient working capital to maintain its operations for the upcoming fiscal year.

The Company was unable to complete a QT prior to April 4, 2018. As a result, the TSX-V suspended the Company's common shares from trading on April 9, 2018. As per TSX-V rules, the Company was required to complete a QT by April 9, 2018 or transfer to the NEX which is a separate board of the TSX-V.

The Company held its annual and special meeting of shareholders on June 18, 2018 at which time, pursuant to the CPC Policy, it received shareholder approval to transfer its listing to the NEX. The Company's listing was transferred to the NEX effective July 9, 2018 under the trading symbol BLC.H.

	October 31, 2020	October 31, 2019
Working capital	$ 690,001	$ 727,538
Deficit	(381,726)	(344,189)

The Company has entered into a Letter of Intent with a private company to acquire all of the issued and outstanding shares of the private company. This is intended to constitute the Company's QT. Refer to Note 10.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

2. BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretation issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of preparation

These financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

The 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 further periods if the review affects both current and future periods.

The most significant accounts that require estimates as the basis for determining the stated amounts include the valuation of share-based payments and recognition of deferred income tax amounts, if any.

Cash

Cash includes highly liquid investment that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Share-based payment transactions

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

Stock options granted to directors, officers and employees are measured at their fair values determined on their grant date using the Black-Scholes option pricing model. They are recognized as an expense over the vesting periods of the options using the graded vesting model. Options granted to consultants or other non-insiders are measured at the fair value of goods or services received from these parties, or at their Black-Scholes fair values if the fair value of goods or services received cannot be measured. A corresponding increase is recorded to share-based payment reserves for share-based compensation recorded.

When stock options are exercised, the cash proceeds along with the amount previously recorded as share-based payment reserves are recorded as share capital.

3. SIGNIFICANT ACCOUNTING POLICIES *(cont'd…)*

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI"), or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Description	Classification Under IFRS 9
Cash	FVTPL
Receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of operations and comprehensive loss in the period in which they arise.

Impairment of financial assets at amortized cost

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of operations and comprehensive loss.

Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Foreign currency translation

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Loss per share

Basic earnings (loss) per share is computed by dividing net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are 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 were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd…)

New Accounting Standards

The Company adopted the following accounting standard that was effective for accounting periods beginning on or after November 1, 2019:

IFRS 16, Leases

IFRS 16, Leases ("IFRS 16") was issued by the IASB on January 13, 2016 and replaced IAS 17, Leases. IFRS 16 eliminates the current dual accounting model for leases, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, IFRS 16 requires a single, on-balance sheet accounting model that is similar to current finance lease accounting. Leases become an on-balance sheet liability that attracts interest, together with a new asset.

The Company does not have any leases and accordingly, there is no impact to the Company's financial statements as a result of adopting this new standard.

4. SHARE CAPITAL

Authorized:

The authorized share capital of the Company consists of an unlimited number of common shares and preferred shares without par value.

The Company did not issue and common shares during the years ended October 31, 2020 and 2019.

As at October 31, 2020, there are 2,615,000 common shares held in escrow. These common shares will be released from escrow in tranches over 36 months upon completion of the Qualifying Transaction.

Stock options

The Company, in accordance with its stock option plan, is authorized to grant options to directors, officers, employees and consultants, to acquire up to 10% of its issued and outstanding common stock. The exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of ten years.

There have been no stock option transactions or activity for the years ended October 31, 2020 and 2019.

Stock options outstanding at October 31, 2020 are as follows:

Options Outstanding	Options Exercisable	Exercise Price	Expiry Date
150,000	150,000	$ 0.10	December 14, 2021
876,500	876,500	0.10	April 4, 2026
1,026,500	1,026,500		

5. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties during the year ended October 31, 2020:

i) Incurred $8,262 (2019 - $1,051) in legal fees, which have been included in professional fees, to a partnership in which a director of the Company is a partner.

ii) Incurred $8,628 (2019 - $3,706) in accounting and administration fees, which have been included in professional fees, to a company controlled by a director of the Company.

Included in accounts payable and accrued liabilities is $4,170 (2019 - $2,205) due to directors and officers and companies controlled by directors.

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

There was no other compensation paid to key management during the years ended October 31, 2020 and 2019.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

• Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
• Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
• Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivable and accounts payable and accrued liabilities approximate their carrying value. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with its bank from which management believes the risk of loss is remote.

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd…)

(b) *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 is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

(c) *Market ri*sk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(d) *Currency risk*

The Company's operations and financing activities are conducted in Canadian dollars and as a result, the Company is not subject to significant exposure to market risks from changes in foreign currency rates.

(e) *Interest rate risk*

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its bank. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its bank.

7. CAPITAL DISCLOSURE AND MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the completion of a Qualifying Transaction. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to consist of components of shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms and approved by the TSX-V.

As a CPC, the Company is subject to externally imposed cash restrictions as outlined in TSX-V Policy 2.4. The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

There were no significant non-cash transactions during years ended October 31, 2020 and 2019.

(Expressed in Canadian Dollars)

9. INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

		2020		2019
Loss before income taxes	$	(37,537)	$	(22,766)
Expected income tax-recovery	$	(10,000)	$	(6,000)
Change in statutory tax rates and other		-		-
Change in unrecognized deductible temporary differences		10,000		6,000
Total income tax recovery	$	-	$	-

The significant components of the Company's deferred tax assets that have not been included on the statement of financial position are as follows:

Deferred tax assets (liabilities)				
Share issues costs	$	-	$	7,000
Non-capital losses available for future period		109,000		92,000
		109,000		99,000
Unrecognized deferred tax assets		(109,000)		(99,000)
Net deferred tax assets	$	-	$	-

The significant components of the Company’s temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

		2020	Expiry Date Range		2019	Expiry Date Range
Temporary differences						
Share issues costs	$	-	2020	$	25,000	2020
Non-capital losses available for future periods		404,000	2035 to 2040		342,000	2035 to 2039

Tax attributes are subject to review, and potential adjustment, by tax authorities.

10. SUBESEQUENT EVENT

On February 12, 2021, the Company, its newly incorporated subsidiary 2801318 Ontario Ltd. and Globally Local entered into an amalgamation agreement pursuant to which the Company will acquire all the issued and outstanding shares of Globally Local in exchange for common shares of the Company on a 1:1 basis. The Transaction will be structured as a three-cornered amalgamation and is intended to constitute the Company's QT under the Exchange Policy 2.4. Prior to the completion of the QT, the Company will consolidate its share capital on the basis of one new share for every 2.5 existing shares.

Concurrently with the completion of the Transaction, 2204901 Ontario Inc. and the Company will complete a concurrent financing (the "Financing") for gross proceeds of a minimum of $3,200,000. Under the term of the Financing, 2204901 Ontario Inc. will issue subscription receipts at an issuance price of $0.40 per subscription receipt (the "Subscription Receipt"). Each Subscription Receipt shall be exchanged, without payment of any additional consideration and without further action on the part of the holder, into one common share of 2204901 Ontario Inc., subject to certain escrow release conditions. The Company may issue common shares as part of this financing.

SCHEDULE "B"

MD&A OF ISSUER

[*see attached*]

BLACK LION CAPITAL CORP.
(A Capital Pool Company)

FORM 51-102F1
MANAGEMENT DISCUSSION AND ANALYSIS
YEAR ENDED OCTOBER 31, 2020

The following management discussion and analysis for *Black Lion Capital Corp.* ("the Company") is prepared as of **February 25, 2021** and should be read together with the audited financial statements for the year ended October 31, 2020 and related notes attached thereto (Financial Statements), which were prepared in accordance with the International Financial Reporting Standards ("IFRS").

All dollar figures included therein and in the following MD&A are quoted in Canadian dollars. Additional information related to the Company is available for view on SEDAR under the Company's profile at www.sedar.com.

Description of Business

The Company was incorporated under the Business Corporations Act (British Columbia) on January 20, 2015. The Company completed its Initial Public Offering ("IPO") on April 4, 2016. The Company is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. The Company's common shares were listed for trading on the TSX-V on April 5, 2016 under the symbol BLC.P. The principal business of the Company is the identification and evaluation of assets or a business (Qualifying Transaction) and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities.

The Company was unable to complete a QT prior to April 4, 2018. As a result, the TSX-V suspended the Company's common shares from trading on April 9, 2018. As per TSX-V rules, the Company was required to complete a QT by July 9, 2018 or transfer to the NEX which is a separate board of the TSX-V.

The Company held its annual and special meeting of shareholders on June 18, 2018 at which time, pursuant to the CPC Policy, it received shareholder approval to transfer its listing to the NEX and to cancel an aggregate of 1,175,000 escrow shares.

The Company's listing was transferred to the NEX effective July 9, 2018 under the trading symbol BLC.H.

The Company entered into a Letter of Intent with a private company to acquire all of the issued and outstanding shares of the private company. This is intended to constitute the Company's QT. Refer to Subsequent Event below.

Overall Performance

As at October 31, 2020, the Company had $702,894 (2019 - $732,691) in cash and working capital was $690,001 (2019 – $727,538). The Company incurred a net loss of $37,537 (2019- $22,766) during the year ended October 31, 2020.

Events and Transactions during the year ended October 31, 2020:

The Company continued to search for and identify assets or a business so that it can complete its QT.

Subsequent Event

On February 12, 2021, the Company, its newly incorporated subsidiary 2801318 Ontario Ltd. and Globally Local entered into an amalgamation agreement pursuant to which the Company will acquire all the issued and outstanding shares of Globally Local in exchange for common shares of the Company on a 1:1 basis. The Transaction will be structured as a three-cornered amalgamation and is intended to constitute the Company's QT under the Exchange Policy 2.4. Prior to the completion of the QT, the Company will consolidate its share capital on the basis of one new share for every 2.5 existing shares.

Concurrently with the completion of the Transaction, 2204901 Ontario Inc. and the Company will complete a concurrent financing (the “Financing”) for gross proceeds of a minimum of $3,200,000. Under the term of the Financing, 2204901 Ontario Inc. will issue subscription receipts at an issuance price of $0.40 per subscription receipt (the “Subscription Receipt”). Each Subscription Receipt shall be exchanged, without payment of any additional consideration and without further action on the part of the holder, into one common share of 2204901 Ontario Inc., subject to certain escrow release conditions. The Company may issue common shares as part of this financing.

Selected Annual Information

The following table provides a brief summary of the Company’s financial operations. For more detailed information, refer to the Financial Statements.

	Year Ended October 31, 2020	Year Ended October 31, 2019	Year Ended October 31, 2018
Total interest income	$ 5,209	$ 9,512	$ 8,795
Net loss and comprehensive loss	(37,537)	(22,766)	(37,157)
Basic and diluted earnings (loss) per share	(0.00)	(0.00)	(0.00)
Total assets	704,614	737,991	760,358
Total long-term liabilities	-	-	-

During the years ended October 31, 2020 and 2019 the Company continued its search for a Qualifying transaction.

During the year ended October 31, 2018, the Company was unable to complete its Qualifying Transaction within the allowable 24 month period. As a result, the Company cancelled 1,175,000 escrow shares and its common shares were transferred to the NEX on July 9, 2018. The Company issued 308,294 common shares for gross proceeds of $30,829 pursuant to the exercise of agent’s options. The Company continued its search for a Qualifying Transaction.

Summary of Quarterly Results

	Three month period ended October 31, 2020	Three month period ended July 31, 2020	Three month period ended April 30, 2020	Three month period ended January 31, 2020
Total assets	$ 704,614	$ 705,475	$ 720,031	$ 735,558
Working capital	690,001	702,768	714,591	724,461
Shareholders’ equity	690,001	702,768	714,591	724,461
Net comprehensive loss	(12,767)	(11,823)	(9,870)	(3,077)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)
	Three month period ended October 31, 2019	Three month period ended July 31, 2019	Three month period ended April 30, 2019	Three month period ended January 31, 2019
Total assets	$ 737,991	$ 738,300	$ 741,357	$ 746,075
Working capital	727,538	736,065	739,071	740,594
Shareholders’ equity	727,538	736,065	739,071	740,594
Net comprehensive loss	(8,527)	(3,006)	(1,523)	(9,710)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

Over the last eight quarters, there were no significant transactions due to reduced operations as the Company continued its search for a QT.

Results of Operations

Year ended October 31, 2020:

During the year ended October 31, 2020, the Company incurred a net comprehensive loss of $37,537 (2019 - $22,766). The net comprehensive loss is comprised of the following items:

- Office and miscellaneous of $276 (2019 - $97) increased over the prior period because the company incurred additional bank charges for payments made to vendors by wire transfer.

- Professional fees of $26,436 (2019 - $14,364) are comprised of $8,262 (2019 - $1,051) for legal fees and $18,174 (2019 - $13,313) for audit, accounting and administration fees. Current period fees increased due to legal advice and work related to bring various regulatory filings up to date.

- Registration and filing fees of $7,029 (2019 - $5,629) increased over the have prior period because the Company had to bring various regulatory filings up to date.

- Shareholder costs of $1,126 (2019 - $Nil) were higher than the prior period because the company had to bring up to date various year end Annual General Meeting requirements.

- Transfer agent costs of $5,697 (2019 - $5,710) were similar to the prior period.

- Travel and related costs of $1,284 (2019 - $5,858) have decreased over the prior period because management incurred costs to travel to and attend trade conferences to identity assets or a business that will fulfill its requirement to complete a QT.

- Website design and maintenance costs of $898 (2019 - $823) related to the maintenance and updating of the Company's website.

- Recovered $Nil (2019 - $203) in costs paid in a prior fiscal period.

- Earned $5,209 (2019 – $9,512) as interest income from funds held at the Company's financial institution.

Three month period ended October 31, 2020:

During the three month period ended October 31, 2020, the Company incurred a net comprehensive loss of $12,767 (2019 - $8,527). The most significant changes occurred in the following categories: professional fees of $11,075 (2019 - $8,072), shareholders costs of $346 (2019 - $Nil) and travel and related costs of $Nil (2019 - $1,442).

Related Party Transactions

The Company entered into the following transactions with related parties during the year ended October 31, 2020:

i) Incurred $8,262 (2019 - $1,051) in legal fees, which have been included in professional fees, to a partnership in which a director of the Company, William Macdonald, is a partner.

ii) Incurred $8,628 (2019 - $3,706) in accounting and administration fees to a company controlled by a director, Ron Schmitz.

Included in accounts payable and accrued liabilities is $4,170 (2019 - $2,205) due to directors and officers and companies controlled by directors.

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.
There was no other compensation paid to key management during the years ended October 31, 2020 and 2019.

Liquidity and Capital Resources

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

		October 31, 2020		October 31, 2019
Working capital	$	690,001	$	727,538
Deficit		(381,726)		(344,189)

Net cash used in operating activities for the period was $29,797 (2019 – $20,530). This amount consists of a net operating loss of $37,537 (2019 - $22,766) consisting of changes in non-cash working capital items comprising a change in receivables of $2,415 (2019 – $790), a change in prepaid expenses of $1,165 (2019 - $2,627) and a change in accounts payable and accrued liabilities of $4,160 (2019 – $399).

There were no financing activities or investing activities during the current and comparative periods.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. If adequate financing is not available when required, the Company may be required to delay, scale back or eliminate various programs and may be unable to continue in operation. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company has sufficient funds to cover anticipated administrative expenses throughout the upcoming year.

Financial Instruments and Risk Management

Fair value

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:
• Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
• Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
• Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivable and accounts payable and accrued liabilities approximate their carrying value. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

(a) *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The Company has deposited the cash with its bank from which management believes the risk of loss is remote.

(b) *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 is to ensure that it will have sufficient liquidity to meet liabilities when due. Accounts payable and accrued liabilities are due within the current operating period. The Company has a sufficient cash balance to settle current liabilities.

(c) *Market ri*sk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(d) *Currency risk*

The Company’s operations and financing activities are conducted in Canadian dollars and as a result, the Company is not subject to significant exposure to market risks from changes in foreign currency rates.

(e) *Interest rate risk*

The Company has cash balances and no interest-bearing debt. The Company’s current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its bank. The Company periodically monitors the investments it makes and is satisfied with the credit rating of its bank.

Capital Disclosure and Management

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the completion of a Qualifying Transaction. Therefore, the Company monitors the level of risk incurred in its expenditures relative to its capital structure.

The Company considers its capital structure to consist of components of shareholders’ equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the potential underlying assets. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms and approved by the TSX-V.

As a CPC, the Company is subject to externally imposed cash restrictions as outlined in TSX-V Policy 2.4. The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until completion of a Qualifying Transaction by the Company.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements as at October 31, 2020.

Outstanding Share Data

The following table summarizes the Company’s outstanding share data as of the date of this Management Discussion and Analysis:

	Number of shares issued or issuable
Common shares	11,653,294
Stock options	1,026,500

The common shares are subject to escrow restrictions and will be released from escrow in tranches over 36 months upon completion of a Qualifying Transaction. As at the date of this Management Discussion and Analysis there are 2,615,000 common shares held in escrow.

Critical Judgments and Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

All of the Company's significant accounting policies and estimates are included in Note 3 of the audited financial statements for the year ended October 31, 2020.

New Standards Adopted

The Company adopted the following accounting standard that was effective for accounting periods beginning on or after November 1, 2019:

IFRS 16, Leases

IFRS 16, Leases ("IFRS 16") was issued by the IASB on January 13, 2016 and replaced IAS 17, Leases. IFRS 16 eliminates the current dual accounting model for leases, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, IFRS 16 requires a single, on-balance sheet accounting model that is similar to current finance lease accounting. Leases become an on-balance sheet liability that attracts interest, together with a new asset.

The Company does not have any leases and accordingly, there is no impact to the Company's financial statements as a result of adopting this new standard.

Risks and Uncertainties

The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to generate earnings or pay dividends in the immediate or foreseeable future. The Company was only recently incorporated and does not own any ongoing business operations, and has no assets other than cash. The Company has not identified a proposed Qualifying Transaction and has not entered into an Agreement in Principle. There is no assurance that the Company will identify and successfully negotiate the acquisition of any potential corporations, properties, assets or businesses, or any interests therein, nor that any such opportunities or businesses acquired will be profitable. Moreover, additional funds may be required to successfully complete an acquisition, and the Company may not be able to obtain such financing or may not be able to raise sufficient funds to take a meaningful position in a potential target. If the acquisition is financed by the issuance of shares from the Company's treasury, control of the Company may change and shareholders may suffer additional dilution. The directors and the officers of the Company will only be devoting a portion of their time to the affairs of the Company. Potential conflicts of interest may result from the ordinary course of business of the Company and of the directors and the officers of the Company. The directors and the officers of the Company currently beneficially own, directly or indirectly, 10.51% of the issued and outstanding common shares.

The TSX-V may suspend from trading or delist the common shares where the Company has failed to complete a Qualifying Transaction within 24 months of the date of listing. The Company may be issued an interim cease trade order if the common shares are suspended delisted from trading on the TSX-V. In addition, delisting of the common shares will result in the cancellation of all of the currently issued and outstanding common shares held by insiders that are discount seed shares within the meaning of the CPC Policy.

On March 7, 2018, the TSX-V issued a bulletin that stated, "The shares of the Company were listed on TSX Venture Exchange on April 4, 2016. The Company, which is classified as a Capital Pool Company ("CPC"), is required to complete a Qualifying Transaction ("QT") within 24 months of its date of listing, in accordance with Exchange Policy 2.4.

The records of the Exchange indicate that the Company has not yet completed a QT. If the Company fails to complete a QT by its 24-month anniversary date of April 4, 2018, the Company's trading status may be changed to a halt or suspension without further notice, in accordance with Exchange Policy 2.4, Section 14.6".

The Company was unable to complete a QT prior to April 4, 2018. As a result, the TSX-V suspended the Company's common shares from trading on April 9, 2018. As per TSX-V rules, the Company was required to complete a QT by July 9, 2018 or transfer to NEX which is a separate board of the TSX-V.

The Company held its annual and special meeting of shareholders on June 18, 2018 at which time, pursuant to the CPC Policy, it received shareholder approval to transfer its listing to the NEX and to cancel an aggregate of 1,175,000 Seed Shares (as defined by the TSX-V) held by non-arm's length parties of the CPC (including the officers, directors and insiders of the Company).

The Company's listing was transferred to NEX effective July 9, 2018 under the trading symbol BLC.H.

COVID-19

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

Outlook

The Company's current objective is to complete the Transaction originally announced on November 6, 2020 with Globally Local.

Corporate Governance

The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Audit Committee of the Company fulfills its role of ensuring the integrity of the reported information through its review of the interim and audited annual financial statements prior to their submission to the Board of Directors for approval. The Audit Committee, comprised of three directors, all of whom are independent, meets with management of the Company on a quarterly basis to review the financial statements, including the MD&A, and to discuss other financial, operating and internal control matters as required.

Forward-Looking Statements

Certain information included in this discussion may constitute forward-looking statements. Readers are cautioned not to put undue reliance on forward-looking statements. These statements relate to future events or the Company's future performance, business prospects or opportunities. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These forward-looking statements include statements regarding the future price of gold, the timing and amount of estimated future production, costs of production, capital expenditures, the success of exploration activities, permitting time lines, currency fluctuations, the requirements of future capital, drill results and the estimation of mineral resources and reserves. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained into this report should not be unduly relied upon. These statements speak only as of the date of this report. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;

- the supply and demand for, deliveries of, and the level and volatility of prices of gold as well as petroleum products;
- the availability of financing for the Company's development of the Project on reasonable terms;
- the ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- the ability to attract and retain skilled staff;

These forward-looking statements involve risks and uncertainties relating to, among other things, changes in commodity and, particularly, gold prices, access to skilled mining development personnel, results of exploration and development activities, uninsured risks, regulatory changes, defects in title, availability of materials and equipment, timeliness of government approvals, actual performance of facilities, equipment and processes relative to specifications and expectations and unanticipated environmental impacts on operations. Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors hereinabove. **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. The Company cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on the Company's forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.**

SCHEDULE "C"

FINANCIAL STATEMENTS OF TARGET COMPANY

[*see attached*]

2204901 Ontario Inc.
(Operating as Globally Local)

CONSOLIDATED INTERIM AND ANNUAL FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2020 (Unaudited) AND FOR THE YEARS ENDED SEPTEMBER 30, 2020 AND 2019 (Unaudited)

(In Canadian Dollars)

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MNP LLP

Independent Auditor's Report

To the Shareholders of 2204901 Ontario Inc. (operating as Globally Local):

Opinion

We have audited the consolidated financial statements of 2204901 Ontario Inc. and its subsidiaries (the "Company"), which comprise the consolidated statement of financial position as at September 30, 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficit) and cash flows for the year then ended, and 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 September 30, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's 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 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 as at September 30, 2020, the Company had an accumulated deficit and its current liabilities exceeded its current assets. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate 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 Matter

The consolidated financial statements of the Company as at December 31, 2020, September 30, 2019 and October 1, 2018, and for the three-month periods ended December 31, 2020 and December 31, 2019 and for the year ended September 30, 2019 are unaudited.

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 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 auditor's report. If, based on the work we have performed on this other information, 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.

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 International Financial Reporting Standards, 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.

Auditor's 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 auditor's 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 auditor's 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 auditor's 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.
- 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.

MNP LLP

Toronto, Ontario
March 19, 2021

Chartered Professional Accountants
Licensed Public Accountants

2204901 Ontario Inc. (operating as Globally Local)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Note	(Unaudited) 3 months ended December 31, 2020	(Unaudited) 3 months ended December 31, 2019	Year ended September 30, 2020	(Unaudited) Year ended September 30, 2019
		$	$	$	$
REVENUE					
Food Sales		259,860	366,765	1,040,942	1,007,310
Franchise fees		8,489	-	27,653	-
TOTAL REVENUE		268,349	366,765	1,068,595	1,007,310
COST AND EXPENSES					
Materials and products		134,723	145,477	384,738	313,019
Capitalized overheads		138,004	137,033	484,448	520,644
Depreciation		49,838	54,007	224,782	175,273
TOTAL COST OF GOODS SOLD		322,565	336,517	1,093,968	1,008,936
GROSS MARGIN		(54,216)	30,248	(25,373)	(1,626)
Selling, general and administrative		104,416	142,738	408,908	349,483
Salaries and wages		16,000	14,220	50,430	103,129
Professional fees		50,281	12,801	29,508	41,273
Interest expense		14,328	19,453	74,524	70,731
		185,025	189,212	563,370	564,616
NET LOSS AND COMPREHENSIVE LOSS BEFORE THE UNDERNOTED ITEMS		(239,241)	(158,964)	(588,743)	(566,242)
OTHER ITEMS					
Other income		104,871	30,000	214,537	5,017
Loss on revaluation of SAFE arrangements	13	-	-	(2,275,018)	-
Loss on derecognition of ROU assets	7	-	-	(132,001)	(35,656)
NET LOSS AND COMPREHENSIVE LOSS		**(134,370)**	**(128,964)**	**(2,781,225)**	**(596,881)**
Loss per share					
Basic and Diluted		**(0.00)**	**(0.00)**	**(0.05)**	**(0.01)**
Weighted average number of common shares outstanding, basic and diluted		**56,392,799**	**53,812,500**	**53,812,500**	**53,812,500**

The accompanying notes are an integral part of these consolidated financial statements.

2204901 Ontario Inc. (operating as Globally Local)
Consolidated Statements of Financial Position
As at
(Expressed in Canadian dollars)

	Notes	(Unaudited) December 31, 2020	September 30, 2020	(Unaudited) September 30, 2019	Opening IFRS balances (Unaudited) October 1, 2018
		$	$	$	$
ASSETS					
CURRENT					
Cash		554,163	453,320	231,673	322,070
Accounts Receivable	4	74,944	60,462	15,548	568
Inventory	6	55,139	70,482	60,352	54,701
Prepaids and deposits	5	102,588	47,405	43,252	-
Total current assets		786,834	631,669	350,825	385,835
Right-of-use asset	7	170,609	200,110	481,881	395,059
Property and equipment, net	8	346,397	324,224	290,767	183,366
Total assets		1,303,840	1,156,003	1,123,473	964,260
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	9	131,821	173,902	101,174	41,159
Deferred revenue	10	13,390	14,238	-	-
Due to shareholder	12	-	500,000	500,000	500,000
Current portion of loans payable	11	84,186	85,355	57,202	50,947
SAFE arrangements	13	-	3,125,000	400,000	-
Current portion of lease liabilities	7	221,505	203,849	159,810	161,066
Total current liabilities		450,902	4,102,344	1,218,186	753,172
Lease liabilities	7	130,253	174,631	344,755	233,993
Loans payable	11	241,991	238,974	139,253	-
Total liabilities		823,146	4,515,949	1,702,194	987,165
SHAREHOLDERS' EQUITY (DEFICIT)					
Share capital	14	3,975,024	14	14	14
Retained earnings (Deficit)		(3,494,330)	(3,359,960)	(578,735)	(22,919)
Total shareholders' equity (deficit)		480,694	(3,359,946)	(578,721)	(22,905)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY/DEFICIT		**1,303,840**	**1,156,003**	**1,123,473**	**964,260**

Going concern (Note 1)
Commitments and contingencies (Note 16)
Subsequent events (Note 22)

Approved by the sole director:

"James McInnes"
Director (Signed)

The accompanying notes are an integral part of these consolidated financial statements.

2204901 Ontario Inc. (operating as Globally Local)
Consolidated Statements of Changes in Shareholders' Equity (Deficit)
For the years ended September 30, 2020 and 2019 and for the three months ended December 31, 2020
(Expressed in Canadian dollars)

	Number of shares	Share Capital	Retained earnings (Deficit)	Total
		$	$	$
Balance, September 30, 2018 (Unaudited)	53,812,500	14	18,146	18,160
Net loss and comprehensive loss for the year (Unaudited)	-	-	(596,881)	(596,881)
Balance, September 30, 2019 (Unaudited)	53,812,500	14	(578,735)	(578,721)
Net loss and comprehensive loss for the year	-	-	(2,781,225)	(2,781,225)
Balance, September 30, 2020	53,812,500	14	(3,359,960)	(3,359,946)
Conversion of SAFE arrangements	7,812,500	3,125,000	-	3,125,000
Issuance of private placement	875,000	350,010	-	350,010
Contribution to equity		500,000	-	500,000
Net loss and comprehensive loss for the period	-	-	(134,370)	(134,370)
Balance, December 31, 2020 (Unaudited)	62,500,000	3,975,024	(3,494,330)	480,694

The accompanying notes are an integral part of these consolidated financial statements.

2204901 Ontario Inc. (operating as Globally Local)
Consolidated Statements of Cash Flows
For the three months ended December 31, 2020 and 2019 (unaudited)
(Expressed in Canadian dollars)

	(unaudited) 3 months ended December 31, 2020	(unaudited) 3 months ended December 31, 2019	For the year ended September 30, 2020	(unaudited) For the year ended September 30, 2019
	$	$	$	$
OPERATING ACTIVITIES				
Net loss for the period	(134,370)	(128,964)	(2,781,225)	(596,881)
Items not affecting cash:				
Depreciation expense	50,778	68,241	225,781	181,110
Loss on derecognition of ROU assets		-	136,427	-
Interest expense on lease liabilities	4,946	14,234	49,855	45,565
Loss on revaluation of SAFE arrangements	-	-	2,275,018	-
	(78,646)	(46,489)	(94,144)	(370,206)
Changes in non-cash working capital items:				
Inventory	15,343	35,825	(10,130)	(32,890)
Accounts Receivable	(14,482)	4,755	(44,914)	(14,980)
Prepaid expenses	(55,183)	(500)	(4,153)	(34,756)
Deferred revenue	(848)	-	14,238	-
Due to shareholder	-	-	-	30,000
Due from related party	-	-	-	199,356
Accounts payable and accrued liabilities	(42,081)	(2,238)	72,728	30,777
Cash flows used in operating activities	(175,897)	(8,647)	(66,375)	(192,699)
FINANCING ACTIVITIES				
Repayment of lease liabilities	(36,104)	(52,402)	(175,940)	(140,012)
Proceeds from loans payable	9,382	90,822	174,104	-
Repayment of loans payable	(3,098)		(46,230)	(27,371)
Proceeds from private placement	350,010	-	-	-
Proceeds from SAFE arrangements	-	449,982	449,982	400,000
Cash flows from financing activities	320,190	488,402	401,916	232,617
INVESTING ACTIVITIES				
Purchase of property, plant and equipment,	(43,450)	(95,469)	(113,894)	(130,315)
Cash flows used in investing activities	(43,450)	(95,469)	(113,894)	(130,315)
Change in cash during the period	100,843	384,286	221,647	(90,397)
Cash, beginning of the period	453,320	231,673	231,673	322,070
Cash, End of the period	554,163	615,959	453,320	231,673

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations

2204901 Ontario Inc. (the "Company" or "Globally Local") was incorporated under the Business Corporations Act (Ontario) on April 30, 2009. It is a technology company, manufacturing innovative plant-based products through a sustainable, vertically integrated supply chain and the Company also owns vegan fast-food restaurants, serving its own plant-based fast-food. The Company's registered office is located at 505 Consortium Court, London, ON, N6E 2S8. References herein to "Globally Local" or the "Company" refer to 2204901 Ontario Inc. and its subsidiaries, unless specifically noted otherwise.

Basis of measurement and going concern

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of its assets and the settlement of its liabilities in the normal course of operations. As at December 31, 2020, the Company's accumulated deficit was $3,494,330 and its current assets exceeded its current liabilities by $335,932. As at September 30, 2020, the Company's accumulated deficit was $3,359,960 and its current liabilities exceeded its current assets by $3,470,675. While these consolidated financial statements have been prepared on a basis of accounting principles applicable to a going concern, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent on the Company's ability to pay its liabilities; continual funding to fund operations; as well as the Company's ability to generate sufficient working capital from operations to satisfy their creditor obligations. Management has been able to raise sufficient funds to finance its operations in the past through private placements of both equity and debt and will need to continue to do so to fund operations in the future see Note 22 for subsequent events. Management believes that the use of the going concern assumption is appropriate. If the going concern assumption were not appropriate for these consolidated financial statements, adjustments would be necessary in the carrying value of the assets and liabilities, and the reported net earnings.

These consolidated financial statements were approved by the Company's sole director on March 19, 2021.

Impacts of COVID-19

The COVID-19 pandemic has impacted Canadians and economies around the world. The restaurant and food services industry have experienced significant business disruptions since March 2020, as a result of mandated restaurant closures and other restrictive measures. While the length of this pandemic is uncertain and government-imposed restrictions continue to evolve, the Company remains focused on the health and safety of our customers, employees, and franchise partners.

In March 2020, the Company swiftly implemented remote work from home protocols for the corporate management team, focused on off-premises sales and delivery channels and strengthened online promotional and advertising campaigns. For all corporate and franchise restaurants and central leases, the Company is continuing to negotiate rent deferrals or reductions for the COVID-19 disruption and recovery periods and is applying for government rent subsidies with the government where applicable.

2. Basis of Presentation

Statement of compliance

These interim and annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") for the three months ended December 31, 2020 and 2019 and for the years ended September 30, 2020 and 2019. The accounting policies set out below have been applied consistently to all periods presented.

Adoption of International Financial Reporting Standards

The Company's significant accounting policies as presented in Note 3, Significant accounting policies, have been applied in preparing the financial statements for the years ended September 30, 2020, the comparative information for the year ended September 30, 2019 and the opening statement of financial position as at October 1, 2018, the IFRS transition date.

These consolidated financial statements are the first set of financial statements that the Company has prepared in accordance with IFRS, with an effective transition date of October 1, 2018. The date of adoption to IFRS is October 1, 2019.

As financial statements were not previously prepared under and generally accepted framework as of September 30, 2018 or any period prior, this represents the first time the Company has presented financial statements for the periods presented herein. Accordingly, the Company has prepared financial statements that comply with IFRS applicable as at September 30, 2020 and has presented comparative data for the years ended September 30, 2019, with retrospective restatement of opening balances at October 1, 2018, as described in the summary of significant accounting policies. In preparing the financial statements, the Company's opening statement of financial position was prepared as at October 1, 2018, the Company's date of transition to IFRS. The transition to IFRS has not resulted in any adjustments on the Company's equity as at October 1, 2018 as compared to what was previously reported, or on its total comprehensive loss as previously reported, except that it was previously called net loss instead of comprehensive loss, and has not resulted in any impairment losses not previously reported. There has neither been any correction of errors or other modifications to the financial statements following the adoption of IFRS.

Under IFRS 1, an entity is required to make estimates that are consistent with the estimates made for the same date, after adjusting for any differences in accounting policy. All of the Company's estimates have been measured reflecting conditions that existed for each financial statement date in question.

Basis of presentation

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair value, as detailed in the Company's accounting policies.

Functional and presentation currency

The Company and its Canadian subsidiaries' functional currency, as determined by management, is the Canadian dollar. These consolidated financial statements are presented in Canadian dollars.

Critical accounting judgements and estimates

The preparation of the consolidated financial statements requires management to make various judgments, estimates and assumptions in applying the Company's accounting policies that affect the reported amounts and disclosures made in the consolidated financial statements and accompanying notes. These judgements and

3. Basis of Presentation (continued)

estimates are based on management's historical experience, knowledge of current events and conditions and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Management has applied significant estimates and assumptions related to the following:

Accounts receivable

Management reviews amounts receivable at each balance sheet date to determine whether the amounts due to the Company are recoverable. Management determines the recoverability of its amounts receivable balances by reviewing the aging of outstanding balances, payment history and the creditworthiness of its franchisees. The process of determining recoverability requires management to make estimates regarding expected future recovery of cash balances based on these inputs.

Estimated useful lives and amortization of property, plant and equipment

Amortization of property, plant and equipment is dependent upon estimates of useful lives based on management's judgment.

Leases

In classifying a lease as either financial or operating, management has to make certain assumptions in estimating the present value of future lease payments and the estimated useful lives of the related assets. These assumptions include the allocation of value between land and building, and discount rates.

In determining the carrying amount of the right-of-use asset or lease receivable and corresponding lease liabilities, assumptions include the non-cancellable term of the lease plus periods covered by an option to renew the leases and incremental borrowing rate. Renewal options are only included in the lease term if management is reasonably certain to renew. The Company is also required to estimate the incremental borrowing rate specific to each portfolio of leased assets with similar characteristics if the interest rate in the lease is not readily determined. Management determines the incremental borrowing rate using the Government of Canada bond yield with an adjustment that reflects the Company's credit rating, security adjustment plus a risk premium over leases with similar terms.

Income and other taxes

The calculation of current and deferred income taxes requires management to make certain judgements regarding the tax rules in jurisdictions where the Company performs activities. Application of judgements is required regarding classification of transactions and in assessing probable outcomes of claimed deductions including expectations of future operating results, the timing and reversal of temporary differences, the likelihood of utilizing deferred tax assets and possible audits of income tax and other tax filings by the tax authorities.

Provisions and contingencies

Management reviews provisions at each balance sheet date utilizing judgements to determine the probability that an outflow of economic benefit will result from the legal or constructive obligation and an estimate of the associated obligation. Due to the judgemental nature of these items, future settlements may differ from amounts recognized.

4. Basis of Presentation (continued)

Simple agreement for Future Equity ("SAFE")

The Company previously entered into SAFE arrangements as described in Note 13. The fair value of SAFE arrangements was estimated at the date of the balance sheet as the value of a similar derivative liability. Assumptions are made and judgements are used in applying valuation techniques. Such judgement is inherently uncertain. Changes in the valuation assumptions could materially affect the fair value estimate of the SAFE arrangements.

Going Concern

Assessing the Company's ability to continue as a going concern required management to estimate future cash flows and other future events, the outcome of which is uncertain.

The significant accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and other entities that the Company controls. Control exists when the Company is exposed to or has the rights to variable returns from its involvement in the entity and has the ability to direct the activities that significantly affect the entities 'returns through its power over the entity. The Company reassesses control at each reporting date.

3. Significant Accounting Policies

Transactions and balances between the Company and its consolidated entities have been eliminated on consolidation. The principal wholly owned subsidiaries of the Company that have been consolidated are as follows:

Name of entity	Incorporation date
Globally Local Franchising Inc.	May 31, 2019
Globally Local Food Services	February 26, 2018
Globally Local Real Estate Inc.	November 9, 2020
2794441 Ontario Inc. (inactive)	November 23, 2020
2794443 Ontario Inc. (inactive)	November 23, 2020
2794444 Ontario Inc. (inactive)	November 23, 2020
2794445 Ontario Inc. (inactive)	November 23, 2020
2794446 Ontario Inc. (inactive)	November 23, 2020

3. Significant Accounting Policies (continued)

Revenue recognition

Gross revenues include revenue from the Company's food service activities. These activities consist primarily of food and beverage sales at restaurants operated by the Company, food product sales related to the sale of manufactured products to certain franchisees, franchise revenues earned as part of the license agreements between the Company and its franchisees, including payments from Globally Local corporate restaurants. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement.

A receivable is recognized when the goods has been transferred to the customer and the Company has a right to an amount of consideration that is unconditional.

Franchise fees relate to the initial franchise fee received for pre-opening support services and the Company's licensing of its franchise rights over the term of the respective franchise agreement. Pre-opening support services include assistance in the development of the restaurant. The performance obligation is satisfied over time leading up to when the restaurant is ready to open for operations. Deferred revenue represents the franchisee fee received from the franchisee, for which performance obligations have not yet been satisfied.

Royalty revenues are earned weekly based on a percentage of franchisees' sales over the term of the franchise agreement.

Royalty revenues are recognized when the Company is party to a contract with commercial substance, and it is probable that the Company will collect the consideration to which it is entitled. The Company does not have any contracts where the period between the transfer of promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Company does not adjust any of the transaction prices for the time value of money.

Advertising costs

Advertising and marketing costs are recorded as expenses in selling, general, and administrative costs as the services are provided.

The Company charges advertising fees as part of its franchise agreement. Franchisees are required to make weekly advertising fund contributions from the date the Franchised Business opens for business. The franchisee contributes to a marketing fund. The fee is a small percentage of the gross sales. The franchisor uses the marketing fund for advertising materials that promote the entire franchise's brand.

The Company adopted IFRS 15 using the full retrospective method, with recognition of transitional adjustments in opening retained earnings on the date of initial application (October 1, 2018).

Cash

Cash and cash equivalents are comprised of cash and highly liquid investments that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value.

Inventory

Inventory is recorded at the lower of cost (on the first in first out basis) or net realizable value and consists primarily of raw materials such as fresh fruit and vegetables, ready to sell packs of beverages and snacks, and packaging.

3. Significant Accounting Policies (continued)

The estimation of net realizable value is based on the most reliable evidence available of the amount of inventories are expected to realize. Additionally, estimation is required for inventory provisions due to obsolescence.

Net realizable value is the expected difference between the selling price for the inventory less the costs to get the inventory into saleable form and to the customer. For inventory which has been written down to net realizable value, if subsequent assessments conclude that the circumstances causing the write down no longer exist, the write down is reversed.

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property and equipment. Likewise, when a major inspection is performed, its cost is recognized in the carrying value of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the consolidated statement of loss and comprehensive loss as incurred.

Depreciation is calculated on a straight-line basis over the expected useful life of the asset as follows:

Office furniture and equipment	–	5 years
Computer equipment	–	3 years
Leasehold improvements	–	Over term of the lease or useful life if shorter
Vehicles	–	3 years
Right of use asset	–	3-5 years

No depreciation is taken on assets under construction until the relevant asset is available for use. An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated statements of loss and comprehensive loss in the period the asset is derecognized.

The assets' useful lives are reviewed at each financial year end and adjusted prospectively if appropriate.

Financial instruments

Classification

On initial recognition, the Company determines the classification of financial instruments based on the following categories:

1. Measured at amortized cost
2. Measured at fair value through profit or loss (FVTPL)
3. Measured at fair value through other comprehensive income (FVOCI)

The classification under IFRS 9 is based on the business model under which a financial asset is managed and on its contractual cash flow characteristics. Assets held for the collection of contractual cash flows and for which those cash flows correspond solely to principal repayments and interest payments are measured at amortized cost. Contracts with embedded derivatives where the host is a financial instrument in the scope of the standard will be assessed as a whole for classification.

3. Significant Accounting Policies (continued)

A financial asset is measured at amortized cost if both of the following criteria are met:

1. held within a business model whose objective is to hold assets to collect contractual cash flows; and
2. contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities are measured at amortized cost unless they must be measured at FVTPL (such as derivatives), or if the Company has chosen to evaluate them at FVTPL.

The classification of financial instruments under IFRS 9 is as follows:

Financial Instrument	Classification
Cash	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Loans payable	Amortized cost
Bank borrowings	Amortized cost
SAFE arrangements	FVTPL

Measurement

Initial recognition – A financial asset or financial liability is initially recorded at its fair value, which is typically the transaction price, plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. In the event that fair value is determined to be different from the transaction price, and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or is based on a valuation technique that uses only data from observable markets, then the difference between fair value and transaction price is recognized as a gain or loss at the time of initial recognition.

Amortized cost – The amount at which a financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit losses. The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount on initial recognition.

Fair value through profit or loss – Changes in fair value after initial recognition, whether realized or not, are recognized through the statements of net loss and comprehensive loss. Income arising in the form of interest, dividends, or similar, is recognized through the statements of net loss and comprehensive loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

Fair value through other comprehensive income – Changes in fair value after initial recognition, whether realized or not, are recognized through other comprehensive income. Income arising in the form of interest, dividends, or similar, is recognized through the statements of net loss and comprehensive loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

3. Significant Accounting Policies (continued)

Impairment
In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

The Company has applied the simplified approach to recognise lifetime expected credit losses for its accounts receivable.

Derecognition

Financial assets – The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset have expired or when contractual rights to the cash flows have been transferred. Gains and losses from the derecognition are recognized in the statements of loss and comprehensive loss.

Financial liabilities – The Company derecognizes a financial liability when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of the derecognized financial liability and the consideration paid or payable, including non-cash assets transferred or liabilities assumed, is recognized in the statements of loss and comprehensive loss.

Income taxes

Income tax provision comprises of current and deferred income tax. Current income tax and deferred income tax are recognized in the consolidated statements of earnings except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes are the expected tax payable or receivable on the Company's taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is not recognized for the following temporary differences; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable earnings or loss, and taxable temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred income tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date. Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current income tax liabilities and assets on a net basis, or their income tax assets and liabilities will be realized simultaneously.

A deferred income tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related income tax benefit will be realized or increased to the extent that it is probable that the related income tax benefit will be realized.

3. Significant Accounting Policies (continued)

SAFEs (Simple Agreement for Future Equity)

SAFEs are neither classified as equity nor debt. They represent a contractual right to future equity, in exchange for which the holder of the SAFE contributes capital to the company. The Company designated the SAFE arrangements as a financial liability at FVTPL.

Government grants and loans

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grant will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates. A forgivable loan from the government is treated as a government grant as long as there is reasonable assurance that the Company will meet the terms for forgiveness of the loan.

The Company adopted income approach to recognize government grants in profit or loss over one or more period and presented them as other income in the consolidated statements of loss and comprehensive loss.

Earnings (loss) per share

Basic earnings (loss) per share is determined by dividing net income (loss) and comprehensive income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the respective period presented. Diluted earnings (loss) per share is calculated by dividing net income (loss) and comprehensive income (loss) attributable to common shareholders by the weighted average number of common shares that would have been outstanding during the respective periods had all dilutive potential common shares outstanding at period-end been converted into common shares at the beginning of the period and the proceeds used to repurchase the Company's common shares at the average market price for the period.

The Company did not have any convertible securities issued and outstanding for the year ended September 30, 2020. As a result, basic and diluted loss per share are the same.

Segment Information

The Company currently operates in a single operating segment: manufacturing innovative plant-based products through a sustainable, vertically integrated supply chain and serving its own plant-based products through fast-food restaurants owned by the Company or its franchisee. All of the Company's activities are conducted in Canada.

The Company has identified its operating segment based on the financial information that is reviewed and used by executive management (collectively, the Chief Operating Decision Maker, or "CODM") in assessing performance and in determining the allocation of resources. The CODM considers the business from a single operating segment perspective and assesses the performance of the segment based on measures of profit and loss as well as assets and liabilities.

As the operations comprise a single segment, amounts disclosed in the consolidated financial statements also represent segment amounts.

3. Significant Accounting Policies (continued)

Adoption of new accounting standards

Leases

Effective October 1, 2018 (hereafter referred to as the "date of initial application"), the Company early adopted IFRS 16 *Leases* as issued by the IASB in January 2016. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both the lessee and lessor. The standard supersedes the requirements in 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*.

Transition

The Company applied the changes in the accounting policies resulting from IFRS 16 using the modified retrospective approach, with the cumulative effect of initially applying IFRS 16 recognized as an adjustment to retained earnings at October 1, 2018 without restating prior periods. The comparative information contained within these consolidated financial statements has not been restated and continues to be reported under previous lease standards. The application of the standard has resulted in a change in the Company's accounting policy for recognition of leases.

At transition, the Company elected to apply the practical expedient where the Company is not required to reassess whether a contract is, or contains, a lease at the date of initial application. As a result, the Company applied IFRS 16 to contracts that were previously identified as leases. The Company also used the portfolio approach when determining the incremental borrowing rate at transition and did not transition leases for which the lease term ends within twelve months of the date of initial application (October 1, 2018).

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

New Accounting Policy under IFRS 16

Under IFRS 16, the Company recognized a lease liability and right-of-use asset for most leases that were previously classified as operating leases under IAS 17. The lease liability is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The weighted average incremental borrowing rate applied is 12%. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

The Company assesses at inception of a contract, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether the customer has the following through the period of use:

- the right to obtain substantially all of the economic benefits from use of the identified asset; and
- the right to direct the use of the identified asset.

3. Significant Accounting Policies (continued)

Where the Company is a lessee in a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

At the lease commencement date, the Company recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost. The cost of the right-of-use asset is comprised of the initial amount of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, initial direct costs incurred by the Company, and an estimate of the costs to be incurred by the Company in dismantling and removing the underlying asset and restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

After the commencement date, the Company measures all right-of-use assets by applying the cost model, whereby the right-of-use asset is measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date to the end of the lease term or the end of the useful life of the right-of-use asset. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment.

The determination of the depreciation period is dependent on whether the Company expects that the ownership of the underlying asset will transfer to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option.

The lease liability is initially measured at the present value of the lease payments not paid at the lease commencement date, discounted using the interest rate implicit in the lease or the Company's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The lease payments included in the measurement of the lease liability are comprised of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, amounts expected to be payable by the Company under a residual value guarantee, the exercise price of a purchase option that the Company is reasonably certain to exercise, and payment of penalties for terminating the lease if the lease term reflects the Company exercising an option to terminate the lease. After the commencement date, the Company measures the lease liability at amortized cost using the effective interest method.

The Company remeasures the lease liability when there is a change in the lease term, a change in the Company's assessment of an option to purchase the underlying asset, a change in the Company's estimate of amounts expected to be payable under a residual value guarantee, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments. On remeasurement of the lease liability, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Future Accounting standards

Definition of a Business (Amendment to IFRS 3)

On October 22, 2018, the IASB issued amendments to IFRS 3 Business Combinations, that seek to clarify whether a transaction results in an asset or a business acquisition. The amendments apply to businesses acquired in annual reporting periods beginning on or after January 1, 2020. Earlier application is permitted.

3. Significant Accounting Policies (continued)

Conceptual Framework

On March 29, 2018, the IASB issued its revised Conceptual Framework for Financial Reporting. The revised Conceptual Framework does not constitute a substantial revision from the previously effective guidance but does provide additional guidance on topics not previously covered such as presentation and disclosure. This amendment is effective on January 1, 2020. The Company intends to adopt this amendment in its consolidated financial statements for the annual period beginning January 1, 2020. The adoption of the revised Conceptual Framework for Financial Reporting is not expected to have a material impact on the consolidated financial statements.

4. Accounts receivable

	Notes	**(Unaudited) December 31, 2020**	September 30, 2020	(Unaudited) September 30, 2019	(Unaudited) October 1, 2018
Trade Receivable		**5,530**	11,076	1,313	568
HST Receivable		**12,117**	5,964	14,235	-
Other receivable		**57,297**	43,422	-	-
		74,944	60,462	15,548	568

Since its incorporation, the Company has not incurred any significant credit loss in respect of its trade receivables. Based on consideration of all possible default events over the assets' contractual lifetime, the expected credit loss in respect of the Company's trade receivables was nominal at December 31, 2020 and September 30, 2020.

At December 31, 2020 other receivables of $57,297 (September 30, 2020 - $43,422) consisted of $47,605 (September 30, 2020 - $20,922) from Canadian Emergency Wage Subsidy (CEWS) and $9,692 (September 30, 2020 - $22,500) from Canadian Emergency Rent Subsidy (CERS) for business (SMEs) that was received by the Company subsequent to period end. The wage subsidy is for business that have been impacted by COVID-19.

For the three-month period ended December 31, 2020 the Company recognized other income from above government grants in the amount of $75,372. During the year ended September 30, 2020, the Company recognized other income from above government grants in the amount of $202,001.

5. Prepaids and deposits

	Notes	**(Unaudited) December 31, 2020**	September 30, 2020	(Unaudited) September 30, 2019	(Unaudited) October 1, 2018
Prepaid expenses		**64,446**	14,763	35,837	-
Security deposits		**38,142**	32,642	7,415	-
		102,588	47,405	43,252	-

6. Inventory

Inventories are comprised of the following:

	Notes	(Unaudited) December 31, 2020	September 30, 2020	(Unaudited) September 30, 2019	(Unaudited) October 1, 2018
Raw materials		**9,772**	14,068	24,527	27,462
Manufactured food		**20,864**	26,392	30,325	27,239
Packaging		**6,930**	11,663	5,500	-
Clearing supplies		**439**	-	-	-
Capitalized costs		**17,134**	18,359	-	-
		55,139	70,482	60,352	54,701

Inventory recognized as an expense in cost of sales for the three-month period ended December 31, 2020 was $134,723 (year ended September 30, 2020 - $384,738, year ended September 30, 2019 - $313,019). Depreciation recognized as expense in cost of sales for the three-month period ended December 31, 2020 was $49,838 (year ended September 30, 2020 - $224,782, year ended September 30, 2019 - $175,273) and overheads capitalized in costs of sales amounted to $138,004 as at December 31, 2020 (September 30, 2020 - $484,448, September 30, 2019 - $520,644).

Inventories are stated at the lower of cost or net realizable value. The Company periodically reviews the value of items in inventory and provides write-downs or write-offs of inventory based on its assessment of saleability and quality.

7. Right-of-use asset and lease liability

The Company leased assets include base rent for restaurant premises and for its production facility. On transition to IFRS 16, the Company recognized a right-of-use asset and corresponding lease liability in respect of its leases. The lease liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental cost of borrowing rate at the date of initial application, estimated to be 12.0%. The right-of-use asset was measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

The following schedule shows the movement in the Company's right-of-use assets during the three months ended December 31, 2020:

7. Right-of-use asset and lease liability (continued)

	Notes	Leased premises
		$
Cost		
Balance, October 1, 2018 (unaudited)		**395,059**
Additions (unaudited)		203,953
Balance, September 30, 2019 ROU assets (unaudited)		**599,012**
Derecognition of ROU assets		(211,201)
Balance, September 30, 2020 ROU assets		**387,811**
Balance, December 31, 2020 ROU assets		**387,811**
Accumulated depreciation		
Balance, October 1, 2018 (unaudited)		-
Depreciation (unaudited)		117,131
Balance, September 30, 2019 accumulated depreciation (unaudited)		**117,131**
Derecognition of ROU assets		(79,200)
Depreciation		149,770
Balance, September 30, 2020 accumulated depreciation		**187,701**
Depreciation		29,501
Balance, December 31, 2020 accumulated depreciation		**217,202**
Net book value		
October 1, 2018 (unaudited)		**395,059**
September 30, 2019 (unaudited)		**481,881**
September 30, 2020		**200,110**
December 31, 2020		**170,609**

7. Right-of-use asset and lease liability (continued)

The following schedule shows the movement in the Company's lease liability during the year:

	Notes	**Leased premises**
		$
Cost		
Balance, Oct 1, 2018 (unaudited)		**395,059**
Additions (unaudited)		203,953
Interest expense (unaudited)		45,565
Lease payments (unaudited)		(140,012)
Balance, September 30, 2019 Lease liabilities (unaudited)		**504,565**
Interest expense		49,855
Lease payments		(175,940)
Balance, September 30, 2020 Lease liabilities		**378,480**
Interest expense		9,382
Lease payments		(36,104)
Balance, December 31, 2020 Lease liabilities		**351,758**

The right-of-use assets are being depreciated on a straight-line basis over the remaining lease term, ending September 2022. During the year ended September 30, 2020, the Company recognized a derecognition of an ROU asset. As a result of the pandemic one of the Company's locations was no longer deemed part of its strategic plan. The Company exited the lease space and recognized a derecognition of the ROU asset of $132,001.

During the three months ended December 31, 2020, the Company recorded $29,501 (year ended September 30, 2020 - $149,770, year ended September 30, 2019 - $117,131) of depreciation expense relating to ROU assets, out of which $29,501 (year ended September 30, 2020 - $147,563, year ended September 30, 2019 - $117,131) has been capitalized into cost of goods sold.

For the three-month period ended December 31, 2020, variable lease payments not included in the measurement of lease liabilities totalled $10,619 (December 31, 2019 - $nil). During the year ended September 30, 2020, variable lease payments not included in the measurement of lease liabilities totalled $246,355 (2019 - $268,679) were, recognized as an expense and included in 'Selling, general and administrative' in the consolidated statement of loss and comprehensive loss.

7. Right-of-use asset and lease liability (continued)

A reconciliation of the current and non-current components of the lease liability at December 31, 2020 and September 30, 2019 follows:

	Notes	**(Unaudited) December 31, 2020**	September 30, 2020	(Unaudited) September 30, 2019	(Unaudited) October 1, 2018
		$	**$**	**$**	**$**
Current		221,505	203,849	159,810	161,066
Non-current		130,253	174,631	344,755	233,993
		351,758	378,480	504,565	395,059

The following table sets forth the future lease payments to be made:

	$
with-in one year	246,184
1-2 year	135,242
	381,426

8. Property, and Equipment

	Computer equipment	Furniture and equipment	Leaseholds	Vehicles	Total
	$	$	$	$	$
Cost					
Balance, October 1, 2018 (unaudited)	6,825	175,600	17,921	38,000	238,346
Additions (unaudited)	13,535	10,899	123,300	-	147,734
Disposals (unaudited)	-	(218)			(218)
Balance, September 30, 2019 (unaudited)	20,360	186,281	141,221	38,000	385,862
Additions	1,783	110,701	1,412	-	113,896
Disposals	(90)	-	(4,337)	-	(4,427)
Balance, September 30, 2020	**22,053**	**296,982**	**138,296**	**38,000**	**495,331**
Additions		35,450	8,000	-	43,450
Disposals				-	-
Balance, December 31, 2020	**22,053**	**332,432**	**146,296**	**38,000**	**538,781**

8. Property, and Equipment (continued)

	Computer equipment	Furniture and equipment	Leaseholds	Vehicles	Total
	$	**$**	**$**	**$**	**$**
Accumulated depreciation					
Balance, October 1, 2018 (unaudited)	2,051	26,083	8,905	17,941	54,980
Depreciation (unaudited)	2,661	26,535	6,687	4,232	40,115
Balance, September 30, 2019 (unaudited)	4,712	52,618	15,592	22,173	95,095
Depreciation	9,137	37,735	21,356	7,784	76,012
Balance, September 30, 2020	**13,849**	**90,353**	**36,948**	**29,957**	**171,107**
Depreciation	428	14,966	9,445	(3,562)	21,277
Balance, December 31, 2020	**14,277**	**105,319**	**46,393**	**26,395**	**192,384**

	Computer equipment	Furniture and equipment	Leaseholds	Vehicles	Total
	$	$	$	$	$
Carrying amount					
October 1, 2018 (unaudited)	4,774	149,517	9,016	20,059	183,366
September 30, 2019 (unaudited)	15,648	133,663	125,629	15,827	290,767
September 30, 2020	8,204	206,629	101,348	8,043	324,224
December 31, 2020	**7,776**	**227,113**	**99,903**	**11,605**	**346,397**

9. Accounts payable

	Notes	**(Unaudited) December 31, 2020**	September 30, 2020	(Unaudited) September 30, 2019	(Unaudited) October 1, 2018
		$	**$**	**$**	**$**
Trade payables		67,366	95,123	85,035	41,159
Accrued liabilities & other payables		64,455	78,779	16,139	-
		131,821	**173,902**	**101,174**	**41,159**

10. Deferred Revenue

	Notes	**(Unaudited) December 31, 2020**	September 30, 2020	(Unaudited) September 30, 2019	(Unaudited) October 1, 2018
		$	**$**	**$**	**$**
Deferred revenue		13,390	14,238	-	-
		13,390	**14,238**	**-**	**-**

As at December 31, 2020 the Company recorded deferred revenue of $13,390 (September 30, 2020 - $14,238, September 30, 2019 - $nil) pertaining to the franchisee fee the Company has received. Under the terms of the franchise agreement the funds are to be amortized over a 5-year period.

11. Loans Payable

As of December 31, 2020, the Company had loans payable of $275,021 (September 30, 2020 - $324,329, September 30, 2019 - $196,455).

11. Loans Payable (continued)

The Company has 2 loans payable to family members of the CEO of the Company that bear interest at 9.95% and 3.45%. Both lines are secured against personal property. As at December 31, 2020 the balances outstanding on such loans were $19,541 and 10,295 (September 30, 2020 - $20,146 and $10,343, September 30, 2019 - $22,728 and $21,486) respectively. See Note 17.

On February 8, 2018, the Company secured a bank loan from Business Development Canada (“BDC”) The loan bears interest at BDC floating base rate plus 4.7% and is repayable monthly over 72 months with the first payment starting from February 1, 2019. As at December 31, 2020 the outstanding balance on the BDC loan was $127,699 (September 30, 2020 - $124,768, September 30, 2019 - $134,890), including accrued interest in the amount of $8,569 (September 30, 2020 - $5,691). This loan and interest accrued on this loan are secured by a first security interest in certain equipment financed under this loan, and postponement and assignment of claim of amounts due to shareholder (Note 12). As at December 31, 2020 and September 30, 2020, the accrued interest was in default position. Such interest payable was fully repaid, and the loan and interest resumed to be in good standing subsequent to December 31, 2020.

On February 8, 2018, the Company secured a bank loan from Business Development Canada (“BDC”). The loan bears interest BDC floating base rate plus 1% and is repayable monthly over 60 months with the first payment starting from August 1, 2018. As at December 31, 2020 the outstanding balance on the BDC loan was $15,966 (September 30, 2020 - $15,475, September 30, 2019 - $17,350), including accrued interest in the amount of $649 (September 30, 2020 - $434). This loan and interest accrued on this loan are guaranteed by the CEO and COO personally and secured by postponement and assignment of claim of amounts due to shareholder (Note 12). As at December 31, 2020 and September 20, 2020, the accrued interest was in default position. Such interest payable was fully repaid, and the loan and interest resumed to be in good standing subsequent to December 31, 2020.

On October 4, 2019, the Company secured a bank loan from the Royal Bank of Canada (“RBC”) the loan bears interest at Prime plus 3% and is repayable monthly over 60 months. As at December 31, 2020 the balance outstanding to RBC was $101,520 (September 30, 2020 - $103,460). This loan agreement constitutes a first ranking and specific security interest in equipment and leaseholds.

During the three months period ended December 31, 2020, interest of approximately $4,946 (year ended September 30, 2020 - $24,669, year ended September 30, 2019 - $5,306) related to the above indebtedness has been charged to interest expense.

As a result of COVID-19 the Canadian government created a program called the Canadian Emergency Business Account (CEBA) which provides interest-free, partially forgivable loans for up to $40,000 to small businesses that have been negatively impacted due to COVID-19. For the year ended September 30, 2020, the Company was granted two loans totalling $80,000. The loans are interest free until December 31, 2021.

	Notes	**(Unaudited) December 31, 2020**	September 30, 2020	(Unaudited) September 30, 2019	(Unaudited) October 1, 2018
		$	**$**	**$**	**$**
Current portion loans		84,186	85,355	57,202	-
Long-term portion of loans		241,991	238,974	139,253	-
		326,177	**324,329**	**196,455**	**-**

12. Due to Shareholder

In January 2018, the Company secured a $500,000 loan from a shareholder of the Company. The loan is non-interest bearing and repayable on demand by the Shareholder. On December 16, 2020, the loan was settled with the shareholder and the amount owing was converted into contributed surplus of the Company.

13. Simple Agreement for Future Equity

During the year ended September 30, 2019, the Company entered into a series of Simple Agreements for Future Equity ("SAFE") arrangement. Pursuant to the terms of the SAFE, investors agreed to pay the Company a fixed amount of cash consideration ("the Purchase Amount") in exchange for the right to receive future shares in the Company at a later date. The terms of the SAFE were such that the number of shares issuable to the investor was variable depending on the occurrence, or non-occurrence, of specified future events and conditions, based on the post-money valuation cap of such SAFE arrangements.

The SAFE was primarily designed to issue to the investor a number of shares equal to the Purchase Amount divided by the Conversion Price upon the occurrence of an equity financing, and, whereas the conversion price was defined as: the valuation cap divided by the total shares outstanding immediately prior to the equity financing or 85% of the price per share in the equity financing, whichever calculation results in a greater number of SAFE Shares.

The Company designated the entire SAFE arrangements as financial liabilities at FVTPL as permitted by IFRS 9. On initial recognition, the Company measured the liability at an amount equal to the aggregate proceeds that were received from investors in exchange for the SAFE. For the year ended September 30, 2020, the Company recognized a fair value adjustment of the SAFE arrangements recognizing a loss on revaluation of $2,275,018 (2019 - $nil). The Company issued SAFEs for cash proceeds in the amount of $449,982, net of issuance costs of $18 during the year ended September 30, 2020 (2019 - $400,000).

On December 4, 2020, the Company completed a private placement in the amount of $350,010 at a price of $0.40 per share. As a result of such equity financing, which is considered as a triggering event for conversion, all previously issued SAFE arrangements were converted into 7,812,500 common shares of the Company on December 4, 2020.

14. Share Capital

Authorized share capital

The Company is authorized to issue an unlimited number of common shares.

Outstanding share capital

On December 3, 2020, the shareholders approved by special resolution of a share split of the common shares of the Company such that every 1 pre-split common share would be converted to 86,100 post-split common shares of the Company. As a result, all common shares presented in the consolidated statements have been reflected with this share split retrospectively.

During the three months ended December 31, 2020, the Company completed private placement of 875,000 shares at the price of $0.40.

As at December 31, 2020, there were 62,500,000 (September 30, 2020 – 53,812,500) common shares issued and outstanding.

14. Share Capital (continued)

Loss per share

Basic and diluted loss per share based on the net loss and comprehensive loss for the three month period ended December 31, 2020 and 2019 and year ended September 30, 2020 and 2019.

	(Unaudited) 3 months ended December 31, 2020	(Unaudited) 3 months ended December 31, 2019	Year ended September 30, 2020	(Unaudited) Year ended September 30, 2019
Numerator:				
Net loss and comprehensive loss for the period and year	(134,370)	(128,964)	(2,781,225)	(596,881)
Denominator:				
Weighted average number of common shares outstanding - basic and diluted	56,392,799	53,812,500	53,812,500	53,812,500
Loss per share based on net loss and comprehensive loss for the period and year	(0.00)	(0.00)	(0.05)	(0.01)

15. Income Taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 12.2% (2019-12.2%) to the effective tax rate is as follows for the years ended September 30, 2020 and 2019:

	2020 $	(Unaudited) 2019 $
Loss and comprehensive loss before recovery of income taxes	**(2,781,225)**	(596,881)
Expected income tax recovery	**(339,310)**	(72,820)
Tax rate changes and other adjustments	**(72,390)**	(85,540)
SR&ED tax credits	**276,510**	6,410
Other non-deductible expenses	**-**	290
Change in tax benefits not recognized	**135,190**	151,660
Income tax (recovery) expense	**-**	-

The following table summarizes the components of deferred tax:

	2020 $	(Unaudited) 2019 $
Deferred Tax Assets		
Lease liabilities	**63,740**	127,700
Non-capital losses carried forward	**1,310**	-
Deferred Tax Liabilities		
Property and equipment, net	**(3,450)**	-
Other receivables	**(8,570)**	
Right-of-use asset	**(53,030)**	(127,700)
Net deferred tax asset	**-**	-

15. Income Taxes (continued)

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax value and the carrying amounts of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2020	(Unaudited) 2019
	$	$
Property and equipment, net	**8,430**	7,030
Lease liabilities	**137,940**	22,680
Share issuance costs - 20(1)(e)	**1,000**	1,500
Non-capital losses carried forward	**979,710**	639,080
SR&ED Pool from T661	**20,680**	20,680
ORDTC	**2,510**	2,510
Accounts payable and accrued liabilities	**53,350**	-

The Canadian non-capital loss carry forwards expires as noted in the table below. Share issue and financing costs will be fully amortized in 2022. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's Canadian non-capital income tax losses expire as follows:

	$
2038	**77,150**
2039	**557,000**
2040	**345,560**
	979,710

16. Commitments and Contingencies

The Company is subject to various claims by third parties arising out of the normal course and conduct of its business, including, but not limited to, labour and employment, regulatory, franchisee related, COVID-19 related rent concessions and environmental claims. In addition, the Company is potentially subject to regular audits from federal, state and provincial tax authorities relating to income, commodity and capital taxes and as a result of these audits may receive assessments and reassessments. Although such matters cannot be predicted with certainty, management currently considers the Company's exposure to such claims and litigation, to the extent not covered by the Company's insurance policies or otherwise provided for, not to be material to these consolidated financial statements.

During the three months ended December 31, 2020 and year ended September 30, 2020, the Canadian federal government made certain government support programs available to eligible entities as part of its COVID-19 economic response plan. The Company applied and received support under the CanExport for business (SMEs), Canada Emergency Wage Subsidy ("CEWS"), Canada Emergency Commercial Rent Assistance ("CECRA") and Canada Emergency Business Account ("CEBA") programs. Each applicant's eligibility for these programs is subject to validation and detailed verification by the federal government. Due to nature of the eligibility requirements and related calculations, it is possible that the eligibility requirements may not be considered to be met upon validation, and as such the benefits received may be repayable.

17. Related Party Transactions

The Company's policy is to conduct all transactions with related parties at arm's length to align with market terms and conditions.

Key management personnel are those persons who have the authority and the responsibility for planning, directing, and controlling the activities of the Company and/or its subsidiary, directly or indirectly, including any external director of the Company and/or its subsidiary. Key management includes the Company's Chief Executive Officer and Chief Operating Officer. Key management personnel may also participate in the Company's share-based compensation plans.

During the year ended September 30, 2020, $25,609 (2019 – $66,502) was incurred as salary to the CEO, who is also a director of the Company.

During the year ended September 30, 2020, $24,821 (2019 – $36,627) was incurred as salary to the COO, who is also a director of the Company.

During the year ended September 30, 2020, $500,000 (2019 – $500,000) was received as a loan from a shareholder of the Company. The amount is unsecured, non-interest bearing and has no fixed terms of repayment. During the period ended December 31, 2020 the amount outstanding was converted into equity of the Company.

During the year ended September 30, 2020, $10,343 (2019 - $21,486) was outstanding to a family member of the CEO of the Company. The loan was used to purchase the Company's food truck. The Company makes regular payments to the family member to reduce the balance outstanding. As at September 30, 2020 such amount has been categorized as loans payable on the consolidated statements of financial position. The balance is repayable on demand.

During the year ended September 30, 2020, $20,146 (2019 - $22,728) was outstanding to a family member of the CEO of the Company. The loan was used for general business purposes and growth. The Company makes regular payments to the family member to reduce the balance outstanding. As at September 30, 2020 such amount has been categorized as loans payable on the consolidated statements of financial position. The balance of the loan is repayable on demand.

During the three months ended December 31, 2020, $8,000 (2019 – $10,500) was incurred as salary to the CEO, who is also a director of the Company.

During the three months ended December 31, 2020, $8,000 (2019 – $10,500) was incurred as salary to the COO, who is also a director of the Company.

During the three months ended December 31, 2020, $25,500 (September 30, 2020 – $nil) was incurred as salary to the CFO, who is also a director of the Company.

During the three months ended December 31, 2020, $10,295 (2019 - $22,128) was outstanding to a family member of the CEO of the Company. The loan was used to purchase the Company's food truck. The Company makes regular payments to the family member to reduce the balance outstanding. As at December 31, 2020 such amount has been categorized as loans payable on the consolidated statements of financial position. The balance is repayable on demand.

During the three months ended December 31, 2020, $19,541 (2019 - $22,649) was outstanding to a family member of the CEO of the Company. The loan was used for general business purposes and growth. The Company makes regular payments to the family member to reduce the balance outstanding. As at December 31, 2020 such amount has been categorized as loans payable on the consolidated statements of financial position. The balance of the loan is repayable on demand.

18. Capital Management

The Company's objective in managing capital is to ensure a sufficient liquidity position to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as net equity and debt, comprised of issued common shares, warrants, , contributed surplus and accumulated deficit, as well as mortgages and loans payable. The Company seeks to ensure that it has sufficient cash resources to maintain its ongoing operations and finance its research and development activities, corporate and administration expenses, working capital and overall capital expenditures. Since inception, the Company has primarily financed its liquidity needs through private placements of common shares, mortgages and loans.

There have been no changes to the Company's objectives and what it manages as capital since the prior fiscal year. The Company is not subject to externally imposed capital requirements.

19. Financial Instruments and Risk Management

Financial Instruments

The Company initially recognizes cash and cash equivalents, other financial assets, short term investments, accounts receivable, other receivables, accounts payable and accrued liabilities, and convertible debentures on the date they originate. All other financial assets and financial liabilities are initially recognized on the trade date when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company measures financial instruments by grouping them into classes upon initial recognition, based on the purpose of the individual instruments. The Company initially measures all financial instruments at fair value plus, in the case of financial instruments not classified as FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial instruments.

Fair Value Hierarchy

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 – inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data

Level 3 – inputs for assets and liabilities not based upon observable market data

19. Financial Instruments and Risk Management (continued)

As at December 31, the Company had no financial instruments. As at September 30, 2020 the Company had one (1) level 3 financial instrument – SAFE arrangements (Note 13).

The following table reconciles level 3 fair value measurements from September 30, 2020 to December 31, 2020:

As at	Notes	$
Balance as at September 30, 2018 (unaudited)		-
Additions of SAFE arrangements (unaudited)		400,000
Fair value change in SAFE arrangements (unaudited)		-
Balance as at September 30, 2019 (unaudited)		400,000
Additions of SAFE arrangements		449,982
Fair value change in SAFE arrangements		2,275,018
Balance as at September 30, 2020		3,125,000
SAFE arrangements converted to equity		(3,125,000)
Balance as at December 31, 2020		-

Financial Risk Factors

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk and concentration

Financial instruments that potentially subject the Company to credit risk consist primarily of cash and cash equivalents and trade receivables. Cash and cash equivalents are maintained at Canadian financial institutions, and trade and other receivables and loans receivable primarily comprise amounts due from franchisees. Credit risk associated with these receivables is mitigated for a number of reasons including the following:

- The Company's franchise base is based mostly in Ontario, which limits the concentration of credit risk.

- Prior to accepting a franchisee, the Company undertakes a detailed screening process which includes the requirement that a franchisee has sufficient financing.

- Franchisee balances beyond a particular age are reviewed and evaluated and in cases where management considers that the expected recovery is less than the actual account receivable, the Company accounts for this with a specific bad debt provision.

- The Company regularly monitors collection performance and pledged security for its loans receivables to ensure adequate payments are being received and adequate security is available. Pledged security can vary by agreement, but generally includes inventory, equipment, securities and personal guarantees.

The aging of the Company's accounts receivable as at December 31, 2020 was as follows:

	Notes	**December 31, 2020**	September 30, 2020	(Unaudited) September 30, 2019	(Unaudited) October 1, 2018
		$		$	$
Current		**5,530**	5,238	1,313	568
Past due		**-**	5,838	-	-
		5,530	11,076	1,313	568

19. Financial Instruments and Risk Management (continued)

Since its incorporation, the Company has not incurred any significant credit loss in respect of its trade receivables. Based on consideration of all possible default events over the assets' contractual lifetime, the expected credit loss in respect of the Company's trade receivables was $Nil at December 31, 2020 and September 30, 2020.

Liquidity risk

Liquidity risk relates to the risk the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The financial liabilities on its consolidated balance sheets consist of accounts payable and accrued liabilities, and settlements payable. Management closely monitors cash flow requirements and future cash flow forecasts to ensure it has access to funds through its committed borrowing facility and from operations to meet operational and financial obligations. The Company believes it has sufficient liquidity to meet its cash requirements for the next twelve months.

As at December 31, 2020	Notes	Within 1 year	Between 1-2 years	Between 2-5 years	Total
		$	$	$	$
Trade and other payables		131,821	-	-	131,821
Loans payable		84,186	241,991	-	326,177
Lease liabilities		221,505	130,253	-	351,758
		437,512	372,244	-	809,756

As at September 30, 2020	Notes	Within 1 year	Between 1-2 years	Between 2-5 years	Total
		$	$	$	$
Trade and other payables		173,902	-	-	173,902
Loans payable		85,355	238,974	-	324,329
Due to shareholder		500,000	-	-	500,000
Lease liabilities		203,849	174,631	-	378,480
		963,106	413,605	-	1,376,711

Interest rate risk

The Company is subject to interest rate risk from its bank borrowings. They are comprised of both fixed rate instruments and instruments with variable interest rates. As at December 31, 2020, a 1% change in prevailing interest rates would change the annualized interest charges incurred by $3,262 (September 30, 2020 - $3,243).

Commodity price risk

The Company is exposed to increases in the prices of commodities in operating its Company-owned restaurants. To manage this exposure, the Company uses purchase arrangements for a portion of its needs for certain consumer products that may be commodities based.

20. Franchise Revenue

The Company has recognized the following items relating to revenue in the Statement of loss and Comprehensive loss: royalty revenue, franchise fee revenue, other income.

21. Selling, general and administrative

Selling, general and administrative expenses are made up of the following items: franchise support, franchise selling expense, company-owned store selling, general, administrative, and other.

22. Subsequent events

On January 29, 2021, the Company entered into an amalgamation agreement (the "Agreement") with Black Lion Capital Corp ("Black Lion"), a Capital Pool Company incorporated under the laws of the Province of British Columbia and 2801318 Ontario Ltd. ("SubCo"), a company incorporated under the laws of the Province of Ontario as a wholly owned subsidiary of Black Lion. The Agreement supersedes the Letter of Intent dated November 6, 2020. Pursuant to the Agreement, Black Lion will acquire all of the issued and outstanding shares of the Company to form the resulting issuer ("Resulting Issuer"). The Resulting Issuer will indirectly carry on the business of the Company and will change its name to such name as agreed by the parties.

The Transaction will be completed by way of a three-concerned amalgamation whereby the Company amalgamates with SubCo and all of issued and outstanding common shares of the Company will be exchanged for common shares of Black Lion on the basis of one (1) Resulting Issuer share for every one (1) common share of the Company (the "Transaction"). The Transaction is considered to be a reverse take-over of Black Lion by the Company. One of the terms of the Transaction is the completion of a brokered private placement for gross proceeds of $3,200,000 at minimum and $4,200,000 at maximum (the "Financing"). Under the proposed terms, the Financing is expected to be in the form of subscription receipts of the Company at an issuance price of $0.40 per subscription receipt (the "Subscription Receipt") or in the form of common share of Black Lion. Each Subscription Receipt shall be exchanged, without payment of any additional consideration and without further action on the part of the holder, into one common share of the Company, subject to certain escrow release conditions.

Upon the completion of the Transaction, the Company will become a wholly owned subsidiary of Black Lion. As a condition of closing the Transaction, concurrently with, or immediately prior to the closing of the Transaction, the Resulting Issuer will undertake a share consolidation on the basis of 2.5:1.

Due to the on-going closures and lockdowns associated with the COVID-19 pandemic, the Company is reviewing its build-out and acquisition of additional rental space for new locations. The Company will continue to provide contactless dining experiences with its customer base and will re-open in-store dining once it has been deemed safe by the province of Ontario.

On February 8, 2021, the Company entered into a binding lease agreement for a retail location located in the town of Waterloo, Ontario.

On February 17, 2021, the Company entered into a binding lease agreement for a retail location located in the town of Hamilton, Ontario.

On March 1, 2021, the Company completed a private placement in the amount of $600,000 at a price of $0.40 per share. The funding raised will be used for general business purposes.

On March 3, 2021, the Company entered into a binding lease agreement for a retail location located in the town of London, Ontario.

SCHEDULE "D"

MD&A OF TARGET COMPANY

[*see attached*]

2204901 ONTARIO INC.
(Operating as Globally Local)

MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion of the operating results and financial position of 2204901 Ontario Inc. ("Globally Local" or the "Company") should be read in conjunction with the Company's Interim and Annual Financial Statements included as Schedule "A" and forming part of this Filing Statement and the disclosure contained in this Filing Statement. The Interim and Annual Financial Statements and the financial data derived therefrom and included in this Filing Statement have been prepared in accordance with International Financial Reporting Standards, commonly referred to as "IFRS".

The following Management Discussion and Analysis (the "**MD&A**") has been prepared by management and provides a narrative about our financial performance and condition that should be read in conjunction with the consolidated interim and annual financial statements included in this Filing Statement and related notes contained therein which have been prepared under IFRS. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information in this MD&A is not intended to be a comprehensive review of all matters and developments concerning the Company.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

FORWARD-LOOKING STATEMENTS

This MD&A may contain forward "forward-looking statements" that reflect the Company's current expectations and projections about its future results. Forward-looking statements are statements that are not historical facts, and include, but are not limited to: estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to future operations, capital raising initiatives, the impact of industry and macroeconomic factors on the Company's operations, and market opportunities; and statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and are generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to, those set forth under "Risks and Uncertainties" below, and those contained in the Company's Final Filing Statement dated March 19, 2021 (the "**Filing Statement**") that is available under the Black Lion Capital Company's profile on SEDAR at www.sedar.com.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties, and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by securities law.

OVERVIEW AND OVERALL PERFORMANCE

Globally Local is a private Company that was incorporated as "2204901 Ontario Inc." under the Business Corporations Act (Ontario) on April 30, 2009.

Globally Local is a plant-based food technology company focused on disrupting the fast-food industry. Globally Local creates, manufactures, and distributes industry-leading plant-based proteins and dairy alternatives through a food service product line that is used at corporate owned and franchised restaurant locations. Globally Local's mission is to create nutritious and delicious plant-based food using locally sourced and sustainable ingredients that are good for people and the planet.

As of 2018, James and Lia McInnes spent years developing a vegan fast-food menu through two corporate owned restaurant locations. One location opened in late 2016 in downtown London, Ontario while the second was a 24-hour drive thru that opened in June 2017. The chain was extraordinarily popular and one of the first vegan fast-food concepts in the world at the time. Although James and Lia had much success in the restaurant industry, their goal was to scale the business by creating a food technology division that would centralize food production, allow for the continuous research and development of products, and ultimately produce unique, proprietary plant-based food at a large scale.

In January 2018 Globally Local received an Investment from BoxOne ventures of $500,000 to facilitate the launch of their food technology division, Preposterous Foods (formerly Globally Local Food Services).

In February 2018, the Business Development Bank of Canada approved a $250,000 term loan to finance equipment purchases and leasehold improvements that would be needed by Preposterous Foods at the newly proposed facility.

In March 2018, a lease was signed at 509 Consortium Court, London, ON for a 1,500 square foot space and construction began shortly thereafter. Globally Local engaged numerous industrial food equipment experts to develop and test technology that would be used for the manufacturing process. Shortly after construction began, it was apparent that additional space was needed and a 3,000 square foot unit was leased at the end of march directly next door at 505 Consortium Court, London ON and the units were connected by creating an opening between them. In May 2018, the first plant-based proteins were shipped from Preposterous Foods to the corporate restaurant locations and a mobile food truck. The food truck traveled around Ontario from May to September to various festivals and events, allowing thousands of people yearly to taste company products. The food truck also provided valuable market research for demand in various regions, which was later used to open brick and mortar restaurant locations.

In August 2018 the Preposterous Burger, a burger with an authentic meaty flavour and that "bleeds" was launched. This burger was a seitan-based patty, with beet juice infused into it. Due to its success at the restaurant locations, the manufacturing company was later renamed after this burger.

In October 2018, newly hired production manager, John Nguyen continued to implement Globally Local's manufacturing technology. This implementation included small assembly lines, programmable ovens, forming machines, industrial blenders, packaging equipment and various software systems.

In March 2019, the cooking technology at all restaurant location was transitioned from grills to convection/impingement ovens. These rapid cook ovens were able to drastically improve food quality, while reducing the need for higher skilled kitchen staff. Preposterous Foods also modified some of the products so that they would cook properly in the new ovens and cook in a shorter amount of time. These two factors combined allowed for the creation of a truly consistent food experience at restaurant locations while still delivering quick service and low cost.

In May 2019, a new restaurant design focused on takeout and delivery was created. This new store concept included self-checkout kiosks and eliminated the use of cash. The appeal of this store design was the smaller footprint, lower labour rates and a financial model that worked with delivery partners. Many aspects of this model were built and tested at our 252 Dundas location in London, Ontario, which served as a test location for equipment layout and workflow.

In June 2019, the restaurant franchise agreement was completed, and the public announcement of franchising restaurant locations led to a tremendous amount of media attention. Following this announcement, hundreds of franchise leads were received, primarily for the US market.

In July 2019, a newly leased location at 492 College Street, in Toronto, Ontario was set to become a model concept store with the implementation of a fresh new store design along with the latest technology.

In August 2019, Globally Local raised $400,000 in capital from friends and family, using the investment vehicle called a Simple Agreement for Future Equity (SAFE). Following this, construction on the Toronto location commenced.

In September 2019 Globally Local successfully received a Scientific Research and Experimental Development tax credit from the Canada Revenue Agency. This credit validated Globally Local's food technology as unique and significant in nature.

In October 2019, after receiving a $103,460 loan from the Royal Bank of Canada to finance leasehold improvements and equipment, construction of the Toronto location was completed.

In November 2019, the Toronto location opened to tremendous success with an estimated 1,000 people attending on the grand opening day alone.

In December 2019, the first franchise agreement was signed for a location in Windsor, Ontario. Shortly thereafter, an additional $450,000 ($449,982 net of issuance costs of $18) in capital was raised through a second SAFE financing round with strategic investors.

In January 2020 construction on Windsor location began.

In February 2020, an exclusivity deal was signed with Doordash, which allowed for an extremely competitive delivery commission rate for current and future locations.

In March 2020, all operations and construction projects were temporarily closed due to the Covid-19 pandemic. During this time, the restaurant growth strategy was refined to become 100% takeout/delivery based with a much more compact restaurant design. As well, a retail product line was created, and product testing commenced shortly thereafter.

In April 2020, a Canada Export Grant was approved in the amount of $37,500 by the Canadian Government to assist with positioning the Globally Local brand for the US market.

In May 2020, the locations in Toronto and London reopened and construction on the Windsor site resumed. The drive-thru location located at 1141 Highbury Ave. N. in London, ON was permanently closed as it no longer fit with the new store design and cost model.

In June 2020 Braden Halpin, VP of operations and store development was recruited to manage existing locations and to assist the Globally Local with franchise sales and new corporate locations.

In August 2020, the Windsor location opened with tremendous success and Erik Hansen joined the Globally Local in the role of operations manager.

In October 2020, Carlo Rigillo became the Chief Financial Officer of Globally Local to provide financial oversight of the corporation.

In November 2020, a letter of intent was signed between Black Lion Capital Corp. ("Black Lion") and Globally Local for a proposed qualifying transaction on the TSX Venture Exchange. The purpose of the transaction would raise at least $3,200,000 for the resulting issuer. In addition, a binding agreement to lease a second Toronto, ON restaurant location was signed and another binding agreement to lease a Vaughan, ON restaurant location was signed.

On December 3, 2020, the shareholders approved by special resolution of a share split of the common shares of the Company such that every 1 pre-split common share would be converted to 86,100 post-split common shares.

On December 4, 2020, the Company completed a private placement in the amount of $350,000 (net of issuance costs of $10) at a price of $0.40/share. The funding raised will be used for general business purposes. As a result of such equity transaction, all previously held SAFE arrangements were converted into the share capital of the Company on December 4, 2020.

On December 16, 2020, the shareholder loan of $500,000 was repaid in cash by the Company. Immediately after, $500,000 was contributed back to the Company by the shareholder as contributed surplus.

On January 29, 2021, the Company entered into an amalgamation agreement (the "Agreement") with Black Lion Capital Corp ("Black Lion"), a Capital Pool Company incorporated under the laws of the Province of British Columbia and 2801318 Ontario Ltd. ("SubCo"), a company incorporated under the laws of the Province of Ontario as a wholly owned subsidiary of Black Lion. The Agreement supersedes the Letter of Intent dated November 6, 2020. Pursuant to the Agreement, Black Lion will acquire all of the issued and outstanding shares of the Company to form the resulting issuer ("Resulting Issuer"). The Resulting Issuer will indirectly carry on the business of the Company and will change its name to such name as agreed by the parties.

On March 1, 2021, the Company completed a private placement in the amount of $600,000 at a price of $0.40/share. The funding raised will be used for general business purposes.

SELECTED ANNUAL INFORMATION

The following table sets forth selected financial information for the Company for the three-month period ended December 31, 2020 and December 31, 2019 as well as the two most recently completed financial years ended September 30, 2020 ("fiscal 2020) and September 30, 2019 ("fiscal 2019"). The financial information below has been prepared in accordance with IFRS.

	31-Dec-20	31-Dec-19	30-Sep-20	30-Sep-19
Total Assets	1,303,840	1,547,310	1,156,003	1,123,473
Total long-term liabilities	372,244	541,210	413,605	484,008
Revenues	268,349	366,765	1,068,595	1,007,310
Other income	104,871	30,000	214,537	5,017
Net and comprehensive loss	(134,370)	(128,964)	(2,781,225)	(596,881)
Net loss per share	($0.00)	($0.00)	($0.05)	($0.01)

As at December 31, 2020, the Company held total assets of $1,303,840, long-term liabilities of $372,244, generated revenues of $268,349 and incurred a net and comprehensive loss of $134,370. As at September 30, 2020, the Company held total assets of $1,156,003, long-term liabilities of $413,605, generated revenues of $1,068,595 and incurred a net and comprehensive loss of $2,781,225.

The decrease in total assets year-over-year was mainly due to a decrease in cash over the period, with higher accounts receivables and lower inventory levels given the ongoing provincial lockdowns as compared to December 31, 2019. The decrease in property and equipment is driven by amortization of capital assets.

The increase in total assets as at September 30, 2020, was mainly due an increase in cash over the prior year, with higher accounts receivables and inventory as compared to September 30, 2019. The increase in property and equipment is driven by leaseholds for the Company's new restaurant locations. Offsetting this is a derecognition of Right-of-use assets pertaining to the Company's Highbury location. During the year ended September 30, 2020 the location was deemed to no longer be part of the strategic plan moving forward and the Company closed the location. As a result, under IFRS 16 ("Leases") the asset previously recorded was to be derecognized and a charge of $132,001 was recorded. The decrease in total assets was also offset by increase in cash from the issuance of Simple Agreements for Future Equity ("SAFE") of $449,982, net of issuance costs of $18. Long-term liabilities decreased due to the payment of both lease and loan liabilities.

During the three-month period ended December 31, 20220, the Company generated revenue of $268,349 from its food sales, and franchisee fees. Included in other income for the three month period ended was $104,871 pertaining to government grants given during the COVID-19 outbreak. The decrease in revenues for the three-month period ended December 31, 2020 was mainly due to the on-going lockdown within the province of Ontario, which has led to a reduction in revenue at the Company's locations. As a result of the COVID-19 outbreak, many of the Company's locations closed in-house dinning and strictly provided take-out options for customers. . During the year ended September 30, 2020, the Company generated revenue of $1,068,595 from its food sales, franchisee fees and government grants given during the COVID-19 outbreak. The increase in revenues in 2020 was mainly due to increased demand for the Company's products. As a result of the COVID-19 outbreak, many of the Company's locations closed in-house dinning and strictly provided take-out options for customers. The Company also was unable to attend many social gatherings and concerts with its Food truck which has always been a source of revenue for the Company.

For the three-month period ended December 31, 2020 and year ended September 30, 2020, the Company experienced softer visitor numbers to its locations than it did in 2019. This was driven by the provincial lockdowns that were a direct result of the COVID-19 pandemic. To offset this, the Company was able to pivot and drive more business through its take-out offerings which allowed for great delivery reach by securing agreements with UberEats and Doordash.

The increase in net and comprehensive loss for the three months period ended December 31, 2020 ($134,370), compared to December 31, 2019 ($128,964), was mainly due to a decrease in revenue driven by the on-going provincial closures.

The increase in net and comprehensive loss for the year ended September 30, 2020 ($2,781,225), compared to September 30, 2019 ($596,881), was mainly due to an increase in fair value loss on the SAFE arrangements which under IFRS 9 ("Financial instruments") was required at year end. The Company recorded a fair value loss on recognition of $2,275,018. The Company also seen a decrease in labour costs of $36,196 as well as increased efficiency by adopting better cooking technology and moving towards self checkout terminals. Also, as a result closures in the province along with a reduction in rent charges of $53,354 for locations where the Company was able to negotiate with the landlords and accept the government rent subsidies. Increases year-over-year in Cost of sales of $85,032 were driven by increased input costs for production. The increase in depreciation of $49,509 was mainly due to the addition of production equipment, leasehold improvements, and right-of-use building and equipment.

SUMMARY OF QUARTERLY RESULTS

The following table sets forth unaudited selected financial information for each of the last eight quarters.

	31-Dec-20	30-Sep-20	30-Jun-20	31-Mar-20	31-Dec-19	30-Sep-19	30-Jun-19	31-Mar-19
Revenue	$ 268,349	$ 177,585	$ 174,431	$ 349,814	$ 366,765	$ 54,265	$ 322,261	$ 237,439
Net and comprehensive (loss)/income	($134,370)	($2,554,748)	14,727	($112,240)	($128,964)	($424,574)	($39,652)	($185,523)
Net loss per share	($0.00)	($0.05)	0.00	($0.00)	($0.00)	($0.01)	($0.00)	($0.00)

During the three months ended December 31, 2020 and 2019, the Company:

Generated revenues of $268,349 compared to $366,765 in the three-month period ended December 31, 2019. The year-over-year decrease is related to a decrease in restaurant activity as a result of the on-going lockdowns in the province of Ontario. In March 2020, the Company swiftly implemented remote work from home protocols for all executive management, focused on off-premises sales and delivery channels with revised menus and ecommerce platform enhancements. For all corporate owned restaurants and central leases, the Company is continuing to negotiate rent deferrals or reductions for the COVID-19 disruption and recovery periods and has applied for government rent subsidies with landlords where applicable.

The Company's corporate and franchised operations have shifted to a take-out only & delivery model, eliminating dine-in seating (but still offer outdoor seating) and enforced a mask policy at all locations to make the space safer for staff and customers. The Company has gone to a cashless model, where customers can only enter orders through our self-checkout terminals or place orders online for pickup and delivery.

For the three-month period ended December 31, 2020 the Company incurred cost of sales of $322,565 compared to $336,517. The decrease in cost of sales is driven by the decreased revenue experienced as a result of on-going lockdowns due to the global COVID-19 pandemic.

The Company incurred operating expenses of $185,025 and $189,212, respectively. The increase in operating expenses for 2020 is mainly due to the increase in professional fees as the Company was in the process of completing a go-public transaction and required IFRS audited financials for the year ended September 30, 2020.

The Company incurred a net loss of $134,370 and $128,964, for the three-month period ended December 31, 2020 and 2019 respectively, as a result of the changes in revenue and expenses discussed above.

During the three months ended September 30, 2020 and 2019, the Company:

Generated revenues of $177,585 compared to $54,265 in the three-month period ended September 30, 2019. The year-over-year increase is related to an increase in restaurant activity and further expansion of the Company's footprint in Ontario. In March 2020, the Company swiftly implemented remote work from home protocols for all executive management, focused on off-premises sales and delivery channels with revised menus and ecommerce platform enhancements. For all corporate owned restaurants and central leases, the Company is continuing to negotiate rent deferrals or reductions for the COVID-19 disruption and recovery periods and has applied for government rent subsidies with landlords where applicable.

For the three-month period ended September 30, 2020 the Company incurred cost of sales of $130,216 compared to $62,902. The increase in cost of sales is driven by the increased revenue experienced offset by higher costs for ingredients.

The Company incurred operating expenses of $2,624,618 and $415,937, respectively. The increase in operating expenses for 2020 is mainly due to the fair value loss on recognition of the Company's SAFE arrangements of $2,275,018 and derecognition of Right of Use asset of $132,001 pertaining to its Highbury location which had higher rents and a much larger operating space. The decision was made to close this location as it no longer fit with the Company's strategic plans. The also reduced its staffing component to necessary employees only to serve take-out orders. The Company offset the increases by having reduced rent charges on locations as a result of the negotiated rent relief between the Company and the landlords with the provincial government as a result of the lockdowns that occurred.

The Company incurred a net loss of $2,781,225 and $596,881, for the years ended September 30, 2020 and 2019 respectively, as a result of the changes in revenue and expenses discussed above.

LIQUIDITY AND CAPITAL RESOURCES

The following is a summary of the Company's working capital as at December 31, 2020 and September 30, 2020 and September 30, 2019:

	December 31, 2020	September 30, 2020	September 30, 2019	October 1, 2018
Current Assets	$ 786,834	$ 631,669	$ 350,825	$ 385,835
Current Liabilities	$ 450,902	$ 4,102,344	$ 1,218,186	$ 753,172
Working Capital Deficiency	335,932	($3,470,675)	($867,361)	($367,337)

Current assets of $786,834 as at December 31, 2020 (December 31, 2019 - $695,031). The balance was primarily comprised of cash of $554,163, accounts receivable of $74,944, prepaids and deposits of $102,588 and inventory of $55,139.

Current liabilities of $450,902 as at December 31, 2020 (December 31, 2019 - $2,235,028). The balance was primarily comprised of accounts payable and accrued liabilities of $131,821, deferred revenue of $13,390, current portion of loans payable of $84,186 and current portion of lease liabilities pertaining to right-of-use assets of $221,505.

The increase in working capital for the three-month period ended December 31, 2020, was mainly due to the conversion of SAFE arrangements into common shares of the Company.

Current assets of $631,669 as at September 30, 2020 (September 30, 2019 - $350,825). The balance was primarily comprised of cash of $453,320, accounts receivable of $60,462, prepaids and deposits of $47,405 and inventory of $70,482.

Current liabilities of $4,102,344 as at September 30, 2020 (September 30, 2019 - $1,218,186). The balance was primarily comprised of accounts payable and accrued liabilities of $173,902, deferred revenue of $14,238, Due to shareholder of $500,000, current portion of loans payable of $85,355, current portion of lease liabilities pertaining to right-of-use assets of $203,849 and SAFE arrangements of $3,125,000.

The decrease in working capital for the year ended September 30, 2020, was mainly due to the revaluation of the SAFE arrangements which under IFRS 9 ("Financial Instruments"), the SAFE arrangements as at September 30, 2020 were required to be fair valued with any changes in fair value after initial recognition to be recorded through comprehensive income/(loss). For the year ended September 30, 2020, the Company recorded a fair value loss on the SAFE arrangements of $2,275,018. The Company will seek to raise further funds from, private placements, financings, loans from directors to continue operations, and in particular to fund ongoing growth and expenditure commitments as they arise. The Company also plans to finance through private and public offerings.

Cash Flow:

The following table summarizes the Company's cash flows for the period ended September 30, 2020 and September 30, 2019:

	December 31, 2020	December 31, 2019	September 30, 2020	September 30, 2019
Net cash used in operating activities	(175,897)	(8,647)	(66,375)	(192,699)
Net cash provided by financing activities	320,190	488,402	401,916	232,617
Net cash used in investing activities	(43,450)	(95,469)	(113,894)	(130,315)
Net changes in cash	100,843	384,286	221,647	(90,397)

Operating Activities

The decrease in net cash used in operating activities during the three-month period ended December 31, 2020, as compared to the three-month period ended December 31, 2019, was primarily due a decrease in revenue as a result of the provincial wide lockdowns that continued during all of 2020.

The decrease in net cash used in operating activities during the year ended September 30, 2020, as compared to the year ended September 30, 2019, was primarily due a decrease in labour expenses as a result of the provincial wide lockdowns that occurred during the year as well as reduced rent expenses during the period.

Investing Activities

The increase in net cash provided by investing activities during the three-month period ended December 31, 2020, as compared to the three month period ended December 31, 2019 was primarily due to a reduction in acquisitions of restaurant and production equipment and leasehold improvements for both the Restaurant and the Company's production facility for expanded production.

The increase in net cash used in investing activities during the year ended September 30, 2020, as compared to the year ended September 30, 2019 was primarily due to significant acquisitions of restaurant and production equipment and leasehold improvements for both the Restaurant and the Company's production facility for expanded production.

Financing Activities

The decrease in net cash provided by financing activities during the three-month period ended December 31, 2020, as compared to the three-month period ended December 31, 2019, was primarily due to the net proceeds received from the private placement issuance of $350,000 (net of issuance costs of $10).

The increase in net cash provided by financing activities during the year ended September 30, 2020, as compared to the year ended September 30, 2019, was primarily due to the net proceeds received from the issuance of SAFE arrangements of $$449,982 (net of issuance costs of $18) and $103,460 from additional loans secured during the year.

Recent Financing Activities

In January 2018 Globally Local received an Investment from BoxOne ventures of $500,000 to facilitate the launch of their food technology division, Preposterous Foods (formerly Globally Local Food Services).

In February 2018 the Business Development Bank of Canada approved a $250,000 term loan to finance equipment purchases and leasehold improvements that would be needed by Preposterous Foods at the newly proposed facility.

In August 2019, Globally Local raised $400,000 in capital from friends and family, using the investment vehicle called a Simple Agreement for Future Equity (SAFE). Following this, construction on the Toronto location commenced.

In October 2019, after receiving a $103,460 loan from the Royal Bank of Canada to finance leasehold improvements and equipment, construction of the Toronto location was completed.

In December 2019, the first franchise agreement was signed for a location in Windsor, Ontario. Shortly thereafter, an additional $449,982 (net of issuance costs of $18) in capital was raised through a second SAFE financing round with strategic investors.

In April 2020, a Canada Export Grant was approved in the amount of $37,500 by the Canadian Government to assist with positioning the Globally Local brand for the US market.

On December 4, 2020, the Company completed a private placement in the amount of $350,000 at a price of $0.40/share. The funding raised will be used for general business purposes. As a result of such equity transaction, all previously held SAFE arrangements were converted into the share capital of the Company on December 4, 2020.

On December 16, 2020, the shareholder loan of $500,000 was repaid in cash by the Company. Immediately after, $500,000 was contributed back to the Company by the shareholder as contributed surplus.

On March 1, 2021, the Company completed a private placement in the amount of $600,000 at a price of $0.40/share. The funding raised will be used for general business purposes.

Cash Requirements

It is anticipated that the Company will require approximately $3,200,000 (minimum financing) and $200,000 (maximum financing) assuming the Financing is fully subscribed. The principal purpose of the Available funds are broken down in the Company's listing statement.

DISCLOSURE OF OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares. As at December 31, 2020, 62,500,000 common shares issued and outstanding, respectively.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

TRANSACTIONS BETWEEN RELATED PARTIES

Related party transactions

During the three months ended December 31, 2020, $8,000 (2019 – $10,500) was incurred as salary to the CEO, who is also a director of the Company.

During the three months ended December 31, 2020, $8,000 (2019 – $10,500) was incurred as salary to the COO, who is also a director of the Company.

During the three months ended December 31, 2020, $25,500 (September 30, 2020 – $nil) was incurred as salary to the CFO, who is also a director of the Company.

During the year ended September 30, 2020, $500,000 (2019 – $500,000) was received as a loan from a shareholder of the Company. The amount is unsecured, non-interest bearing and has no fixed terms of repayment. During the period ended December 31, 2020 the amount outstanding was converted into equity of the Company.

During the three months ended December 31, 2020, $10,295 (2019 - $22,128) was outstanding to a family member of the CEO of the Company. The loan was used to purchase the Company's food truck. The Company makes regular payments to the family member to reduce the balance outstanding. As at December 31, 2020 such amount has been categorized as loans payable on the consolidated statements of financial position. The balance is repayable on demand.

During the three months ended December 31, 2020, $19,541 (2019 - $22,649) was outstanding to a family member of the CEO of the Company. The loan was used for general business purposes and growth. The Company makes regular payments to the family member to reduce the balance outstanding. As at December 31, 2020 such amount has been categorized as loans payable on the consolidated statements of financial position. The balance of the loan is repayable on demand.

RECENTLY ADOPTED ACCOUNTING STANDARDS

On January 13, 2016, the IASB published a new standard, IFRS 16, *Leases*, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted.

The Company applied the changes in the accounting policies resulting from IFRS 16 using the modified retrospective approach, with the cumulative effect of initially applying IFRS 16 recognized as an adjustment to retained earnings at October 1, 2018 without restating prior periods. The comparative information contained within these financial statements has not been restated and continues to be reported under previous lease standards. The application of the standard has resulted in a change in the Company's accounting policy for recognition of leases. At transition, the Company elected to apply the practical expedient where the Company is not required to reassess whether a contract is, or contains, a lease at the date of initial application. As a result, the Company applied IFRS 16 to contracts that were previously identified as leases. The Company also used the portfolio approach when determining the incremental borrowing rate at transition and did not transition leases for which the lease term ends within twelve months of the date of initial application (October 1, 2018).

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under IFRS 16, the Company recognized a lease liability and right-of-use asset for most leases that were previously classified as operating leases under IAS 17. The lease liability is measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The weighted average incremental borrowing rate applied is 12%. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position immediately before the date of initial application.

The Company assesses at inception of a contract, whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether the customer has the following through the period of use:

- the right to obtain substantially all of the economic benefits from use of the identified asset; and
- the right to direct the use of the identified asset.

Where the Company is a lessee in a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

At the lease commencement date, the Company recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost. The cost of the right-of-use asset is comprised of the initial amount of the lease liability, any lease payments made at or before the commencement date less any lease incentives received, initial direct costs incurred by the Company, and an estimate of the costs to be incurred by the Company in dismantling and removing the underlying asset and restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

After the commencement date, the Company measures all right-of-use assets by applying the cost model, whereby the right-of-use asset is measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date to the end of the lease term or the end of the useful life of the right-of-use asset. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Judgments, estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the application of the going concern assumption, carrying value of property and equipment, right-of-use assets and the fair value measurements for financial instruments.

Risk factors

The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information set out elsewhere in this MD&A and in the Filing Statement that is available under the Company's profile on SEDAR at www.sedar.com. These risks and uncertainties are not the only ones the Company is facing. Additional risks and uncertainties not presently known to the Company, or that the Company currently deems immaterial, may also impair operations. If any such risks actually occur, the business, financial condition, liquidity and results of operations could be materially adversely affected.

In addition to the risks and uncertainties set out below, readers should refer to those risks and uncertainties related to the Company's business that are set forth under the heading "Risk Factors" in the Filing Statement that is available under Black Lion's profile on SEDAR at www.sedar.com.

Forward-Looking Information

Certain information set out in this MD&A includes or is based upon expectations, estimates, projections or other "forward looking information". Such forward looking information includes projections or estimates made by the Company about the Company's future business operations. While such forward-looking statements and the assumptions underlying them are made in good faith and reflect the Company's management's current judgment regarding the direction of business, actual results will almost certainly vary (sometimes materially) from any estimates, predictions, projections, assumptions or other type of performance suggested here.

Market Risk for Securities

There can be no assurance that an active trading market for the Company's shares will be established and sustained. Upon listing of the Company's shares, the market price for the shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Company's securities. The stock market has from time-to-time experienced extreme price and volume fluctuations, which have been unrelated to the operating performance of particular companies.

Speculative Nature of Investment Risk

An investment in the Company's securities carries a high degree of risk and should be considered as a speculative investment. The Company has a limited history of earnings, negative cash flow or profitability and has limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. Operations are not yet sufficiently established such that the Company can mitigate risks with planned activities. The Company has had negative operating cash flow since the Company's inception, and the Company may continue to have negative operating cash flow for the foreseeable future. No assurance can be given that the Company will attain positive cash flow or profitability.

Liquidity and Future Financing Risk

The Company is in the early stages of business and has not generated revenue in excess of its expenses. The Company will likely operate at a loss until its business becomes established and the Company may require additional financing in order to fund future operations and expansion plans. The Company's ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Company will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional financing is raised by issuance of additional shares, control may change and shareholders may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may be required to scale back its current business plan or cease operating.

Going-Concern Risk

The Company's financial statements have been prepared on a going-concern basis under which an entity is considered to be able to realize its assets and satisfy its liabilities in the ordinary course of business. The Company's future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that the Company will be successful in completing equity or debt financing or in achieving profitability. The financial statements included in the Filing Statement do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Dividend Risk

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain earnings to finance further growth and, when appropriate, retire debt.

Share Price Volatility Risk

It is anticipated that the common shares of the Company will be listed for trading on the TSXV. As such, external factors outside of the Company's control, such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward plant-based meat stocks, may have a significant impact on the market price of the Company's common shares. Global stock markets, including the TSXV, have, from time-to-time, experienced extreme price and volume fluctuations. The same applies to companies in the plant-based meat industry. There can be no assurance that an active or liquid market will develop or be sustained for the Company's common shares.

Increased Costs of Being a Publicly Traded Company

As the Company will have publicly traded securities, significant legal, accounting and filing fees will be incurred that are not presently being incurred. Securities legislation and the rules and policies of the TSXV require publicly traded listed companies to, among other things, adopt corporate governance policies and related practices and to continuously prepare and disclose material information, all of which will significantly increase legal, financial and securities regulatory compliance costs.

Limited Prior Operating History

The Company has limited operating history, business operations and assets. There is no assurance that it will be profitable or that its investment strategy will be successful. The Company's operations are subject to all of the risks inherent in the creation of new investment activity, including a limited prior operating history.

Dilution

Any sale of the Company's shares will result in dilution to existing holders of shares, The Company may issue additional shares without the consent from the shareholders of the Company.

Financial Instruments

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash. This risk is managed through the use of a major bank which is a high credit quality financial institution as determined by rating agencies. The Company's secondary exposure to risk is on its other current assets. The carrying amount of financial assets represents the maximum credit exposure.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been from shareholder loans, loans payable and convertible debentures. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant debt or equity funding.

The following is an analysis of the contractual maturities of the Company's non-derivative financial liabilities as at December 31, 2020:

As at December 31, 2020	Notes	Within 1 year	Between 1-2 years	Between 2-5 years	Total
		$	$	$	$
Trade and other payables		131,821	-	-	131,821
Loans payable		84,186	241,991	-	326,177
Lease liabilities		221,505	130,253	-	351,758
		437,512	372,244	-	809,756

Foreign exchange risk

The Company is not exposed to any significant foreign exchange rate risk.

Interest rate risk

The Company is subject to interest rate risk from its bank borrowings. They are comprised of both fixed rate instruments and instruments with variable interest rates. As at December 31, 2020, a 1% change in prevailing interest rates would change the annualized interest charges incurred by $3,262.

Impact of COVID-19

The COVID-19 pandemic has impacted Canadians and economies around the world. The restaurant and food services industry have experienced significant business disruptions since March 2020, as a result of mandated restaurant closures and other restrictive measures. While the length of this pandemic is uncertain and government-imposed restrictions continue to evolve, the Company remains focused on the health and safety of our customers, employees, and franchise partners.

In March 2020, the Company swiftly implemented remote work from home protocols, focused on off-premises sales and delivery channels with revised menus, ecommerce platform enhancements. For all corporate and franchise restaurants and central leases, the Company is continuing to negotiate rent deferrals or reductions for the COVID-19 disruption and recovery periods and is applying for government rent subsidies with landlords where applicable.

Since March 2020, the Company has made several adaptions to it business model:

Impact on restaurant operations

The Company's corporate and franchised operations have shifted to a take-out only & delivery model. Globally Local eliminated dine-in seating (but still offer outdoor seating) and enforced a mask policy at all locations to make the space safer for staff and customers. The Company has gone to a cashless model, where customers can only enter orders through our self-checkout terminals or place orders online for pickup and delivery. This greatly reduces the contact between customers and staff and therefore, enforces social distancing guidelines. Globally Local has reduced the number of people that are allowed in restaurants and added social distancing stickers to the floor to guide customers where to stand to provide sufficient space between them.

The Company's business model has focused on a takeout business before COVID-19 and all its locations have direct access to the street (no mall/food court locations). Globally Local has benefited from this business model and have seen strong sales throughout the COVID-19 pandemic. The Company believes that its business model will be able to grow and thrive, despite COVID-19 and that sufficient safety measures in place to provide a safe workplace customer experience.

Impact on food truck

The Company's food truck was not operational in 2020 due to the cancellation of all festivals, concerts, and large gatherings. The food truck business thrives on these events and so operations were halted for the season. The Company plans to use its food truck once again at these events, if/when COVID-19 restrictions are lifted on large gatherings while adhering to all government policies and procedures.

Impact on food manufacturing

The Company's food manufacturing facility has also adjusted processes and procedures in the wake of COVID-19. As customers are not allowed at the facility the adjustments have been minor in nature and are mostly policy driven while adhering to social-distance requirements. The Company has not had any disruptions in production since the COVID-19 pandemic began and have not had any issues with supply chain.

While the actions taken during the COVID-19 period are considered sufficient for the foreseeable future, the future effect of COVID-19 on the economy and businesses, in general, remains uncertain. The medium-and long-term impact to the Company from COVID-19 will depend on the duration and extent of the new mandated restaurant closures, the financial solutions achieved with government, lenders, franchisees, and landlords, post COVID-19 consumer dining behaviors, and the macro impact on the overall economy, in particular household debt and levels of disposable income. Potential financial solutions which may be required include, but are not limited to, obtaining sufficient financial support from government(s) for the Company and its franchisees, lenders, as well as obtaining rent relief from landlords.

RISKS AND UNCERTAINTIES

The activities of the Company are subject to risks including but not limited to: the Company's reliance on key personnel; the Company's reliance on unpatented proprietary technology and expertise; the competitive and regulatory environment in which the Company operates; the Company's exposure to the price of raw materials; the Company's expectations regarding consumer trends; the Company's ability to manage the supply chain, including the limited number of suppliers of raw materials and the exposure to a disruption in the supply of key ingredients; the Company's ability to protect customers and suppliers information; the Company's exposure to food safety and consumer health issues; the ability of the Company to maintain its brand and the reputation of the same; a disruption to the distribution channels and/or the production facility; the successful expansion of the Company's manufacturing capacity; the Company's ability to develop innovative products; the Company's ability to retain current customers and/or recruit new customers; the Company may become a party to litigation; the Company's reliance on third party's for shipping and payment processing; the speculative nature of investment risk; the Company's history of losses; the Company may require additional financing to fund future operations and expansion plans through equity or debt; the Company has not paid in the past and does not anticipate paying dividends in the near future; the increased costs of being a publicly traded company; global economic risk may impact consumer demand for the Company's products; the Company may not be prohibited from a business opportunity due to a conflict of interest; there may not be an active or liquid market for the Common Shares; the market price of the Common Shares may be adversely affect by stock market volatility; the Company may not use the proceeds from the Offering as described in this Filing Statement; and the other factors discussed under the heading "Risk Factors" in the Filing Statement. An investment in the Offered Shares is suitable only for those knowledgeable and sophisticated investors who are willing to risk a loss of their entire investment and who are able to understand the unique nature and risks of the Company, the food industry generally and in particular the plant-based meat sector. Investors should consult with their professional advisors to assess an investment in the Company's securities. See "Risk Factors" included in the accompanying Filing Statement.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all material information related to the Company, including our consolidated subsidiaries, is made known to senior management, including the Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") on a timely basis so that appropriate decisions can be made regarding public disclosure.

Internal Control over Financial Reporting ("ICOFR")

Our management, with the participation of our CEO and CFO, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the CEO and CFO, our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Our internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that our receipts and expenditures are made only in accordance with authorization of management and our directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the annual or interim financial statements.

Limitations on the Effectiveness of Disclosure Controls and the Design of ICOFR

Our management, including the CEO and CFO, do not expect that our disclosure controls and procedures and ICFR will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable assurance that the control system objectives will be met. The likelihood of achievement is affected by limitations inherent in all internal control systems. These inherent limitations include the realities that judgments or decision making can be faulty, and that breakdowns occur because of simple errors or mistakes. Controls can also be circumvented in numerous ways including collusion, overrides and deception. In addition to the inherent limitations, the design of a control system must reflect that there are resource constraints, and the expected benefit of controls must be considered relative to the expected costs. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Further, no evaluation of controls can provide absolute assurance that all control issues within a company will be detected.

Subsequent Events

On January 29, 2021, the Company entered into an amalgamation agreement (the "Agreement") with Black Lion Capital Corp ("Black Lion"), a Capital Pool Company incorporated under the laws of the Province of British Columbia and 2801318 Ontario Ltd. ("SubCo"), a company incorporated under the laws of the Province of Ontario as a wholly owned subsidiary of Black Lion. The Agreement supersedes the Letter of Intent dated November 6, 2020. Pursuant to the Agreement, Black Lion will acquire all of the issued and outstanding shares of the Company to form the resulting issuer ("Resulting Issuer"). The Resulting Issuer will indirectly carry on the business of the Company and will change its name to such name as agreed by the parties.

The Transaction will be completed by way of a three-concerned amalgamation whereby the Company amalgamates with SubCo and all of issued and outstanding common shares of the Company will be exchanged for common shares of Black Lion on the basis of one (1) Resulting Issuer share for every one (1) common share of the Company (the "Transaction"). The Transaction is considered to be a reverse take-over of Black Lion by the Company. One of the terms of the Transaction is the completion of a brokered private placement for gross proceeds of $3,200,000 at minimum and $4,200,000 at maximum (the "Financing"). Under the proposed terms, the Financing is expected to be in the form of subscription receipts of the Company at an issuance price of $0.40 per subscription receipt (the "Subscription Receipt") or in the form of common share of Black Lion. Each Subscription Receipt shall be exchanged, without payment of any additional consideration and without further action on the part of the holder, into one common share of the Company, subject to certain escrow release conditions.

Upon the completion of the Transaction, the Company will become a wholly owned subsidiary of Black Lion. As a condition of closing the Transaction, concurrently with, or immediately prior to the closing of the Transaction, the Resulting Issuer will undertake a share consolidation on the basis of 2.5:1.

Due to the on-going closures and lockdowns associated with the COVID-19 pandemic, the Company is reviewing its build-out and acquisition of additional rental space for new locations. The Company will continue to provide contactless dining experiences with its customer base and will re-open in-store dining once it has been deemed safe by the province of Ontario.

On March 1, 2021, the Company completed a private placement in the amount of $600,000 at a price of $0.40/share. The funding raised will be used for general business purposes.

On February 8, 2021, the Company entered into a binding lease agreement for a retail location located in the town of Waterloo, Ontario.

On February 17, 2021, the Company entered into a binding lease agreement for a retail location located in the town of Hamilton, Ontario.

On March 3, 2021, the Company entered into a binding lease agreement for a retail location located in the town of London, Ontario.

Due to the on-going closures and lockdowns associated with the COVID-19 pandemic, the Company is reviewing its build-out and acquisition of additional rental space for new locations. The Company will continue to provide contactless dining experiences with its customer base and will re-open in-store dining once it has been deemed safe by the province of Ontario.

SCHEDULE “E”

PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

[*see attached*]

GLOBALLY LOCAL TECHNOLOGIES INC. (FORMERLY, BLACK LION CAPITAL CORP.)
PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at OCTOBER 31, 2020
(In Canadian Dollars)
(UNAUDITED)

Globally Local Technologies Inc. (Formerly, Black Lion Capital Corp.)
Unaudited Pro Forma Consolidated Statement of Financial Position
As at October 31, 2020
(Expressed in Canadian dollars)

	2204901 Ontario Inc. (Dec 31, 2020)	**Black Lion Captital Corp (Oct, 31, 2020)**	**Note 3(i-iii) & Note 5**	**Note 3(iv)**	**Note 3(v)**	**Note 4**	**Note 3(vi)**	**Note 3(vii)**	**Note 3(viii)**	**Note 3(ix)**	**Globally Local Technologies Inc. (formerly Black Lion Capital Corp.) (Oct 31, 2020)**
	(unaudited)										**(unaudited)**
	$	$									
ASSETS											
CURRENT											
Cash	554,163	702,894	-	3,200,000	-	-	(256,000)	(30,489)	600,000	(162,224)	4,258,344
							(300,000)	-	-	-	-
							(50,000)	-	-	-	-
Accounts receivable	74,944	1,720	-	-	-	-	-	-	-	-	76,664
Inventory	55,139	-	-	-	-	-	-	-			55,139
Prepaids and deposits	102,588	-	-	-	-	-	-	-	-	-	102,588
Total current assets	786,834	704,614	-	3,200,000	-	-	(606,000)	(30,489)	600,000	(162,224)	4,492,735
Right-of-use asset	170,609	-	-	-	-	-	-	-	-	-	170,609
Property and equipment, net	346,397	-	-	-	-	-	-	-	-	-	346,397
Total assets	**1,303,840**	**704,614**	**-**	**3,200,000**	**-**	**-**	**(606,000)**	**(30,489)**	**600,000**	**(162,224)**	**5,009,741**
LIABILITIES											
CURRENT											
Accounts payable and accrued liabilities	131,821	14,613	-	-	-	-	-		-	-	146,434
Deferred revenue	13,390	-	-	-	-	-	-		-	-	13,390
Current portion of Loans payable	84,186	-	-	-	-	-	-	(30,489)	-	-	53,697
Current portion of lease liabilities	221,505	-	-	-	-	-			-	-	221,505
Total current liabilities	450,902	14,613	-	-	-	-	-	(30,489)	-	-	435,026
Lease liabilities	130,253	-	-	-	-	-	-	-	-	-	130,253
Loans payble	241,991	-	-	-	-	-	-	-	-	-	241,991
Total liabilities	823,146	14,613	-	-	-	-	-	(30,489)	-	-	807,270
SHAREHOLDERS' EQUITY (DEFICIT)											
Share capital	3,975,024	899,926	(899,926)	-	-	(189,368)	(256,000)	-	600,000	-	9,194,184
							-	-	-	-	-
			1,864,528	-	-	-	-	-	-	-	-
			-	3,200,000	-	-	-	-	-	-	-
			-	-	(1,125,000)	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-
			-	-	1,125,000	-	-	-	-	-	-
Share-based payments reserve	-	171,801	(74,260)	-	-	1,551,780	-	-	-	-	1,649,321
Deficit	(3,494,330)	(381,726)	381,726	-	-	(1,362,413)	(350,000)	-	-	(162,224)	(5,368,967)
Listing expense	-	-	(1,272,068)	-	-	-	-	-	-	-	(1,272,068)
Total shareholders' equity (deficit)	480,694	690,001	-	3,200,000	-	-	(606,000)	-	600,000	(162,224)	4,202,471
Total liabilities and shareholders' equity (deficit)	**1,303,840**	**704,614**	**-**	**3,200,000**	**-**	**-**	**(606,000)**	**(30,489)**	**600,000**	**(162,224)**	**5,009,741**

The accompanying notes are an integral part of these unaudited pro forma consolidated statement of financial position.

1. Nature of Operations

The accompanying unaudited pro forma consolidated statement of financial position of Black Lion Capital Corp. ("Black Lion") has been prepared by management to reflect the amalgamation of Black Lion with 2204901 Ontario Inc. (dba "Globally Local" or "the Company") after giving effect to the transactions as described in notes 2 and 3. The Pro forma has been prepared using the accounting policies of 2204901 Ontario Inc. and no adjustments were required for new or modified operations.

The unaudited pro forma statement of financial position has been prepared for inclusion in the listing statement of the Company in relation to its merger acquisition of 100% of the issued and outstanding common shares of 2204901 Ontario Inc. Completion of the acquisition is subject to customary closing conditions, including all necessary approvals and consents and all applicable TSX Venture Exchange ("TSX-V") approvals. In the opinion of the Company's management, the unaudited pro forma consolidated statement of financial position includes all adjustments necessary for fair presentation of the transactions contemplated in the Agreement.

Black Lion Capital Corp. was incorporated under the Business Corporations Act (British Columbia) on January 20, 2015. Black Lion completed an Initial Public Offering ("IPO") on April 4, 2016 and is classified as a Capital Pool Company ("CPC") as defined in the TSX Venture Exchange ("TSX-V") Policy 2.4. Black Lion's common shares were listed for trading on the TSX-V on April 5, 2016 under the symbol BLC.P. The principal business of Black Lion is the identification and evaluation of assets or a business (Qualifying Transaction) and, once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval, if required, and acceptance by regulatory authorities. The head office, principal address and registered and records office is located at Suite 409, 221 W. Esplanade, North Vancouver, British Columbia, Canada, V7M 3J3.

2204901 Ontario Inc. ("Globally Local") was incorporated under the Business Corporations Act (Ontario) on April 30, 2009. The Company is a vegan fast-food chain, serving plant-based versions of iconic fast food. It is a technology company, manufacturing innovative plant-based products through a sustainable, vertically integrated supply chain. The Company's registered office is located at 505 Consortium Court, London, ON, N6E 2S8. References herein to "Globally Local" refer to 2204901 Ontario Inc. and its subsidiaries, unless specifically noted otherwise.

2. PRO FORMA ASSUMPTIONS

The unaudited pro forma consolidated statement of financial position is prepared as if the transaction described below occurred on October 31, 2020.

The unaudited pro forma consolidated statement of financial position may not be indicative of the financial position that would have occurred if the transactions had taken place on the dates indicated or of the financial position which may result in the future. The actual financial position of Globally Local for any period following October 31, 2020 will likely vary from the amounts set forth in the unaudited pro forma consolidated statement of financial position and such variation may be material.

The unaudited Pro Forma consolidated statement of financial position should be read in conjunction with the audited statement of financial position of Black Lion as at October 31, 2020 and the unaudited interim consolidated statement of financial position of 2204901 Ontario Inc. as at December 31, 2020. This Pro forma statement of financial position is not necessarily indicative of the financial position that would have resulted if the transaction had occurred on October 31, 2020.

The unaudited pro forma consolidated statement of financial position of the Resulting Issuer has been compiled from and includes:

a) The audited statement of financial position of Black Lion as at October 31, 2020
b) The unaudited interim consolidated statement of financial position of 2204901 Ontario Inc as at December 31, 2020; and
c) The additional information and assumptions set out in Note 2 and Note 3.

For presentation purposes the transaction is assumed to have occurred on October 31, 2020. The unaudited pro forma consolidated statement of financial position is intended to reflect the financial position of the Resulting Issuer which would have resulted had the proposed transactions been affected on the date indicated. Actual amounts recorded upon consummation of the agreement will differ from those recorded in the unaudited pro forma consolidated statement of financial position. No adjustments have been made to reflect additional costs or cost savings that could result from the combination of the operations of the Black Lion and Globally Local.

The principal features of the transaction are as follows:

As announced in a press release dated November 9, 2020, the Issuer and Globally Local entered into a letter of intent dated November 6, 2020 (the "Letter of Intent") to complete the Transaction. A more comprehensive press release regarding the same was issued by the Issuer on January 29, 2021.

On January 20, 2021, the Issuer, Black Lion, 2801318 Ontario Ltd. ("Black Lion Sub") and Globally Local entered into the definitive agreement, which supersedes the Letter of Intent, and pursuant to which the Issuer will acquire all of the issued and outstanding Globally Local Shares in exchange for the issuance of 72,000,000 Resulting Issuer Shares (giving effect to the Minimum Financing) or 74,500,000 Resulting Issuer Shares (assuming the Maximum Financing), as applicable, in accordance with the Exchange Ratio (the "Transaction").

The Transaction will be structured as a three-cornered amalgamation. Upon completion of the Transaction, Globally Local will become a wholly owned subsidiary of the Issuer.

The principal features of the Transaction may be summarized as follows:

- Globally Local and Black Lion Sub will amalgamate and continue as one corporation under the provisions of the OBCA and, as a result, the property and liabilities of Black Lion Sub and Globally Local will become the property and liabilities of the amalgamated company.

- each Globally Local Share shall be cancelled, and the holder thereof shall receive that number of Resulting Issuer Shares as is equal to the number of Globally Local Shares held by such Globally Local shareholder immediately prior to amalgamation multiplied by the Exchange Ratio; and

- each Black Lion Sub Share shall be cancelled, and, after the amalgamation, the amalgamated company shall issue one share to the Issuer in respect of every Black Lion Sub Share so cancelled.

- As a condition of closing the Transaction, concurrently with, or immediately prior to the closing of the Transaction, the Issuer will undertake a share consolidation on the basis of one Black Lion Consolidated Share for every 2.5 Black Lion Shares. The exercise price and the number of Black Lion Consolidated Shares issuable upon the exercise of the CPC Options will be adjusted according to the Black Lion Consolidation ratio.

The completion of the Transaction contemplated by the definitive agreement is subject to certain conditions, including but not limited to (a) obtaining all necessary regulatory approvals, including Exchange approval of the Transaction, the Black Lion Consolidation and the Black Lion Name Change, which will now be called Globally

Local Technologies Inc. and other transactions comprising part of the Transaction; (b) the approval by the Globally Local Shareholders of the Transaction; and (c) other customary conditions.

3. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated statement of financial position incorporates the following pro forma assumptions and adjustments:

i. The transaction will be treated as a reverse takeover ("RTO") for accounting purposes based on the terms within the Amalgamation Agreement. In accordance with the guidelines in IFRS 3, Black Lion Capital does not meet the definition of a business for accounting purposes. Therefore, the RTO does not constitute a business combination but a capital transaction in substance with 2204901 Ontario Inc. being identified as the acquirer. The comparative figures that will be presented in the consolidated financial statements after the RTO will be those of 2204901 Ontario Inc.

   Accordingly, the assets and liabilities of Black Lion are included in the unaudited pro forma consolidated statement of financial position and are presented at their fair value, which is deemed to be equal to their carrying value; the pre-acquisition equity of Black Lion will be eliminated upon consolidation. This includes its share capital of $899,926, Share based payments reserve for options of $171,801, and accumulated deficit of $381,726.

   The purchase price is recorded as the cost to acquire the share capital at the fair value at the time of the transaction. The excess of the amount paid over the fair value of the assets is charged to listing expense. Accordingly, share capital increased by $1,864,528, fair value of the CPC Options have been calculated at $97,541 and fair value of the Agent's Options have been calculated at $189,368 (see Note 4).

   The assets and liabilities of Globally Local are included in the unaudited pro forma consolidated statement of financial position at their historical value.

   a. The net assets of Black Lion are included at fair value, assumed to be equal to their carrying value at October 31, 2020.
   b. Share capital, contributed surplus, and the deficit of Black Lion are eliminated.

II. To facilitate the amalgamation, Black lion shares will have been consolidated on the basis of one Black Lion Consolidated Share for every 2.5 Black Lion shares (with each Black Lion Consolidated Share being designated a Resulting Issuer Share upon completion of the Transaction). Existing shareholders of Black Lion, on a post-Black Lion Consolidation basis, will hold an aggregate of 4,661,318 Resulting Issuer Shares representing approximately 6% of the outstanding Resulting Issuer Shares on a non-diluted basis (giving effect to the Minimum Financing) or 6% of the outstanding Resulting Issuer Shares on a non-diluted basis (on a non-diluted basis and after giving effect to the Maximum Financing).

III. Former Globally Local Shareholders will hold an aggregate of 64,000,000 Resulting Issuer Shares (excluding any Resulting Issuer Shares issued pursuant to the Financing) representing approximately 81% of the outstanding Resulting Issuer Shares on a non-diluted basis (giving effect to the Minimum Financing) or 78% of the outstanding Resulting Issuer Shares on a non-diluted basis (after giving effect to the Maximum Financing);

IV. In conjunction with the transaction, Globally Local will complete a private placement to issue a minimum of 8,000,000 common shares of the Resulting Issuer at $0.40 per common share for proceeds of $3,200,000, immediately before the amalgamation.

V. Includes 2,812,500 resulting issuer shares (on a post-Black Lion Consolidation basis) to be issued to Canaccord Genuity Corp. as a finder's fee in connection with the Transaction pursuant to the terms and conditions of a finder's agreement between Black Lion and Canaccord Genuity Corp. dated October 19, 2020. The agreement provided for a 5% finder's fee. Canaccord Genuity Corp. agreed to reduce its fee to 4.5% (62,500,000 x 4.5% = 2,812,500 Resulting Issuer Shares). Such shares issued to Canaccord is valued at $0.40 per share in the amount of $1,125,000.

VI. Includes $300,000 relating to the costs associated with closing the qualifying transaction. In addition, the cash commission paid to Canaccord Genuity Corp for the minimum financing is calculated as 8% of the $3,200,000 private placement, in the amount of $256,000, which can be paid in sub receipts at the agent's option. Also included is $50,000 relating to out-of-pocket agent fees.

VII. The Company repaid certain credit facilities outstanding as at September 30, 2020 to related parties as described in the notes to the consolidated financial statements. The remaining Company liabilities will be with third parties only.

VIII. On March 8, 2021, the Company completed a private placement in the amount of $600,00 at a price of $0.40/share. The funding raised will be used for general business purposes.

IX. In February and March 2021, the Company entered into several binding lease agreements for retail locations located in the town of Waterloo, Ontario, London, Ontario and Hamilton, Ontario. The total expected monthly lease payments for these locations are $13,519/month.

(amounts in Canadian dollars)

4. PRO FORMA SHARE CAPITAL AND STOCK OPTIONS

PRO FORMA SHARE CAPITAL

	Note	Resulting Number	Pro Forma Amount $
Globally Local shares - As at December 31, 2020		62,500,000	3,975,024
Globally Local shares issued - March financing	3(viii)	1,500,000	600,000
Black Lion shares as at July 31, 2020		11,653,294	
Black Lion share consolidation (1:2.5)	5	(6,991,976)	1,864,528
Allocation of share issuance costs - Broker Options (min)	4		(189,368)
Allocation of share issuance costs - Broker Options (max)			(248,545)
Allocation of share issuance costs - cash commission (giving effect to Minimum Financing)	3(ix)	-	(256,000)
Allocation of share issuance costs - cash commission (giving effect to Maximum Financing)			(336,000)
Allocation of share issuance costs - finder's fee	3(viii)	2,812,500	-
Globally Local shares issued - private placement - gross proceeds (giving effect to Minimum Financing)	3(iv)	8,000,000	3,200,000
Globally Local shares issued - private placement - gross proceeds (giving effect to Maximum Financing)	3(iv)	10,500,000	4,200,000
Pro forma balance at December 31, 2020 (giving effect to Minimum Financing)		79,473,818	9,194,184
Pro forma balance at December 31, 2020 (giving effect to Maximum Financing)		81,973,818	10,055,007

PRO FORMA STOCK OPTIONS

Stock Options	Resulting Issuer Number	Pro Forma Amount $
Broker Options	640,000	189,368
CPC Options	410,600	97,541
Globally Local Options	4,604,506	1,362,412
	5,655,106	1,649,321

As part of the Transaction, the following convertible securities will be issued and outstanding: (i) a minimum of 640,000 Resulting Issuer Agent's Compensation Options (840,000 after giving effect to the Maximum Financing), each exercisable to acquire a Resulting Issuer Share at a price of $0.40 per Resulting Issuer Share; and (ii) 410,600 Resulting Issuer Options, comprised of the 410,600 CPC Options, each exercisable to acquire one Resulting Issuer Share at an exercise price of $0.25 per Resulting Issuer Share and 4,604,506 Resulting Issuer Options to be issued in connection with the Closing of the Transaction, each exercisable to acquire one Resulting Issuer Share at an exercise price of $0.40 per Resulting Issuer Share.

As part of the Transaction, the resulting issuer will issue 640,000 options as compensation to the Resulting Issuer's Agent. The fair value of the options has been estimated at the date of issue using the Black-Scholes warrant pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 100.0%; (iii) risk-free interest rate of 0.20%; (iv) expected life of five years; (v) share price of $0.40; forfeiture rate of nil. Volatility was estimated based on historical volatility of comparable companies. The fair value of Broker Options has been deducted from share capital and allocated to reserve for options.

(amounts in Canadian dollars)

The fair value of the CPC Options has been estimated at the date of issue using the Black-Scholes warrant pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 100.00%; (iii) risk-free interest rate of 0.20%; (iv) expected life of 1 to 5.1 years; (v) share price of $0.40; forfeiture rate of nil. Volatility was estimated based on historical volatility of comparable companies. The fair value of CPC Options has been allocated to the listing expense.

Globally local will issue at the close of the transaction 4,604,506 options to directors and officers of the Resulting Issuer. The fair value of the options has been estimated at the date of issue using the Black-Scholes warrant pricing model with the following assumptions: (i) dividend yield of 0%; (ii) expected volatility of 100.0%; (iii) risk-free interest rate of 0.20%; (iv) expected life of five years; (v) share price of $0.40; forfeiture rate of nil. Volatility was estimated based on historical volatility of comparable companies. The fair value of Globally Local Options has been deducted from share capital and allocated to reserve for options.

5. ACQUISITION – LISTING EXPENSE

Total purchase price of Black Lion is as follows:	
Common shares issued and outstanding, Black Lion	11,653,294
Black Lion - Share consolidated (2.5:1)	6,991,976
	4,661,318
Price per share based on concurrent financing	$0.40
Cost of acquisition, share issuance	$1,864,528
Fair value of Replacement CPC Options	97,541
Total consideration	1,962,069
Fair value of net assets including cash	690,001
Excess paid over assets – listing expense	1,272,068
Fair value of net assets calculation	
Assets	704,614
Liabilities	(14,613)
	690,001

6. INCOME TAXES

The effective income tax rate applicable to the combined operations will be 26.5%. No adjustments for income taxes have been made to the unaudited pro forma consolidated statement of financial position as their effect would be immaterial.

SCHEDULE "F"

An investment in the Resulting Issuer should be considered highly speculative due to the nature of Globally Local's business and the present stage of development. **An investment in the Offered Shares should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment and who are able to understand the unique nature and risks of Globally Local and the plant-based meat alternative sector**. Potential investors should consult with their professional advisors to assess an investment in Globally Local. In evaluating Globally Local and our business, investors should carefully consider, in addition to other information contained in this Filing Statement, the risk factors below. These risk factors are not a definitive list of all risk factors associated with an investment in Globally Local or in connection with our operations.

The following are certain factors relating to our Resulting Issuer's business, which prospective investors should carefully consider. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information set out elsewhere in this Filing Statement. These risks and uncertainties are not the only ones we are facing. Additional risks and uncertainties not presently known to us, or that we currently deem immaterial, may also impair operations. If any such risks actually occur, the business, financial condition, liquidity and results of operations could be materially adversely affected.

Risks Relating to our Business

Reliance on Key Personnel

We strongly depend on the business and technical expertise of our management team and there is little possibility that this dependence will decrease in the near term. Our success will depend in large measure on certain key personnel including James McInnes and Vasiliki McInnes. The loss of the services of such key personnel could have a material adverse effect on our business and prospects as we may not be able to find suitable individuals to replace them on a timely basis. The contributions of the existing management team to our immediate and near term operations are likely to be of central importance.

Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of our management. The amount of time and expertise expended on our affairs by each of our management team and our directors will vary according to our needs. We do not intend to acquire any key-person insurance policies and there is, therefore, a risk that the departure of any member of management, our Board, or any key employee or consultant, could have a material adverse effect on our future.

Protection of Intellectual Property Rights

We rely on unpatented proprietary expertise, recipes and formulations and other trade secrets to develop and maintain our competitive position. Our success depends, to a significant degree, upon our ability to protect and preserve our intellectual property. Our employees with access to such information are subject to confidentiality provisions contained in their employment agreements which prohibit them from disclosing information acquired by them during, as a consequence of or in connection with their employment. We rely on these agreements to protect our intellectual property rights. Nevertheless, trade secrets are difficult to protect. Although we attempt to protect our trade secrets, our confidentiality provisions may not effectively prevent disclosure of our proprietary information and may not provide an adequate remedy in the event of unauthorized disclosure of such information.

We have applied for trademarks with both the Canadian Intellectual Property Office as well as the U.S. Patent and Trademark office for Globally Local and two newer markets - Globally Local Food Services and Odd Burger. Our Trademark for Globally Local was objected to registration in both Canada and in the US and therefore there is uncertainty if we will be able to register this mark in either jurisdiction. We have filed extensions to appeal the Globally Local trademark objection in Canada and we are awaiting the status of the registration of Globally Local by another corporation in the US. If we are unable to register these marks in either jurisdiction, we will likely attempt to form an agreement with the entities that have registered the Globally Local trademark or rename and rebrand our fast food chain to our planned US brand, Odd Burger. In the case of forming an agreement on use, there is uncertainty if we would be able to come to agreeable terms and it would also be an unknown cost if terms were agreed upon. In the case of rebranding, this would be a substantial cost across our organization and this cost would be proportional to the number of operational locations and would include changing our signage, packaging, murals, printed posters, website and other related marketing and branding material.

The trademarking process can take up to 24 months to complete and can be challenged during the process. At this time, we cannot state whether the trademarks we have applied for will be approved, refused, and/or ultimately registered. In addition, our trademark rights and related registrations may be challenged in the future and could be canceled or narrowed. Failure to protect our trademark rights could prevent us in the future from challenging third parties who use names and logos similar to our trademarks, which may in turn cause consumer confusion or negatively affect consumers' perception of our brand and products. In addition, if we do not keep our trade secrets confidential, others may produce products with our recipes or formulations. Moreover, intellectual property disputes and proceedings may be protracted with no certainty of success, and an adverse outcome could subject us to liabilities, force us to cease use of certain trademarks or other intellectual property or force us to enter into licenses with others. Any one of these occurrences may have a material adverse effect on our business, results of operations and financial condition.

Competition

The industry we operate in is intensely competitive and we face competition from numerous brands that produce plant-based protein products including small and large independent companies as well as large-scale manufacturers. We also face intense competition in the fast food industry with many large and established players who have many more store locations and much larger marketing budgets. Many of these competitors have substantial financial backing and established brand reputation. Competition is based on product availability, product quality, speed of service, price, effective promotions, and the ability to target changing consumer preferences. Failure to compete against other similar companies could have a material adverse effect on our business, financial condition and results of operations.

Failure to Expand Production Capacity

We are planning to expand our production capacity through 2021 by maximizing production at the London Ontario facility and through the construction of a distribution centre nearby. Any substantial delay in bringing the London ON facility to full capacity, or the distribution centre into operation on our current schedule may hinder our ability to produce all of the product needed to open more restaurant locations, launch retail products, supply existing locations or recruit new customers and/or achieve our expected financial performance. In addition, expanding the London ON facility will require additional capital expenditures and the efforts and attention of our management and other personnel, which has and will continue to divert resources from our existing business or operations. In addition, we will need to hire and retain more skilled employees to operate the London ON facility. Even if the production facility and distribution centre in London, ON are brought up to full operation according to our current schedule, they may not provide us with all of the operational and financial benefits we expect to receive.

Covid-19

The COVID-19 pandemic has, and likely will continue to, adversely affect the business of Globally Local, its financial condition and results of operations. In March 2020, the World Health Organization characterized a novel strain of the coronavirus, known as COVID-19, as a pandemic. Concerns related to the spread of COVID-19 and the related containment measures intended to mitigate its impact have created substantial disruption and uncertainty in the global economy. The COVID-19 pandemic and related containment measures have already caused a global economic downturn and it is likely that the current outbreak and continued spread of COVID-19 will cause a global recession. We are unable to predict the extent and duration of any such downturn or recession or the ultimate impact of the pandemic on the business of Globally Local and the Resulting Issuer due to various uncertainties, such as the duration and severity of the outbreak, actions that may be taken by governmental authorities, businesses and individuals in response to the pandemic, and the effect on our customers. While COVID-19 and related containment measures had limited impact on Globally Local's business as at the date hereof, the impact of the pandemic on its business and the business of the Resulting Issuer in the future could be material. While Globally Local has implemented measures and plans designed to mitigate the effects of the COVID-19 pandemic, these efforts may prove to be inadequate.

The business of Globally Local depends and the business of the Resulting Issuer will depend on the financial health and strength of its customers, which in turn is primarily dependent on the general economy in Ontario, and secondarily on the general economy in Canada. Cost-cutting, reduced spending or reduced activity by its customers could adversely affect Globally Local's and the Resulting Issuer's financial results by reducing its revenues.

Disruption at our Facilities

Currently, all of our products are manufactured at our London, ON production facility. A natural disaster, fire, power interruption, work stoppage or other calamity at this facility, or at any future facility at which we produce our products, would significantly disrupt our ability to deliver our products and operate our business. If any material items of our machinery or inventory were damaged, we would be unable to meet our contractual obligations and cannot predict when, if at all, we could replace or repair such machinery, which could materially adversely affect our business, financial condition and results of operations. Similarly, if disruptions to the operations at our restaurant locations require us to shut down any of these locations for any reason, including as a result of fire, earthquake, other natural disaster, civil disruption or a health crisis such as the current COVID-19 outbreak, this could cause significant disruption and expense to our business and operations and could have an adverse effect on our business.

Government Regulation of the Food Industry Creates Risks and Challenges

Our operations are subject to regulation by government agencies including, among others, Health Canada and the CFIA and local public health units. These agencies regulate the processing, packaging, storage, distribution, advertising, and labelling of our products, including food safety standards as well as regulate the operations and licensing of our restaurant locations. Our manufacturing facility, restaurant locations and products are subject to inspection by federal, provincial, and local authorities. We strive to maintain compliance with all laws and regulations and maintain all permits and licenses relating to our operations. Nevertheless, there can be no assurance that we are in compliance with all such laws and regulations, have all necessary permits and licenses, and will be able to comply with such laws and regulations, or obtain such permits and licenses in the future including for example, the SFCA License. Failure by us to comply with applicable laws and regulations and permits and licenses could subject us to civil remedies, including fines, injunctions, recalls or seizures, as well as potential criminal sanctions, which could have a material adverse effect on our financial condition and results of operations. In addition, enforcement of existing laws and regulations, changes in legal requirements and/or evolving interpretations of existing regulatory requirements may result in increased compliance costs and create other obligations, financial or otherwise, that could adversely affect our business, financial condition or results of operations.

Labelling

In recent years a number of plant-based meat and dairy alternative companies have been the subject of CFIA investigations relating to the use of words such as dairy and meat in connection with plant-based products. In certain instances the matter was resolved through the use of a hyphenated modifier such as "plant-based" or "dairy-free" but in others, revisions to the labeling of products was required in order to distinguish the products at issue from the conventional understanding of meat and cheese products. While we employ the use of clear modifiers or different spelling to distinguish our products from the conventional understanding of meat products, we also market certain products under names commonly associated with animal-based meat products and employ the word "meat" as a general descriptor in relation to our plant-based product portfolio including on our labels and more generally on our website and social media. While we currently believe that our product labels and marketing materials are not misleading or deceptive, there is a risk that the CFIA will take up enforcement action against our Company. Any such review could divert resources from our management and result in increased compliance costs and could have an adverse effect on our business.

Price of Raw Materials

Costs of the ingredients and packaging for our products are volatile and can fluctuate due to conditions that are difficult to predict, including global competition for resources, weather conditions, consumer demand and changes in governmental trade and agricultural programs. Volatility in the prices of raw materials and other supplies we purchase could increase our cost of sales and reduce our profitability. Moreover, we may not be able to implement product price increases to cover any increased costs, or any price increases implemented may result in lower sales volumes. If we are not successful in managing our ingredient and packaging costs, and unable to increase our prices to cover increased costs or if such price increases reduce sales volumes, then such increases in costs will adversely affect our business, results of operations and financial condition.

Consumer Trends

Our business is focused on the development, manufacture, marketing and distribution of branded plant-based products as alternatives to meat-based protein products as well as vegan fast food restaurant operations as alternatives to traditional fast food establishments . Consumer demand could change based on a number of possible factors, including dietary habits and nutritional values, concerns regarding the health effects of ingredients and shifts in preference for various product attributes. If consumer demand for our products decreases, our business and financial condition would suffer. In addition, sales of plant-based protein or meat-alternative products are subject to evolving consumer preferences that we may not be able to accurately predict or respond to. Consumer trends could change based on a number of possible factors, including economic factors and social trends. A significant shift in consumer demand away from our products could reduce sales, which would harm our business and financial condition.

Supply Chain Management

Insufficient or delayed supply of products threaten our ability to meet customer demands while over capacity threatens our ability to generate profit. Accordingly, any failure by us to properly manage our supply chain could have a material adverse effect on our business, financial condition and results of operations. We do not currently have written supply agreements with our suppliers. Because of the absence of such contracts, any of such suppliers could seek to alter or terminate its relationship with us at any time, which could result in disruption in our supply chain.

Limited or Disrupted Supply of Key Ingredients

A number of the ingredients in our products such as legumes and vital wheat gluten derived from wheat flour are vulnerable to adverse weather conditions and natural disasters, such as floods, droughts, frosts, earthquakes, hurricanes and pestilence. Adverse weather conditions and natural disasters can lower crop yields and reduce crop size and quality which, in turn, could reduce the available supply of, or increase the price of quality ingredients. Moreover, we strive to use locally sourced ingredients which are more limited in supply than conventional product ingredients. We also compete with other food producers in the procurement of ingredients, and as consumer demand for plant-based protein products increases, this competition may increase. If supplies of quality ingredients are reduced or there is greater demand for such ingredients, we may not be able to obtain sufficient supply on favourable terms, or at all, which could impact our ability to supply products to distributors and retailers and may adversely affect our business, results of operations and financial condition.

Climate Change

There is concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. If such climate change has a negative effect on agricultural productivity, we may be subject to decreased availability or less favourable pricing for certain commodities that are necessary for our products, such as legumes or vital wheat gluten.

Cybersecurity

A compromise of our security systems that results in our customers' or suppliers' information, or confidential information about our employees or our business being obtained by unauthorized persons or a breach of information security laws and regulations could adversely affect our reputation, financial condition and results of operations, and could result in litigation against us or the imposition of penalties. In addition, a security breach could require that we expend significant additional resources related to remediation, including changes in the information security systems, and could result in a disruption of our operations.

Food Safety and Consumer Health

We are subject to risks that affect the food industry in general, including risks posed by food spoilage, accidental contamination, product tampering, consumer product liability, and the potential costs and disruptions of a product recall. We manage these risks by maintaining strict and rigorous controls and processes in our production facility and distribution system. However, we cannot assure that such systems will eliminate the risks related to food safety. We could be required to recall certain or a large portion of our products in the event of contamination or adverse test results or as a precautionary measure. There is also a risk that not all of the product subject to the recall will be properly identified, or that the recall will not be successful or not be enacted in a timely manner. A product recall could result in significant losses due to its costs, destruction of product inventory and lost sales due to the unavailability of the product or potential loss of current or new customers as a result of an adverse impact on our reputation. In addition, once purchased by consumers, we have no further control over our products and consumers may prepare our products in a manner that is inconsistent with our directions which may adversely affect the quality and safety of our products. Any product contamination could subject us to product liability claims, adverse publicity and government scrutiny, investigation or intervention, resulting in increased costs and decreased sales. Any of these events could have a material adverse impact on our business, financial condition and results of operations.

Brand Value

Our success largely depends on our ability to maintain and grow the value of the Globally Local, Globally Local Food Services and the Odd Burger brands. Maintaining, promoting and positioning our brands and reputation will depend on, among other factors, the success of our product offerings, food safety, quality assurance, marketing and merchandising efforts and our ability to provide a consistent, high-quality customer experience. Brand value is based on perceptions of subjective qualities, and any incident that erodes the loyalty of customers or suppliers, including adverse publicity or a governmental investigation or litigation, could significantly reduce the value of our brand and adversely affect our business, results of operations and financial condition.

Internet Search/Social Media Algorithms

In order to attract new customers and retain existing customers, it is important that Globally Local's brands show up prominently in internet search results and social media pages. Changes to internet search engine algorithms or social media algorithms or any changes in terms of service could cause our website or social media pages to appear less prominently in search results and may require additional funds or effort in order to achieve the same exposure.

Delivery Platform Counterparty Risk

The majority of our total sales at our restaurant locations are placed through third party delivery partners such as Doordash. These platforms provide technology whereby customers place orders for pickup or delivery through an app or website. We are therefore heavily reliant on the technology from these third party delivery platforms as a main sales channel for our restaurant locations. Furthermore, the delivery platforms provide delivery zones around each restaurant location that are defined and set by them. The radius around each restaurant location can vary in size and can change dynamically and without notice. We make every effort to position our restaurants based on a radius range provided by our delivery partner, however, this radius can change drastically and may result in our locations being less suitable than we had originally believed them to be. This may result in certain customers not receiving delivery service from us and may negatively affect our brand and performance from a given restaurant location. Any disruption in service from our delivery partners or any changes in their delivery algorithms could negatively affect our sales and profits.

Reputation Risk

Real or perceived quality or food safety concerns or failures to comply with applicable food regulations and requirements, whether or not ultimately based on fact and whether or not involving us or incidents involving our competitors, could cause negative publicity and reduced confidence in us and our products, which could cause harm to our brand, reputation and sales, and could materially adversely affect our business, financial condition and results of operations. The growing use of social and digital media increases the speed and extent that information or misinformation and opinions can be shared. Negative publicity about us, our brand or products on social or digital media could seriously damage our reputation. Without a favourable perception of our brand and products, our sales and profits could be negatively impacted.

Risks Associated with Leasing Commercial and Retail Space

We do not own any real estate. Instead, we lease our production and restaurant locations. Accordingly, we are subject to all of the risks associated with leasing, occupying and making tenant improvements to real property, including adverse demographic and competitive changes affecting the location of the property and changes in availability of and contractual terms for leasable commercial and retail space. Changes in areas around our restaurant locations that result in reductions in customer foot traffic or otherwise render the location unsuitable or altogether unavailable due to unforeseen or extraordinary circumstances including as a result of the COVID-19 pandemic, road construction or shifts in demographics could result in lower sales volumes and adversely affect our business, results of operation, and financial condition.

Effect of Product Innovation

Our growth in part depends on our ability to develop and market new products and improvements to our existing products that appeal to consumer preferences. The success of our innovation and product development efforts is affected by our ability to anticipate changes in consumer preferences, the technical capability of our production team in developing and testing product prototypes, including complying with applicable governmental regulations, the success of our management and sales and marketing team in introducing and marketing new products and positive acceptance by consumers. Failure to develop and successfully market and sell new products, including gluten-free, soy-free and other products we are currently working to develop may inhibit our growth, sales and profitability.

Failure to retain current customers and/or recruit new customers

Our success, and our ability to increase revenue and operate profitably depends, in part, on our ability to acquire new customers and retain existing customers, so that they continue to purchase the Company's products and visit our restaurants. We may fail to acquire or retain customers across our distribution channels due to negative value and quality perceptions, a lack of new and relevant products or failure to deliver customers' orders in a timely manner.

Litigation Risk

We may become party to litigation from time to time in the ordinary course of business which could adversely affect our business. Should any litigation in which we become involved be determined against us, such a decision could adversely affect our ability to continue operating, and could affect the market price for the Common Shares, and could use significant resources. Even if we are successful in any litigation, litigation can redirect significant resources and may also create a negative perception of our brand.

Third Party Reliance for Payment Processing

We rely on third party payment processors for all in store debit and credit transactions at our restaurant locations. These payment processors may change their rates, may change their technology or may have a disruption in their services that could adversely affect our business. Furthermore, we rely on these payment processors for secure processing and any breaches in their security could affect our brand or reputation. Any issues with our payment processing may inhibit our growth, sales and profitability.

Social Responsibility Failures

We have set certain social responsibilities for our brand and our staff, including a workplace free of harassment and discrimination as well as a mission to give back to our community. Any failures to abide by our corporate policies may adversely affect our brand. Issues resulting from racism, discrimination, harassment or other failures in our social responsibility may result in litigation, negative perceptions cast about our organization on social media and overall damage to our reputation. Failures to uphold our social responsibilities could result in lower sales volumes and adversely affect our business, results of operation, and financial condition.

General Risks Relating to our Company

Speculative Nature of Investment Risk

An investment in the Resulting Issuer Shares carries a high degree of risk and should be considered as a speculative investment. We have a limited operating history, have not paid dividends, and are unlikely to pay dividends in the immediate or near future.

History of Losses

We have experienced net losses since incorporation. We anticipate that our operating expenses and capital expenditures will increase substantially in the foreseeable future as we continue to invest to increase the number of restaurant locations, retail products, supplier and distributor networks, invest in production and distribution facilities, in particular, the London, ON facility, hire additional employees and enhance our production capabilities. Our expansion efforts may prove more expensive than anticipated, and it may not succeed in increasing sales and margins sufficiently to offset the anticipated higher expenses. We incur expenses in developing our products, obtaining and storing ingredients and other products and marketing the products we offer. In addition, many of our expenses, including the costs associated with our existing or any proposed future production/distribution facilities, are fixed. Accordingly, we may not be able to achieve or sustain profitability, and we may incur significant losses for the foreseeable future.

Negative Cash Flow

We have had negative cash flows from operations and if we are not able to obtain further financing, our business operations may fail. We had negative cash flow from operating activities of for the fiscal year ended September 30, 2020. We anticipate that we will require additional financing while we operate and expand our new business. Consequently, the net proceeds from sales of securities may be used to fund anticipated negative cash flow from operating activities in future periods. There can be no assurance that any financing will be available to us or, even if it is, if it will be offered on terms and conditions acceptable to us. Our inability to obtain additional financing in a sufficient amount when needed and upon terms and conditions acceptable to us could have a material adverse effect upon us. If additional funds are raised by issuing equity securities dilution to existing or future shareholders will result. If adequate funds are not available on acceptable terms when needed we may be required to delay, scale back or eliminate the expansion of our business.

Additional Funding Requirements and Risks

We will need to raise funds in the future through equity or debt. The sale of additional equity may result in additional dilution to our shareholders and such securities may have rights, preferences or privileges senior to those of the Resulting Issuer Shares. To the extent that Globally Local relies upon debt financing, we will incur the obligation to repay the funds borrowed with interest and may become subject to covenants and restrictions that restrict operating flexibility.

Global financial conditions are subject to volatility. This may impact our ability to obtain equity, debt or bank financing in the future on terms commercially reasonable to us or at all and may adversely impact our operations. Continued volatility and market turmoil caused by a variety of issues that are outside of our control (such as the COVID-19 pandemic) could have a material adverse effect on our business, financial condition, results of operations and cash flows if we are not able to secure sufficient funding or our ability to make required payments on debt outstanding, if any.

Dividend Risk

We have not paid dividends in the past and do not anticipate paying dividends in the near future. We expect to retain earnings to finance further growth and, where appropriate, retire debt.

Increased Costs of Being a Publicly Traded Company

As we will have publicly-traded securities, significant legal, accounting and filing fees will be incurred that are not presently being incurred. Securities legislation and the rules and policies of the TSXV require publicly listed companies to, among other things, adopt corporate governance policies and related practices and to continuously prepare and disclose material information, all of which will significantly increase legal, financial and securities regulatory compliance costs.

Global Economic Risk

Adverse and uncertain economic conditions including as a result of a global pandemic, may impact consumer demand for our products. Consumers may shift purchases to lower-priced or other perceived value offerings during economic downturns. In particular, consumers may reduce the amount of plant-based food products that they purchase where there are conventional animal-based protein offerings, which generally have lower retail prices. In addition, consumers may choose to purchase private label products rather than branded products because they are generally less expensive. Our success depends upon, among other things, our ability to maintain and increase the number of restaurant locations, sales volume with our existing customers, our ability to attract new consumers and our ability to provide products that appeal to consumers at the right price. Prolonged unfavourable economic conditions may have an adverse effect on our sales and profitability.

Risks Related to the Resulting Issuer Shares

No Prior Public Market for the Shares

No public market exists for the Common Shares. An active and liquid market for the Common Shares may not develop following the completion of the Transaction and Financing, or, if developed, may not be maintained. If an active public market does not develop or is not maintained, the trading price of the Resulting Issuer Shares may decline below the Financing Price and the liquidity of investors' Resulting Issuer Shares may be limited following the completion of the Transaction and Financing. The Financing Price was determined by negotiations between us and the Agent. We cannot assure investors that the market price of the Resulting Issuer Shares will not materially decline below the Financing Price.

Share Price Volatility Risk

We have applied to list our Common Shares on the TSXV. In the event of such listing, external factors outside of our control, such as announcements of quarterly variations in operating results, revenues and costs, and sentiments toward stocks, may have a significant impact on the market price of the Common Shares. Global stock markets, including the TSXV, have experienced extreme price and volume fluctuations from time to time. There can be no assurance that an active or liquid market will develop or be sustained for the Common Shares.

Available Funds and Principal Purposes

We currently intend to use the net proceeds received from the Financing as described under "Available Funds and Principal Purposes". However, our Board and/or management will have discretion in the actual application of the net proceeds, and may elect to allocate net proceeds differently from that described under "Available Funds and Principal Purposes" if they believe it would be in our best interests to do so. Our shareholders may not agree with the manner in which the Board and/or management chooses to allocate and spend the net proceeds. The failure by the Board and/or management to apply these funds effectively could have a material adverse effect on our business, financial condition, results of operations, cash flows or prospects.

Financing Risks

Obtaining loans to finance the constructions of our restaurant locations or production centre is an important aspect of our growth strategy. If we are unable to secure loans, this will impede or greatly limit our growth strategy. Furthermore, Indebtedness in the future may be incurred that bears interest at a variable rate or loans may be required to be refinanced at higher rates. Accordingly, increases in interest rates above that which have been anticipated based upon historical trends could adversely affect the Resulting Issuer's cash flows. To mitigate the fluctuation in interest rates, management can attempt to lock in cash returns on assets for the longest period consistent with exposure to debt maturing and leases expiring in any given year. Nevertheless a failure to obtain financing or drastic changes in interest rates may have a significant effect on our sales, growth and cash flows.

Credit Risk

Global market and economic conditions over the past few years have been unprecedented and challenging with tighter credit conditions and slower growth. Continued concerns about the systemic impact of inflation, the availability and cost of credit, the declining real estate market, energy cost, geopolitical issues and increased market uncertainty have contributed to increased market volatility and diminished expectations for the global economy. These conditions, combined with declining business activity levels and consumer confidence, increased unemployment and volatile oil prices have contributed to unprecedented levels of volatility in the capital and credit markets. If the global market and economic crisis intensifies or continues for a long period, disruptions in the capital and credit markets may adversely affect the business, financial condition and results of operations.

As a result of these market conditions, the cost and availability of credit have been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets generally and the strength of counterparties specifically has led many lenders and institutional investors to reduce and, in some cases, cease to provide funding to businesses and consumers. There can be no assurance that the markets will stabilize in the near future.

Lease Renewals, Rental Increases, Lease Termination Rights and Other Lease Matters

Expiries of leases for Globally Local Real Estate Inc. and other properties that the Resulting Issuer may acquire will occur from time to time over the short and long-term. No assurance can be provided that the Resulting Issuer will be able to renew any or all of the leases upon their expiration or that rental rate increases will occur or be achieved upon any such renewals. The failure to renew leases or achieve rental rate increases may adversely impact the Resulting Issuer's financial condition and results of operations. Although certain, but not all, leases contain a provision requiring tenants to maintain continuous occupancy of leased premises, there can be no assurance that such tenants will continue to occupy such premises. There can be no assurance that tenants will continue their activities and continue occupancy of the premises. Any cessation of occupancy by tenants may have an adverse effect on the Resulting Issuer and could adversely impact the Resulting Issuer's financial condition and results of operations and decrease the amount of cash available for distribution. In addition, certain leases contain a provision which gives tenants the right to terminate their leases upon payment of a penalty.

Joint Venture Investments

The Resulting Issuer may, in the future, co-invest in businesses or properties through joint ventures or other joint equity structures. In any such joint venture, the Resulting Issuer would not be in a position to exercise sole decision-making authority regarding the properties owned through joint ventures. Investments in joint ventures may, under certain circumstances, involve risks not present when a third party is not involved, including the possibility that joint venture partners might become bankrupt or fail to fund their share of required capital contributions. Joint venture partners may have business interests or goals that are inconsistent with the Resulting Issuer's business interests or goals and may be in a position to take actions contrary to the Resulting Issuer's policies or objectives. Such investments also have the potential risk of impasse on strategic decisions, such as a sale, because neither the Resulting Issuer nor the joint venture partner would have full control over the joint venture. Any disputes that may arise between the Resulting Issuer and its joint venture partners could result in litigation or arbitration that could increase the Resulting Issuer's expenses and distract its officers and/or directors from focusing their time and effort on the Resulting Issuer's business. In addition, the Resulting Issuer might in certain circumstances be liable for the actions of its joint venture partners.

Capital Expenditures and Other Fixed Costs

Certain significant expenditures, including property taxes, maintenance costs, mortgage and leasehold payments, insurance costs and related charges, must be made throughout the period of ownership of real property, regardless of whether the property is producing sufficient income to pay such expenses. In order to retain desirable rentable space and to generate adequate revenue over the long term, the Resulting Issuer must maintain or, in some cases, improve Globally Local's property condition (and the condition of other properties that the Resulting Issuer may acquire) to meet market demand. Maintaining a property in accordance with market standards can entail significant costs, which the Resulting Issuer may not be able to pass on to its tenants. Numerous factors, including the age of the relevant building structure, the material and substances used at the time of construction or currently unknown building code violations could result in substantial unbudgeted costs for refurbishment or modernization.

If the actual costs of maintaining or upgrading the Globally Local property and other properties that the Resulting Issuer may acquire exceed estimates of the Resulting Issuer, or if hidden defects are discovered during maintenance or upgrading, which are not covered by insurance or contractual warranties, or if the Resulting Issuer is not permitted to raise the rents due to legal constraints, the Resulting Issuer will incur additional and unexpected costs. If competing properties of a similar type are built in the area where the

Globally Local property or other properties that the Resulting Issuer may acquire are located or similar properties located in the vicinity of the Resulting Issuer's properties are substantially refurbished the net operating income derived from and the value of the Resulting Issuer's properties could be reduced.

Liquidity

Real estate investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit the Resulting Issuer's ability to vary its portfolio promptly in response to changing economic or investment conditions.

Acquisition and/or leasing of Additional Properties

The Resulting Issuer intends to acquire and/or lease additional properties in the future and the Resulting Issuer's future growth will be dependent upon its ability to successfully acquire new properties on favorable terms. Future acquisition opportunities may not be available to the Resulting Issuer on terms that meet its investment criteria or it may be unsuccessful in capitalizing on such opportunities. The Resulting Issuer's ability to capitalize on such acquisition opportunities will be significantly dependent upon external sources of capital that may not be available to it on favourable terms or at all.

The Resulting Issuer's ability to acquire or lease properties on favourable terms and successfully operate them involves the following risks:

- competition from other real estate investors in acquiring desired properties that may prevent the Resulting Issuer from acquiring or leasing desired properties or significantly increasing the purchase price and decreasing expected yields for acquired properties;

- the Resulting Issuer may be unable to finance an acquisition or lease on favourable terms or at all;

- the Resulting Issuer may have to incur significant unexpected capital expenditures to improve or renovate acquired properties;

- the Resulting Issuer may be unable to quickly and efficiently integrate new acquisitions or leases, particularly acquisitions or leases of portfolios of properties, into its existing operations;

- requiring the Resulting Issuer to use a substantial portion of its cash flow from operations to pay principal and interest or leasing costs, which will reduce the amount of cash available for other purposes;

- market conditions may result in higher than expected costs and vacancy rates and lower than expected rental rates; and

- the Resulting Issuer may acquire properties subject to liabilities but without any recourse, or with only limited recourse, to the sellers, or with liabilities that are unknown to it, such as liabilities for clean-up of undisclosed environmental contamination, claims by tenants, vendors or other persons dealing with the former owners of its properties and claims for indemnification by members, directors, officers and others indemnified by the former owners of its properties.

Newly developed and recently acquired properties may not perform as expected and may have characteristics or deficiencies unknown to us at the time of acquisition. The Resulting Issuer cannot assure security holders that it will be able to successfully integrate acquired properties without operating disruptions or unanticipated costs. As the Resulting Issuer acquires additional properties, the Resulting Issuer will be subject to risks associated with integrating and managing new properties, including tenant lease-up and retention and mortgage default. In addition, acquisitions may cause disruptions in the Resulting Issuer's operations and divert management's attention away from day-to-day operations.

Risks Related to the Proposed Qualifying Transaction

Exchange Approval

The Closing of the Proposed Qualifying Transaction is subject to the final approval of Exchange, which approval may not be obtained.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many junior companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur or increase in scope. It may be anticipated that any quoted market for the shares of the Resulting Issuer will be subject to market trends generally, notwithstanding any potential success of the Resulting Issuer in creating revenues, cash flows or earnings.