JACK NATHAN MEDICAL CORP. (formerly Woodbridge Ventures Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended January 31, 2021 and 2020

Independent Auditor's Report

To the Shareholders of Jack Nathan Medical Corp. (formerly Woodbridge Ventures Inc.):

Opinion

We have audited the consolidated financial statements of Jack Nathan Medical Corp. (formerly Woodbridge Ventures Inc.) and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2021 and January 31, 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' (deficit) equity and cash flows for the years 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 January 31, 2021 and January 31, 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits 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.

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 audits 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 audits 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 Ahlan Veerasamy.

MNP LLP

Toronto, Ontario
May 31, 2021

Chartered Professional Accountants
Licensed Public Accountants

MNP

JACK NATHAN MEDIAL CORP. (formerly Woodbridge Ventures Inc.)
CONSOLIDATED FINANCIAL STATEMENTS
January 31, 2021 and 2020

JACK NATHAN MEDICAL CORP. (formerly Woodbridge Ventures Inc.)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT

[Expressed in Canadian Dollars]

	Note	January 31, 2021 $	January 31, 2020 $
ASSETS			
Current Assets			
Cash		**7,688,864**	—
Accounts receivable		**156,623**	63,893
Government remittances receivable		**112,231**	—
Prepaids and deposits	19	**182,178**	35,611
Other receivable - current portion	9	**9,363**	8,309
Total current assets		**8,149,259**	107,813
Long Term Assets			
Investments at fair value	7	**—**	589,068
Right-of-use asset	8	**292,172**	332,471
Other receivable	9	**110,621**	119,984
Equipment	10	**939,225**	537,315
Intangibles	11	**561,829**	—
Goodwill	11	**598,605**	—
TOTAL ASSETS		**10,651,711**	1,686,651
LIABILITIES AND SHAREHOLDERS' EQUITY(DEFICIT)			
Current Liabilities			
Bank indebtedness		**—**	19
Accounts payable and accrued liabilities		**701,688**	458,123
Sales tax payable		**—**	54,334
Income tax payable	20	**18,685**	612,557
Lease obligation - current portion	12	**29,751**	26,403
Loans payable - current portion	13	**209,985**	750,000
Total current liabilities		**960,109**	1,901,436
Long-Term Liabilities			
Tenant deposits		**548,695**	522,345
Lease obligation	12	**293,185**	322,936
Loans payable	13	**180,102**	—
Deferred tax liabilities	20	**147,605**	56,875
Total Liabilities		**2,129,696**	2,803,592
Shareholders' Equity (Deficit)			
Share capital	14	**18,534,950**	10
Contributed surplus	15	**842,870**	—
Warrants	16	**102,741**	—
Accumulated other comprehensive income (loss)		**47,220**	(24,793)
Deficit		**(10,994,768)**	(1,092,158)
Shareholders' equity (deficit) attributable to shareholders		**8,533,013**	(1,116,941)
Non-controlling interest	3a	**(10,998)**	—
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**10,651,711**	1,686,651

Subsequent events ***[note 26]***

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

JACK NATHAN MEDICAL CORP. (formerly Woodbridge Ventures Inc.)

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE YEARS ENDED

[Expressed in Canadian Dollars]

	Note	January 31, 2021 $	January 31, 2020 $
REVENUES	6	**3,852,372**	3,617,388
OPERATING EXPENSES			
Consulting fees	19	**1,528,043**	1,078,447
Professional fees		**459,364**	535,902
Investor communications		**70,830**	—
Office and general		**355,760**	511,738
Clinic supplies		**74,433**	49,795
License fees		**311,637**	484,897
Advertising and promotion		**243,642**	281,331
Development costs		**102,002**	—
Acquisition related costs		**99,550**	—
Salaries and wages		**429,485**	279,582
Subcontracting		**169,551**	132,185
Stock compensation expense	15b	**839,024**	—
Bad debt expense	9	**378,853**	—
Depreciation	10	**97,367**	70,144
Depreciation - right-of-use-asset	8	**40,299**	40,299
Amortization - intangible assets	11	**7,171**	—
		5,207,011	3,464,320
INCOME (LOSS) FROM OPERATIONS		**(1,354,639)**	153,068
Other income (expense)	7	**(72,763)**	100,104
Interest income		**16,152**	14,527
Gain on interest-free loan	13c	**24,689**	—
Finance costs		**(36,235)**	(167,658)
Loss on investments at fair value	7	**(106,467)**	(1,490,536)
Write down of investments	7	**(404,314)**	—
Foreign exchange gain (loss)		**(84,185)**	10,617
Listing expense	4	**(8,276,765)**	—
NET LOSS BEFORE INCOME TAXES		**(10,294,527)**	(1,379,878)
Current income tax recovery (expense)	20	**324,044**	(46,359)
Deferred income tax recovery	20	**56,875**	69,763
NET LOSS		**(9,913,608)**	(1,356,474)
Foreign currency translation adjustment		**72,013**	(14,120)
COMPREHENSIVE LOSS		**(9,841,595)**	(1,370,594)
Net loss attributable to:			
Shareholders of the Company		**(9,902,610)**	—
Non-controlling interests		**(10,998)**	—
Comprehensive loss attributable to:			
Shareholders of the Company		**(9,830,597)**	—
Non-controlling interest		**(10,998)**	—
Loss per share – basic and diluted	17	**(0.19)**	(0.03)
Weighted average number of common shares outstanding			
Basic		**51,625,959**	44,400,000
Diluted		**51,625,959**	44,400,000

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

JACK NATHAN MEDICAL CORP. (formerly Woodbridge Ventures Inc.)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' (DEFICIT) EQUITY

FOR THE YEARS ENDED

[Expressed in Canadian Dollars]

	Note	Common Shares	Share Capital	Contributed Surplus	Warrants	Accumulated Comprehensive Income (Loss)	Deficit attributable to Shareholders	Non-controlling interest	Total Shareholders' Equity (Deficit)
		# Issued	$	$	$	$	$	$	$
Balance, January 31, 2019	14a	44,400,000	10	—	—	(10,673)	264,316	—	253,653
Cumulative translation adjustment		—	—	—	—	(14,120)	—	—	(14,120)
Net loss		—	—	—	—	—	(1,356,474)	—	(1,356,474)
Balance, January 31, 2020		44,400,000	10	—	—	(24,793)	(1,092,158)	—	(1,116,941)
Exchange of options to common shares on RTO	14b	15,600,000	7,171,292	—	—	—	—	—	7,171,292
Shares issued related to RTO	14c	2,625,332	1,206,861	—	—	—	—	—	1,206,861
Private placement financing, net of issuance costs	14d	11,296,211	4,722,849	—	—	—	—	—	4,722,849
Warrants issued related to financing, net of issuance costs	16	—	(377,828)	—	377,828	—	—	—	—
Broker warrants issued related to financing	16	—	(112,761)	—	112,761	—	—	—	—
RTO replacement warrants issued	16	—	—	—	37,538	—	—	—	37,538
Warrants exercised	16	5,590,606	4,566,936	—	(373,982)	—	—	—	4,192,954
Warrants expired	16	—	—	3,846	(3,846)	—	—		—
Broker warrants exercised	16	140,205	93,876	—	(23,773)	—	—	—	70,103
RTO replacement warrants exercised	16	110,827	57,033	—	(23,785)	—	—	—	33,248
RTO replacement options granted	15a	—	—	107,922	—	—	—	—	107,922
Stock compensation expense	15b	—	—	839,024	—	—	—	—	839,024
RTO replacement options exercised	15a	262,533	186,682	(107,922)	—	—	—	—	78,760
Shares issued on business acquisition	5	1,000,000	1,020,000	—	—	—	—	—	1,020,000
Cumulative translation adjustment		—	—	—	—	72,013	—	—	72,013
Net loss		—	—	—	—	—	(9,902,610)	(10,998)	(9,913,608)
Balance, January 31, 2021		**81,025,714**	**18,534,950**	**842,870**	**102,741**	**47,220**	**(10,994,768)**	**(10,998)**	**8,522,015**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED

[Expressed in Canadian Dollars]

	Note	January 31 2021 $	January 31 2020 $
CASH FLOWS FROM:			
OPERATING ACTIVITIES			
Net loss		(9,913,608)	(1,356,474)
Add items not involving cash:			
Stock compensation expense	15b	839,024	—
Depreciation	10	97,367	70,144
Depreciation - right-of use assets	8	40,299	40,299
Amortization - intangible	11	7,171	
Other expense (income)	7	78,287	(100,104)
Gain on recognition of interest-free loan	13c	(24,689)	—
Accretion expense on loan and other payable	13c,d	16,866	—
Loss on investments at fair value	7	106,467	1,490,536
Interest expense on lease obligation	12	40,500	43,471
Interest income		(14,948)	(14,527)
Writedown of investments	7	404,314	—
Listing expense	4	8,276,765	—
		(46,185)	173,345
Changes in non-cash working capital			
Accounts receivable		(92,730)	149,861
Government remittances receivable		(112,231)	—
Prepaid and other assets		(146,567)	1,152
Other receivable		23,257	(113,766)
Accounts payable and accrued liabilities		244,029	(682,568)
Tenants deposits		26,350	30,894
Income tax payable		(593,872)	35,826
Sales tax payable		(54,334)	99,474
Deferred tax liabilities		(56,875)	(69,763)
CASH USED IN OPERATING ACTIVITIES		(809,158)	(375,545)
INVESTING ACTIVITIES			
Purchase of equipment	10	(499,741)	(255,488)
Cash acquired from RTO	4	246,848	—
CASH USED IN INVESTING ACTIVITIES		(252,893)	(255,488)
FINANCING ACTIVITIES			
Repayment of bank indebtedness		(19)	19
Proceeds (repayment) from loans payable, net	13	(352,090)	233,547
Repayment of lease obligation	12	(66,903)	(66,902)
Net proceeds from financing, net of issuance costs	14d	4,722,849	—
Exercise of options	15a	78,760	—
Exercise of warrants	14	4,296,305	—
CASH PROVIDED BY FINANCING ACTIVITIES		8,678,902	166,664
EFFECT Of FOREIGN CURRENCY TRANSLATION		72,013	(14,210)
NET INCREASE (DECREASE) IN CASH		7,688,864	(478,579)
CASH, BEGINNING OF YEAR		—	478,579
CASH, END OF YEAR		7,688,864	—

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

1. NATURE OF BUSINESS AND OPERATIONS

Jack Nathan Medical Corp. ("JNH" or the "Company") is a provider of primary care medical clinics located in Walmart Supercentres under the Jack Nathan Health brand. JNH is the resulting issuer of a qualifying transaction that constituted a reverse takeover ("RTO") between Woodbridge Ventures Inc. ("Woodbridge") and Jack Nathan Medical Inc. and subsidiaries ("JNMI").

JNMI, an Ontario Company incorporated in December 2006, designs, builds and sets-up barrier free medical and dental clinics for physicians in high-density centers, providing patients with an opportunity to receive immediate access to quality care in modern facilities.

On October 6, 2020, the reverse takeover transaction between Woodbridge and JNMI was completed. This qualifying transaction was affected by way of securities exchange between Woodbridge and JNMI. Concurrently with the closing of this transaction, JNH completed a brokered private placement financing for gross proceeds of $5,648,105 with the issuance of 11,296,211 units at a price of $0.50 per unit consisting of one share and one-half warrant (see note 4). In addition, each option to purchase JNH shares outstanding on the date of the transaction was automatically exercised immediately prior to the completion of the transaction and exchanged into resulting issuer shares.

Upon completion of this transaction, the Company owns 100% of the issued and outstanding shares of JNMI. Pursuant to the share exchange, Woodbridge was identified as the acquiree for accounting purposes and the transaction constituted a reverse take-over ("RTO") of Woodbridge. Since Woodbridge's operations do not constitute a business, the RTO has been accounted for in accordance with IFRS 2 – Share based payments, (Note 3). As such, the comparative year balances in the consolidated financial statements are that of JNMI.

JNH holds 95% of the issued share capital of JNH Shanghai, which was incorporated in China in February 2016, 100% of the issued share capital of Vivify Wellness Inc ("Vivify") incorporated in Ontario, Canada in February 2019 and owns 99.9% of JNH Medico Mexico ("JNH Mexico") which was incorporated in Mexico in September 2017.

On December 14, 2020 JNH formed a new subsidiary, Jack Nathan Functional Health Inc. ("Jack Nathan Health") that will be responsible for all corporate run clinical operations. This subsidiary is owned 80% by JNH and 20% by the Chief Medical Officer of the Company appointed at the same time.

On January 8, 2021, JNH acquired 100% of the share capital of Writi Inc., ("Writi") a cloud-based medication-management software platform company supporting digital communication, record maintenance and workflow and documentation.

The registered and head office of the Company is located at 94 Guelph Street, Georgetown, Ontario, Canada.

[Expressed in Canadian Dollars]

2. BASIS OF PREPARATION

These Consolidated Financial Statements for the years ended January 31, 2021 and 2020 were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee ("IFRIC").

The policies set out were consistently applied to all the periods presented unless otherwise noted below. The preparation of consolidated financial statements in accordance with IAS 1 – Presentation of Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. These consolidated financial statements have been prepared in their functional currency on a historical cost basis except for long-term liabilities, other receivable and payable, and which are measured at amortized cost or fair value. Historical cost is generally based upon the fair value of the consideration given in exchange for assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

The consolidated financial statements were authorized for issuance by the Board of Directors on May 31, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its five subsidiaries: JNH Shanghai, JNH Mexico, Vivify, Jack Nathan Functional Health Inc, and Writi Inc. for the year ended January 31, 2021 (3 subsidiaries for the fiscal year end January 31, 2020). Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany accounts and transactions have been eliminated on consolidation.
Ownership interest in subsidiaries is summarized as follows:

Subsidiary	Principal place of business	2021	2020
JNH Mexico	Mexico	99.9%	99.9%
Vivify	Ontario, Canada	100.0%	100.0%
JNH Shanghai	Inactive	95.0%	95.0%
Jack Nathan Health	Ontario, Canada	80.0%	Nil
Writi	Ontario, Canada	100.0%	Nil

The interest of non-controlling shareholders of JNH Shanghai have not been presented separately due to no active business in JNH Shanghai. The 20% interest in Jack Nathan Health is presented as non-controlling interest in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Revenue recognition

To determine whether to recognize revenue, the Company follows a 5-step process:

1) Identifying the contract with a customer
2) Identifying the performance obligations
3) Determining the transaction price
4) Allocating the transaction price to the performance obligations
5) Recognizing revenue when/as performance obligation(s) are satisfied.

The Company often enters into transactions involving a range of services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognized either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised services to its customers.
The Company recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as tenant deposit on the consolidated statements of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognizes either a contract asset or a receivable on its statements of financial position, depending on whether something other than the passage of time is required before the consideration is due.

The Company's principal source of revenue results from licensing the operation of medical clinics in Walmart's premises, with terms ranging from one to ten years.

Recruitment fees and retention fees

Recruitment fees are one-time fees earned for the full-time physician the Company has recruited for each Walmart clinic. The Company grants the right of using its brand name to franchisees and provides assistance for opening a new medical clinic in Walmart's premises. After the completion of the first year of the licensed term and after the completion of each subsequent year of the term thereafter, Walmart is required to pay the Company an annual retention fee agreed upon, whose amount depends on the number of the clinics that meet the minimum hour requirement. The performance obligations for both recruitment fees and retention fees are satisfied at a point in time. The Company recognizes the recruitment fees and retention fees when the performance obligations are satisfied, and collection is reasonably assured.

License fees

The Company charges its licensees a usage-based licensing fee in exchange for the right to use its brand name and the licensed premises. The performance obligations are satisfied over time, and the licensing revenues are recognized over time as earned once collection is reasonably assured.

Payments to physicians

For some licensed premises in Walmart, the Company may lease back a portion of the clinics and license them to temporary or part-time physicians. The Company pays the initial physician for the space leased back. Such payments are netted against revenue.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Revenue recognition - continued

Sale of products

The sale of products is recognized when the control of products is transferred to the customers. Payment is receivable on the date of transfer of control.

Clinic operations

The revenues in clinic operations includes the medical services provided to patients and a 24-month subsidy received from Walmart Mexico for each clinic opened in Mexico. The performance obligation for the medical services are satisfied at a point in time and the Company recognizes the revenue from the medical services when the performance obligations are satisfied, and collection is reasonably assured. The revenues of the subsidy from Walmart Mexico are recognized on a monthly basis.

(c) Accounting for Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition-date fair values of the assets transferred and liabilities assumed by the Company, liabilities incurred by the Company to former owners of the acquiree in exchange for control of the acquiree. Acquisition-related costs are recognized in the consolidated statements of loss and comprehensive loss as incurred. At the acquisition date, the identifiable assets acquired, liabilities and contingent liabilities assumed are recognized at their fair values, except for deferred tax assets or liabilities, which are recognized and measured in accordance with IAS 12 Income tax.
Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in the consolidated statements of loss and comprehensive loss as a bargain purchase gain.

(d) Equipment

Equipment is initially recorded at cost being the purchase price plus directly attributable costs of acquisition that are required to bring the asset to the location and any necessary costs for the equipment to be capable of operating in the manner intended by the Company. Equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses. Where an item of equipment comprises significant components with different useful lives, the components are accounted for as separate items of equipment.

Gains and losses on disposal of equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net within gain or loss from disposal of equipment on the consolidated statements of loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation is recognized on the consolidated statements of loss and comprehensive loss and begins when the asset is available for use and when it is in the location and in the condition necessary for it to be capable of operating in the manner intended by management. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Clinic equipment	5 to 7 years
Furniture and fixtures	5 to 7 years
Leasehold improvement	shorter of lease term or 10 years

Depreciation methods, useful lives and residual values are reviewed annually and adjusted if necessary.

(e) Intangible Assets

Intangible assets include technology based intangible assets and marketing related assets such as brand acquired through business acquisitions.

With the acquisition of Writi Inc. completed on January 8, 2021, the Company commissioned an independent valuation of the assets in order to assign values related to the technology, and brand.

Amortization of intangibles

The Company is amortizing its intangibles using the straight-line method as follows:

Technology	straight-line over 5 years
Brand	straight-line over 5 years

(f) Impairment of long-lived assets

At the end of each reporting period, the Company reviews the carrying amounts of its long-lived assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

At the end of each reporting period, the Company assesses whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the Company will estimate the recoverable amount of that asset and reverse the impairment loss recognized in prior periods. The reversal of an impairment loss will not exceed the carrying amount that would have been determined, net of amortization or depreciation, had no impairment loss been recognized for the asset in prior years.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Goodwill

Goodwill represents the excess of the price paid for the acquisition of an entity over the fair value of the net identifiable tangible and intangible assets and liabilities acquired. Goodwill is allocated to the CGU or CGUs to which it relates. Goodwill is measured at historical cost and is evaluated for impairment annually in the fourth quarter or more often if events or circumstances indicate there may be an impairment. Impairment is determined for goodwill by assessing if the carrying value of CGUs, including goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs of disposal and the value in use. Impairment losses recognized in respect of the CGUs are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the CGUs. Any goodwill impairment is recorded in income in the period in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed.

(h) Leases

The Company has adopted IFRS 16, *Leases* ["IFRS 16"] with an initial adoption date of February 1, 2019. The Company utilized the modified retrospective method to adopt the new standard and therefore, the comparative information has not been restated and continues to be reported under IAS 17, *Leases* and related interpretations. IFRS 16 specifies how leases will be recognized, measured, presented and disclosed and it provides a single lessee model, requiring lessees to recognize right-of-use assets and lease liabilities for all major leases.

At inception of a contract, the Company assesses whether a 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 of a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand- alone prices.

Lease obligation

The Company recognized a lease obligation and right-of-use asset for its premises lease at the date of adoption of IFRS 16. The lease obligation is measured at the present value of the remaining lease payments as of February 1, 2019, discounted using the implicit interest rate in the lease terms. If the implicit interest rate cannot be readily determined, the Company will use its incremental borrowing rate.

The lease term determined by the Company comprises:

i. The non-cancellable period of lease contracts, including a rent-free period if applicable;

ii. Periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option.

iii. Periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

Variable payments for leases that do not depend on an index or rate are not included in the measurement of the lease obligations. The variable payments are recognized as an expense in the period in which they are incurred. The Company accounts for any leases and associated non-lease components separately, as opposed to a single arrangement, which is permitted under IFRS 16. The Company records non-lease components such as an expense in the period in which they are incurred. Interest on the lease obligations is calculated using the effective interest method and increases the lease obligation while rent payments reduce the obligation.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Leases (Continued)

The lease obligation is remeasured whenever a lease contract is modified, and the lease modification is not accounted for as a separate lease, or there is a change in the assessment of the exercise of an extension option. The lease obligation is remeasured by discounting the revised lease payments using a revised discount rate resulting in a corresponding adjustment to the right-of-use asset or is recorded in gain or loss if the carrying amount of the right-of-use asset has been reduced to zero or the modification results in a reduction in the scope of the lease.

Right-of-use asset

At February 1, 2019, the right-of-use asset has been initially calculated at an amount equal to the initial value of the lease obligation. For leases entered into, on or after February 1, 2019, the right-of-use asset was initially calculated at an amount equal to the initial value of the lease liability, adjusted for the following items:

i. Any lease payments made at or before the commencement date, less any lease incentives received;
ii. Any initial direct costs incurred by the Company;
iii. An estimate of costs to dismantle and remove the underlying asset or to restore the site on which the asset is located.

The right-of-use assets will be depreciated using the straight-line from the date of adoption to the earlier of the end of the useful life of the asset or the end of the lease term as determined under IFRS 16. For leases entered into after February 1, 2019, the right-of-use assets will be depreciated from the date of commencement to the earlier of the end of the useful life of the asset or the end of the lease term.

(i) Share-based payments

Equity-settled share-based payments for directors, officers and employees are measured at the estimated fair value at the date of grant and recorded as compensation expense in the consolidated statements of loss and comprehensive loss, with the offset credited to contributed surplus. The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period based on the Company's estimate of shares that will eventually vest. The number of forfeitures likely to occur is estimated on grant date. Any consideration paid by the optionee on exercise of equity-settled share-based payments is credited to share capital and the fair value attributed to these options is transferred from contributed surplus to share capital. Shares are issued from treasury upon the exercise of equity-settled share-based instruments. Compensation expense on stock options granted to non-employees is measured at the earlier of the completion of performance and the date the options are vested using the fair value method and is recorded as an expense in the same period as if the Company had paid cash for the goods or services received. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of the Black-Scholes option pricing. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

(j) Warrants

Similar to other stock-based compensation, management uses judgment to determine the inputs to the Black-Scholes option pricing model or Barrier option pricing model including the expected life, and underlying share price volatility. Volatility is estimated by considering the Company's historic share price volatility over similar periods to the expected life of the warrants and is also referenced to its peer group Changes in these assumptions will impact the calculation of fair value and the value attributed to the warrants.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Government grant

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the government grants will be received. Grants are recognized as either income over the period(s) necessary to match them with the related costs or if related to a specific expense, as a reduction to the expenses for which they are intended to compensate, on a systematic basis. Grants receivable for costs already incurred or for immediate financial support, with no future related costs, are recognized as income in the period in which the grant is receivable.

If a grant becomes repayable, it is treated as a change in estimate. Where the original grant related to income, the repayment would be applied first against any related unamortized deferred credit, and any excess would be expensed. Where the original grant related to an asset, the repayment would be treated as increasing the carrying amount of the asset or reducing the deferred income balance. The cumulative depreciation which would have been charged had the grant not been received would be charged as an expense.

Government grants include wage subsidies under Canada Emergency Wage Subsidy (“CEWS”) program and the benefit of the below-market interest rate and partial loan forgiveness from the Canada Emergency Business Account (“CEBA”) loan. Government grants related to wages subsidies is presented in the consolidated statements of loss and comprehensive losses as a reduction of the corresponding operating expenses. Government grants related to CEBA loan is presented in the consolidated statements of loss and comprehensive losses as gain on interest-free loan.

(l) Foreign currency

Translation of subsidiaries financial statements

The results and financial position of a subsidiary that is in a functional currency other than the presentation currency, are translated into Canadian as follows: (i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet; (ii) Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and (iii) All resulting exchange differences are taken into cumulative translation adjustment in the consolidated statements of changes in shareholders’ (deficit) equity.

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of each subsidiary at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss resulting from the settlement of such transactions and from the translation at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of loss and comprehensive loss.

(m) Income taxes

Income tax expense is comprised of current and deferred tax. Income tax is recognized in net income (loss) except to the extent that it relates to items in equity, in which case it is recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Income taxes (Continued)

years.

Deferred taxes are recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the date of the statements of financial position.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(n) Comprehensive loss

Comprehensive loss is the change in shareholders' equity (deficit), which results from transactions and other events and circumstances from non-shareholder sources. These transactions and events include unrealized gains and losses resulting from foreign currency translation of foreign subsidiaries.

(o) Segment information

In accordance with IFRS 8 - Operating Segments, it is mandatory for the Company to present and disclose segment information in accordance with information that is regularly assessed by the chief operating decision makers in order to determine the performance of each segment. The Company's operating segments were determined based on information reported to the Executive Chairman and the Board of Directors. This information is predominately based on activity segments which are managed separately.

(p) Provision and contingencies

Provisions are recognized when a legal or constructive obligation exists, as a result of past events, and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation. Where the effect is material, the provision is discounted using an appropriate current market-based pre-tax discount rate. The increase in the provision due to passage of time is recognized as interest expense.

When a contingency substantiated by confirming events, can be reliably measured and is likely to result in an economic outflow, a liability is recognized based on the best estimate of compensation required to settle the obligation. A contingent liability is disclosed where the existence of an obligation will only be confirmed by future events, or where the amount of a present obligation cannot be measured reliably. Contingent assets are only disclosed when the inflow of economic benefits is probable. When the economic benefit becomes virtually certain, the asset is no longer contingent and is recognized in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial instruments

The Company recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Under IFRS 9 - financial instruments, such financial assets or financial liabilities are initially recognized at fair value and the subsequent measurement depends on their classification.

Financial assets

The Company classifies its financial assets into three categories, depending on the cash flow characteristics of the assets and the business objective for managing the assets. Financial assets are derecognized when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. The Company's accounting policy for each category is as follows:

Amortized cost - Assets are held within a business model with the objective of collecting their contractual cash flow; and the contractual cash flows consist solely of payments of principal and interest. They are recognized initially at fair value plus directly attributable transaction costs, and subsequently measured at amortized cost less cumulative impairment losses. A gain or loss on a debt investment is recognized in profit and loss when the asset is derecognized or impaired.

Fair value through other comprehensive income (FVTOCI) – Assets are held within a business model that includes both hold to collect their contractual cash flow and sell the assets; and the contractual cash flows consist solely of payments of principal and interest. For debt instruments measured at FVTOCI, interest income (calculated using the effective interest rate method), foreign currency gains or losses and impairment gains or losses are recognized directly in profit or loss. The cumulative fair value gains or losses recognized in OCI are reclassified to profit or loss when the asset is derecognized. An election may be made to classify an equity investment, that is neither held for trading nor represents contingent consideration recognized by an acquirer in a business combination, as held at FVTOCI. The option to designate an equity instrument at FVTOCI is available at initial recognition and is irrevocable. This designation results in all gains and losses being presented in OCI except dividend income which is recognized in profit or loss.

Fair value through profit and loss (FVTPL) - Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a financial asset measured at FVTPL that is not part of a hedging relationship is recognized in profit and loss and presented on a net basis in the period in which it arises. IFRS 9 contains an option to designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an ‘accounting mismatch’ that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The option to designate a financial asset at FVTPL is available at initial recognition and is irrevocable.

Financial assets should be reclassified when and only when an entity changes its business model for managing financial assets. Any such reclassifications are applied prospectively from the date of the reclassification.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial instruments (Continued)

Financial liabilities

Under IFRS 9, financial liabilities are primarily classified at amortized cost with limited exceptions. Financial liabilities are derecognized when the obligation specified in the contract is discharged, cancelled or expires. The Company's accounting policy for each category is as follows:

FVTPL - This category comprises derivatives, liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term, and certain financial liabilities that were designated at FVTPL from inception. IFRS 9 contains an option to designate a financial liability as measured at FVTPL if doing so eliminates or significantly reduces an 'accounting mismatch' that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The option to designate a financial liability at FVTPL is available at initial recognition and is irrevocable.

Amortized cost - Financial liabilities are recognized initially at fair value net of directly attributable transaction costs. They are subsequently recognized at amortized cost using effective interest method with interest expense recognized on an effective yield basis.

Financial assets and liabilities are offset and the net amount is presented in the statements of financial position when the Company has a legal right to offset the amounts and it intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

Classification and measurement

The classification of a financial instrument in the fair value hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

The Company's financial instruments consist of the following:

Financial Instrument	Classification and measurement
Cash / Bank indebtedness	Amortized cost
Accounts receivable	Amortized cost
Investments at fair value	FVTPL
Other receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Tenant deposits	Amortized cost
Lease obligations	Amortized cost
Loans payable	Amortized cost

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial instruments (Continued)

The Company's financial instruments consist of the following:

The financial instruments that are measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(r) Critical accounting estimates and judgments

Preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies. Additionally, these estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results may differ from these estimates. The key sources of estimation uncertainty at the balance sheet date, which have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year, are discussed below.

Useful lives of equipment and finite intangibles

The Company estimates the useful lives and residual value of depreciable assets as outlined in note 3e and 3f. Management reviews the estimate of useful lives at each reporting date based on the current condition of each asset. Actual results, however, may vary due to a variety of factors including technical obsolescence.

Allowance for expected credit losses

Determining an allowance for expected credit losses ("ECLs") for all financial assets not held at fair value through profit or loss ("FVTPL") requires management to make assumptions about the historical patterns for the probability of default, the timing of collection and the amount of incurred credit losses, which are adjusted based on management's judgment about whether economic conditions and credit terms are such that actual losses may be higher or lower than what the historical patterns suggest. The Company assesses on a forward-looking basis with the ECL associated with its assets carried at amortized cost, including its account receivables from clinics for the license fee and miscellaneous items, and other receivables. The Company calculates the ECL with the assumptions regarding the default events over the following twelve months, or default events over the lifetime if there has been a significant increase in the credit risk on the instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Critical accounting estimates and judgments (Continued)

Income taxes

Judgments are made by management to determine the likelihood of whether deferred income tax assets at the end of the reporting period will be realized from future taxable earnings. To the extent that assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility, dividend yield, forfeiture rate and making assumptions about them.

Provisions and contingencies

The amount recognized as a provision, including legal, contractual, constructive and other exposures, obligations or contingent consideration are the best estimates of the consideration required to settle the related liability, including any related interest charges, considering the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Impairment of goodwill and intangibles

The carrying value of goodwill and intangibles is reviewed annually for impairment or more frequently when there are indicators that impairment may have occurred. The Company's impairment tests for goodwill and intangible assets are based on the comparison of the carrying amount of the CGU and the recoverable amount, which is the greater of value in use calculations that use a discounted cash flow model and estimated fair value less cost of disposal. The determination of the Company's CGUs is based on management's judgment. The value-in-use calculations employ the following significant unobservable inputs: weighted-average cost of capital, revenue growth, working capital and platform fees. The cash flows are derived from the Company's budget for the future and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset base of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. The estimated fair value less cost of disposal is based on assessment of comparable company multiples and precedent transactions.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Critical accounting estimates and judgments (Continued)

Business acquisitions

In a business acquisition, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent external valuation expert may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in the statements of loss and comprehensive loss.

(s) New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after February 1, 2020.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 *Business Combinations* clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

New standards, amendments and interpretations not yet adopted are not expected to have a material effect on the consolidated financial statements.

4. REVERSE TAKE OVER TRANSACTION ("RTO")

On October 6, 2020, the reverse takeover transaction between Woodbridge and JNMI was completed.

In connection with the transaction the following occurred:

(a) Immediately prior to the closing of the transaction:

- 6,000,000 JNMI Class A common shares were exchanged for 36,000,000 JNMI common shares based on a share exchange ratio of 1 Class A common share for 6 JNMI common shares.
- 4,000,000 JNMI Class B common shares were exchanged for 8,400,000 JNMI common shares based on a share exchange ratio of one 1 Class B common share for 2.1 JNMI common shares.
- 7,428,572 JNMI options were exercised for 15,600,000 JNMI common shares based on a ratio of 2.1:1.

(b) On October 6, 2020, the Company completed the reverse takeover transaction. The transaction was affected by way of a securities exchange between Woodbridge and JNMI.

- Pursuant to the securities exchange, the following resulting issuer, JNH common shares were issued in exchange for JNMI common shares including the following:
  - 36,000,000 JNH resulting issuer shares in exchange for 36,000,000 JNMI common shares.
  - 8,400,000 JNH resulting issuer shares in exchange for 8,400,000 JNMI common shares.
  - 15,600,000 JNH resulting issuer shares were issued for15,600,000 JNMI common shares. These common shares were valued at $7,171,292 based on the fair value of $0.46 based on the net price paid per common share, and this amount was included in listing expense.
- Pursuant to this transaction, Woodbridge consolidated its common shares on a ratio of 1 JNH resulting issuer share for every 3 Woodbridge common shares resulting in 2,625,333 JNH shares at a price of $0.46 per share, based on the net price paid for common shares in the concurrent financing. In addition, an aggregate of 162,533 warrants ("RTO replacement warrants") were issued to the holders of Woodbridge's agents. In addition, 262,533 stock options ("RTO replacement options") were issued to the holders of stock options pursuant to Woodbridge's option plan.
- Pursuant to a brokered private placement 11,296,211 subscription receipts were issued at a price of $0.50 per subscription receipt (see concurrent financing).

Concurrent Financing

On July 31, 2020, JNMI completed a brokered private placement financing. JNMI issued 11,296,211 subscription receipts at a price of $0.50 per subscription receipt for gross proceeds of $5,648,105.

Each subscription receipt converted to one unit (a "Unit") of JNH, immediately following the completion of the Transaction on October 6, 2020. Each Unit comprised of one common share and one-half of one warrant, with each whole warrant exercisable into a common share for 24 months at an exercise price of $0.75 per share.

The Agents were paid a cash commission equal to $307,868 and 615,734 compensation agent warrants, each of which entitles the holder to acquire one common share at an exercise price of $0.50 per share for a period of 2 years from the date of issuance. The commissions paid represent approximately 3.5% in cash and agent warrants on $2,500,000 gross proceeds and approximately 7% on the remaining $3,148,105 gross proceeds. In addition, $50,000 cash finance fees were paid to advisors.

$500,000 of the proceeds of the financing was used to repay the short-term loan payable (note 13).

[Expressed in Canadian Dollars]

4. REVERSE TAKE OVER TRANSACTION ("RTO") (Continued)

Accounting

Pursuant to the share exchange, Woodbridge was identified as the acquiree for accounting purposes and the transaction constituted a reverse take-over of Woodbridge. Since Woodbridge's operations do not constitute a business, the transaction has been accounted for in accordance with IFRS 2 – Share based payments. Accordingly, the assets and liabilities of Woodbridge are included in the consolidated statements 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 Woodbridge was eliminated on consolidation which includes its share capital of $513,337, contributed surplus of $84,669 and deficit of $351,158.

The consideration is recorded as the cost to acquire the share capital at 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 on the consolidated statements of loss and comprehensive loss. Accordingly, shareholders' equity increased by the value of the shares issued to Woodbridge in the amount of $1,206,681 and the Woodbridge replacement options valued at $107,922 and Woodbridge replacement warrants valued at $37,538. In addition, the RTO triggered the exercise of JNMI options that were granted to various advisors who provided loans, business advisory, capital markets advisory and accounting services to JNMI. Pursuant to the share exchange, these exercised options resulted in 15,600,000 new common shares valued at $7,171,292 which is included in listing expense.

The allocation of consideration to the estimated fair value of net assets acquired is as follows on October 6, 2020:

Consideration		
Common shares (a)	$	1,206,861
Stock options (b)		107,922
Warrants (c)		37,538
Total consideration		1,352,321
Fair value of net assets acquired:		
Cash		246,848
Excess paid over net assets acquired		**1,105,473**
Common shares issued in exchange for options exercised (d)		7,171,292
Listing Expense	**$**	**8,276,765**

(a) $1,206,861 representing 2,625,333 common shares issued to Woodbridge based on $0.46 representing the net price paid of common shares in the concurrent financing.
(b) $107,922representing the fair value of the 262,533 replacement options issued at $0.30 to Woodbridge (note 13a)
(c) $37,538 representing the fair value of the 162,533 replacement warrants issued at $0.30 to Woodbridge's agents (note 14)
(d) On June 24, 2020, in relation to a short-term loan of $500,000 provided by a private company, JNMI granted 7,428,572 options to various advisors to acquire JNMI Class B common shares for the aggregate exercise price of $1. These options were exercised upon completion of the RTO and pursuant to a share exchange agreement these shares were exchanged into 15,600,000 resulting issuer shares. 15,600,000 JNH common shares were valued at $0.46 per common share-based on the fair value of a common share included in the concurrent financing.

[Expressed in Canadian Dollars]

5. BUSINESS ACQUISITION

On January 8, 2021, the Company completed the acquisition of all of the outstanding shares of Writi Inc. ("Writi"), a company that developed a cloud-based medication-management software platform, in exchange for the issuance by the Company of a total of 1,000,000 common shares of the Company at a price of $1.02. Upon completion of the acquisition, Writi has become a wholly owned subsidiary of the Company. The acquisition has been treated as a business combination for accounting purposes under IFRS 3, Business Combinations. The estimated value of the purchase consideration was based on the Company's stock price at the date of closing.

The allocation of the purchase price to the estimated fair value of identifiable assets and liabilities acquired is as follows on January 8, 2021:

Net assets acquired	**$**
Cash	34,709
Accounts receivable	50,012
Technology	469,000
Brand	100,000
Goodwill	598,605
Accounts payable and accrued liabilities	(84,721)
Deferred income tax liability - intangibles	(147,605)
	1,020,000

Consideration	**$**
Issuance of common shares	1,020,000
Purchase price	**1,020,000**

The Company completed a business combination with Writi to complement its vision of providing a circle of health care in Canada to a long-term care vertical that is in need of technology innovation. Management views this early-stage technology start up a meaningful and synergistic opportunity to combine with the Company's patient care activity across Canada.

Intangible assets of technology and brand have been separately accounted for with the remaining excess in purchase price allocated to goodwill. Technology represents Writi's proprietary healthcare platform. Technology and brand are being amortized over 5 years. The acquired goodwill is primarily related to the growth expectations, assembled workforce and expected cost synergies

None of the goodwill recognized is expected to be deductible for income tax purposes

Included in consolidated statements of loss and comprehensive loss for the year ended January 31, 2021 are no revenues and $23,806 of expenses of Writi since January 8, 2021 the date of acquisition.

On a pro-forma basis, had the acquisition taken place on February 1, 2020, the Company's consolidated revenues would have been higher by approximately $265,000, and net loss before income taxes would be increased by approximately $2,200 for the year ended January 31, 2021.

[Expressed in Canadian Dollars]

6. REVENUES

Revenues for the year ended January 31, 2021 and 2020 consist of the following:

	January 31, 2021	January 31, 2020
License fees	2,705,317	$ 2,674,023
Retention fees	601,405	150,000
Recruitment fees	120,000	630,000
Payments to physicians	(132,018)	(182,600)
Sale of Products	72,244	76,630
Clinic operations	278,904	258,194
Other revenues	206,520	11,141
	$ 3,852,372	**$ 3,617,388**

Other revenues during the year ended January 31, 2021 includes $192,000 of special fees related to Covid-19 assistance. This fee is non-refundable with no restrictions attached to it.

7. INVESTMENTS AT FAIR VALUE

The following table presents the investments at fair value for the Company:

	January 31, 2021	January 31, 2020
TOKI - Common shares	$ -	$ 425,869
TOKI - Performance warrants	-	160,000
TOKI - Warrants	-	3,199
	$ -	**$ 589,068**

In June 2018, JNH entered into a strategic alliance agreement with a private company to expand into the pain clinic business, that provided the private company the right to operate pain clinics and implement training and education programs in all clinics licensed across Canada by the JNH. As consideration for entering into this agreement, JNH obtained 5% of the shares of the private company. In December 2018, the private company was acquired by a public company: Tree of Knowledge International Corp. ("TOKI"), and JNH's shares were converted into 10,646,693 of TOKI's common shares. In December 2019, TOKI granted JNH 9,333,333 performance warrants to purchase an aggregate of 9,333,333 common shares of TOKI at a price of $0.06 that vested immediately with a 5-year term.

On August 17, 2020 JNH entered into a termination agreement with TOKI, pursuant to which the parties agreed to terminate the strategic alliance agreement. As part of the termination agreement, JNH agreed to the cancellation of all TOKI common shares and warrants and recorded a write down of investments in TOKI in the amount of $404,314.

[Expressed in Canadian Dollars]

7. INVESTMENTS AT FAIR VALUE (continued)

The fair value of the investments in TOKI at August 17, 2020 are as follows:

		August 17, 2020
TOKI - Common shares	$	319,402
TOKI - Performance warrants		84,003
TOKI - Warrants		909
	$	**404,314**

The fair value of the common shares of $319,402 (January 31, 2020 - $425,869) was based on the trading price of TOKI at July 15, 2020. There was a cease trade order on the shares during the period July 15, to August 17, so the quoted price at July 15, 2020 is deemed to be the fair value at August 17, 2020. The Company recognized a loss in fair value of $106,467 (2019 - $1,490,536) during the period February 1, 2019 to August 17, 2020 prior to the write down of total investments of $404,314.

The fair value of the performance warrants at August 17, 2020 was $84,003 (January 31, 2020 - $160,000), and the fair value of the warrants at August 17, 2020 was $909 (January 31, 2020 - $3,199). The Company recognized a loss in fair value of $78,287 (2020 - income of $100,104), consisting of loss of $75,997 (2020 – income of $160,000) due to the change in the fair value of the performance warrants and loss of $2,290 (2020 - loss of $59,896) to the change in fair value of the warrants, during the period February 1, 2019 to August 17, 2020 prior to the write down of total investments of $404,314. Such loss in fair value has been included in other income in the consolidated statements of loss and comprehensive loss.

The fair value of the performance warrants was estimated using the Black-Scholes model with the following assumptions: expected dividend yield of 0%; expected volatility of 89%; a risk-free interest rate of 0.25% and an expected average life of 2.04 years. The fair value of the warrants was estimated using the Black- Scholes model with the following assumptions: excepted dividend yield of 0%; expected volatility of 89%; a risk-free interest of 0.25% and an expected average life of 1.29 years.

8. RIGHT-OF-USE ASSET

The Company recognized the right-of-use asset for its office space lease as follows:

Balance - January 31, 2019	$	-
Additions		372,770
Depreciation		(40,299)
Balance - January 31, 2020		332,471
Depreciation		(40,299)
Balance - January 31, 2021	$	**292,172**

Depreciation of right-of-use asset for the year ended January 31, 2021 was $40,299 (2019 - $40,299).

[Expressed in Canadian Dollars]

9. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLE

The company's trade accounts receivable are summarized as follows for the years ended January 31, 2021 and 2020:

	January 31, 2021	January 31, 2020
Trade receivables	$ 374,471	$ 63,893
Less: loss allowance	(217,848)	-
	$ 156,623	**$ 63,893**

Trade receivables are non-interest bearing and the average credit period is 30 days (2020 - 30 days) according to the terms agreed with the customers.

The movement in the loss allowance during the year is as follows:

	$
Balance - February 1, 2019	-
Impairment loss recognized	-
Balance - January 31, 2020	-
Trade receivables written off	**161,005**
Impairment loss recognized during the year	**(378,853)**
Balance - January 31, 2021	**(217,848)**

During the year ended January 31, 2021 many licensees were impacted by the COVID-19 government restrictions placed on several clinics throughout the country (note 24). The Company recorded bad debt expense of $378,853 which includes an expected credit loss allowance of $217,848 (note 18a) during the year ended January 31, 2021 (2020 - $Nil).

The company's other receivable is summarized as follows for the years ended January 31, 2021 and 2020:

	January 31, 2021	Janauay 31, 2020
Other receivable	**$ 119,984**	$ 128,293
Less: current portion	**9,363**	8,309
	$ 110,621	$ 119,984

In 2019 the Company entered into a license agreement with a medical laboratory to license the operation of laboratory clinics in the premises. As consideration for entering into this agreement, the medical laboratory agreed to pay for a portion of the leasehold improvement cost in an amount of $1,938 per month for a period of ten years, starting March 1, 2019. This long-term receivable was initially recorded at its fair value of $135,085, discounted at a fair market interest rate of 12%. The capitalized leasehold improvement was reduced by the same amount accordingly.

[Expressed in Canadian Dollars]

10. EQUIPMENT

The components of equipment are as follows as of January 31, 2021 and January 31, 2020:

Cost	Clinic Equipment	Furniture and Fixtures	Leasehold Improvements	Total
Balance - January 31, 2019	$ 67,096	$ 30,111	$ 314,826	$ 412,033
Additions	25,478	3,595	226,415	255,488
Impact on foreign exchange	226	-	-	226
Balance - January 31, 2020	92,800	33,706	541,241	667,747
Additions	40,700	1,709	457,332	499,741
Impact on foreign exchange	(1,245)	-	-	(1,245)
Balance - January 31, 2021	**$ 132,255**	**$ 35,415**	**$ 998,573**	**$1,166,243**

Accumulated Depreciation	Clinic Equipment	Furniture and Fixtures	Leasehold Improvements	Total
Balance - January 31, 2019	$ 40,855	$ 2,509	$ 16,788	$ 60,152
Depreciation	15,522	6,590	48,032	70,144
Impact on foreign exchange	136	-	-	136
Balance - January 31, 2020	56,513	9,099	64,820	130,432
Depreciation	17,833	6,855	72,679	97,367
Impact on foreign exchange	(781)	-	-	(781)
Balance - January 31, 2021	**$ 73,565**	**$ 15,954**	**$ 137,499**	**$ 227,018**

Net Book Value	Clinic Equipment	Furniture and Fixtures	Leasehold Improvements	Total
Balance - January 31, 2020	$ 36,287	$ 24,607	$ 476,421	$ 537,315
Balance - January 31, 2021	**$ 58,690**	**$ 19,461**	**$ 861,074**	**$ 939,225**

Depreciation for the year ended January 31, 2021 was $97,367 (2019 - $70,144).

[Expressed in Canadian Dollars]

11. GOODWILL AND INTANGIBLES

Intangible assets include capitalized costs incurred in connection with the acquisition of Writi (note 4) which are summarized as follows as of January 31, 2021 and 2020:

Cost	**Technology**	**Brand**	**Total**
Balance - January 31, 2019 and 2020	$ -	$ -	$ -
Additions on acquisition	469,000	100,000	569,000
Balance - January 31, 2021	**$ 469,000**	**$ 100,000**	**$ 569,000**

Accumulated amortization	**Technology**	**Brand**	**Total**
Balance - January 31, 2019 and 2020	$ -	$ -	$ -
Amortization	5,911	1,260	7,171
Balance - January 31, 2021	**$ 5,911**	**$ 1,260**	**$ 7,171**

Net book value	**Technology**	**Brand**	**Total**
Balance - January 31, 2020	$ -	$ -	$ -
Balance - January 31, 2021	**$ 463,089**	**$ 98,740**	**$ 561,829**

Goodwill	
Balance - January 31, 2019 and 2020	$ -
Goodwill allocated	598,605
Balance - January 31, 2021	**$ 598,605**

The Company performs goodwill impairment analysis annually by comparing the fair value, based on the discounted future estimated cash flows, of the cash generating unit's ("CGUs") related to the goodwill to the carrying value of the CGU. As at January 31, 2021, the Company assessed for impairment on the recoverable amount of goodwill for Writi. The Company applied the value in use method, using a five-year discounted future cash flow. The key assumptions used in the discounted future cash flow model included various significant unobservable inputs.

The following significant unobservable inputs, all are subject to volatility and several uncontrollable factors which could significantly affect the present value of the discounted future cash flow, were used by management as part of this model:

i) Weighted average cost of capital of 43.0% calculated as weighted average cost of the Company's cost of equity and cost of debt.

ii) Revenue growth rate – represents the ability of the Company to generate revenue from Writi

iii) Working capital – calculated as a percentage of revenue

[Expressed in Canadian Dollars]

11. GOODWILL AND INTANGIBLES (continued)

Management has tested the recoverable amount of Writi's intangible assets and goodwill and assessed the recoverable amount of the CGU to exceed the value of the CGU at January 31, 2021. As such, no impairment charge was recorded during the year.

12. LEASE OBLIGATION

The following table presents the lease obligation for the Company:

Balance - January 31, 2019	$	-
Additions		372,770
Interest expense on lease obligation		43,471
Rent payments		(66,902)
Balance - January 31, 2020		349,339
Interest expense on lease obligation		40,500
Rent payments		(66,903)
Balance - January 31, 2021	**$**	**322,936**

Current portion		29,751
Non-current portion		293,185
Balance - January 31, 2021	**$**	**322,936**

When measuring the lease obligation, the Company discounted the remaining lease payments using the implicit interest rate in the lease which is 12% per annum. The Company's lease for office space has a renewal option of ten years, which has not been included in the measurement of lease obligation because the Company is not reasonably certain to exercise the renewal option as at January 31, 2021. Interest expense for the year ended January 31, 2021 was $40,500 (2020 - $43,471).

The following table presents the contractual undiscounted cash flows for lease obligation as at January 31, 2021:

Less than one year	$	66,903
One to five years		267,611
More than five years		144,956
Total undiscounted lease obligation	**$**	**479,470**

[Expressed in Canadian Dollars]

13. LOANS AND BORROWINGS

Loans and borrowings by the Company consists of the following:

	January 31, 2021	January 31, 2020
Term loan payable - EDC (a)	$ -	$ 250,000
Short term loan payable (b)	-	500,000
Loan payable (c)	36,362	-
Other payable (d)	353,725	-
	390,087	750,000
Less: current portion (d)	209,985	750,000
	$ **180,102**	$ **-**

(a) Term loan payable - EDC

In 2017, the Company procured a term facility up to $500,000 with Export Development Canada ("EDC") to assist in financing working capital needs directly associated with the expansion of medical clinics within Walmart stores in Mexico. The facility bears interest at Prime Rate plus 6% per annum, repayable in 18 consecutive monthly installments commencing on the 18th month following the date of the initial advance. On October 19, 2020 the EDC loan was repaid in full. During the year ended January 31, 2021, interest expense was $3,733 (2020 - $41,587).

(b) Short term loan payable

In 2018, the Company was provided a $1,000,000, interest free credit facility by a private company to be used to fund reasonable costs of going public, including but not limited to, legal and accounting fees. The maturity date was the earlier of the completion of an equity financing or August 24, 2023. The creditor had the option at its sole discretion, to convert the credit facility into common shares of the Company at a discount of 10% to the trading price of the shares at the time of conversion. On June 19, 2020, the Company revised certain terms reducing the facility to $500,000, removing the conversion option and changing the maturity date to closing of the RTO. On October 6, 2020 pursuant to the RTO, $500,000 of proceeds were used to repay this loan.

(c) Loan payable

On April 27, 2020, the Company received proceeds of $40,000 pursuant to the Government sponsored Canada Emergency Business Account (CEBA) program offered during the COVID-19 pandemic. On January 7, 2021 additional proceeds of $20,000 were received, increasing CEBA loans from the existing $40,000 to $60,000 for which a total of $20,000 will be forgiven if the balance of the loan is repaid on or before December 31, 2022. These loans provide 0% interest with no principal repayments due until December 31, 2022. Loan forgiveness of $20,000 is available provided that the remaining $40,000 balance is repaid in full on or before December 31, 2022. If the balance is not repaid or forgiven on or before December 31, 2022, the remaining balance thereafter will be converted to a 3-year term loan at 5% annual interest, with a maturity date no later than December 31, 2025.

[Expressed in Canadian Dollars]

13. LOANS AND BORROWINGS (Continued)

(c) Loan payable (continued)

The Company has recorded the fair value totaling $35,311 on the initial recognition dates of the loans using an effective interest rate of 5%. The difference of $24,689 between the fair value and the $60,000 proceeds received was recorded grant on recognition on interest-free loan.

The following is a summary of the loan payable at January 31, 2021:

		January 31, 2021		January 31, 2020
Proceeds from CEBA loan payable		60,000		
Less: gain on recognition of interest free portion		(24,689)		
Loan payable at fair value on initial recognition	$	35,311	$	-
Accretion expense		1,051		-
		36,362		-
Less: current portion		-		-
	$	**36,362**	**$**	**-**

During the year ended January 31, 2021 the Company recorded $1,051 (2020 – $Nil) accretion expense.

(d) Other payable

The Company entered into a license agreement for the operation of two new medical clinics in Canada. As consideration for entering into this agreement, the Company agreed to pay for a portion of the leasehold improvement costs in an amount totaling $20,534 per month for a period of two years, starting September 10, 2020. This loan was initially recorded at its fair value of $440,582, discounted at a market interest rate of 12%, and leasehold improvements was increased by the same amount accordingly. This other payable is included in in loans payable on the consolidated statements of financial position.

		January 31, 2021		January 31, 2020
Other payable recognized at fair value at January 31, 2021	$	337,910	$	-
Accretion expense		15,815		-
	$	**353,725**	**$**	**-**

The following table presents the future payments for this obligation as at January 31, 2021.

Year 1	$	209,985
Year 2		143,740
	$	**353,725**

[Expressed in Canadian Dollars]

14. SHARE CAPITAL

Authorized - Unlimited number of common shares:

Issued and outstanding	Number of shares		Amount
Balance - January 31, 2018 and 2019 (a)	44,400,000	$	10
Exchange of options into common shares on RTO (b)	15,600,000		7,171,292
Shares issued related to RTO (c)	2,625,332		1,206,861
Private placement financing, net of issuance costs (d)	11,296,211		4,722,849
Warrants issued related to financing (d)	-		(377,828)
Broker warrants issued related to financing (d)	-		(112,761)
Warrants exercised (e)	5,590,606		4,566,936
Broker warrants exercised (f)	140,205		93,876
RTO replacement warrants exercised (g)	110,827		57,033
RTO replacement options exercised (h)	262,533		186,682
Business acquisition (i)	1,000,000		1,020,000
	81,025,714	**$**	**18,534,950**

(a) JNH had 6,000,000 Class A common shares and 4,000,000 Class B common shares issued and outstanding prior to the reverse take-over transaction. Prior to closing of the transaction, JNH filed articles of amendment to re-designate the authorized and issued Class A common shares and Class B common shares, such that each of JNH Class A common share was exchanged for 6 JNH common shares and each Class B common share was exchanged for 2.1 JNH common shares. Accordingly, 6,000,000 JNH Class A common shares were exchanged for 36,000,000 common shares and 4,000,000 JNH Class B common shares were exchanged for 8,400,000 common shares. These consolidated financial statements reflect this share exchange which has been applied retroactively. 44,400,000 shares were exchanged on a 1:1 basis for shares of the resulting issuer on closing of the RTO.

(b) On June 24, 2020, in relation to a short-term loan, JNH granted 7,428,572 options to various advisors to acquire JNH Class B common shares for the aggregate price of $1. Those options were exercised automatically immediately prior to the completion of the reverse take-over transaction. Pursuant to the share exchange these JNH Class B common shares were exchanged into 15,600,000 common shares on a ratio of 1:2.1 These common shares were valued at $7,171,292 based on the fair value of common shares included in the concurrent financing at a net price of $0.46 per common share.

(c) Pursuant to the securities exchange as part of the reverse take-over transaction, 7,876,000 Woodbridge common shares were consolidated on a ratio of 1 new common share for every 3 Woodbridge shares resulting in 2,625,333 common shares. These common shares were valued at $1,206,861 based on the fair value of common shares included in the concurrent financing at a net price of $0.46 per common share.

14. SHARE CAPITAL (Continued)

(d) On July 31, 2020 JNH completed a brokered private placement financing in connection with the issuance of 11,296,211JNH subscription receipts with gross proceeds of $5,648,105.

The financing was completed in connection with the RTO. Each subscription receipt automatically converted into one JNH unit ("Unit") immediately following the completion of the RTO on October 6, 2020. Each Unit is comprised of one common share of and one-half of one warrant. The agents were paid a cash commission equal to $307,868 and 615,734 agent compensation warrants which entitles the holder to acquire one common share at an exercise price of $0.50 per share for a period of 2 years. The commissions paid represent approximately 3.5% in cash and agent warrants on $2,500,000 gross proceeds and approximately 7% on the remaining $3,148,105 gross proceeds. In addition, $50,000 cash finance fees were paid to advisors. Total issuance costs of $925,256 including $307,868 cash commission and $50,000 cash finance fees are deducted from share capital.

5,648,105 warrants were issued with each unit that entitle the holder to acquire one common share at a price of $0.75 for a period of two years following the date of closing of the financing. The fair value of the warrants of $451,848 (note 16) less issuance costs allocated to warrants of $74,020 or $377,828, was transferred from share capital to warrants.

The 615,734 agent compensation warrants were issued each of which entitles the holder to acquire one common share at an exercise price of $0.50 per share for a period of 2 years following the date of closing of the financing. The fair value of the agent warrants of $112,761 (note 16) was transferred from share capital to warrants.

(e) During the year ended January 31, 2021, 5,590,606 warrants related to the financing were exercised at $0.75 per warrant for proceeds of $4,192,954. An amount of $373,982 representing the fair value of the warrants exercised were transferred from warrants to share capital.

(f) During the year ended January 31, 2021, 140,205 broker warrants related to the financing were exercised at $0.50 per warrant for proceeds of $70,103. An amount of $23,773 representing the fair value of the warrants exercised were transferred from warrants to share capital.

(g) During the year ended January 31, 2021, 110,827 RTO replacement warrants were exercised at $0.30 per warrant for proceeds of $33,248. An amount of $23,785 representing the fair value of the warrants exercised were transferred from warrants to share capital.

(h) During the year ended January 31, 2021, 262,533 RTO replacement stock options were exercised at a price of $0.30 for total proceeds of $78,760. An amount of $107,922 representing the fair value of the options exercised were transferred from contributed surplus to share capital.

(i) On January 8, 2021, pursuant to the acquisition of Writi Inc. the Company issued 1,000,000 common shares at a price of $1.02 for $1,020,000. (note 5)

The company had 60,000,000 common shares held in escrow over 36 months with 10% or 6,000,000 released on October 6, 2020, concurrent with the completion of the RTO transaction, and an additional 10% or 6,000,000 released on April 6, 2021 subsequent to year end. Effective May 14, 2021, with the graduation to a Tier 1 listing on the TSXV, the securities of the Company previously deposited into escrow will now be governed by the release provisions of issuers subject to Tier 1 status with 15% release over 18 months. As at May 28, 2021, 48,000,000 common shares remained in escrow.

[Expressed in Canadian Dollars]

15. CONTRIBUTED SURPLUS

The Company maintains a stock option plan to provide additional incentive to its officers, directors, employees, and consultants in their effort to conduct business on behalf of the Company. Options granted vest over a period between one to two years. All options expire on the seventh anniversary from the date of grant unless otherwise specified.

The following table summarizes the Company's stock options activity for the year ended January 31, 2021 and 2020:

	January 31, 2021		January 31, 2020	
Stock Options	**Number of options #**	**Weighted average exercise price $**	**Number of options #**	**Weighted average exercise price $**
Outstanding - beginning of year	-	-	-	-
Replacement options granted on RTO (a)	**262,533**	**0.30**	-	-
Options granted (b)	**5,950,000**	**0.69**	-	-
Replacement options exercised	**(262,533)**	**(0.30)**	-	-
Outstanding - end of year	**5,950,000**	**0.69**	**-**	**-**
Exercisable - end of year	**615,325**	**0.50**	**-**	**-**

(a) Pursuant to the securities exchange agreement as part of the RTO, an aggregate of 262,533 RTO replacement options were issued to the holders of stock options pursuant to Woodbridge's option plan with an exercise price of $0.30.The fair value of the replacement options has been estimated at the date of issue using the Black-Scholes pricing model with the following assumptions: dividend yield of 0%, expected volatility of 100%, risk free interest rate of 0.12%, expected life of 8.63 years, share price of $0.46 and forfeiture rate of nil. Volatility was estimated based on the historical volatility of comparable companies. The fair value of these replacement options of $107,922 has been included in listing expense on the statements of loss and comprehensive loss and the same amount credited to contributed surplus.

Prior to the end of the year, all of these replacement options were exercised for proceeds of $78,760. The fair value amount of $107,922 was transferred from contributed surplus to share capital.

(b) During the year ended January 31, 2021 the company granted a total of 5,950,000 stock options in accordance with the Company's stock option plan to employees, directors and consultants with an exercise price ranging between $0.50 and $1.40. 4,225,000 of these options were issued on October 6, 2020 as part of the RTO with an exercise price $0.50 per share. 1,625,000 options vest 12.5% per quarter over two years with an exercise price ranging between $1.02 and $1.40 per share and 100,000 options vest 25% per quarter over one year with an exercise price $0.85 per share.

The fair value of these options has been estimated at the date of grant using the Black-Scholes pricing model with the following assumptions: dividend yield of 0%, expected volatility of 74.26% - 76.24%, risk free interest rate of 0.39% - 0.54%, expected life of 7 years, share price of $0.46 and forfeiture rate of nil. Volatility was estimated based on the historical volatility of comparable companies. The total fair value of options granted is $2,615,990. Stock compensation expense for the year ended January 31, 2021 is $839,024 (2020 - $Nil).

[Expressed in Canadian Dollars]

15. CONTRIBUTED SURPLUS (Continued)

A summary of stock options outstanding as at January 31, 2021 is set out below:

Range of Exercise Prices	Number of options #	Remaining contractual life [years]	Weighted average exercise price $
Options $0.50	**4,225,000**	**6.68**	**0.50**
Options at $0.85 - $1.15	**1,350,000**	**6.88**	**1.12**
Options at $1.16 - $1.40	**375,000**	**6.78**	**1.27**
Outstanding - end of year	**5,950,000**	**6.73**	**0.69**

Contributed Surplus		January 31, 2021	January 31, 2020
Balance - beginning of year	$	**-**	-
Replacement options granted on RTO		**107,922**	-
Stock based compensation		**839,024**	-
Replacement options exercised		**(107,922)**	-
Warrants expired		**3,846**	-
Balance - end of year	**$**	**842,870**	**-**

16. WARRANTS

The following table summarizes the activity of the Company's warrants, exercisable into common shares for the year ended January 31, 2021 and 2020:

	January 31, 2021		January 31, 2020	
Replacement Warrants	Number of warrants #	Weighted average exercise price $	Number of warrants #	Weighted average exercise price $
Outstanding - beginning of year	**-**	**-**	-	-
Replacement warrants issued on RTO	**162,533**	**0.30**	-	-
Replacement warrants exercised	**(110,827)**	**(0.30)**	-	-
Outstanding - end of year	**51,706**	**0.30**	**-**	**-**

[Expressed in Canadian Dollars]

16. WARRANTS (Continued)

An aggregate of 162,533 warrants were issued to Woodbridge's agents. Each warrant entitles the holder to receive one common share at an exercise price of $0.30. The fair value of the replacement warrants has been estimated at the date of issue using the Black Scholes pricing model with the following assumptions: dividend yield of 0%, expected volatility of 100%, risk free interest rate of 0.14%, expected life of 0.62 years, share price of $0.46 and forfeiture rate of nil. Volatility was estimated based on the historical volatility of comparable companies. The fair value of these replacement options of $37,538 has been included in listing expense and allocated to share capital.

Prior to the end of the year, 110,827 RTO replacement warrants were exercised at $0.30 per warrant for proceeds of $33,248. A fair value amount of $23,785 was transferred from warrants to share capital. (note 14g).

	January 31, 2021		January 31, 2020	
Financing Warrants	**Number of warrants #**	**Weighted average exercise price $**	**Number of warrants #**	**Weighted average exercise price $**
Outstanding - beginning of year	-	-	-	-
Warrants issued on financing	**5,648,106**	**0.75**	-	-
Warrants exercised	**(5,590,606)**	**(0.75)**	-	-
Warrants expired	**(57,500)**	**(0.75)**	-	-
Outstanding - end of year	-	-	-	-

Pursuant to the concurrent financing, on October 6, 2020, 5,648,106 warrants were issued with each whole warrant exercisable into a common share for 24 months at an exercise price of $0.75 per share.

On October 28, 2020 the Company elected to accelerate the expiry date of these warrants to November 30, 2020. Under the terms of the warrants, the Company was permitted to accelerate the expiry date if the volume and weighted average trading price of the Common Shares on the TSX Venture Exchange is greater than $1.00 for any consecutive 10 trading day period, which occurred as of October 28, 2020.

The fair value of warrants has been estimated at the date of grant using Barrier warrant pricing model with the following assumptions: dividend yield of 0%, expected volatility of 78.38%, risk free interest rate of 0.28%, expected life of 2 years, share price of $0.46 and forfeiture rate of nil. Volatility was estimated based on the historical volatility of comparable companies. The fair value of these warrants of $451,848 less issuance costs of $74,0211 or $377,828 has been deducted from share capital and allocated to warrants.

During the year ended January 31, 2021, a total of 5,590,606 warrants related to the financing were exercised at $0.75 per warrant for proceeds of $4,192,954. A fair value amount of $373,982 has been transferred from warrants to share capital (note 14e).

57,500 warrants expired as at January 31, 2021 and the fair value amount of $3,846 was transferred from warrants to contributed surplus.

[Expressed in Canadian Dollars]

16. WARRANTS (Continued)

Broker Warrants	January 31, 2021 Number of warrants #	January 31, 2021 Weighted average exercise price $	January 31, 2020 Number of warrants #	January 31, 2020 Weighted average exercise price $
Outstanding - beginning of year	-	-	-	-
Broker warrants issued on financing	**615,734**	**0.50**	-	-
Broker warrants exercised	**(140,205)**	**(0.50)**	-	-
Outstanding - end of year	**475,529**	**0.50**	-	-

Pursuant to the concurrent financing, on October 6, 2020, 615,734 agent compensation warrants were issued each of which entitles the holder to acquire one common share at an exercise price of $0.50 per share for a period of 2 years following the date of closing of the financing. The fair value of warrants has been estimated at the date of grant using the Black-Scholes warrant pricing model with the following assumptions: dividend yield of 0%, expected volatility of 78.38%, risk free interest rate of 0.23%, expected life of 2 years, share price of $0.46 and forfeiture rate of nil. Volatility was estimated based on the historical volatility of comparable companies. The fair value of the agent warrants of $112,761 been deducted from share capital and allocated to warrants.

Prior to the end of the year, 140,205 broker warrants related to the financing were exercised at $0.50 per warrant for proceeds of $70,103. A fair value amount of $23,773 was transferred from warrants to share capital. (note 14f)

A summary of all warrants outstanding as at January 31, 2021 is set out below:

Range of exercise prices		Number of options #	Remaining contractual life [years]	Weighted average exercise price $
RTO replacement warrants	$0.30	**51,706**	**0.30**	**0.30**
Financing warrants	$0.75	-	-	-
Broker warrants	$0.50	**475,529**	**1.51**	**0.50**
Outstanding - end of year		**527,235**	**1.39**	**0.48**

Warrants	January 31, 2021	January 31, 2020
Balance - beginning of year	$ -	-
RTO replacement warrants	**37,538**	-
Financing warrants	**377,828**	
Broker warrants	**112,761**	-
Warrants exercised	**(421,540)**	
Warrants expired	**(3,846)**	-
Balance - end of year	**$ 102,741**	-

[Expressed in Canadian Dollars]

17. LOSS PER SHARE

The table shows the components used in the calculation of basic and diluted loss per share:

	January 31, 2021	January 31, 2020
Comprehensive loss - basic	(9,841,595)	(1,370,594)
Weighted average number of common shares outstanding - basic	51,625,959	44,400,000
Effect of dilution from stock options and warrants (a)	-	-
Weighted average number of common shares outstanding - diluted	**51,625,959**	**44,400,000**

(a) The diluted weighted average number of common shares does not take into account the effects of stock options and warrants as they would be anti-dilutive for the year ended January 31, 2021 and 2020.

18. FINANCIAL INSTRUMENTS

The Company has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, interest rate risk, currency risk and market risk. The following presents information about the Company's exposure to each of these risks, and the Company's objectives, procedures and processes for measuring and managing risk.

(a) Credit risk

Credit risk refers to the risk that a counterpart will default on its contractual obligation, resulting in financial loss to the Company. Such risks arise primarily from certain financial assets held by the Company consisting of accounts receivable. The Company's maximum exposure to credit risk is limited to the carrying amount of the financial assets.

The Company applies the simplified approach to providing for expected credit losses as prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. The loss allowance provision is based on the Company's historical collection and loss experience and incorporates forward-looking factors, where appropriate.

In determining the credit risk for trade receivables, management considers, amongst other factors, particularly, its historical credit experiences, its subsequent collection and adjusted for the outlook of industry and economy.

The loss allowance for trade receivables and contract assets are determined as follows:

	Current	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due > 90 days	Total
Expected credit loss rate	13%	8%	82%	74%	70%	58%
Gross trade receivable	25,991	50,014	7,337	5,564	285,565	$374,471
Less: allowance provision	3,333	3,787	6,011	4,144	200,573	217,848
Balance - January 31, 2021	22,658	46,227	1,326	1,420	84,992	$156,623

[Expressed in Canadian Dollars]

18. FINANCIAL INSTRUMENTS (Continued)

(a) Credit risk (continued)

	Current	Past due 1-30 days	Past due 31-60 days	Past due 61-90 days	Past due > 90 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	0%
Gross trade receivable	14,741	5,650	16,913	2,297	24,292	$ 63,893
Less: allowance provision	-	-	-	-	-	-
Balance - January 31, 2020	14,741	5,650	16,913	2,297	24,292	$ 63,893

(b) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulties in meeting obligations associated with financial liabilities. As at January 31, 2021 and January 31, 2020, the Company maintained adequate cash balances and credit facilities in order to meet short term business requirements, after taking into account cash flows from operations. The Company recently completed an equity financing raising gross proceeds of $5,648,105 and has access to future equity or debt financings if required to fund short term operations.18. FINANCIAL INSTRUMENTS (Continued)

Accounts payable and accrued liabilities are subject to normal trade terms.

The following tables summarize the contractual maturities of financial liabilities:

January 31, 2021	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
	$	**$**	**$**	**$**
Accounts payable and accrued liabilities	701,688	-	-	701,688
Tenant deposits	-	325,090	223,605	548,695
Loans payable	209,985	180,102	-	390,087
Lease obligation	66,903	267,611	144,956	479,470
Total	**978,576**	**772,803**	**368,561**	**2,119,940**

January 31, 2020	**Less than 1 year**	**1 to 5 years**	**Over 5 years**	**Total**
	$	**$**	**$**	**$**
Bank indebtedness	19	-	-	19
Accounts payable and accrued liabilities	458,123	-	-	458,123
Tenant deposits	-	263,067	259,278	522,345
Loans payable	750,000	-	-	750,000
Lease obligation	66,903	267,611	211,858	546,372
Total	**1,275,045**	**530,678**	**471,136**	**2,276,859**

18. FINANCIAL INSTRUMENTS (Continued)

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and is comprised of currency risk, interest rate risk, and other price risk. The Company currently does not have any financial instruments that would be impacted by changes in market prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The Company was exposed to interest rate risk through its financial obligations with a floating interest rate. The Company had a floating interest loan that was repaid in full on October 19, 2020 (January 31, 2020 - $250,000).

Currency risk

Currency risk arises on financial instruments that are denominated in a foreign currency, a currency other than the functional currency in which they are measured. Currency risk is not relevant to the foreign currency translation from functional currency to reporting currency. Because the Company primarily operates in Canada and the functional currency of the Company is Canadian dollars, the currency risk due to the fluctuations and volatility of foreign exchange rate is low.

The Company has a controlled operation in Mexico. The potential 5% increase or decrease in Mexican Peso would result in and increase or decrease in net loss of approximately $11,290 (2020 - $4,430).

19. RELATED PARTY TRANSACTIONS

During the year ended January 31, 2021, the Company engaged in transactions in the normal course of operations with the following related parties. All of these transactions have been accounted for at the amount agreed to by the transacting parties as follows:

Transactions with key management personnel

The Company recorded consulting fees during the year ended January 31, 2021 in the amount of $1,373,280 (2020 – $902,000) and share-based compensation in the amount of $206,947 (2020 – $Nil) to key management personnel, including the former Chief Executive Officer, President, Chief Financial Officer and Chief Operating Officer.

The Company paid rent during the year ended January 31, 2021 in the amount of $66,902 (2020 - $66,902) to a company owned by the former Chief Executive Officer.

The Company recorded prepaid compensation expense during year ended January 31, 2021 in the amount of $68,969 including HST (2020- $Nil) to key management personnel, including the former Chief Executive Officer and President. Such balance has been included in the prepaids and deposits in the consolidated statements of financial position.

[Expressed in Canadian Dollars]

20. INCOME TAXES

(a) Provision for income taxes

The Company computes an income tax provision in each of the jurisdictions in which it operates. The reconsolidation between Canadian income taxes and statutory rates (26.5% in 2021 and 2020) with the reported taxes for the years ended January 31, 2021 and 2020 are as follows:

	2021	**2020**
	$	**$**
Net loss before income taxes	(10,294,527)	(1,379,878)
Statutory Canadian tax rates	26.5%	26.5%
Expected income taxes at statutory rates	(2,728,049)	(365,668)
Small business deduction benefit	-	(55,542)
Differences in foreign tax rates	(7,787)	(74,417)
Non-deductible stock compensation expense	222,341	-
Non-deductible listing expense	2,193,342	-
Other non-deductible/(non-taxable) items	(67,979)	227,726
Share issuance costs	(275,053)	-
Adjustment for prior year return	-	34,322
Changes in tax benefits not recognized	282,266	210,175
Income tax recovery	(380,919)	(23,404)

The Company's income tax expenses are allocated as follows:

Current income tax (recovery) expense	(324,044)	46,359
Deferred income tax recovery	(56,875)	(69,763)
	(380,919)	(23,404)

[Expressed in Canadian Dollars]

20. INCOME TAXES (continued)

(b) Deferred income taxes

Deferred income tax assets or liabilities are provided as a result of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The following are the Company's deferred tax liabilities for the years ended January 31, 2021 and 2020:

	2021	2020
	$	$
Equipment	8,358	(27,347)
Lease obligation	85,578	92,575
Share issuance costs and financing fees	16,249	-
Business acquisition costs, bad debt expense and other	(964)	-
Intangible assets	(147,605)	-
Lease receivable	(31,796)	(33,998)
Right-of-use assets offset with lease liabilities	(77,425)	(88,105)
	(147,605)	(56,875)

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset. Movement in net deferred tax liabilities are as follows for the years ended January 31, 2021 and 2020:

	2021	2020
	$	$
Balance - beginning of year	(56,875)	(126,638)
Recognized in net loss	56,875	69,763
Recognized in goodwill	(147,605)	-
Balance - end of year	(147,605)	(56,875)

[Expressed in Canadian Dollars]

20. INCOME TAXES (continued)

(c) Unrecognized deferred tax assets

The unrecognized deferred tax assets are as follows for the years ended January 31, 2021 and 2020:

	2021	**2020**
	$	**$**
Non-capital losses in foreign subsidiaries	252,941	212,442
Non-capital losses in Canadian subsidiaries	107,400	7,726
Share issuance costs	252,899	-
Investment at fair value	-	104,552
Capitalized costs	11,769	-
Unrealized foreign exchange loss	24,011	-
Valuation allowance	(649,020)	(324,720)
	-	-

The Canadian and foreign non-capital loss carry forwards expire as noted in the table below.
Share issuance costs and financing fees will be fully amortized in 2025.
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, the benefit of which has not been recognized in the consolidated financial statements, expire as follows:

2036	396
2037	283
2038	111,329
2039	2,200
2040	29,154
2041	261,921
	405,283

[Expressed in Canadian Dollars]

20. INCOME TAXES (continued)

The Company's foreign non-capital income tax losses, the benefit of which has not been recognized in the consolidated financial statements, expire as follows:

2027	42,837
2028	461,592
2029	115,725
2030	84,306
2031	138,678
	843,138

21. CAPITAL MANAGEMENT

The Company defines capital as all borrowings, lease obligations, equity comprised of issued share capital, warrants and contributed surplus. The Company's objectives when managing its capital are:

[i] to maintain a flexible capital structure that optimizes the cost of capital at acceptable risk while providing an appropriate return to its shareholders;
[ii] to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business;
[iii] to safeguard the Company's ability to obtain financing should the need arise; and
[iv] to maintain financial flexibility in order to have access to capital for future acquisitions and growth opportunities.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable. There were no changes in the Company's approach to capital management during the years ended January 31, 2021 and January 31, 2020. The Company is not subject to externally imposed capital requirements.

[Expressed in Canadian Dollars]

22. SEGMENT INFORMATION

The Company's results are reported by geographical business units that operate in different countries. These segments reflect how the Company manages its business and how management classifies operations for planning and measuring performance.

The following tables present financial information by segment for the year ended and as at January 31, 2021 and 2020:

	Canada	Mexico	China	Total
Year ended January 31, 2021	$	$	$	$
Revenues	3,573,468	278,904	—	3,852,372
Net loss	(9,688,330)	(225,278)	—	(9,913,608)

As at January 31, 2021	$	$	$	$
Total assets	10,554,444	66,719	30,548	10,651,711
Long term assets	2,491,829	10,623	—	2,502,452
Equipment	928,602	10,623	—	939,225

	Canada	Mexico	China	Total
Year ended Janaury 31, 2020	$	$	$	$
Revenues	3,359,194	258,194	—	3,617,388
Net loss	(1,267,870)	(88,604)	—	(1,356,474)

As at January 31, 2020	$	$	$	$
Total assets	1,647,352	9,988	29,311	1,686,651
Long term assets	1,573,409	5,429	—	1,578,838
Equipment	531,886	5,429	—	537,315

23. COMMITMENTS AND CONTINGENCIES

During the year ended January 31, 2021, 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 CEBA and CEWS programs. Each applicant's eligibility for these programs is subject to validation and detailed verification by the federal government. Due to the 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. During the year ended January 31, 2020, the Company received $60,000 in connection with the CEBA program and $26,950 of wage subsidies as a reduction to salaries and wages in the consolidated statements of loss and comprehensive loss in connection with the CEWS program.

23. COMMITMENTS AND CONTINGENCIES (continued)

In connection with the RTO and i) subject to the Company reaching a market capitalization of $100 million and; ii) upon completion of a complimentary equity or debt financing in excess of $3 million, the Company is committed to the former Chief Executive Officer and President each in the amount of $1.5 million excluding applicable taxes.

The Company has committed to 250,000 Restricted Share Units with a deemed value of $1 per unit to the key management of Writi subject to meeting certain future performance and growth targets of Writi. (note 5)

The company had a dispute with one of its vendors, who was retained by the Company to provide architectural and engineering consulting services for a project. The vendor has made a claim against the Company in the amount of $34, 472 for certain disputes. At this early stage, the Company is not able to make an evaluation of the likelihood of any outcome.

24. COVID-19

In March 2020, there was a global outbreak of the coronavirus COVID-19 which has had impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments. Measures taken to address the COVID-19 pandemic impacted on the Company throughout the year. Clinics experienced reduced client intake depending on location, including temporary closures, transition to telemedicine and restrictions on various paramedical and MedSpa services. As a result of the COVID-19 restrictions placed on several clinics throughout the country, accounts receivables from various licensees became uncollectible and the Company recorded a bad debt expense as well as increased its credit loss allowance during the year (note 9). Management is monitoring the economic environment in response to the COVID-19 pandemic and is taking actions to limit its future exposure to customers that may be impacted.

25. COMPARATIVE FINANCIAL STATEMENTS

The comparative consolidated financial statements have been reclassified from consolidated financial statements previously presented to conform to the presentation of the January 31, 2021 consolidated financial statements.

26. SUBSEQUENT EVENTS

Acquisitions

(a) On February 17, 2021 the Company completed the acquisition of Redeem Medspas, two walk-in medical clinics in Walmart located in Ontario. The Medspas offers a complete range of both surgical and non-surgical treatments for facial and body rejuvenation and aesthetics, including treatments for medical conditions such as migraines, laser therapy, anti-aging, face, and body skin tightening, PRP therapies, joint pain treatments and hair loss.

Consideration for this purchase is $535,080 including $335,080 payable in cash and an earn-out of $200,000 based on opening 8 new clinics within 12 months following the closing date. The cash component on the purchase price is payable as follows:

26. SUBSEQUENT EVENTS (continued)

- $30,000 paid on closing;
- $60,000 payable on re-opening of the clinics after COVID-19 government restrictions imposed the shut-down, of which $28,000 was paid on March 1, 2021;
- $90,000 payable 30 days following re-opening of which $43,200 was paid on March 24, 2021;
- $120,000 payable 60 days following re-opening; and
- $35,080 in satisfaction of unpaid license fees owning to the Company.

(b) On March 8, 2021, the Company completed the acquisition of four operational medical clinics, in Ontario, previously owned and operated by medical partner and Advisory Board member Dr. Hamilton Jeyaraj, and located inside Walmart stores in Ontario. These four clinics will serve as the first corporate owned medical clinics under its strategic growth initiative in practice management and clinic operations. The clinics will be developed and operated under the guidance of Dr. Glenn Copeland, Jack Nathan Health's Chief Medical Officer.

The Company purchased the assets in this acquisition for $588,393 in cash and 840,000 in common shares, which were issued on March 8, 2021.

(c) On March 22, 2021, the Company acquired a flagship medical clinic located in Vaughan, Ontario which offers a turnkey, modern clinic including all existing equipment and leasehold improvements. The new clinic is the largest in the JNH Walmart footprint and now positions the Company to grow this multi service clinic into a premier health services destination in York Region, Ontario. The purchase price of $148,493 is payable in cash as follows:

- $40,000 (being the amount of $65,000 minus the holdback) paid on closing,
- $18,493 in satisfaction of unpaid license fees to the Company, and
- $65,000 payable on June 15, 2021.

Grant of stock options

On January 29, 2021, the Company granted to a third-party marketing advisory firm 100,000 options to purchase common shares of the Company at $0.85 per share. The grant of the options is subject to the terms of the Company's Stock Option Plan and vest 25% quarterly over one year from the date of grant.

Exercise of stock options and warrants

During the period January 29, 2021 to May 28, 2021 the following transactions occurred:

- 75,000 stock options were exercised for total proceeds of $37,500 by a consultant of the Company,
- A total of 48,480 replacement warrants were exercised at $0.30 per warrant for proceeds of $14,544, and
- A total of 77,925 broker warrants were exercised at $0.50 per warrants for proceeds of $38,963.