

RMR SCIENCE TECHNOLOGIES INC.

AMENDED AND RESTATED FILING STATEMENT

IN RESPECT OF THE QUALIFYING TRANSACTION BY ACQUISITION OF

TURNIUM TECHNOLOGY GROUP, INC.

JUNE 6, 2022

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

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FORWARD LOOKING STATEMENTS AND CAUTIONARY INFORMATION

This Filing Statement contains forward-looking statements concerning the business, operations and financial performance and condition of RMR, TTGI, and the Resulting Issuer, as applicable. All statements other than statements of historical fact contained in this Filing Statement are forward-looking statements, including, without limitation, statements regarding the future financial position, business strategy, proposed acquisitions, budgets, litigation, projected costs and plans and objectives of or involving RMR, TTGI or the Resulting Issuer. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “believes”, “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “forecasts”, “budgets”, “continuous” or similar words or the negative thereof.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Filing Statement reflect the current expectations, assumptions or beliefs of RMR based on information currently available to it and on management’s experience and expertise. Examples of such statements include: (a) the intention to complete the Transaction; (b) the release of the Escrowed Proceeds to TTGI; (c) the description of the Resulting Issuer that assumes completion of the Transaction; and (d) the intention to grow the business and operations of the Resulting Issuer. Many factors could cause the actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, those listed under the heading “Information Concerning the Resulting Issuer – Risk Factors”. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements may vary materially from those expressed or implied by the forward-looking statements contained in this Filing Statement. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this Filing Statement are based upon what management currently believes to be reasonable assumptions, neither RMR nor TTGI can assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements. RMR, TTGI and the Resulting Issuer assume no responsibility to update forward looking statements, other than as may be required by applicable securities laws.

Factors that could cause actual results or events to differ materially from current expectations include, but are not limited to:

- (a) failure to release the Escrowed Proceeds to TTGI;
- (b) the use of available funds by the Resulting Issuer;
- (c) results and performance of the Resulting Issuer;
- (d) cost structure of certain projects/milestones of the Resulting Issuer;
- (e) growth expectations and any proposed acquisitions by the Resulting Issuer;
- (f) changes in market dynamics including business relationships and competition;
- (g) capital expenditure programs and the timing and funding thereof;

- (h) the impact of federal, state, provincial, territorial and other governmental regulation on the Resulting Issuer, relative to other issuers of similar size participating in similar business environments;
- (i) increased governmental regulation;
- (j) expectations relating to the ability of the Resulting Issuer to raise capital;
- (k) treatment under governmental regulatory regimes and tax laws;
- (l) conflicts of interest;
- (m) changes in key management;
- (n) expansion plans of the Resulting Issuer not being completed as expected or at all;
- (o) protection of intellectual property;
- (p) realization of the anticipated benefits of acquisitions and dispositions; and
- (q) the timing and completion of the Transaction.

The forward-looking statements contained in this Filing Statement speak only as of the date of this Filing Statement. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. RMR assumes no obligation to update these forward-looking statements except as may otherwise be required pursuant to applicable laws.

CURRENCY PRESENTATION

In this Filing Statement, all references to “\$” or “CDN\$” refer to Canadian dollars and all references to “US\$” refer to United States dollars.

MARKET AND INDUSTRY DATA

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

INFORMATION CONCERNING TTGI

The information contained or referred to in this Filing Statement relating to TTGI and the description of the business of the Resulting Issuer anticipated upon the completion of the Transaction has been furnished by TTGI. Although RMR has no knowledge that would indicate that any statements contained herein concerning TTGI and the description of the business of the Resulting Issuer anticipated upon the completion

of the Transaction are untrue or incomplete, neither RMR nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information or for any failure by TTGI to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

INFORMATION CONCERNING RMR

The information contained or referred to in this Filing Statement relating to RMR has been furnished by RMR. Although TTGI has no knowledge that would indicate that any statements contained herein concerning RMR are untrue or incomplete, neither TTGI nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information or for any failure by RMR to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Filing Statement. Terms and abbreviations used in the financial statements of RMR and TTGI are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

“Affiliate” means a Company that is affiliate with another Company as described below.

A Company is an “Affiliate” of another Company if:

- (a) one of them is the subsidiary of the other, or
- (b) each of them is controlled by the same Person.

A Company is “controlled” by a Person if:

- (a) the voting securities of the Company are held, other than by way of security only, by or for the benefit of that Person, and
- (b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the Company.

A Person beneficially owns securities that of beneficially owned by:

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

“Agency Agreement” means the agency agreement dated April 8, 2022 entered into among TTGI, RMR and the Agents in respect of the Brokered Financing.

“Agents” means the Co-Lead Agents for the Brokered Financing together with iA Private Wealth Inc. and Echelon Wealth Partners Inc.

“Amalco” means the Company to be formed as a result of the Amalgamation, and which will be named “TTGI OpCo Inc.” or such other name as may be agreed between TTGI and RMR.

“Amalgamation” means the amalgamation of TTGI and Subco to form Amalco.

“Amalgamation Agreement” means the amalgamation agreement among RMR, TTGI and Subco dated December 21, 2021, a copy of which has been filed under RMR’s profile at www.sedar.com.

“Arm’s Length Party Transaction” means a transaction which is not a Related Party Transaction.

“Associate”

when used to indicate a relationship with a Person, means

- (a) an issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer,
- (b) any partner of the Person,
- (c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity,
- (d) in the case of a Person, who is an individual:
- (e) that Person’s spouse or child, or
- (f) any relative of the Person or of his spouse who has the same residence as that Person;

but where the TSX-V determines that two Persons shall, or shall not, be deemed to be associates with respect to a TSX-V member firm, a TSX-V member corporation or holding Company of an TSX-V member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that member firm, member corporation or holding Company.

“BCBCA”

means the *Business Corporations Act* (British Columbia), as amended from time to time.

“Brokered Financing”

means the sale of 2,764,984 TTGI Subscription Receipts on a brokered private placement basis pursuant to the terms of the Agency Agreement for gross proceeds of \$1,548,391.

“CEO”

means an individual who acted as chief executive officer of an issuer, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO”

means an individual who acted as chief financial officer of an issuer, or acted in a similar capacity, for any part of the most recently completed financial year;

“Change of Control”

includes situations where after giving effect to the contemplated transaction and as a result of such transaction:

- (a) any one Person holds a sufficient number of the voting shares of an issuer to affect materially the control of the issuer, or
- (b) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding hold in

total a sufficient number of the Voting Shares of an issuer to affect materially the control of the issuer;

where such Person or combination of Persons did not previously hold a sufficient number of Voting Shares to affect materially the control of the issuer. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold more than 20% of the Voting Shares of the issuer is deemed to materially affect the control of the issuer.

“Closing”	means the closing of the Transaction.
“Co-Lead Agents”	means Eight Capital and Canaccord Genuity Corp. acting as co-lead agents and joint bookrunners in respect of the Brokered Financing.
“Company”	unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.
“Consolidation”	means the consolidation of the RMR Shares on the basis of five (5) RMR Shares for one (1) Resulting Issuer Share, with fractional shares of less than 0.5 being rounded down to the nearest lower whole share and fractional shares of 0.5 or more being rounded up to the nearest higher whole share.
“Control Person”	means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.
“CPC”	means a corporation: (a) that has been incorporated or organized in a jurisdiction in Canada; (b) that has filed and obtained a receipt for a preliminary CPC prospectus from one or more of the securities regulatory authorities in compliance with the Policy 2.4, and (c) in regard to which the Final Exchange Bulletin has not yet been issued.
“CPC Escrow Agreement”	means the Form 2F – CPC Escrow Agreement dated July 15, 2021, among RMR, Computershare Investor Services Inc. and certain securityholders of RMR.
“Depository”	means Computershare Trust Company of Canada.

“Escrow Deadline”	means August 6, 2022, or such later date as may be agreed upon between the Co-Lead Agents, TTGI and RMR.
“Escrowed Proceeds”	means the cash amount of \$3,031,089 deposited with the Subscription Receipt Agent on closing of the Financing, which was equal to the gross proceeds of the Financing less: (i) one-half of the Agents’ commission and fees; (ii) one-half of the Agents’ advisory fee; and (iii) the Agents’ expenses.
“Escrow Release Conditions”	means: (i) a certificate from a senior officer of each of TTGI and RMR certifying that all conditions to completion of the Transaction in accordance with the Amalgamation Agreement have been satisfied or waived, other than the release of the Escrowed Proceeds, and the Closing, each of which will be completed forthwith upon release of the Escrowed Proceeds; (ii) the receipt of all required shareholder third party (as applicable) and regulatory approvals, including, without limitation, the conditional approval of the TSX-V for the Transaction and Financing, and the conditional approval of the TSX-V for the listing of the Resulting Issuer Shares issuable upon conversion of the TTGI Subscription Receipts and the Resulting Issuer Shares issuable upon exercise of the TTGI Subscription Receipt Warrants, after giving effect to the Transaction; (iii) a certificate from a senior officer of TTGI (in the case of the Amalgamation Agreement) and each of TTGI and RMR (in the case of the Agency Agreement) certifying that it is not in breach or default of any of its respective covenants or obligations under the Amalgamation Agreement or the Agency Agreement, as applicable, except (in the case of the Agency Agreement only) for those breaches or defaults that have been waived by the Co-Lead Agents (on their own behalf and on behalf of the Agents), and all conditions set out in the Agency Agreement have been fulfilled; and (iv) TTGI and the Co-Lead Agents (on their own behalf and on behalf of the Agents) having delivered a joint notice to the Subscription Receipt Agent that all the conditions set out in (i) through (iii) have been met or waived.
“Exchange Ratio”	means one (1) Resulting Issuer Share exchanged for one (1) TTGI Share pursuant to the Transaction.
“Final Documents”	means the documents prescribed as such in Policy 2.4.
“Final Exchange Bulletin”	means the bulletin issued by the TSX-V following closing of the Qualifying Transaction and the submission of all Final Documents which evidences the final TSX-V acceptance of the Qualifying Transaction.
“Financing”	means collectively the Brokered Financing and the Non-Brokered Financing of an aggregate of 5,910,627 TTGI Subscription Receipts for gross proceeds of \$3,309,951.
“Insider”	if used in relation to an issuer, means: (a) a director or senior officer of the issuer;

- (b) a director or senior officer of the issuer that is an Insider or subsidiary of the issuer;
- (c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the issuer; or
- (d) the issuer itself if it holds any of its own securities.

“NEO” or “Named Executive Officer” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

“Non-Arm’s Length Party” means in relation to a Company, a promoter, officer, director, other Insider or Control Person of that Company (including an issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any Company of which the individual is a promoter, officer, director, Insider or Control Person.

“Non-Brokered Financing” means the sale of 3,145,643 TTGI Subscription Receipts by TTGI on a non-brokered private placement basis for gross proceeds of \$1,761,560.

“Person” means a Company or individual.

“Policy 2.4” means TSX-V Policy 2.4 – *Capital Pool Companies*.

“Qualifying Transaction” means a Qualifying Transaction conducted by a CPC pursuant to the provisions of Policy 2.4.

“Related Party Transaction” has the meaning ascribed to that term in TSX-V Policy 1.1 – *Interpretation*, and includes a related party transaction that is determined by the TSX-V, to be a Related Party Transaction. The TSX-V may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arm’s Length Parties, or other circumstances exist which

	may compromise the independence of the issuer with respect to the transaction.
“Resulting Issuer”	means RMR following the Closing.
“Resulting Issuer Agents’ Warrants”	means the warrants of the Resulting Issuer issuable in exchange for the TTGI Agents’ Warrants on Closing, entitling the Agents to purchase an equivalent number of Resulting Issuer Shares and Resulting Issuer Warrants.
“Resulting Issuer Option Plan”	means the stock option plan of the Resulting Issuer which will be in effect following Closing.
“Resulting Issuer Options”	means the options of the Resulting Issuer which will be outstanding following Closing.
“Resulting Issuer Shares”	means the Class “A” Common Shares in the capital of RMR as such shares are constituted following the Consolidation.
“Resulting Issuer Warrants”	means the share purchase warrants of the Resulting Issuer issuable in exchange for the TTGI Warrants on Closing, entitling the holders to acquire an equivalent number of Resulting Issuer Shares.
“RMR”	means RMR Science Technologies Inc.
“RMR Meeting”	means the annual general and special meeting of the shareholders of RMR held on December 21, 2021.
“RMR Shares”	means the Class A common shares in the capital of RMR as such shares are constituted immediately prior to the Consolidation.
“SD-WAN”	means software-defined wide area network.
“Subco”	means 1333633 B.C. Ltd., a corporation incorporated pursuant to the BCBCA and the wholly owned subsidiary of RMR.
“Subscription Receipt Agent”	means Computershare Trust Company of Canada.
“Subscription Receipt Agreement”	means the agreement dated April 8, 2022 entered into among TTGI, RMR, the Co-Lead Agents and the Subscription Receipt Agent, as subscription receipt agent and escrow agent, which govern the terms and conditions of the TTGI Subscription Receipts.
“Tenacious”	means Tenacious Networks Inc., a wholly owned subsidiary of TTGI.
“Transaction”	means the completion of the Amalgamation as well as the other transactions set forth in the Amalgamation Agreement, will comprise RMR’s Qualifying Transaction.

“TSX-V”	means the TSX Venture Exchange Inc.
“TSX-V Escrow Agreement”	means the escrow agreement to be entered into among Computershare Trust Company of Canada, RMR and certain shareholders of TTGI in compliance with the requirements of the TSX-V, with the securities subject to such agreement to be released in accordance with the prescribed policies of the TSX-V.
“TTGI”	means Turnium Technology Group, Inc.
“TTGI Agents’ Warrants”	means the warrants granted to the Agents pursuant to the Financing entitling the Agents to purchase up to 229,649 TTGI Units at a price of \$0.56 per TTGI Unit on or before April 8, 2024, which will be exchanged for an equivalent number Resulting Issuer Agents’ Warrants on the same terms pursuant to the Transaction.
“TTGI Bridge Warrants”	means warrants to purchase up to 500,000 TTGI Shares at a price of \$0.48 per TTGI Share on or before November 30, 2024, subject to an accelerated expiry date and a reduction of the exercise price of the TTGI Bridge Warrants in certain circumstance, which will be exchanged for an equivalent number of Resulting Issuer Warrants on the same terms pursuant to the Transaction.
“TTGI Debt Facility Warrants”	means outstanding share purchase warrants of TTGI entitling the holders to purchase up to 1,730,797 TTGI Shares at a price of \$0.48 per TTGI Share on or before July 30, 2027, which will be exchanged for an equivalent number of Resulting Issuer Warrants on the same terms pursuant to the Transaction.
“TTGI Meeting”	means the annual general and special meeting of shareholders of TTGI, held on December 21, 2021 at which the shareholders of TTGI approved the Transaction.
“TTGI Options”	means outstanding share purchase options of TTGI, entitling the holders to purchase up to 115,806 TTGI Shares at a price of \$0.23 per TTGI Share on or before November 24, 2022, up to 1,467,391 TTGI Shares at a price of \$0.10 per TTGI Share on or before August 4, 2026, up to 600,000 TTGI Shares at a price of \$0.15 per TTGI Share on or before August 4, 2026, up to 112,500 TTGI Shares at a price of \$0.10 per TTGI Share on or before October 24, 2026 and up to 8,601,069 TTGI Shares at a price of \$0.48 per TTGI Share on or before November 16, 2026, which will be exchanged for an equivalent number of Resulting Issuer Options on the same terms pursuant to the Transaction.
“TTGI PP Warrants”	means outstanding share purchase warrants of TTGI entitling the holders to purchase up to 1,930,540 TTGI Shares at a price of \$0.72 per TTGI Share on or before December 31, 2022, subject to an accelerated expiry date and an increase in the number of TTGI PP Warrants in certain circumstances, which will be exchanged for an equivalent number of Resulting Issuer Warrants on the same terms pursuant to the Transaction.

“TTGI Shares”	means the common shares in the capital of TTGI.
“TTGI Subscription Receipts”	means the 5,910,627 subscription receipts of TTGI issued pursuant to the Financing at a price of \$0.56 per subscription receipt, which will be converted into an equivalent number of TTGI Units on satisfaction or waiver of the Escrow Release Conditions and which will be exchanged for an equivalent number of Resulting Issuer Shares and Resulting Issuer Warrants on the same terms pursuant to the Transaction.
“TTGI Subscription Receipt Warrants”	means the share purchase warrants of TTGI forming part of the TTGI Units, entitling the holder to purchase up to 2,955,314 TTGI Shares at a price of \$0.75 per TTGI Share on or before April 8, 2024, which will be exchanged for an equivalent number of Resulting Issuer Warrants on the same terms pursuant to the Transaction.
“TTGI Units”	means the 5,910,627 units of TTGI issuable on conversion of the TTGI Subscription Receipts, each TTGI Unit consisting of one TTGI Share and one-half of one TTGI Subscription Receipt Warrant, which will be exchanged for an equivalent number of Resulting Issuer Shares and Resulting Issuer Warrants on the same terms pursuant to the Transaction.
“TTGI Valeo Warrants”	means share purchase warrants of TTGI entitling the holder to purchase up to 3,500,000 TTGI Shares at a price of \$0.25 per TTGI Share on or before the date that is five years from Closing, which will be exchanged for an equivalent number of Resulting Issuer Warrants on the same terms pursuant to the Transaction.
“TTGI Warrants”	means collectively the TTGI PP Warrants, the TTGI Bridge Warrants, the TTGI Debt Facility Warrants, the TTGI Subscription Receipt Warrants and the TTGI Valeo Warrants.
“Valuation Report”	means the report entitled “Comprehensive Valuation Report on Turnium Technology Group Inc.” dated March 31, 2022 prepared for TTGI by Evans & Evans, Inc.
Warrant Indenture	means the agreement dated April 8, 2022 entered into among TTGI, RMR and the Subscription Receipt Agent, as warrant agent, which govern the terms and conditions of the TTGI Subscription Receipt Warrants and the Resulting Issuer Warrants issuable in exchange therefore.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to RMR, TTGI and the Resulting Issuer (assuming completion of the Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this filing statement.

Parties to the Transaction

RMR Science Technologies Inc.

RMR was incorporated under the BCBCA on October 17, 2017. RMR is a CPC under Policy 2.4, is publicly listed on the TSX-V under the symbol RMS.P, and its principal business activity is the identification and evaluation of assets for acquisition. For more information on RMR, see “*Information Concerning RMR*”.

Turnium Technology Group, Inc.

TTGI is a private Company which was formed by the amalgamation of five corporations under the BCBCA on October 1, 2020. TTGI has one wholly owned subsidiary, Tenacious, which was incorporated under the BCBCA on June 28, 2019. TTGI is in the business of delivering SD-WAN solutions as a managed cloud-native service and as a licensed OEM white label software program.

For more information on TTGI, see “*Information Concerning TTGI*”.

The Transaction

The Amalgamation

RMR, TTGI and Subco entered into the arm’s length Amalgamation Agreement dated December 21, 2021, which describes the definitive agreement between the parties with respect to the Transaction. Prior to the Amalgamation, RMR will consolidate the RMR Shares on a five (5) old to one (1) new basis pursuant to the Consolidation and will adopt new Articles, both of which were approved by special resolution of the shareholders of RMR at the RMR Meeting.

Under the Amalgamation Agreement, TTGI will amalgamate with Subco, RMR’s wholly owned subsidiary, to form Amalco, which will be named “TTGI OpCo Inc.” and which will be a wholly owned subsidiary of RMR. On completion of the Transaction, RMR will change its name to “Turnium Technology Group Inc.” or such other name as may be determined by the board of directors of the Resulting Issuer. The shareholders of TTGI will become shareholders of RMR, a publicly traded TSX-V listed Company. The resulting Company -- the Resulting Issuer -- will carry on the current business of TTGI. The Transaction was subject to the approval of shareholders of TTGI by way of special resolution and was approved by shareholders of TTGI at the TTGI Meeting. The Transaction remains subject to a number of conditions, including satisfaction of the Escrow Release Conditions and the release of the Escrowed Proceeds to TTGI. The Closing is expected to occur on or before June 30, 2022.

Pursuant to the Transaction and upon completion of the Amalgamation, the shareholders of TTGI will exchange their TTGI Shares for Resulting Issuer Shares on the basis of the Exchange Ratio of one (1) Resulting Issuer Share for each TTGI Share held. Excluding any Resulting Issuer Shares issuable pursuant to the Financing, an aggregate of 60,582,299 Resulting Issuer Shares will be issued to the TTGI shareholders on Closing. An aggregate of 5,910,627 Resulting Issuer Shares will be issued in exchange for the TTGI Shares forming part of the TTGI Units. The TTGI Options and TTGI Warrants will be exchanged for Resulting Issuer Options and Resulting Issuer Warrants, respectively, based on the Exchange Ratio.

Upon completion of the Transaction, the shareholders of RMR and TTGI will hold 2,047,155 Resulting Issuer Shares (2.99% of the then issued and outstanding Resulting Issuer Shares) and 66,492,926 Resulting Issuer Shares (97.01% of the then issued and outstanding Resulting Issuer Shares), respectively. There will be an aggregate of 68,540,081 Resulting Issuer Shares issued and outstanding. See “*Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization*”.

The Financing

The Financing was completed on April 8, 2022 and an aggregate of 5,910,627 TTGI Subscription Receipts were issued. The Escrowed Proceeds were deposited with the Subscription Receipt Agent and are held in escrow pursuant to the terms of the Subscription Receipt Agreement. Provided the Escrow Release Conditions are satisfied or waived on or before the Escrow Deadline, each TTGI Subscription Receipt will automatically convert into one (1) TTGI Unit, each of which will be exchanged for one (1) Resulting Issuer Share and one-half of one Resulting Issuer Warrant pursuant to the Transaction. If the Escrow Release Conditions are not satisfied or waived on or before the Escrow Deadline, the Escrowed Proceeds will be returned to the purchasers of the TTGI Subscription Receipts and the TTGI Subscription Receipts will be cancelled. In respect of the Brokered Financing, the Agents are entitled to receive a cash commission and fees of an aggregate of \$199,484 and reimbursement of their expenses. One-half of the cash commission and fees and the Agents’ expenses were paid on closing of the Financing. The balance of the cash commission and fees will be paid if the Escrow Release Conditions are satisfied on or before the Escrow Deadline. The Agents were also issued the TTGI Agents’ Warrants on closing of the Financing which will be exchanged for an equivalent number of Resulting Issuer Agents’ Warrants on Closing. In respect of the Non-Brokered Financing, the Agents are entitled to receive an advisory fee of \$27,000, one-half of which was paid on closing of the Financing and the balance of which will be paid if the Escrow Release Conditions are satisfied on or before the Escrow Deadline.

Timing for Closing

It is currently contemplated that Closing will take place on or about June 30, 2022, however Closing is conditional on a number of factors which are, in part, beyond the parties’ control.

Available Funds and Principal Purposes

Upon completion of the Transaction, it is anticipated that the Resulting Issuer will have an estimated working capital deficiency \$819,855, based on the estimated working capital deficiency of RMR as of April 30, 2022 of \$55,780 and the estimated working capital deficiency of TTGI as of April 30, 2022 of \$764,075.

The following table sets forth the estimated total funds available to the Resulting Issuer, upon completion of the Transaction:

	Amount (\$)
Consolidated working capital (deficiency) calculated as of April 30, 2022	(819,855)
Gross proceeds from Financing	3,309,951
Estimated remaining costs of Transaction ⁽¹⁾	(505,490)

	Amount (\$)
Funds generated by net recurring revenue ⁽²⁾	2,653,834
Total available funds	4,638,440

(1) Includes the Agent's expenses and one half of the Agent's commission and fees and advisory fee which were deducted from the gross proceeds of the Financing at closing.

(2) TTGI reported gross margin of \$3,225,396 for the year ended September 30, 2021. TTGI earns net monthly recurring revenue ("Net MRR") from the licensing of its SD-WAN Software. This revenue is reliable with a churn rate of approximately 0.6% per year. Included in TTGI's gross margin for the year ended September 30, 2021 was Net MRR from SD-WAN licenses of \$2,544,800.

The following table sets forth the expected use of proceeds by the Resulting Issuer, assuming completion of the Transaction:

Principal Use of Funds	Amount (\$)
General and Administrative Expenses for 12 Months	980,000
Sales ⁽¹⁾	1,025,500
Marketing, Operations, R&D ⁽²⁾	1,635,000
Unallocated Working Capital	997,940
Total	4,638,440

(1) Comprised of sales personnel and incumbent costs. (See "Part III – The Resulting Issuer – Narrative Description of the Business – Stated Business Objectives and Milestones").

(2) Comprised of \$413,000 of marketing costs, \$332,000 of operating costs and \$890,000 of research and development costs. (See "Part III – The Resulting Issuer – Narrative Description of the Business – Stated Business Objectives and Milestones").

Market circumstances and business considerations in the future may require the Resulting Issuer to reallocate the available funds to meet its objectives. Moreover, the Resulting Issuer may need additional funds in order to meet its future objectives, which may require additional equity or debt financing. However, it is expected that the available funds will be sufficient to support the implementation of the Resulting Issuer's business plan over at least the next 12 months. See "Information Concerning the Resulting Issuer Upon Completion of the Transaction - Available Funds and Principal Purposes."

Selected Pro Forma Consolidated Financial Information

The following table sets forth selected pro forma financial information of the Resulting Issuer as of March 31, 2022 and should be read in conjunction with the pro forma financial statements of the Resulting Issuer as at March 31, 2022 attached as Appendix H to this Filing Statement.

Item	Amount (\$)
Total Assets	5,509,283
Total Liabilities	4,629,908
Total Equity	879,375

Directors and Officers of the Resulting Issuer

Upon Closing, the board of directors of the Resulting Issuer will be comprised of Johan Arnet, Derek Spratt, Ralph Garcea, Jim Lovie, Evelyn Bailey and Peter Green. All directors other than Johan Arnet and Derek Spratt will be independent directors.

Johan Arnet will be the CEO of the Resulting Issuer and Juliet Jones will be the CFO and Corporate Secretary.

See “*Information Concerning the Resulting Issuer Upon Completion of the Transaction – Directors, Officers and Promoters*”.

Interests of Insiders, Promoters or Control Persons

The following table sets forth: (a) the number of RMR Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by the proposed directors, officers and Insiders of the Resulting Issuer (and their Associates and Affiliates) as of the date of this Filing Statement; and (b) the number of Resulting Issuer Shares anticipated to be beneficially owned, directly or indirectly, or over which control or direction will be exercised, by the foregoing Persons upon Closing:

Name	Number and Percentage of RMR Shares as at the date of this Filing Statement		Number and Percentage of Resulting Issuer Shares upon Closing⁽¹⁾	
Johan Arnet, CEO and Director	Nil	N/A	15,939,059	23.26%
Derek Spratt, Chairman and Director	Nil	N/A	301,371	<1%
Juliet Jones, CFO and Corporate Secretary	Nil	N/A	89,284	<1%
Aaron Patton, President of Tenacious	Nil	N/A	3,211,820	4.69%
Hareesh Kheskani, CTO	Nil	N/A	126,103	<1% /
John Wigboldus, CRO	Nil	N/A	Nil	N/A
Geoff Hultin, CMO	Nil	N/A	781,103	1.14%
Colin Atkinson, COO-Tech	Nil	N/A	447,871	<1%
Ralph Garcea, Director	1,119,166	10.93%	223,833	<1%
Jim Lovie, Director	Nil	N/A	2,008,309	2.93%
Evelyn Bailey, Director	Nil	N/A	Nil	N/A
Peter Green, Director	Nil	N/A	Nil	N/A

⁽¹⁾ Based on 68,540,081 Resulting Issuer Shares issued and outstanding.

Trading History

RMR Shares are listed for trading on the TSX-V under the symbol RMS.P. Trading was halted on August 9, 2021 pending completion of the Transaction. The last closing price of the RMR Shares on the TSX-V prior to the trading halt was \$0.10. See “*Information Concerning RMR - Trading History*”. The TTGI Shares have never traded on the facilities of any stock exchange. See “*Information Concerning TTGI - Trading History*”.

Valuation Report

Evans & Evans, Inc. was engaged by TTGI to provide the Valuation Report with respect to the fair market value of TTGI. Based on the scope of its engagement and the assumptions in the Valuation Report, Evans & Evans, Inc. concluded that the fair market value of TTGI as at February 28, 2022 was in the range of \$38,575,000 to \$41,405,000. A copy of the Valuation Report is available under TTGI's profile on the SEDAR website at www.sedar.com, and is also available for inspection at the offices of Harper Grey, LLP counsel to TTGI, 3200 – 650 West Georgia Street, Vancouver, British Columbia, V6B 4P7, during normal business hours until Closing and for a period of 30 days thereafter.

Risk Factors

An investment in the Resulting Issuer involves a certain degree of risk and should be regarded as speculative due to the nature of the business of the Resulting Issuer. These risks, uncertainties and other factors may be beyond the control of the Resulting Issuer, which could influence actual results. Each of TTGI and RMR has the right to terminate the Amalgamation Agreement in certain circumstances. Accordingly, there is no certainty, nor can RMR provide any assurance, that the Amalgamation Agreement will not be terminated by either TTGI or RMR before the completion of the Transaction. The following is a summary of the risk factors:

- There can be no assurance that an active trading market in the Resulting Issuer Shares will be established and sustained.
- The SD-WAN industry involves a substantial degree of risk – the market is rapidly evolving and many technology vendors are competing for market share.
- The Resulting Issuer's business plan involves selling its software on a 'white label' basis to telcos and equipment and services vendors who often require exhaustive upfront investments in these relationships with no upfront contractual commitments.
- The Resulting Issuer's results of operations will depend, in part, on the experience and judgment of management to select and develop new investment opportunities.
- The software industry is constantly undergoing change with respect to the formats through which are ultimately delivered to the consumer.
- The Resulting Issuer's success will depend on the commercial success of its networking solutions, which is unpredictable.
- Fluctuations in the price of the Resulting Issuer's securities could contribute to the loss of all or part of your investment.
- The software industry is characterized by technological change and evolving trends. Technological change can have positive effects, but may also have a material adverse effect on TTGI's business, prospects, results of operations and financial condition.
- Revenue may originate from disproportionately few customers.
- TTGI is dependent on members of its senior management team and skilled personnel at all levels and believes that its future financial success and ability to meet its financial objectives will depend in part, on its ability to retain highly skilled management and personnel.

- The Resulting Issuers' business plan involves the hiring of a large number of highly skilled technology development, marketing and sales professionals who may not be available due to labour shortages or wage inflation factors – this may delay and/or drive up the cost of executing fully on its business objectives.
- TTGI's ability to compete depends, in part, upon successful protection of its intellectual property. From time to time, various third parties may contest or infringe upon TTGI's intellectual property rights.
- There can be no certainty that the Resulting Issuer will be able to implement successfully the strategy set out in this Filing Statement.
- The tax rules and their interpretation may change in jurisdictions in which TTGI operates. Any change in taxation legislation or regulation or its interpretation could affect the value of TTGI's assets, its ability to provide returns to shareholders or otherwise have an adverse effect on TTGI's business prospects, financial condition, results of operations and cash flows.

For a detailed description of certain risks relating to the Transaction, RMR, TTGI, Subco and Amalco, which should be carefully considered before making an investment decision, see “*Risk Factors*” below.

Conflicts of Interest

Certain of the proposed directors and officers of the Resulting Issuer upon Closing are also directors, officers or shareholders of other companies and are engaged in and will continue to be engaged in corporations or businesses, including publicly traded corporations. Such associations may give rise to conflicts of interest from time to time. Situations may arise where a particular business opportunity is not presented to the Resulting Issuer, but rather to another corporation of which one of the directors or officers of the Resulting Issuer is also a director or officer. See “*Information Concerning the Resulting Issuer – Directors, Officers and Promoters – Conflicts of Interest*” and “*Risk Factors*”.

Interests of Experts

No Person who is named as having prepared or certified a part of this Filing Statement or prepared or certified a report or valuation described or included in this Filing Statement has, or will have upon Completion of the Transaction, beneficial ownership of 1% or more of the issued and outstanding securities of the Resulting Issuer. For more information see “*Information Concerning the Resulting Issuer – General Matters – Experts*”.

Sponsorship

RMR has obtained a waiver from the sponsorship requirement (as specified in TSX-V Policy 2.2 – *Sponsorship and Sponsorship Requirements*) in connection with the Transaction.

Arm's Length Party Transaction

The Transaction is not with a Non-Arm's Length Party.

Regulatory Approval

The TSX-V has conditionally accepted the Transaction subject to RMR fulfilling all of the requirements of the TSX-V.

THE TRANSACTION

Parties to the Transaction

RMR Science Technologies Inc.

RMR was incorporated under the BCBCA on October 17, 2017. RMR is a CPC under Policy 2.4, is publicly listed on the TSX-V under the symbol RMS.P and its principal business activity is the identification and evaluation of assets. For more information on RMR, see “*Information Concerning RMR*”.

Turnium Technology Group, Inc.

TTGI is a private Company which was formed by the amalgamation of five corporations under the BCBCA on October 1, 2020. TTGI has one wholly owned subsidiary, Tenacious, which was incorporated under the BCBCA on June 28, 2019. TTGI is in the business of delivering software-defined wide area networking solutions as a managed cloud-native service and as a licensed OEM white label software program.

For more information on TTGI, see “*Information Concerning TTGI*”.

The Transaction

The Amalgamation

On August 9, 2021, RMR and TTGI entered into a non-binding letter of intent in respect of the Transaction. RMR, TTGI and Subco entered into the arm’s length Amalgamation Agreement dated December 21, 2021, which describes the definitive agreement between the parties with respect to the Transaction.

Prior to the Amalgamation, RMR will consolidate the RMR Shares on a five (5) old to one (1) new basis pursuant to the Consolidation and will adopt new Articles, both of which were approved by special resolution of the shareholders of RMR at the RMR Meeting.

Under the Amalgamation Agreement, TTGI will amalgamate with Subco, RMR’s wholly owned subsidiary, to form Amalco, which will be named “TTGI OpCo Inc.” and which will be a wholly owned subsidiary of RMR. On completion of the Transaction, RMR will change its name to “Turnium Technology Group Inc.” or such other name as may be determined by the board of directors of the Resulting Issuer. The shareholders of TTGI will become shareholders of RMR, a publicly traded TSX-V listed Company. The resulting Company -- the Resulting Issuer -- will carry on the current business of TTGI. The Transaction was subject to the approval of shareholders of TTGI by way of special resolution and was approved by shareholders of TTGI at the TTGI Meeting. The Transaction remains subject to a number of conditions, including satisfaction of the Escrow Release Conditions and the release of the Escrowed Proceeds to TTGI. Closing is expected to occur on or before June 30, 2022.

Pursuant to the Transaction and upon completion of the Amalgamation, the shareholders of TTGI will exchange their TTGI Shares for Resulting Issuer Shares on the basis of the Exchange Ratio of one (1) Resulting Issuer Share for each TTGI Share held. Excluding any Resulting Issuer Shares issuable pursuant to the Financing, an aggregate of 60,582,299 Resulting Issuer Shares will be issued to the TTGI shareholders on Closing. An aggregate of 5,910,627 Resulting Issuer Shares will be issued in exchange for the TTGI Shares forming part of the TTGI Units. The TTGI Options and TTGI Warrants will be exchanged for Resulting Issuer Options and Resulting Issuer Warrants, respectively, based on the Exchange Ratio.

Upon completion of the Transaction, the shareholders of RMR and TTGI will hold 2,047,155 Resulting Issuer Shares (2.99% of the then issued and outstanding Resulting Issuer Shares) and 66,492,926 Resulting Issuer Shares (97.01% of the then issued and outstanding Resulting Issuer Shares), respectively. There will be an aggregate of 68,540,081 Resulting Issuer Shares issued and outstanding. See “*Information Concerning the Resulting Issuer – Pro Forma Consolidated Capitalization*”.

The Financing

The Financing was completed on April 8, 2022 and an aggregate of 5,910,627 TTGI Subscription Receipts were issued. The Escrowed Proceeds were deposited with the Subscription Receipt Agent and are held in escrow pursuant to the terms of the Subscription Receipt Agreement. Provided the Escrow Release Conditions are satisfied or waived on or before the Escrow Deadline, each TTGI Subscription Receipt will automatically convert into one (1) TTGI Unit, each of which will be exchanged for one (1) Resulting Issuer Share and one-half of one Resulting Issuer Warrant pursuant to the Transaction. If the Escrow Release Conditions are not satisfied or waived on or before the Escrow Deadline, the Escrowed Proceeds will be returned to the purchasers of the TTGI Subscription Receipts and the TTGI Subscription Receipts will be cancelled. In respect of the Brokered Financing, the Agents are entitled to receive a cash commission and fees of an aggregate of \$199,484 and reimbursement of their expenses. One-half of the cash commission and fees and the Agents’ expenses were paid on closing of the Financing. The balance of the cash commission and fees will be paid if the Escrow Release Conditions are satisfied on or before the Escrow Deadline. The Agents were also issued the TTGI Agents’ Warrants on closing of the Financing which will be exchanged for an equivalent number of Resulting Issuer Agents’ Warrants on Closing. In respect of the Non-Brokered Financing, the Agents are entitled to receive an advisory fee of \$27,000, one-half of which was paid on closing of the Financing and the balance of which will be paid if the Escrow Release Conditions are satisfied on or before the Escrow Deadline.

Valuation Report

Evans & Evans, Inc. was engaged by TTGI to provide the Valuation Report with respect to the fair market value of TTGI. Based on the scope of its engagement and the assumptions in the Valuation Report, Evans & Evans, Inc. concluded that the fair market value of TTGI as at February 28, 2022 was in the range of \$38,575,000 to \$41,405,000. A copy of the Valuation Report is available under TTGI’s profile on the SEDAR website at www.sedar.com. and is also available for inspection at the offices of Harper Grey, LLP counsel to TTGI, 3200 – 650 West Georgia Street, Vancouver, British Columbia, V6B 4P7, during normal business hours until Closing and for a period of 30 days thereafter.

Post-Closing Steps

Appointment of Directors and Officers

The following individuals will be appointed as directors and officers of the Resulting Issuer with effect from and subject to Closing:

Directors:

Johan Arnet, CEO and Director
Derek Spratt, Chairman and Director
Jim Lovie, Director
Ralph Garcea, Director

Evelyn Bailey, Director
Peter Green, Director

Officers:

Johan Arnet, CEO
Juliet Jones CFO and Corporate Secretary
John Wigboldus, CRO
Geoff Hultin, CMO
Haresh Kheskani, CTO
Colin Atkinson, COO-Tech
Aaron Patton, President of Tenacious

For more information on the above directors and officers, see “*Information Concerning the Resulting Issuer – Directors, Officers and Promoters*”. For a discussion on the compensation to be awarded to the above directors and officers, see “*Information Concerning the Resulting Issuer – Executive Compensation*” and “*Information Concerning the Resulting Issuer – Options to Purchase Securities*”.

Conversion of TTGI Options

Holders of TTGI Options that will be “eligible persons” under the Resulting Issuer Option Plan and TSX-V policies on the date of Closing will be provided notice that their TTGI Options will be converted in accordance with the terms Amalgamation Agreement into Resulting Issuer Options in a manner reflecting the Exchange Ratio. Following Closing, all such options will be governed by the Resulting Issuer Option Plan as it may be amended or replaced from time to time.

RMR Name Change

Prior to Closing, the Resulting Issuer will change its name to “Turnium Technology Group Inc.” or such other name as may be approved by its board of directors.

Auditor

The auditor of RMR is Davidson & Company LLP and TTGI’s auditor is Manning Elliott LLP. RMR and TTGI have agreed that Manning Elliott LLP will be appointed the auditor of the Resulting Issuer.

Conditions to Completion of the Transaction

The Amalgamation Agreement contains a number of conditions precedent. Unless all of the conditions precedent are satisfied or waived by the Person for whose benefit such conditions exist, to the extent they are capable of waiver, the transactions contemplated by the Amalgamation Agreement will not proceed. There is no assurance that the conditions precedent will be satisfied or waived, as necessary, on a timely basis, or at all. Such conditions include, but are not limited to:

Conditions in Favour of TTGI

The obligation of TTGI to complete the Transaction is subject to the fulfilment of the following conditions precedent:

- (a) the representations and warranties made by each of RMR and Subco in the Amalgamation Agreement shall be true in all material respects as of the date of Closing as if made on and as of such date (except for representations and warranties which refer to another date, which shall be true as of that date), and each of RMR and Subco shall have provided to TTGI a certificate of an officer certifying as to such matters on the date of Closing and TTGI shall have no actual knowledge to the contrary;
- (b) each of RMR and Subco shall have complied in all material respects with their respective covenants in the Amalgamation Agreement and each of RMR and Subco shall have provided to TTGI a certificate of an officer certifying as to such compliance as of the date of Closing and TTGI shall have no actual knowledge to the contrary;
- (c) before giving effect to the transactions contemplated by the Amalgamation Agreement, there shall have been no material adverse change in respect of RMR, Subco, or their respective assets or businesses since the date of the Amalgamation Agreement and each of RMR and Subco shall have provided to TTGI a certificate of an officer certifying as to such matters as of the date of Closing and TTGI shall have no actual knowledge to the contrary;
- (d) RMR shall have provided TTGI with a Certificate of Good Standing for each of RMR and Subco issued by the Registrar of Companies under the BCBCA dated no earlier than one Business Day prior to the Effective Date;
- (e) the Financing shall have been completed;
- (f) immediately prior to the date of Closing, RMR shall not have more than 2,047,155 RMR Shares issued and outstanding and RMR shall have provided TTGI with a letter from the Depositary confirming such;
- (g) immediately prior to the date of Closing, with the exception of the Resulting Issuer Shares issuable pursuant to the Amalgamation Agreement, there shall be no option, right or privilege (including, without limitation, whether by law, pre-emptive right, contract or otherwise) to purchase, subscribe for, convert into, exchange for or otherwise require the issuance of, nor any agreement, option, right or privilege capable of becoming any such agreement, option, right or privilege, any of the unissued shares or other securities of any of the RMR or Subco;
- (h) each of RMR and Subco shall have furnished TTGI with certified copies of the resolutions duly passed by their respective boards of directors approving the Amalgamation Agreement and the consummation of the transactions contemplated therein, and including, in RMR's case, the allotment and issuance of the aggregate number of Resulting Issuer Shares, the issuance of Resulting Issuer Options and Resulting Issuer Warrants in exchange for TTGI Options and TTGI Warrants, and the issuance of RMR agents' warrants in exchange for TTGI Agents' Warrants, in each case as required to be issued in accordance with the terms of the Amalgamation Agreement upon the Amalgamation taking effect;
- (i) RMR shall have furnished TTGI with a certified copy of the resolutions of Subco, as Subco's sole shareholder, approving the Amalgamation;

- (j) RMR shall have taken all steps required to effect the Consolidation and the change of its name “Turnium Technology Group Inc.” or such other name as may be approved by the board of directors of the Resulting Issuer;
- (k) RMR shall have furnished TTGI with a certified copy of the resolutions of the shareholders of RMR approving all matters presented to shareholders for approval at the RMR Meeting;
- (l) RMR shall not have amended, modified, changed or replaced any of its employment agreement terms, severance policies, or other employment agreements unless set out in the Amalgamation Agreement or with the prior written consent of TTGI;
- (m) RMR shall have delivered to the Depositary an irrevocable direction authorizing and directing the Depositary to issue and deliver Resulting Issuer Shares pursuant to the Transaction, to the TTGI shareholders who are entitled to receive such consideration in accordance with the Amalgamation Agreement;
- (n) the Resulting Issuer Shares to be delivered pursuant to the Transaction shall be issued as fully paid and non-assessable, and free and clear of all encumbrances, liens, charges and demands of whatsoever nature, except those pursuant to any relevant TSX-V policies or applicable securities laws;
- (o) certificates evidencing Resulting Issuer Options and Resulting Issuer Warrants issued in exchange for the TTGI Options and TTGI Warrants, in form and substance satisfactory to TTGI, acting reasonably, shall have been delivered to TTGI;
- (p) effective and conditional upon Closing, the directors and officers of RMR, with the exception of Ralph Garcea, shall have tendered their resignation as directors and officers of RMR, and nominees of TTGI shall have been appointed in their place; and
- (q) the directors and officers of RMR, with the exception of Ralph Garcea, shall have executed releases in favour of RMR in form and substance satisfactory to TTGI, acting reasonably.

Conditions in Favour of RMR

The obligation of RMR and Subco to complete the Transaction is subject to fulfilment of the following conditions precedent:

- (a) the representations and warranties made by TTGI in the Amalgamation Agreement shall be true in all material respects as of the date of Closing as if made on and as of such date (except for representations and warranties which refer to another date, which shall be true as of that date) and TTGI shall have provided to RMR a certificate of an officer of TTGI certifying as to such matters on the date of Closing and RMR shall have no knowledge to the contrary;
- (b) TTGI shall have complied in all material respects with its covenants in the Amalgamation Agreement and TTGI shall have provided to RMR a certificate of an officer certifying as to such compliance as of the date of Closing and RMR shall have no actual knowledge to the contrary;

- (c) before giving effect to the transactions contemplated by the Amalgamation Agreement, there shall have been no material adverse change in respect of TTGI, its assets or business since the date of the Amalgamation Agreement and TTGI shall have provided to RMR a certificate of an officer certifying as to such matters as of the date of Closing and RMR shall have no actual knowledge to the contrary;
- (d) TTGI shall have provided RMR with a Certificate of Good Standing for TTGI issued by the Registrar of Companies under the BCBCA dated no earlier than one Business Day prior to the Effective Date;
- (e) TTGI shall have provided RMR with a Certificate of Good Standing or equivalent certificate for the TTGI Subsidiary issued by the relevant Governmental Authority dated no earlier than one Business Day prior to the Effective Date;
- (f) immediately prior to the Closing, the aggregate number of TTGI Shares issued and outstanding shall not be in excess of 72,784,680, except for TTGI Shares issued pursuant to TTGI Options, TTGI Warrants or TTGI Agents' Warrants;
- (g) immediately prior to the Closing, with the exception of the TTGI Subscription Receipts, the TTGI Options, the TTGI Warrants and the TTGI Agents' Warrants, there shall be no option, right or privilege (including, without limitation, whether by law, pre-emptive right, contract or otherwise) to purchase, subscribe for, convert into, exchange for or otherwise require the issuance of, nor any agreement, option, right or privilege capable of becoming any such agreement, option, right or privilege, any of the unissued shares or other securities of TTGI;
- (h) TTGI shall have furnished RMR with:
 - (i) certified copies of the resolutions duly passed by its board of directors approving the Amalgamation Agreement and the consummation of the transactions contemplated therein; and
 - (ii) a certified copy of the special resolution of the TTGI shareholders duly passed by not less than 66 2/3% of the votes cast by a quorum of TTGI shareholders at the TTGI Meeting; and
- (i) the board of directors of TTGI shall not have withdrawn, modified or changed any of its recommendations, approvals, resolutions or determinations referred to in the Amalgamation Agreement.

Mutual Closing Conditions

The obligations of RMR, TTGI and Subco to complete the Transaction are subject to fulfilment of the following conditions precedent:

- (a) the shareholders of TTGI shall have approved the Transaction on or prior to the Closing by resolutions in form and substance satisfactory to each of RMR and TTGI, acting reasonably;

- (b) RMR, as the sole shareholder of Subco, shall have approved the Transaction on or prior to the Closing by resolutions in form and substance satisfactory to each of RMR and TTGI, acting reasonably;
- (c) the amalgamation application filed pursuant to the BCBCA shall be in form and substance satisfactory to each of RMR and TTGI, acting reasonably;
- (d) RMR shall have obtained the conditional approval of the TSX-V for the Transaction and the listing and posting for trading on the TSX-V of the Resulting Issuer Shares to be issued pursuant to the Transaction, subject only to the satisfaction of the customary listing conditions of the TSX-V;
- (e) the Closing shall have occurred on or prior to June 30, 2022, unless extended by the parties;
- (f) there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any governmental authority or similar agency, domestic or foreign, that:
 - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Transaction; or
 - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein;
- (g) holders of not greater than 5% of the outstanding TTGI Shares shall have exercised dissent rights that have not been withdrawn as at the Closing;
- (h) RMR, TTGI and Subco shall each have obtained all consents, approvals and authorizations (including, without limitation, all stock exchange, securities commission and other regulatory approvals) required or necessary in connection with the transactions contemplated by the Amalgamation Agreement on terms and conditions reasonably satisfactory to TTGI and RMR, acting reasonably; and
- (i) each shareholder of TTGI who is a U.S. Person (as that term is defined in Regulation S under the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder) shall have completed, executed and delivered to TTGI a certificate attesting to their status as an “accredited investor” under applicable laws.

INFORMATION CONCERNING RMR

Corporate Structure

Name and Incorporation

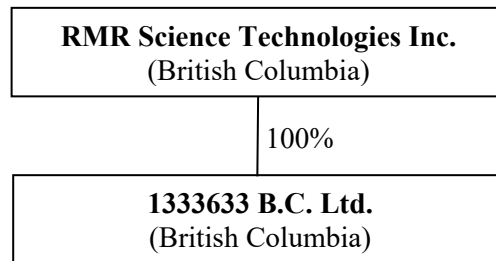
RMR was incorporated pursuant to the provisions of the BCBCA on October 17, 2017. RMR is a CPC under Policy 2.4 and the RMR Shares are listed for trading on the TSX-V under the symbol “RMS.P”.

The registered office of RMR is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, V7X 1T2 and its head office is located at 4-3300 157A St., Surrey, British Columbia, V3Z 2P2.

RMR has one subsidiary: Subco, which was incorporated for the purposes of the Transaction.

Intercorporate Relationships

The following chart sets forth the corporate structure of RMR:



General Development of the Business

History of RMR

Since its incorporation, RMR’s principal business has been the identification and evaluation of assets. On August 9, 2021, RMR and TTGI entered into a non-binding letter of intent in respect of the Transaction. RMR, Subco and TTGI subsequently entered into the Amalgamation Agreement dated December 21, 2021. See “*The Transaction*”.

As required by Policy 2.4, RMR has not conducted business operations except in connection with the identification and evaluation of potential acquisitions with a view to satisfying the conditions for a Qualifying Transaction.

Prior to completing its initial public offering and listing on the TSX-V, RMR issued an aggregate of 2,600,000 RMR Shares at a price of \$0.05 per RMR Share for gross proceeds of \$130,000.

On March 15, 2018, RMR completed its initial public offering of 5,000,000 RMR Shares at a price of \$0.10 per RMR Share for gross proceeds of \$500,000. The RMR Shares began trading on the TSX-V effective March 19, 2018 under the symbol “RMS.P”.

On April 14, 2018, RMR entered into a letter of intent in respect of a Qualifying Transaction with cannÖgen Biosciences, Inc. (“cannÖgen”) and the RMR Shares were halted from trading on the TSX-V on April 16,

2018. The RMR Shares remained halted pending receipt approval of the proposed Qualifying Transaction by the TSX-V and the closing thereof. The letter of intent with cannÖgen was time limited and was extended a number of times, however, on May 12, 2021 cannÖgen notified RMR that due to delays it decided to pursue other paths in order to meet its corporate objectives.

On January 1, 2021, the TSX-V implemented a new Policy 2.4 which permitted a CPC to remove the 24-month deadline for completing a Qualifying Transaction, and to shorten the release schedule for escrowed shares from 36 months to 18 months, provided that disinterested shareholder approval was obtained. The RMR Shares remained halted from trading on the TSX-V pending such RMR shareholder approval. On June 1, 2021, the disinterested RMR shareholders approved the changes at RMR's special meeting of shareholders and on July 21, 2021 trading in the RMR Shares was reinstated on the TSX-V. Trading was then halted again on August 9, 2021 pending announcement of the Transaction and will remain halted pending receipt of TSX-V approval for, and closing of, the Transaction.

On October 7, 2021, RMR completed a financing of 2,500,000 RMR Shares at a price of \$0.08 per RMR Share for gross proceeds of \$200,000.

Prior to Closing, RMR will complete the Consolidation of the RMR Shares on the basis of five (5) old to one (1) new share.

Description of the Qualifying Transaction

Details of the Transaction are disclosed under the heading "*The Transaction.*"

Management's Discussion and Analysis

Selected Information

The following selected financial information is derived from the interim unaudited financial statements of RMR for the three and six months ended March 31, 2022 and from the annual audited financial statements of RMR for the years ended September 30, 2021 and 2020 and should be read in conjunction with such financial statements. See "*Appendix A - Financial Statements of RMR*".

	March 31, 2022	September 30, 2021	September 30, 2020
Total Expenses	\$164,019	\$105,171	\$60,464
Amounts Deferred In Connection With The Transaction	Nil	Nil	Nil

Management's Discussion and Analysis

RMR's management's discussion and analysis for the three and six months ended March 31, 2022 and for the financial years ended September 30, 2021 and September 30, 2020 are attached to this Filing Statement as Appendix B, and should be read in conjunction with RMR's unaudited financial statements for the three and six months ended March 31, 2022 and RMR's audited financial statements for the years ended September 30, 2021 and September 30, 2020 attached to this Filing Statement as Appendix A.

Description of Securities

Authorized Capital

RMR Common Shares

RMR is authorized to issue an unlimited number of RMR Shares without nominal or par value of which, as at the date hereof 10,235,775 RMR Shares are issued and outstanding as fully paid and non-assessable. RMR currently has no convertible securities, including stock options, outstanding.

Prior to Closing, RMR will complete the Consolidation and the number of issued and outstanding RMR Shares will be reduced to 2,047,155 Resulting Issuer Shares.

The holders of RMR Shares are entitled to dividends subject to the prior rights of any other class of shares of RMR, if, as and when declared by the Board of RMR, to one vote per RMR Share at meetings of the shareholders of RMR and, upon dissolution, to share equally in such assets of RMR as are distributable to the holders of RMR Shares subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of RMR. The same provisions will apply to Resulting Issuer Shares.

RMR Preferred Shares

RMR is authorized to issue an unlimited number of class B preferred shares (the “**RMR Preferred Shares**”) without nominal or par value. The RMR Preferred Shares are voting, and may be issued from time to time in one or more series, each consisting of a number of RMR Preferred Shares as determined by RMR’s Board which also may define and attach special rights and restrictions attaching to the shares of each series of RMR Preferred Shares. As of the date hereof, there are no RMR Preferred Shares issued and outstanding. The RMR Preferred Shares shall be preferred as to dividends over the RMR Shares and shall be preferred with respect to distribution in the event of a dissolution over the RMR Shares. The RMR Preferred Shares shall be redeemable and retractable, at a retraction price set by the directors, together with any declared but unpaid dividends.

Dividends or Distributions

RMR has not declared or paid any dividends or distributions on the RMR Shares to date. The payments of dividends or distributions in the future are dependent on RMR’s earnings, financial condition and such other factors as the Board of RMR considers appropriate. RMR currently does not anticipate paying any dividends in the foreseeable future due to its stage of development.

Stock Option Plan

RMR currently has a stock option plan which provides that the board of directors of RMR may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and consultants to RMR, non-transferable options to purchase RMR Shares, provided that the number of RMR Shares reserved for issuance will not exceed 10% of the issued and outstanding RMR Shares from time to time. No stock option are outstanding as of the date of this Filing Statement.

The existing option plan of RMR will be replaced with the Resulting Issuer Option Plan on Closing. The Resulting Issuer Option Plan will provide that the number of Resulting Issuer Shares reserved for issuance will not exceed that number of Resulting Issuer Shares as is equal to 20% of the issued and outstanding

Resulting Issuer Shares on Closing. Refer to “*Information Concerning the Resulting Issuer – Stock Option Plan.*”

Prior Sales

Prior Sales of RMR Shares

There are 10,235,775 RMR Shares issued and outstanding as of the date of this Filing Statement. On October 7, 2021, 2,500,000 RMR Shares were issued at a price of \$0.08 per RMR Share pursuant to a private placement for aggregate cash consideration of \$200,000. No other securities of RMR were issued during the twelve-month period prior to the date of this Filing Statement.

Trading History

The RMR Shares are listed on the TSX-V under the symbol “RMS.P.” Trading in the RMR Shares was halted on April 16, 2018 pending TSX-V approval for, and closing of, its proposed Qualifying Transaction with cannÖgen. Trading was reinstated on July 21, 2021 and was again halted on August 9, 2021 pending announcement of the Transaction. The last closing price of the RMR Shares on the TSX-V prior to the trading halt was \$0.10. Trading will remain halted until TSX-V approval for, and closing of, the Transaction. The following Table sets forth high and low trading prices and volume of the RMR Shares on the TSX-V for the periods indicated:

	Trading Price (\$)		Volume Traded
	High	Low	# of shares
2022			
June 1-6	N/A	N/A	Nil
May	N/A	N/A	Nil
April	N/A	N/A	Nil
March	N/A	N/A	Nil
February	N/A	N/A	Nil
January	N/A	N/A	Nil
2021			
December	N/A	N/A	Nil
November	N/A	N/A	Nil
October	N/A	N/A	Nil
September	N/A	N/A	Nil
August	0.14	0.08	76,000
July	0.39	0.14	2,000
June	N/A	N/A	Nil
May	N/A	N/A	Nil
April	N/A	N/A	Nil
March	N/A	N/A	Nil

	Trading Price (\$)		Volume Traded
	High	Low	# of shares
February	N/A	N/A	Nil
January	N/A	N/A	Nil

Legal Proceedings

There are no legal proceedings material to RMR to which RMR is a party or of which any of its property is the subject matter, and to the knowledge of RMR, no such proceedings are being contemplated by any Person.

Auditor, Transfer Agent and Registrar

The auditor of RMR is Davidson & Company LLP of 1200 – 609 Granville Street, Vancouver British Columbia, V7Y 1G6. After the Closing, it is intended that Manning Elliott LLP of 1700 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3 will become the auditor of the Resulting Issuer.

RMR's transfer agent and registrar is Computershare Trust Company of Canada, at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

Material Contracts

RMR has not entered into any material contracts which remain in effect (other than contracts entered into in the ordinary course of business), other than the following:

1. the Amalgamation Agreement;
2. the Agency Agreement;
3. the Subscription Receipt Agreement;
4. the Warrant Indenture;
5. the CPC Escrow Agreement; and
6. Consulting Agreement dated February 7, 2022 between RMR and Murray Duncan pursuant to which Mr. Duncan will provide corporate communications services to the Resulting Issuer in consideration for Resulting Issuer Options to purchase up to 68,000 Resulting Issuer Shares at a price of \$0.56 per Resulting Issuer Share for a period of five years and fees to be determined on a project basis.

Copies of the above noted contracts will be available for inspection without charge at the offices of Borden Ladner Gervais LLP, counsel to RMR, at 1900 – 520 3rd Avenue SW, Calgary, T2P 03R at any time during ordinary business hours until Closing and for a period of 30 days thereafter. Copies are also available under RMR's SEDAR profile at www.sedar.com.

INFORMATION CONCERNING TTGI

All information provided in “Information Concerning TTGI” has been provided by and is the responsibility of TTGI.

Corporate Structure

Name and Incorporation

TTGI is a private Company formed by the amalgamation of five corporations under the BCBCA on October 1, 2020. TTGI has one wholly owned subsidiary, Tenacious, which was incorporated under the BCBCA on June 28, 2019.

The formation of TTGI was driven by the desire to merge three related companies all founded by Johan Arnet, the CEO of TTGI, and all in the business of selling SD-WAN. Those three companies were Multapplied Networks Inc. (“**Multapplied**” - incorporated in April 2012), Turnium Technology, Ltd. (“**Turnium**” – incorporated in January 2017) and Plait Networks Ltd (“**Plait**” – incorporated in July 2016). Multapplied was the first Company founded by Mr. Arnet and the originator of TTGI’s SD-WAN technology and product. Plait was acquired by Turnium effective February 28, 2019.

Multapplied sold principally as a white labelled solution to third party providers who in turn would sell the product to end customers. Those third-party providers were essentially channel partners. Plait was formed to sell the Multapplied product directly to the SMB space, and Turnium was formed to sell the Multapplied product directly to larger enterprises. All three companies were closely related and shared office space with some overlap of personnel.

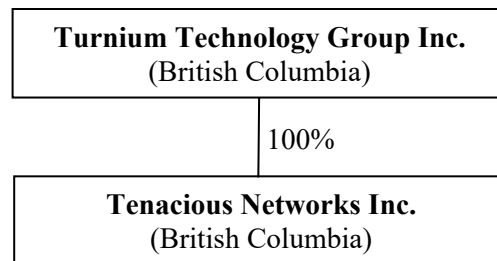
The fourth Company was M.N.I. Investment Holdings Ltd (“**M.N.I. Holdings**” – incorporated in October 2012). M.N.I. Holdings was simply an investment vehicle formed by a number of individuals who wished to invest in Multapplied.

The fifth Company, Turnium Technology Group, Inc. (incorporated in Feb 2019), was originally formed to acquire Multapplied, Turnium and Plait.

TTGI acquired all of the issued and outstanding shares of Tenacious Networks Inc. (“**Tenacious**”) effective February 28, 2021. Tenacious was incorporated in June 2019 and operations started February 1, 2020. Johan Arnet, the CEO and a director of TTGI, and Derek Spratt, the Executive Chairman and a director of TTGI, were both shareholders of Tenacious. Refer to “*Information Concerning TTGI – Non-Arm’s Length Transactions.*”

Intercorporate Relationships

The following chart sets forth the corporate structure of TTGI:



Description of the Business

General

TTGI develops and commercializes a software platform – being a software-defined wide area networking, or SD-WAN, platform - used to build communication networks that connect a business’ multiple branches or locations to each other as well as to multiple cloud-hosted applications, data, and storage. TTGI leverages the capabilities of white-box hardware, Linux, and open-source software to build a proprietary software platform that delivers business connectivity networks that are simpler, easier to deploy and more cost-effective than traditional telecom networks that rely on proprietary hardware.

TTGI’s software is commercialized primarily through agent, reseller and wholesale channel partner sales and secondarily through regional, Western Canadian, direct sales. TTGI’s wholesale channel partners have been purchasing, hosting, managing and selling TTGI’s Multapplied-branded SD-WAN software platform using their own brands, sales channel partners and support staff since 2012.

TTGI’s reseller channel, in place since 2016, sells a Turnium-branded service to end-customer businesses through IT consultants, voice/telephony providers and value-added resellers. Direct sales have been conducted in Western Canada to provide TTGI with market knowledge, build sales understanding and generate revenues.

TTGI started developing an agent channel in 2019.

Tenacious is a managed service provider that provides hosted voice/telephony to businesses, remote desktop support, managed network and LAN support as well as data center colocation and hosting services. Tenacious also provides professional services, IT solution design, planning procurement and installation with a focus on computer networking and security hardware from Lenovo and Fortinet. Tenacious targets small-medium business and small-medium enterprise customers in the Pacific Northwest and Alberta. Tenacious also provides services to branch offices for customers with headquarters in the Pacific Northwest. Tenacious generates a blend of monthly recurring, on-demand hourly and hardware/software resale one-time revenues. Tenacious expands TTGI’s ability to support the core networks of its SD-WAN customers and provide value-add services.

Product Overview

TTGI's specific offer is a software-defined wide area networking platform, referred to in the industry simply as SD-WAN, that can be hosted, managed, branded and sold by customers and a managed SD-WAN service that customers can buy and resell or use themselves.

SD-WAN makes it easy to deploy and manage secure private networks using a combination of Internet, wireless, 4G/LTE, 5G and fiber connections and obtain features comparable to the dedicated networks and connections offered by traditional telecommunications providers. SD-WAN networks benefit from being faster to deploy, easier to manage and avoid the complexity and time-consuming processes entailed in working with telecom quote, provision, change and repair processes.

TTGI delivers two solutions sets to its customers, both of which are based on its SD-WAN software and offers a wide range of Managed Services, IT Professional Services and computer network hardware value-added reseller services through Tenacious.

The first solution is a wholesale, OEM software platform branded Multapplied SD-WAN. This software platform is sold through an indirect channel program to channel partners focused on selling to SMB, government, enterprise and residential customers. Multapplied's channel partners include Internet service providers ("ISPs"), competitive local exchange carriers ("CLECs") and managed services providers ("MSPs") who use Multapplied to increase sales and customer retention for their core products such as managed network, hosted voice and contact center, managed desktop, backup services, managed security and outsourced IT. Multapplied channel partners install TTGI's software in their own data centers and productize and deliver it using their own brand names using their own support and sales teams.

Multapplied SD-WAN platform enables its channel partners to compete effectively with large telecom companies by providing over-the-top private, secure, high speed networks that are faster to deliver, easier to manage, and can incorporate connections from any available ISP, telecom, cablecom or wireless provider. This enables networks to be built which are carrier agnostic and reach outside of any individual carrier's national or international footprint. This mix-and-match approach enables SD-WAN networks to put all a customer's offices on-net and enable everyone to use the same applications without needing to negotiate, source connections and build a network using multiple carriers. Multapplied simplifies WAN setup for the end-customer and make it easier for the partner to deploy and manage. Multapplied channel partners purchase monthly subscription licenses to use Multapplied SD-WAN on a flat-fee per-site-per-connection basis or on a flat-fee per-site basis.

Multapplied enables MSPs and ISP to deploy networks and gain visibility and management over the connections to their customers' sites that they have never had before. This enables them to compete with better with large telecoms.

The second solution is a turnkey, managed SD-WAN service that is branded Turnium and is sold primarily through an indirect channel program to SMB and SME (small-medium enterprise) as well as through direct sales. Turnium channel partners include IT value-added resellers, IT consultants and MSPs that provide managed network, hosted voice, managed desktop, backup services, managed security and outsourced IT. Turnium's networks are built using the same core software as provided by Multapplied and can use any available ISP, telecom, cablecom or wireless connections. Turnium can deliver networks which are carrier agnostic and reach outside of any individual carrier's national or international footprint. Turnium channel partners resell the Turnium-branded service which is hosted and delivered from Turnium's data centers in

Vancouver, Calgary, Toronto, New York and Freemont, California. Turnium is able to add new regional instances of its software easily.

Turnium SD-WAN enables its channel partners to compete effectively with large telecom companies by providing SD-WAN network solutions that are easy to deploy and require no internal infrastructure or internal technical deployment and support capabilities. Turnium channel partners invest in pre-sales, sales and marketing activity. Turnium channel partners resell 12-24-36-month contracts and receive a monthly commission stream.

Tenacious, the managed services, professional services and value-added resale division of TTGI provides solutions to SMB and SME customers directly and acts as a channel partner for Turnium managed SD-WAN. The Professional Services that Tenacious provides expand TTGI's ability to benefit from assisting its customers with setting up their networks to sell and support either of TTGI's SD-WAN products.

TTGI is private, closely held and incorporated under the laws of British Columbia. TTGI has 28 full and part time employees and contractors and is headquartered in Vancouver, BC, Canada. TTGI has staff working remotely in Toronto, Montreal and Halifax, Canada and is building channel partner and agent programs across North America, Europe and Asia/Pacific.

The Industry

TTGI operates within the broad ecosystem of "connectivity and Internet services". This ecosystem is composed of five major verticals. Each vertical is shown in the below chart and table and is followed by a description of each vertical.

Hardware Providers	Software Application Providers	ILEC/CLEC	ISP	Managed Service Providers	End-Customers
What Turnium Sells					
• Manufacture networking, data storage, security, wireless & other equipment	• Develop software applications	• Own & operate network • Bundle & deliver Internet access, private networking & value-add services	• Own and/or lease network Internet connectivity & Internet-based services	• Bundle software, hardware & services • Deliver remotely over Internet or private networks	• Services or Products
Who Turnium Sells To					
• Government • Business (Enterprise, SMB) • Industry (ISP, MSP, ILEC, CLEC)	• Government • Business (Enterprise, SMB) • Industry (ISP, MSP, ILEC, CLEC)	• Government • Business (Enterprise, SMB) • Industry (ISP, MSP, ILEC, CLEC)	• Government • Business (Enterprise, SMB) • Smaller ISP • Out-of-region ISP, ILEC, CLEC	• Government • Business (Enterprise, SMB) • Industry (ISP, ILEC, CLEC) • Consumer	• Government • Business (Enterprise, SMB) • Consumer

Hardware Providers	Software Application Providers	ILEC/CLEC	ISP	Managed Service Providers	End-Customers
Consumer	Consumer	Consumer	Consumer		
Turnium's Direct and Channel Sales Channels					
- Channel (business) - ILEC (direct) - CLEC, ISP, MSP (direct or channel based on size)	- Direct (business, industry, consumer) - Channel (bundled with ILEC, CLEC, ISP or MSP services)	- Direct (business, industry, consumer) - Channel (bundled with CLEC, ISP, MPS services)	Direct (business, MSP, smaller ISP)	- Direct (business, ILEC, CLEC, ISP) - Direct (consumer)	- Direct - Online - Channel
SD-WAN Fit					
- Extension of hardware platform - Maintains/grows market share	SD-WAN developers are in this vertical	- Bundle SD-WAN to protect legacy networking revenues - Use SD-WAN to acquire new revenues in new geographic markets & business segments	- Bundle SD-WAN to protect and grow connectivity revenues - Use SD-WAN to extend services to new geographies and business segments	- Bundle SD-WAN as delivery method for core services or applications - Provides end-to-end management and quality of experience for end-users	- Manages their cost - Greater reliability Improves customer and employee experience - Integrates branches into WAN affordably - Greater management and insight

The following is a short overview of each segment of the market ecosystem described in the table above:

1. Hardware Manufacturers sell networking equipment to ILECs, CLECs, ISPs and MSPs as well as end-customers (small/medium business, enterprise). This hardware is sold to companies and run by the end-customer Company or purchased by incumbent telecoms and large/enterprise ISPs/MSPs and used to deliver core network and associated managed services.
2. Software application providers develop and sell a range of applications that are used to operate and manage local and wide-area networks that are run by businesses, ILECs/CLECs, ISPs and MSPs. These applications provide operational and business support such as monitoring, optimization, virtualization, security, database, customer management, salesforce management and billing. Software application providers also develop value-add applications that are typically targeted by end-customer size and sophistication to enterprise, SMB and consumers. Incumbent Local Exchange Carriers (“ILECs”) and Competitive Local Exchange Carriers (“CLECs”). ILECs are regulated, legacy telephone/cable companies that own copper and fiber networks with monopoly coverage in specific geographies. Their coverage is typically 100% in certain geographies and less in other geographies.

CLECs are competitors to ILECs that are regulated telecommunications carriers that have may have some privately-owned network coverage and often purchase wholesale network from ILECs.

Very few ILECs and CLECs have cross-border services. Those that own networks in both USA and Canada have coverage in their “foreign” or non-native country that is limited to downtown cores of major metropolitan cities or is based on leasing/wholesaling circuits.

3. ISPs offer Internet access for residential, small business and enterprise in specific markets bundled with other services such as telephone service, television, web hosting, data backup and security. They may own network, but their coverage will typically focus on core areas. As a result, ISPs will enhance their coverage by purchasing networks from ILECs and CLECs for more local coverage and for long-distance data transport.
4. MSPs deliver (and sometimes develop and deliver) applications (e.g., email, customer relationship management, point of sale, accounting, data backup, security) used by businesses to sell and support their customers and operate their businesses. MSPs compete with aspects of an ILEC’s, CLEC’s or ISP’s business while relying on the networks or connections that they provide. Managed SD-WAN providers fit into this category and some MSPs are targets for Multiaapplied as they have the sophistication and technical capability to host, manage, sell and support their own SD-WAN product.
5. End-customers for TTGI’s SD-WAN solutions are businesses and consumers. Sold directly or indirectly through TTGI’s channel partners, businesses of all sizes and scales are seeking efficiency, increased performance, cloud connectivity, reliability, and cost savings. Enterprise businesses are seeking to reduce or cap expenditures on traditional telecom networking and deploy SD-WAN to replace components of their telecom networks and extend WAN to new branches or locations. Mid-Market customers are using SD-WAN to eliminate traditional telecom WAN technologies from their networks and support aggressively moving applications to the Cloud.¹ Consumers in rural or non-Metropolitan center markets are seeking faster, more reliable Internet with failover.

The ecosystem is characterized by ongoing transformation driven by the evolution of the Internet and expansion of Internet technologies and services into everyday life. The Internet has transformed how people communicate, first by creating networks that allowed computers to communicate, then by digitizing communications (email, telephone calls), virtualizing hardware (virtual servers), and by virtualizing services (cloud computing, and software-as-a-service applications like customer relationship management, point of sale, finance/billing and other business applications).

With each of these innovations, the number of competitors and options for small-medium business and enterprise customers has grown. In particular, “Cloud” services have rapidly become part of every business’ IT and operational environment. By 2022, the public Cloud services market is forecast to reach \$360.3B USD at a CAGR of 16.6%.² This is relevant to TTGI because increased use of Cloud services drives higher demand for the kind of flexible, quick to deploy, cost-effective networks that TTGI delivers.

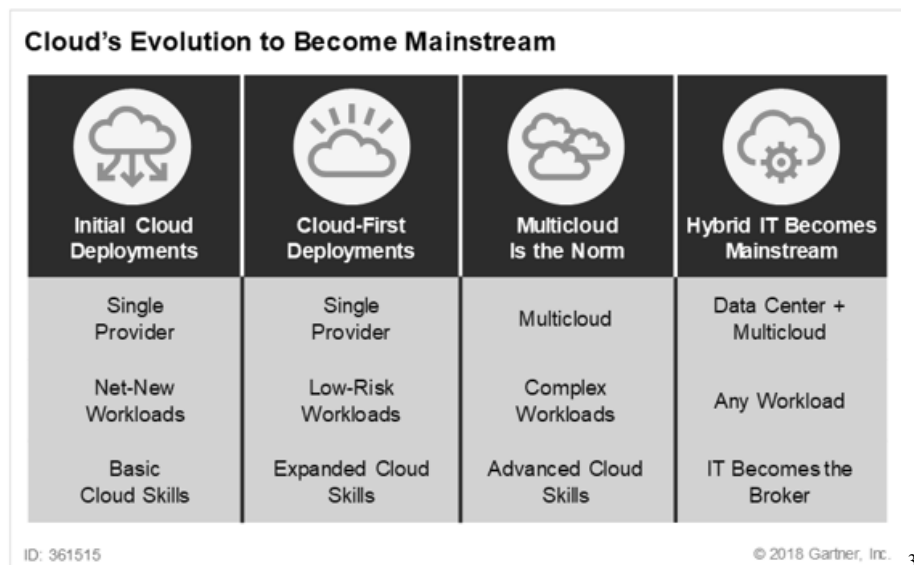
As businesses buy more Cloud services, they need to get access to them quickly and easily. And, for their part, Cloud service providers need to assure service quality and end-user experience. TTGI’s offerings enables Cloud and MSPs to add SD-WAN software to their offerings and improve the quality and customer

¹ Gartner – Discussion with Gartner analyst Mark Fabbi, October 12 2018.

² Gartner – Discussion with Gartner analyst Mark Fabbi, October 12 2018.

experience of their Cloud and Managed services. Cloud service providers use TTGI's offerings to provide secure access (a secure "on-ramp") to applications or services hosted by them (hosted PBX/VoIP services, or hosted firewall as a service offerings, for example) and to provide secure connections to other Cloud service providers without their customers changing providers. Additionally, public Cloud service providers are able to easily connect to customers private Clouds or private Points of Presence allowing them to participate in the multi-cloud / hybrid-cloud markets.

As the chart below shows, Cloud services have moved from being point-solutions to becoming part of the IT menu from which businesses choose when seeking to solve a business problem. In this new IT environment, the "edge" of a business's network is defined not by being inside a building or group of buildings (head office and Branches), but by the location in which applications that are necessary for the business are stored (i.e., "in the Cloud").



As businesses integrate more Cloud and Internet-based applications, this drives increased dependence on the reliability, quality and performance of a business' Internet connection. Variable performance or outages of a business' Internet connection or private networks can damage a business' brand, increase customer churn and reduce revenues. At the same time, the risk of financial loss or business closure due to losing customer or financial data kept onsite can be offset by storing this critical data offsite at Internet-based remote backup locations or by using Cloud or hosted applications.

Market

For enterprise businesses, SD-WAN represents a new opportunity and method to virtualize networks and build networks that do not rely on the coverage area or footprint of any individual carrier. This allows businesses to cap or shrink existing spend on legacy Wide Area Networks ("WAN") which ILECs and CLECs provide. For small to medium businesses (SMBs), SD-WAN is a way to eliminate spend with Incumbents and switch to lower-cost Internet-based options.

³ Gartner – "2019 Planning Guide Summary for Cloud Computing." October 2018.

For all businesses, SD-WAN delivers quality, performance, reliability and flexibility that enables them to address changes in their business or IT environment quickly, integrate Cloud-based applications easily and survive network issues at a more affordable cost. All companies, whether ILEC, CLEC, ISP, hardware manufacturer or MSP are deploying SD-WAN with a “land-grab” mentality; acquiring as many customers as possible to own as much market share as possible.

In this environment, the various players in the SD-WAN market are attempting to address changing end-customer and industry requirements by developing, adding, extending, bundling, and marketing SD-WAN to retain customers, grow wallet-share with existing customers and acquire new customers:

1. Hardware manufacturers/OEM want to adopt and integrate technologies such as SD-WAN to protect core one-time hardware revenues and diversify into monthly subscription revenues. For these companies, SD-WAN is a threat as it runs on white-box off-the-shelf hardware and reduces the need for proprietary hardware and software. Buying SD-WAN companies is one way in which hardware OEM can defend and increase their market share as SD-WAN extends the utility of their solutions and makes their overall offerings more vertically integrated.
2. Software application providers are attempting to bundle their applications into products created by hardware manufacturers and other software developers and sell directly to ILECs, CLECs, ISPs, MSPs and enterprise, SMBs and consumer and software providers. SD-WAN providers that are not extensions of hardware manufacturers fall into this category and are seeking to get purchased by large hardware, software, ILEC, CLEC, ISP or MSPs.
3. ILECs and CLECs are looking to protect core revenues and find new growth opportunities in large markets. For this vertical, SD-WAN is a threat to existing connectivity network revenues (MPLS, Traditional WAN, Ethernet WAN) as it gives competitors a way to deliver network services that formerly only ILECs and CLECs could deliver. Moreover, SD-WAN enables competitors to use the Internet to side-step industry regulatory bodies such as the FCC or CRTC that constrain ILECs and CLECs and provide quality service Over the Top (“OTT”) of Internet circuits in any geography, including across borders.
4. ISPs are looking to adopt new technologies such as SD-WAN to lower costs, increase reach and compete with ILECs and CLECs to grow customer base and revenue. SD-WAN allows ISPs to deliver a managed connection to each customer site, delivering higher speeds affordably, a higher quality user experience and faster troubleshooting. SD-WAN allows an ISP to extend its network reach, even using a competitor ISP, CLEC or ILEC Internet connection deliver managed network services and hosted applications. This vertical sees SD-WAN as a competitive differentiator.
5. MSPs want to adopt and integrate technologies such as SD-WAN to grow new revenues by reaching new customers with a higher quality experience. For this vertical, SD-WAN is an opportunity to increase service quality, increase customer retention and increase customer acquisition. Some SD-WAN providers such as VeloCloud and Aryaka offer a managed SD-WAN service in which they provide the data centers, servers and networks which they use to deploy, monitor and manage a customer’s site-to-site network. TTGI offers Turnium as a Managed SD-WAN service and Multapplied as a wholesale offering to MSP.

SD-WAN can provide value in each part of this ecosystem of verticals, allowing TTGI the opportunity to exploit and penetrate each vertical. Each of these verticals represents a market opportunity to TTGI, discussed in more detail below.

TTGI is taking advantage of the rapid growth and adoption of SD-WAN. Between 2017 and 2022, the SD-WAN industry and associated services are forecast to grow rapidly while hardware sales will be flat and traditional Networking technologies will decline. The figures shown in the chart below illustrate that the market for business networks is shifting towards SD-WAN, Internet and services that support access to Cloud/hosted applications and away from traditional carrier-based networks.

Global total in \$USD ‘Billions⁴	2017	2018	2019	2022	CAGR*
SD-WAN Managed Services	\$0.215	\$0.768	\$1.675	\$4.629	84.7%
SD-WAN Connectivity	\$1.732	\$5.399	\$11.032	\$28.522	75.1%
Internet	\$47.236	\$51.247	\$54.201	\$62.576	5.8%
Cloud Connect	\$0.566	\$1.298	\$2.117	\$5.151	55.5%
Optical Services	\$6.051	\$6.442	\$6.629	\$6.703	2.1%
Traditional WAN	\$109.318	\$109.778	\$104.921	\$88.734	-4.1%
IP MPLS	\$78.481	\$77.168	\$71.443	\$53.431	-7.4%
Ethernet WAN	\$13.611	\$15.185	\$16.377	\$19.325	7.3%
Point to Point (excluding optical)	\$17.225	\$17.425	\$17.100	\$15.978	-1.5%

SD-WAN hardware is growing much more rapidly than the market for data and networking hardware used by Enterprise and SMB because the market for SD-WAN is expanding faster than the established networking hardware industry. In addition, new manufacturers from Taiwan and China have entered the market and are using the growth of software-defined networking to compete with the established networking manufacturers (Cisco, HP, Juniper, Dell) and acquire market share.

Global total in \$USD ‘Billions⁵	2017	2018	2019	2022	CAGR
SD-WAN Hardware (customer)	\$0.475	\$0.926	\$1.300	\$1.779	30.2%
Total Enterprise Network Equipment	\$59.992	\$58.619	\$61.050	\$58.312	1.6%

TTGI’s Market

The go-to-market strategy for the TTGI’s Turnium and Multapplied SD-WAN brands is through sales to market verticals of ILECs, CLECs, ISPs and MSPs as well as to small IT VAR and Consultants. These verticals are included within the larger overall North American industries referred to as Wired & Wireless Telecommunications, Telecommunications Reseller, Data Processing and Computer Systems Design & Related Services.⁵ Our customers in these verticals are “channel partners” because they sell TTGI products to end-customers and, if they license Multapplied, use its multi-tenant capability to sell bundled services to

⁴ Gartner “Forecast: Enterprise Networking Connectivity Growth Trends, Worldwide, 2017-2022.”

⁵ In the United States and Canada, North American Industry Classification Standards (NAICS) codes are used to classify businesses for the purposes of government statistics. The NAICS codes identified as containing businesses relevant to MNI are: 517310 Wired & Wireless Telecommunications, 517911 Telecommunications Re-sellers, 518210 Data Processing, Hosting and Related Services, 541514 Computer System Design & Related Services.

both end-customers and to other, smaller, local ISP and MSP (to add SD-WAN to their own wholesale programs).

TTGI's channel partners enable it to leverage the partners' existing trusted customer relationships, sales staff and delivery capabilities. This "pull-through" of TTGI's software makes sales easier, as TTGI sells once to channel partners who have multiple customers and can deliver TTGI's SD-WAN software as part of their existing customer relationships. This prevents TTGI from competing with potential channel partners for the attention and trust of their customers.

There are over 170,000 identified potential channel partners in the Wired & Wireless Telecommunications, Telecommunications Reseller, Data Processing and Computer Systems Design & Related Services industry segments in North America, comprising our total addressable market.⁴

TTGI's serviceable addressable market is 84,016 of the potential partners in North America, or 49.13% of the 170,000 identified companies in the North American total addressable market. The service addressable market is based on converting a percentage of companies based on the size of the Company. TTGI believes that 10% of target companies with over 500 employees (or 73 companies), 80% of target companies with 10-499 employees (18,286), 45% of companies with 5-9 employees (8,349) and 40% of target companies with 1-4 employees (50,900) would be interested in TTGI's solutions.⁴

In addition to the North American opportunity, there are a further 377,700 companies or a potential of a further 2,700 channel partner customers for TTGI internationally.⁴

Since 2019, TTGI has focused on selling to Managed Service Providers (MSPs). SD-WAN delivers a strong value proposition to MSPs as it provides the MSP with a secure, reliable on-ramp to deliver their hosted, managed services. The MSP generates significant profit from their hosted services and uses TTGI's SD-WAN as a means-to-an-end. The MSP is much less price sensitive and typically bundles Multapplied or Turnium SD-WAN into their other services.

TTGI is also targeting large regional, national and international telecoms companies. Although, sales cycles to these companies are lengthy, TTGI is approaching these potential partners due to the significant impact they could have on TTGI's business.

One way that TTGI is approaching large telecoms is through strategic partners and strategic partnerships. TTGI has a dedicated strategic engagement team of 2 people focused on this effort.

TTGI qualifies strategic partners as very large system integrators, independent software vendors, hardware manufacturers, and other global entities. Currently the TTGI's strategic partner list includes IBM (global system integrator), Red Hat (global independent software vendor), Lanner Networks (global hardware manufacturer and distributor), and QCT (global white-box hardware manufacturer and distributor).

Due to their size, reaching commercial consideration takes longer than a regular sales cycle. However, if discussions can be brokered, they lead to much deeper relationships and access to fast and widespread distribution to 100s or 1000s of sites. TTGI engages with less than 10 such strategic partners in various stages of relationship at a time. Once strategic partners reach or begin to reach commercialization, they are moved into TTGI's regular Sales process.

Competitive Advantages and Disadvantages

The principal market pains suffered by TTGI's channel partners and end-customer businesses are the cost, complexity, lack of flexibility and lack of visibility and control over current business-grade networking solutions.

End-customers need secure, affordable, high-performance networks that connect offices, remote sites, and field staff, wherever they are, to the applications or data they need regardless of whether it is stored in private or public cloud data centers in any state, region, or country.

Channel partners need pre-built platforms, such as those offered by TTGI, to create networks that are easy to deploy, simple to manage, cost-effective, and deliver margin and brand growth.

Traditional telecom providers cannot match the reach, simplicity, cost, flexibility and visibility that TTGI's SD-WAN solutions offer. And as the world's largest networking and hardware OEMs acquire SD-WAN companies, TTGI's channel partners are left with few opportunities to find the solutions they need for their end-customer businesses.

Traditional telecoms operate within their network footprints, which are limited by regulation and legislation. Their ability to operate outside this footprint is limited to resale options or non-existent if they are not licensed to operate in other territories or the opportunities do not support the financial returns they seek. The SD-WAN offers that these telecoms resell are therefore limited to their footprints or are based on the footprint and financial returns of the SD-WAN companies that the hardware OEM are acquiring.

By acquiring SD-WAN companies, the OEMs are eliminating competition to their network hardware revenue base from software-based networking solutions and adding to the depth of their portfolios. The OEM are also entering the network business, enabling telecoms (who also distribute their hardware) with networking capabilities outside of the telecom's home network footprint, which also creates competition within the network footprints of other telecoms.

At the same time, however, the OEMs are reducing the independence and flexibility of small, medium and large channel partners to choose SD-WAN solutions and forcing their partners to differentiate on price, exactly as they compete on networking hardware. All major OEM have multiple channel partners, Resellers, VARs and distributors in every region. When multiple companies in any given region can resell an OEM's hardware and SD-WAN, their differentiators are reduced to price and service. TTGI provides these channel partners with the option of purchasing, owning, controlling and branding their own SD-WAN platform at a wholesale price, supporting their margins and business growth.

Incumbent Telecoms		OEM Hardware Manufacturers	
Advantages	Disadvantages	Advantages	Disadvantages
Semi-monopoly status	Customer service and brand challenges ("everyone hates the Telco")	Market leadership and high market share	Technology buyers do not like to be "force-fed" new products. Want to evaluate on merits. Prices, Quotas and Sales targets of OEMs often do not support the small-mid-market.

Incumbent Telecoms		OEM Hardware Manufacturers	
Advantages	Disadvantages	Advantages	Disadvantages
Fiber and copper networks that have been paid for over the last 50 years	Rigid rules and policies, lengthy wait times for installation	Brand loyalty	Each brand also has its detractors.
Massive existing market share in consumer, SMB, Enterprise and Government	Need/desire in all customer segments for alternative options and price savings	Strong brand awareness plus large direct and indirect sales forces with large catalogs of product	Conflict between direct and indirect channels. Many sellers in same market leads to price competition and race to the bottom. OEM benefits as their margins are locked-in with minimum price for channel, but channel margins continually erode as price becomes only form of differentiation
Their ability to bundle an increasingly diverse set of communications offerings	Growing ability by ISPs, MSPs and CLECs to provide similar capabilities (e.g. through SD-WAN) leveraging Internet, Cloud	Bundling a large, and growing portfolio of hardware and software solutions to provide a vertically integrated solution	Vendor lock-in is a threat to customer independence, flexibility and negotiating power.
	Government regulations inhibit cross-border competition and support competition to prevent monopolies		Customers don't like the monopoly feeling of being ignored by the telecom ("love to hate them") and OEM expanding into network business are likely to be viewed similarly.

Products and Services

TTGI delivers two product solutions sets to customers. One is a wholesale white-label software platform branded Multapplied that is sold to channel partners that want to own, run, manage, and brand their own SD-WAN solution. The second is a turnkey managed SD-WAN service branded Turnium that is re-sold by channel partners who want to add a Turnium-branded offer to their sales portfolio without the expense or complication of running the platform themselves. In addition, TTGI delivers services through a wholly owned subsidiary, Tenacious, which provide channel partners with professional services, end-customer businesses with IT services and support services including managed desktop, managed LAN, hosted voice and computer hardware, network, and security sales.

Multapplied SD-WAN

Multapplied SD-WAN is a wholesale software platform that is sold to channel partners who package, brand, price, and sell it to residential, home-business, SMB, government, and enterprise customers as their own offering. Multapplied channel partners include System Integrators, MSPs, ISPs, and telecommunication companies (including cable companies) that provide managed network, hosted voice, managed desktop, backup services, managed security and outsourced IT.

Multapplied channel partners install TTGI's software in their own data centers and host and manage it themselves.

With Multapplied software installed, a partner can sell and deliver a better end-user experience of the business applications they sell, such as telephone service and applications like data backup, security firewalls or managed computer desktop. Running Multapplied allows a partner to replace expensive, inflexible legacy networks provided by traditional telecoms with similar functionality that is faster to setup and change, easier to manage and comes at a highly competitive price.

Turnium

Turnium is a turnkey, managed SD-WAN service that is sold under the Turnium brand through an indirect channel program to SMB and SME (small-medium enterprise). Turnium channel partners include system integrators, independent software vendors, IT value-added resellers, IT consultants and MSPs that provide managed network, hosted voice, managed desktop, backup services, managed security and outsourced IT.

Turnium uses the same core SD-WAN software as Multapplied and hosts and delivers its service from its own data centres in Vancouver, Calgary, Toronto, New York, and Los Angeles. Turnium can add new regional instances of its software easily.

Turnium channel partners resell Turnium on 12, 24 or 36-month contracts and receive a monthly commission stream. Turnium channel partners invest in pre-sales, sales and marketing activity.

As compared to TTGI's Multapplied software, the Turnium offering provides channel partners and End-Customers with a fully packaged service that includes SD-WAN software that is hosted and managed by Turnium. The service comes packaged with hardware, customer service and support bundled into a monthly price. Turnium can also provide higher-touch services to design and deploy a managed solution to meet custom requirements.

This service gives Turnium's customers access to a complete solution for a monthly fee per site, with professional services being delivered on an hourly basis, without having to deploy, manage or support the core networking infrastructure themselves. Turnium can use any existing customer connectivity or provide last-mile circuits bundled into the solution.

Tenacious

Tenacious provides SMB and SME businesses with outsourced IT Professional Services and Managed Services to help them build, manage and secure their computer systems at their offices. Tenacious provides SMB and SME customers with a range of IT services, hardware, professional services and managed services to help them optimize their business performance by complementing in-house IT staff. Tenacious also leverages its customer base to sell Turnium SD-WAN, when required and TTGI can use Tenacious Professional Services to help new channel partners with setting up or configuring their core networks to support TTGI SD-WAN.

Tenacious resells computer hardware from brand names such as Lenovo and Fortinet to generate one-time revenues and also generates project-based revenue from providing Professional Services to design, plan, install and support hardware required to operate and secure customer computer networks. Monthly recurring revenue is generated through the managed services that Tenacious offers, including hosted, managed voice, managed networks, data backup, colocation and hosting services as well as through

software license sales from Microsoft products and other software packages. Tenacious staff hold Microsoft, VMware, Fortinet and other certifications.

Tenacious contributes a revenue positive support structure to TTGI, offsetting what would otherwise be a cost center, while also enabling the range of services that TTGI can sell to its customers.

Differentiators

TTGI's solutions solve the pain of channel partners in differentiating, building their brands, driving profitable revenue growth, and supporting their customers' needs. TTGI is a software-only offering, able to run on any industry-standard x86-processor hardware and in any Virtual environment as well as in a choice of two Container environments.

As the Internet and Cloud technologies mature, businesses need better, faster, cheaper, secure, and more flexible solutions. TTGI gives channel partners freedom.

TTGI differentiates by being focused on channel partner needs and profitability. Our solutions are built to connect everything anywhere by giving channel partners the ability to:

1. Build virtual networks that connect anywhere
2. Integrate with and extend existing networks
3. Connect multiple public and/or private clouds
4. Become a managed "on-ramp" to cloud applications and hosted services that supports SLA

Multapplied

Multapplied SD-WAN software allows a partner to use any Internet or network connection available at each customer site. Multiple connections can be "bonded" together to form a faster, more reliable connection. The individual connections can be broadband Internet, Ethernet, MPLS, 4G/LTE, or fixed Wireless and can be provided by the partner or by any other ILEC, CLEC or ISP. Multapplied's SD-WAN software allows channel partners to integrate these connections into a single, private virtual network dedicated to the customer and monitor and manage the connections to optimize their performance at each location.

This allows channel partners to deliver a complete managed network anywhere on the globe – a capability that traditional telecom companies cannot deliver due to regulatory restrictions that prevent cross-border expansion and prevent the ILECs and CLECs from creating monopolies.

From a competitive perspective, Multapplied's software enables its partners to use their competitors' Internet or network connections against themselves and act as an ISP even if they don't provide the connectivity and gain control that enables them to support their customers better. CLECs and MSPs who do not have the large legacy networks of the ILECs find this of incredible value. With Multapplied, CLECs and MSPs can use the ILEC's own network to compete against the ILEC itself. This breaks the stranglehold that larger Service Providers have traditionally had on the market based on historical networks they built.

In addition to delivering a technology platform, Multapplied SD-WAN also comes with a business model that supports partner profitability and drives partner revenue and margin growth. By bundling their own

branded SD-WAN into their offers, partners differentiate in their markets and support customer acquisition. They also increase customer retention by being able to deploy networks anywhere and manage those networks to ensure a high-quality experience of the partner's managed services.

TTGI's Multapplied licensing model is based on an Upfront fee for initial licensing setup, deployment assistance, technical training and sales training plus a flat, monthly fee per site deployed. This monthly fee is calculated to give the channel partner a minimum of 2-3x markup on the license costs, with the potential for achieving up to 10x markup, depending on their markets and customer base. (For pricing details, see Revenue Model section below.)

By pricing in this fashion, the end-customers that consume Multapplied SD-WAN through TTGI's channel partners benefit by being able to connect their staff and customers to corporate applications, databases and other offices quickly, securely and affordably.

Turnium

For smaller MSPs, hosted voice providers and IT VARs or consultants, Turnium's packaged SD-WAN solution can be resold without investing in any data center infrastructure, hosting, training, end-customer hardware, or customer service. It is a simpler resale model which comes with the option of having Turnium bill the end customer or having the channel partner do the billing.

And as with Multapplied, Turnium can create networks from any existing Internet connection or other network connection that exists at an end-customer's location(s). These connections can be bonded together to form a faster, more reliable connection and multiple sites can be connected in single, private, virtual network that is monitored and managed by Turnium.

This allows a Turnium channel partner to deliver a better network for their customers, wherever their sites are located – a capability that traditional telecom companies cannot meet – at least at the price point that most SMB and SME customers can afford.

From a competitive perspective, Turnium enables its partners to use their competitors' Internet or network connections against themselves. CLECs and MSPs who do not have the large legacy networks of the ILECs find this of incredible value. With our software, CLECs and MSPs can use the ILEC's own network to compete against the ILEC itself. This breaks the stranglehold that larger Service Providers have traditionally had on the market based on historical networks they built.

In addition to delivering a technology platform, Turnium SD-WAN also comes with a business model that supports partner profitability and drives partner revenue and margin growth. By reselling Turnium, channel partners increase customer retention by solving network quality problems, delivering business continuity and ensuring that their hosted and managed services are delivered with a high-quality customer experience and within their Service Level Agreements.

TTGI's Turnium re-sale model is based on providing channel partners with either a purchase price that is a discount from MSRP or a commission on sales. Turnium channel partners get a 20-25% discount from MSRP based on their volume of sales. Turnium's pricing also provides channel partners with the opportunity to sell above MSRP, as Turnium's MSRP is set 10-20% lower than comparable SD-WAN offers from other providers. (For pricing details, see Revenue Model section below.)

Tenacious

Tenacious helps SMB and SME customers overcome the challenges of designing, deploying and managing their IT infrastructure. As an outsourced provider, Tenacious provides customers with flexible access to skilled resources, without incurring the costs of full-time staff. Customers in the mid-market struggle to manage cost while providing their business with the necessary skillsets to support business critical IT systems. Tenacious satisfies this need. Its strengths are a small agile staff, deep bench strength and personalized service.

Market

TTGI gives channel partners and end-customer IT staff an affordable, practical method of connecting their offices, employees, customers, data, and devices, wherever they are, simply, easily and affordably. TTGI does this while providing the best value mix of technology and business model in the market.

The TTGI solution empowers its channel partners by providing a licensing model that supports their growth and a networking technology that makes delivering and managing high performance applications, anywhere, simple, easy and fast.

TTGI solves real-world customer problems of connecting multiple cloud services and applications to multiple office locations and solves channel partner problems in differentiating their offerings, growing their businesses and helping their end-customers optimize their budgets and use of IT to meet their objectives.

TTGI sells its products to end-customer small-medium business, medium enterprise, government, healthcare, and enterprise customers through an indirect channel model. TTGI engages in a small volume of opportunistic direct sales in Western Canada that leverage local corporate or personal connections.

TTGI sells to end-customers that include enterprise, small-medium business, government, together with a small volume of prosumer/home office residential customers. Primary customers are those businesses that rely heavily on computers and Internet to deliver or receive services. These customers include hotels, medical imaging companies, law firms, medium-sized finance companies, IT companies delivering managed services, and companies using or delivering customer service through hosted telephone systems and contact centers or call centers.

TTGI sells through a full mix of channel partners with a migration path between Turnium and Multapplied, depending on a partner's initial choice and capabilities. TTGI supports:

1. resellers/value-added resellers
2. wholesale/OEM partners
3. agents/referral agents/master agents

And, in addition, TTGI sells to end-customers with an emerging channel of enterprise system integrators and enterprise software developers.

TTGI attracts channel partners through both website content designed to engage and educate potential partners on the functionality, benefits and business case for TTGI SD-WAN platforms and through direct sales outreach through its Strategic Engagement staff. Potential channel partners visiting TTGI's websites

are scored based on their behaviour and, if they meet minimum criteria, are put into the CRM as a “Marketing Qualified Lead,” or as a “Sales Qualified Lead”. Sales Qualified Leads are contacted directly by TTGI’s Inside Sales team. Prospective channel partners are also targeted through LinkedIn advertising and contact/networking methods.

TTGI sells through a mix of types of channel partners including Resellers who resell the Turnium solution, wholesale/OEM partners who may resell Turnium or license and sell Multapplied under their own brand names and agents/referral/master agents who sell the Turnium solution.

Turnium SD-WAN provides channel partners that want to resell with a simple option. This is the easiest and simplest method of engaging with TTGI. Reselling Turnium’s hosted, managed service, enables channel partners to add SD-WAN quickly and easily to their sales offerings and solve customer problems related to quality, performance, and bandwidth. Reselling involves no technical setup or infrastructure by the partner. Partners focus on sales training, prospecting, and closing. TTGI assists partners by providing marketing materials, customer demos, and special pricing (if required). TTGI hosts the SD-WAN application in its data centers, provisions new end-customer sites based on orders placed by channel partners and provides customer service. Partners have a choice of TTGI billing the end-customer or TTGI billing the partner, who in turn bills the end-customer.

In this model, Turnium drives high topline revenues for TTGI but these revenues are accompanied by a higher Cost of Goods sold. TTGI incurs costs for each end-customer site due to provisioning each site, providing a “box” or CPE at each site, incurring data transit costs in and out of TTGI’s data centers, and providing customer service and support costs. Turnium Resellers have required sales support in the form of TTGI staff providing end-customer demos.

Multapplied SD-WAN provides channel partners that want to own and brand the entire SD-WAN solution themselves with a solution from TTGI. This is a Wholesale or OEM-style relationship. TTGI provides the channel partner with the software, assists with initial setup, technical training, Partner-branded marketing collateral and sales training. Wholesale channel partners host the Multapplied SD-WAN application in their own data centers and manage and deliver the SD-WAN service themselves, most often packaging it with other services as an “on-ramp” to managed services or as a value-add focused on reliability, uptime, and business continuity.

It is part of TTGI’s GTM strategy to migrate qualified channel partners acquired through Turnium to Multapplied SD-WAN sales. Qualified channel partners are those who reach sufficient sales volumes that they would benefit financially from hosting and managing their own SD-WAN infrastructure, delivering their own service, supporting end-customers directly and receiving the corresponding cost reduction.

TTGI is also able to provide a Hybrid scenario in which TTGI provides the data center hosting and application management but charges the partner extra.

TTGI also uses agents, referral agents and master agents as part of its GTM mix. These channel partners are used to promote TTGI products, drive awareness and create leads for TTGI. Master agents source Resellers for Turnium while referral agents and agents provide leads for both Turnium and Multapplied.

TTGI is building a channel of System Integrators (SI) and Independent Software Vendors (ISV) to sell with, or alongside, to enterprise end-customers. These sales are conducted by TTGI along with the SI or ISV and TTGI's solutions are bundled with those of the SI or ISV. These channel partners include:

- Red Hat
- IBM
- Activeport
- Quanta Computer
- Packetfabric
- Lanner Networks

TTGI has certified its software platforms with Red Hat and has presence on both Red Hat and IBM online marketplaces (<http://connect.redhat.com/container-partners/>; and <http://marketplace.redhat.com>). The objective of TTGI's relationship with IBM and Red Hat is to leverage these partners' brands, certification and sales forces to introduce TTGI to their existing account relationships. To this end, TTGI has engaged in projects with both IBM and Red Hat including:

- Red Hat Ecosystem Catalogue
- Container certified on Red Hat OpenShift Platform
- Operator certified on Red Hat OpenShift Platform (final stage with RH)
- Vendor Validated
- Cloud-native Network Function CNF certification-in conjunction with Intel and RH (in progress)
- Red Hat Turnium Solution Brief
- Universal CPE project with Red Hat EMEA
- IBM Cloud Proof of Concept – connecting multiple public and private clouds (IBM Cloud, Microsoft Azure, AWS) using TTGI's Turnium solution
- IBM Partner World Partner
- Intel Network Builders
- Established in Red Hat Marketplace managed by IBM
- 5G Cloud Native Network participation with RH, Linux Foundation & China Mobile, keynote showcase at KubeCon 2019 and ONES 2020

Activeport has integrated Multapplied SD-WAN into their software-defined network and orchestration platform enabling them to deploy instances of Multapplied SD-WAN on-demand on either a CPE device at a customer location or in any data center or cloud instance that they can reach. This enables Activeport to provision an SD-WAN-based on-ramp to the Activeport network whenever and wherever their customers require it.

TTGI has recently begun to market in Latin America, Asia, Europe and the Middle East.

Tenacious

Tenacious customers are primarily in the Pacific Northwest, although Tenacious does support branch offices for customers in the Northwest that are located in other provinces or states. Tenacious acts as a sales channel for TTGI's SD-WAN services and can also provide TTGI channel partners with Professional Services to assist with configuring their networks to support TTGI SD-WAN.

Revenue Model

Multapplied negotiates a contracted pricing structure with new channel partners. This pricing structure remains in place for the lifetime of the channel partner with Multapplied retaining a contracted right to increase fees to then prevailing fees upon contract renewal every two years. Annual support and maintenance fees are built into Multapplied's monthly per-site licensing fees.

Typical Multapplied licensing is based on a combination of a One-time Set-up Fee plus Monthly Per-Site License Fees. Channel partners that need a low One-time Set-up Fee pay a higher Monthly Per-site License Fee – and vice-versa. One-time Set-up Fees range between \$20,000 to \$75,000.00 USD per new channel partner. Monthly Per-Site License Fees are charged for each site sold by every channel partner. The per site MSRP is \$35.00-95.00 USD per month. License fees are expected to comprise at least 65% of MNI's total blended revenue across all customers.

Multapplied partners can buy-down their monthly site fees by paying a higher setup fee in advance. Similarly, partners that need a lower setup fee can pay a higher monthly, per site fee to reduce their startup costs.

TTGI has also added a hybrid pricing model that targets channel partners that want to license and sell Multapplied instead of Turnium but cannot afford the targeted One-time Set-up Fee of \$20-\$75K USD. This pricing model includes:

- One-time Set-up Fee of \$7,500 USD
- Annual License Fee of \$2,500 to \$5,000 USD (starting in Year 2)
- Monthly Per-Site License Fees of \$75-\$100.00 USD

Turnium's pricing is based on a choice of three (3) service packages:

 Turnium Service Options			
Feature	Turnium XPRESS	Turnium PRO	Turnium ENTERPRISE
MSRP	\$200/month	\$300/month	Starting at \$500/month
Per-Site Bandwidth	Up to 200 Mbps	Up to 500 Mbps	Up to 750 Mbps
Bandwidth Adaptation	Y	Y	Y
LTE Failover	Y	Y	Y
Bi-directional QoS	Y	Y	Y
Link Aggregation	Y	Y	Y
Same IP Failover	Y	Y	Y
Tunnel Bypass	Y	Y	Y
Network Visibility	Y	Y	Y
Multi-site Networking	\$	Y	Y
VLAN Tagging	-	-	Y
Direct Connect (Azure/AWS)	-	-	Y
Turnium Core Extension	-	-	\$
Virtual Hosted Firewall	-	\$	\$
High Availability CPE	\$	\$	\$
Management Server Access	-	Limited	Full
Service Provisioning	\$	Included	Included
Hardware (see next page)	\$	Included with 36-month term	Included
Enterprise Self-Service Portal	\$	\$	Included
Professional Services/Integrations	\$	\$	\$
Hardware/CPE	Processor	Throughput	Price
XPRESS/PRO	6 port – Non-rack mount – Intel Core 7100, 4 GB RAM, 32 GB SSD	Up to 500 Mbps*	\$650
ENTERPRISE	8 port – Rack Mount – core i7, 4 GB RAM, 32 GB RAM	Up to 750 Mbps*	\$1200

**may vary depending on connection type, jitter, latency, and packet loss*

The service packages have been designed to give channel partners the ability to sell mix-and-match solutions with the technical features that meet the cost-profile of customer sites of varying sizes and requirements.

Tenacious

Tenacious revenues are a mix of one-time and recurring revenues. One-time revenues are generated by reselling computer hardware and licensing from brand such as Lenovo and Fortinet as well as from sales of

project-based Professional Services. Recurring revenues are generated when Tenacious sells its Managed Services (voice, file storage, network), by selling colocation or data center hosting or by selling software licensing. Tenacious also supports sales of TTGI SD-WAN through to its end-customers.

IP Strategy

TTGI's software is proprietary IP, protected through trade secrets.

The main IP is the method by which Multapplied SD-WAN software (the basis for the Turnium offering) obtains a high percentage efficiency in aggregating Internet circuits. Early in its history, TTGI chose not to file patents, as doing so would have required disclosing how it obtains high efficiency in Internet circuit aggregation.

TTGI SD-WAN Features

TTGI's core SD-WAN software includes the following major features and capabilities:

• OEM software package: partner host/manage • Bare metal, virtual and container deployments • x86 white box (non-proprietary, hardware agnostic) • API for external OSS/BSS integration • Multi-tenant core node application • Private, secure multi-tenant spaces • Packet-based link aggregation (better than FEC) • >90% Link aggregation efficiency • <300ms failover, same IP across multiple links for session continuity • Dynamic, automatic bandwidth adaptation • Jitter, latency, packet loss, flap detection • Bi-directional, elastic QoS & traffic shaping • Use your IP addresses (own the customer) • TCP proxy	• Hybrid networks: integrate other managed networks (MPLS, competitor SD-WAN) • Dual stack IPv4 and IPv6 support • Layer 4-7 protocol detection and export • AES128, AES256 • Security through packet-based link aggregation • WAN Optimization integration • Simplified, Service-Provider GUI (delegated admin) • In-GUI configuration for Edge devices, link aggregation, QoS, dynamic routing • Cloud-hosted Management Server for centralized management of edge devices and configuration • Charts and historic data for jitter, latency, packet loss, flapping • Containerized software • Managed and Unmanaged Core Node Mesh

Competition

TTGI's product competition belong into one of two major categories:

1. Networking, security, WiFi, and other hardware OEMs; and
2. Existing SD-WAN vendors

Many networking, security, WiFi and other hardware OEMs are expanding their platforms to include SD-WAN as a feature or acquiring SD-WAN companies. SD-WAN is important to these networking industry OEMs as it expands their portfolios, protects hardware sales, increases new one-time hardware sales (upgrades) and adds licensing revenues.

Hardware OEMs that have acquired SD-WAN companies to obtain the software intellectual property and the pre-built customer base include:

1. Nokia purchased Nuage as part of its Alcatel purchase in 2015
2. Cisco purchased Viptela in 2017
3. Dell/VMware purchased VeloCloud in 2018
4. Martello Networks purchased Elfiq in 2018
5. Oracle purchased Talari in 2018
6. Ribbon Communications purchased Edgewater Networks in 2018
7. Palo Alto Networks purchased Cloudgenix in 2020
8. Adaptiv Networks purchased Elfiq in 2020
9. HPE (Hewlett Packard Enterprise) purchased Silver Peak in 2020
10. Juniper purchased 128Technologies in 2020
11. Ericsson purchased Cradlepoint in 2020

In addition to the above, other hardware OEMs are extending their current hardware-based offerings to include SD-WAN. Fortinet, Meraki, and Riverbed are good examples of this strategy. Riverbed has added SD-WAN to their WAN Optimization hardware and Meraki has added SD-WAN features to their Cloud-managed WiFi, Switches and Routers. Fortinet has also added SD-WAN to their security devices.

However, there are substantial gaps between their offerings and TTGI's. Specifically:

- Some vendors have no direct ability to support multi-tenancy. This means that for a Service Provider, they must continually re-purchase the same core equipment for each new customer. This is costly and inefficient for the Service Provider and drives up costs for the customer.
- Some vendors cannot provide fast failover between connections do not distribute packets across multiple connections per site. This means that any in-progress voice calls will terminate. Some vendors cannot aggregate or bond LTE wireless, giving TTGI a distinct advantage over this solution for customer use-cases where a combination of landline and wireless technologies are required: business continuity, portability/mobility for fleets or trucks, lack of available landline circuits.
- Pricing from many vendors also remains high, focused on the Enterprise. In contrast, the TTGI solution targets a fertile mid-market customer and channel partner business model – a growing sector due to the rapid adoption of cloud technologies.

TTGI also competes with existing SD-WAN Vendors. These vendors fall into three sub-categories:

1. Managed SD-WAN providers such as Cato Networks, Dell/VeloCloud, Oracle/Talari, Adaptiv and Aryaka, who bundle SD-WAN with proprietary networks and managed services. These providers sell directly to end-customers and to channel (and in doing so, they create channel conflict). SD-WAN vendors in this category benefit from both the one-time proprietary hardware revenues and the monthly recurring fees charged for end-customer software licensing and access to the managed network. VeloCloud has been purchased by Dell/VMware, Talari has been purchased by Oracle. These acquisitions have influenced the products, pricing, bundling and ability of channel partners to sell VeloCloud and Talari, forcing some channel partners to seek alternative providers such as TTGI. Cato's offers include a back end or core network. For channel partners that do not want to rely on such black-box designs, this is a drawback. In addition, parts of Cato's traffic are routed over encrypted Internet tunnels – a design that TTGI also supports – reducing the differentiation that Cato offers.
2. Telecommunications carriers or ILEC and CLEC who provide traditional telecom network services as well as Managed SD-WAN services. These competitors license SD-WAN software from a SD-WAN software supplier such as Nuage or co-market and resell Managed SD-WAN provider like those listed above (Aryaka, Cato Networks or VeloCloud). Examples of carriers or ILEC/CLEC in the USA include AT&T, Comcast, Verizon, British Telecom, Granite Communications, and Mitel. In Canada, examples include Telus, Bell, Rogers, Shaw and Zayo.
3. Hardware-based SD-WAN vendors such as Riverbed, Barracuda Networks, Big Leaf, Cisco, Ecessa, Fortinet, Hewlett-Packard, Juniper, Mushroom Networks, and Palo Alto Networks whose primary revenue comes from selling hardware to end-customers that contains their proprietary SD-WAN software. For companies such as Cisco, HP, Juniper and Palo Alto, buying an SD-WAN Company to add SD-WAN to their portfolios protects their existing hardware revenues and adds new licensing subscription revenue. Mushroom Networks' is an example of a standalone SD-WAN hardware-based platform, as is BigLeaf. While BigLeaf also interconnects over 150 of its own data center points of presence with telecom and network carriers (ILEC and CLEC), deploying their solution requires purchasing their hardware. Deploying Mushroom's solution requires purchasing their hardware, as do the SD-WAN platforms being promoted by Riverbed, Barracuda, Ecessa and Fortinet.

Longer term, TTGI sees the potential for competitive threat coming from the following types of technologies and competitors:

- The marketing and sales power of the incumbent market players – ILECs, CLECs and brand-name hardware manufacturers such as AT&T, Comcast, Cisco, Dell, Fortinet, Ericsson, and Nokia.
- Existing well-capitalized SD-WAN providers such as Versa Networks and Aryaka buying market share to establish brand dominance.
- Market consolidation as SD-WAN vendors are purchased by hardware manufacturers. The competitive threats arising from Cisco's purchase of Viptela, Dell/VMWare's purchase of VeloCloud and Oracle's purchase of Talari is that these SD-WAN platforms become bundled into other product offerings from Cisco, Dell/VMWare or Oracle and are therefore easier for potential TTGI partners to buy and resell.

- The acceleration of changes in technology driven by the Internet. The Internet continues to transform business globally and drive technology changes. TTGI's biggest challenge is remaining relevant and accommodating technology change without over-investing in unprofitable options.

With respect to Tenacious' services, the competition is small to mid-sized Managed Services Providers. These competitors offer similar mixes of hardware, software and Professional Services solutions. Competition is overcome based on referrals, testimonials and proximity to customer location.

Competitive Advantages

At the highest level, TTGI's competitive advantage lies in:

1. **A Strong Value Proposition and Economic Model:** TTGI's value proposition is built around enabling channel partners to target the market shift as the massive SMB customer base adopts Cloud Services by deploying practical SD-WAN services that meet customers' core technology and price requirements. TTGI's Turnium and Multapplied solutions deliver options for SMB channel partners to grow their service offerings simply and easily, differentiate their offers and grow their businesses. At the same time, TTGI benefits from continual subscription revenue growth. Multapplied channel partners become deeply embedded in the platform and have low churn, generating ongoing revenues. Turnium revenues are term-contracted. Both revenue streams are highly predictable and generate substantial future value as TTGI grows its network of channel partners.
2. **Existing and Growing Global Partner Ecosystem:** TTGI's partner channel can provide services almost anywhere in the world. This channel has been in place since 2012 and new partners are continually added to increase footprint and total addressable market while existing partners are "farmed" to drive additional value. The current channel partner profile is SMB – generating less than \$1B in annual revenue. Nonetheless, many of these partners have won significant opportunities and generate strong recurring revenues for TTGI. TTGI's Strategic Engagement team is also focused on adding partners in the Enterprise space. Recent Product Certification and Marketing agreements with Red Hat and IBM and business development initiatives underway with other Enterprise Technology companies are the result of this team's efforts.
3. **Pricing and Licensing that Enables Channel Partner Growth:** TTGI's offers are priced to be easy to sell. Turnium's offers are competitively priced to the channel and as a SMB-focused Managed Service, Turnium enables its Reseller channel to deliver more and better-quality services without additional overhead. Multapplied's pricing is even more competitive. Multapplied does not sell term licenses to its partners, enabling them to purchase licenses on a month-by-month or subscription basis. This allows the partner to align costs with revenue growth or shrinkage. Additionally, Multapplied channel partners only pay for end-customer sites deployed. There are no charges for partners expanding their core Multapplied SD-WAN nodes a pricing model that enables partners to scale regionally and geographically with no additional costs.
4. **High ROI for End-customers and Channel Partners:** Multapplied partners purchase at wholesale prices and sell to their end-customers at multiples of 2x to 6x their cost. This difference generates significant margin and an ongoing revenue stream for the partner at a predictable, per-unit cost that only increases as revenue increases. End-customers realize cost reductions in their networks, from

cheaper broadband circuits to cheaper and faster changes, lower cost hardware, lower support costs and higher reliability that eliminates costs of downtime.

5. Multi-tenancy for Scale and Partner Wholesale Programs: Multapplied's multi-tenant capability gives partners a scalable, cost-effective and easily managed network infrastructure which can support multiple end-customers per core node, instead of a one-to-one model like some competitors offer. Multi-tenancy also allows partners to create their own Wholesale channel eco-system.
6. Ownership and Control of the Customer Experience: With TTGI's Multapplied white-label wholesale offer, a channel partner can own, brand and control the entire platform and customer experience. Few, if any, competitors have a successful model that allows the partner to own and operate the SD-WAN platform themselves. Partner ownership and control is reinforced by TTGI's open API. This enables partners to integrate TTGI's SD-WAN platform into software they use to deploy and manage networks easily to deliver bundled, integrated services.
7. A Strong and Growing Feature Set for Hybrid Cloud and Networks: As can be seen from the below Comparison Chart, TTGI's offering compares well to those provided by much larger, and more well-funded competitors. This is a testament to TTGI's innovation and value proposition.

TTGI SD-WAN Comparison Matrix								
Feature	TTGI	Velocloud*	Fortinet	Versa	Meraki***	Viptela***	Silver Peak**	Cato
Runs in containers	✓	×	×	×	×	×	×	×
Runs in virtual machines (VMWare)	✓	✓	✓	✓	×	✓	✓	✓
Runs in virtual machines (KVM)	✓	✓	✓	✓	×	✓	✓	✓
Runs on bare metal	✓	✓	×	✓	×	✓	×	✓
Runs on white label boxes	✓	×	×	✓	×	×	×	×
Runs on CPE	✓	✓	✓	✓	✓	✓	✓	✓
Runs on uCPE	✓	✓	✓	✓	×	✓	✓	✓?
Runs on Red Hat Enterprise Linux	✓	✓	✓ VM	✓?	?	?	?	?
Runs on Open SUSE LEAP	✓	×	×	×	?	?	?	?
Runs on Debian	✓	×	×	?	?	?	?	?
Runs on AWS	✓	✓	✓	✓	✓	✓	✓	✓
Runs on Azure	✓	✓	✓	✓	✓	✓	✓	✓
Runs on GCP	✓	✓	✓	✓	×	✓	×	✓
Bonded Internet/redundancy	✓	✓	×	✓	✓	×	✓	✓
Data encryption (AES 128/256)	✓	✓	✓	✓	✓	✓	✓	✓
Hub and spoke design	✓	✓	✓	✓	✓	✓	✓	✓
Core node mesh	✓	✓	×	✓?	×	✓?	✓?	✓?
Branch mesh	×	×	×	×	×	×	×	×
BGP routing	✓	✓	✓	✓	✓ (Beta)	✓	✓	✓
OSPF routing	✓	✓	✓	✓	✓	✓	✓	✓
IBGP routing	✓	✓	✓	✓	✓	✓	×	✓
EIGRP routing	✓	×	×	✓	×	?	?	?
Static routing	✓	✓	✓	✓	✓	✓	✓	✓
Babel routing	✓	×	×	×	×	×	×	×
VXLAN on CPE and Core nodes	✓	×	×	×	×	✓?	×	×
Do-it-yourself available	✓	✓	✓	✓	✓	✓	✓	✓
Managed service available	✓	✓?	×	×	×	×	×	✓ & Partner
White label service available	✓	✓	×	✓	✓	?	✓	?
Unlimited core node licenses	✓	×	×	×	×	×	×	×
Bandwidth-based licensing	×	✓	✓	✓	✓	✓	✓	✓
WAN optimization	✓	×	✓	×	×	×	✓	✓
IPv4 addressing	✓	✓	✓	✓	✓	✓	✓	✓
IPv6 addressing	✓	✓	✓	✓	✓	✓	✓	✓
Multi-tenant core nodes	✓	✓	×	?	×	✓?	×	×
Integration via API	✓	✓	×	×	✓	✓	✓	✓
Ports per CPE Device	12-Jan	s/w only	5-38	12-Apr	4-24 ?	5-56	08-Mar	08-Apr
Packet-based Link Load Balancing	✓	✓	✓	✓	×	✓	✓	?

TTGI will build its “moat” and defend its market position by:

1. Increased marketing and advertising to promote the technology and financial benefits of TTGI's solutions, especially of its Multapplied Wholesale offer, for channel partners seeking to differentiate and grow in highly competitive technology markets.
2. Maintaining a competitive price for a superior feature set compared to other options in the market while increasing price.
3. Continuing to acquire larger, more significant channel partners with large, established customer-bases.
4. Increasing the number of enterprise-level partnerships, through technology certification and co-marketing to put TTGI's solutions in front of more, larger, end-customers. This is our "sell with" approach.
5. Launching Direct Sales in Europe through an Agent channel to manage ROI efficiently.
6. Continuing to mature the core SD-WAN feature set, increasing speed and performance and adding greater flexibility in deployments. MNI is first and foremost a technology Company.
7. Acquiring existing channel partners to increase revenue and margin to TTGI and building a global network to sell and support TTGI solutions.

Tenacious enables TTGI to extend and grow its market position by providing the team with capability to sell Professional Services that augment TTGI solutions. This helps TTGI get customers to-market faster, speed time to revenue and also broaden the set of capabilities that we offer to expand customer wallet-share.

Management's Discussion and Analysis

Management discussion and analysis of financial results ("MD&A") of TTGI for the year ended September 30, 2021 and for the three and six months ended March 31, 2022 are attached as Appendix D to this Filing Statement. MD&A of Tenacious for the year ended January 31, 2021 is attached as Appendix F to this Filing Statement.

Description of the Securities

The authorized capital of TTGI consists of an unlimited number of common shares and an unlimited number of preferred shares, of which 60,582,299 common shares and no preferred shares are issued and outstanding as of the date of this Filing Statement.

Holders of common shares are entitled to one vote per common share at all meetings of shareholders of TTGI. Holders of common shares may receive dividends if, as and when declared by the Board of Directors, and in the event of any liquidation, dissolution or winding up of TTGI, whether voluntary or involuntary, or any other distribution of its assets for the purpose of winding up its affairs, share rateably in such assets of TTGI as are available for distribution.

Prior Sales

Prior Sales of TTGI Securities

The following table summarizes the issuances of securities by TTGI (including any securities convertible or exchangeable into securities of TTGI) since January of 2021:

Date Issued	Class of Securities	Number of Securities	Price Per Security (\$)
January 21, 2021	TTGI Shares	52,174 ⁽¹⁾	\$0.46
February 28, 2021	TTGI Shares	6,788,801 ⁽²⁾	\$0.426
May 1, 2021	TTGI Valeo Warrants	3,500,000	\$0.25
July 30, 2021	TTGI Shares	2,242,885	\$0.48
August 10, 2021	TTGI Shares	300,000	\$0.48
September 7, 2021	TTGI Shares	1,318,207	\$0.48
July 30, 2021	TTGI Debt Facility Warrants	1,730,797	\$0.48 ⁽³⁾
July 30, 2021	TTGI PP Warrants	1,121,437	\$0.72 ⁽³⁾
August 10, 2021	TTGI PP Warrants	150,000	\$0.72 ⁽³⁾
September 7, 2021	TTGI PP Warrants	659,103	\$0.72 ⁽³⁾
December 1, 2021	TTGI Convertible Note	⁽⁴⁾	\$0.48 ⁽³⁾
December 1, 2021	TTGI Bridge Warrants	500,000	\$0.72 ⁽³⁾
August 5, 2021	TTGI Options	1,467,391	\$0.10 ⁽³⁾
August 5, 2021	TTGI Options	300,000	\$0.15 ⁽³⁾
November 11, 2021	TTGI Options	300,000	\$0.15 ⁽³⁾
November 17, 2021	TTGI Options	8,631,069	\$0.48 ⁽³⁾
January 28, 2022	TTGI Shares	805,731 ⁽⁵⁾	\$0.23
April 4, 2022	TTGI Shares	2,083,334 ⁽⁶⁾	\$0.48
April 8, 2022	TTGI Subscription Receipts	5,910,627 ⁽⁷⁾	\$0.56

(1) These TTGI Shares were issued to Haresh Kheskani, the Chief Technology Officer of TTGI.

(2) Of these TTGI Shares, 3,171,958 shares were issued to IntrinsicQ Technology Group Inc., a corporation controlled by Johan Arnet, the CEO of TTGI, and 117,371 shares were issued to Derek Spratt, the Chairman of TTGI.

(3) Denotes exercise price or conversion price.

(4) Convertible note in the principal amount of \$1,000,000 which was converted to TTGI Shares on April 4, 2022.

(5) Exercise of 1,370,625 stock options at a price of \$0.2308, net of 564,894 common shares surrendered at an agreed price of \$0.56 per share in consideration.

(6) These TTGI Shares were issued on conversion of the convertible note referred to in footnote 4 above.

(7) Issued pursuant to the Financing.

On July 30, 2021, TTGI completed a debt financing of \$1,850,000 and issued the TTGI Debt Facility Warrants to the lenders. Refer to “*Information Concerning TTGI – Material Contracts*” for further details. The proceeds from the loan were used to partially retire an outstanding loan of which \$2,826,588.99 in principal and accrued interest was owing as of July 30, 2021. Of that amount, \$1,750,000 was repaid in cash

and the balance was repaid by the issuance of 2,242,885 units at a deemed price of \$0.48 per unit, each unit consisting of one TTGI share and one-half of one TTGI PP Warrant.

On August 10, 2021, TTGI completed a financing of \$144,000 through the issuance of 300,000 units at a price of \$0.48 per unit, each unit consisting of one TTGI share and one-half of one TTGI PP Warrant, and on September 7, 2021, TTGI completed a financing of \$632,739 through the issuance of 1,318,207 units at a price of \$0.48 per unit, each unit consisting of one TTGI share and one-half of one TTGI PP Warrant.

On December 1, 2021, TTGI completed a debt financing of \$1,000,000 and issued a convertible note and the TTGI Bridge Warrants to the lender. The convertible note was converted to 2,083,334 TTGI Shares at a price of \$0.48 per TTGI Share on April 4, 2022.

On April 8, 2022, TTGI completed the Financing and issued an aggregate of 5,910,627 TTGI Subscription Receipts at a price of \$0.56 per TTGI Subscription Receipt for gross proceeds of \$3,309,951.

Trading History

The common shares are not listed on a Canadian or foreign stock exchange or traded on a Canadian or foreign market.

Executive Compensation

The following table is a summary of total compensation paid to the Named Executive Officers for each of TTGI's three most recently completed financial years.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-Equity incentive plan compensation		All other compensation (\$)	Total compensation (\$)
					Annual incentive plans (\$)	Long-term incentive plans (\$)		
Johan Arnet , CEO	2021	\$216,500	NIL	NIL	NIL	NIL	\$130,000	\$346,500
	2020	\$170,876	NIL	NIL	NIL	NIL	\$241,900	\$412,776
	2019	\$240,215	NIL	NIL	NIL	NIL	\$161,800	\$402,015
Sam Cobden⁽¹⁾ , former CFO	2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	2020	\$30,000	NIL	NIL	NIL	NIL	NIL	\$30,000
	2019	\$117,500	NIL	NIL	NIL	NIL	NIL	\$117,500
Mike Hillhouse⁽²⁾ , former CFO	2021	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	2020	\$93,840	NIL	NIL	NIL	NIL	NIL	\$93,840
	2019	NIL	NIL	NIL	NIL	NIL	NIL	NIL
May Chan⁽³⁾ , former CFO	2021	\$82,412	NIL	NIL	NIL	NIL	NIL	\$82,412
	2020	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	2019	NIL	NIL	NIL	NIL	NIL	NIL	NIL

(1) Sam Cobden served as CFO from October 8, 2018 to December 31, 2019.

(2) Mike Hillhouse served as CFO from January 21, 2020 to September 30, 2020.

(3) May Chan served as CFO from October 1, 2020 to April 23, 2021.

Incentive Plan Awards

TTGI's incentive plan awards consist of stock options. The Board of TTGI believes that granting stock options to executive officers aligns the interests of the executive officers with TTGI's shareholders by linking a component of executive compensation to the longer-term performance of TTGI's Shares. TTGI emphasizes stock options in executive compensation as they allow the NEOs to share in TTGI's results in a manner that is relatively cost effective despite the effects of treating stock options as a compensation expense.

When considering the grant of stock options to TTGI's executive officers, the Board takes into account the level of stock options granted by comparable companies to executives with similar levels of responsibility and considers each executive officer based on reports received from management, its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value and the individual performance objectives set for the executive officer. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. In order to determine the number of options to grant to an executive officer, the Board of Directors will also consider a number of factors, including position and length of service, recommendations by senior executive officers and previous grants of options to the executive officer.

Pension Plan Benefits

TTGI does not have a defined benefit or actuarial plan under which benefits are determined primarily by final compensation and years of service. TTGI does not provide retirement benefits for directors.

Termination and Change of Control Benefits

TTGI has not entered into employment and/or management services agreements with any NEO containing termination or change of control benefits.

Director Compensation

TTGI has not entered into any director compensation programs. No fees to directors have been paid.

Legal Proceedings

To the knowledge of the management of TTGI, there are no outstanding legal proceedings material to TTGI to which TTGI is a party or in respect of which any of its property is subject, nor are there any such proceedings known to be contemplated.

Non-Arm's Length Transactions

TTGI acquired all of the issued and outstanding shares of Tenacious effective February 28, 2021 in consideration for vendor financing of \$300,000 owed to corporations controlled by Johan Arnet, the CEO and a director of TTGI, and Aaron Patton, the President of Tenacious, and the issuance of 6,788,001 TTGI Shares at a deemed price of \$0.426 per share, of which 3,498,672 TTGI Shares were issued to corporations controlled by Johan Arnet and 117,371 TTGI Shares were issued to Derek Spratt, the Executive Chairman and a director of TTGI. The balance of 3,171,958 TTGI Shares were issued to Tenacious Services Inc., a corporation controlled by Aaron Patton who is the founder and President of Tenacious.

The vendor financing is secured by a general security agreement (the “**Tenacious GSA**”) over the assets of TTGI and Tenacious and is evidenced by a demand promissory note of TTGI (the “**Tenacious Note**”) in the principal amount of \$300,000 bearing interest at the rate of 6% per annum.

Material Contracts

TTGI has not entered into any material contracts which remain in effect (other than contracts entered into in the ordinary course of business), other than the following:

1. the Amalgamation Agreement;
2. the Agency Agreement;
3. the Subscription Receipt Agreement;
4. the Warrant Indenture;
5. Loan Agreement dated July 30, 2021, as amended, between TTGI, Tenacious, Evergreen Gap Debt GP Inc., Evergreen Gap Debt LP and Gap Debt III LP in respect of a secured loan to TTGI in the principal amount of \$1,850,000 (the “**Loan**”) bearing interest at the rate of 12.75% per annum and maturing on July 30, 2024;
6. General Security Agreement dated July 30, 2021 between TTGI and Evergreen Gap Debt GP Inc. securing the Loan;
7. General Security Agreement dated July 30, 2021 between Tenacious and Evergreen Gap Debt GP Inc. securing the Loan;
8. Guarantee of Tenacious dated July 30, 2021 in favour of Evergreen Gap Debt GP Inc. in respect of the Loan;
9. Subordination, Postponement and Standstill Agreement between TTGI and Evergreen Gap Debt Inc. in respect of the Loan;
10. Assignment of Insurance Monies to Evergreen Gap Debt Inc. as agent pursuant to the Loan;
11. Engagement Agreement dated May 1, 2021 between TTGI and Valeo Corporate Finance Ltd. (“**Valeo**”) pursuant to which Valeo provides corporate finance advice to TTGI in respect of a going public transaction or other liquidity event. The agreement amended previous agreements between TTGI, Multapplied and Valeo. As consideration for its services, the TTGI Valeo Warrants were issued to an affiliate of Valeo;
12. The Tenacious GSA; and
13. The Tenacious Note.

Subsequent to the date of this Filing Statement, TTGI will enter into the TSX-V Escrow Agreement.

Copies of the above noted contracts will be available for inspection without charge at the offices of Harper Grey LLP, counsel to TTGI, at 3200 – 650 West Georgia Street, Vancouver British Columbia, V6B 4P7 at any time during ordinary business hours until Closing and for a period of 30 days thereafter.

INFORMATION CONCERNING THE RESULTING ISSUER

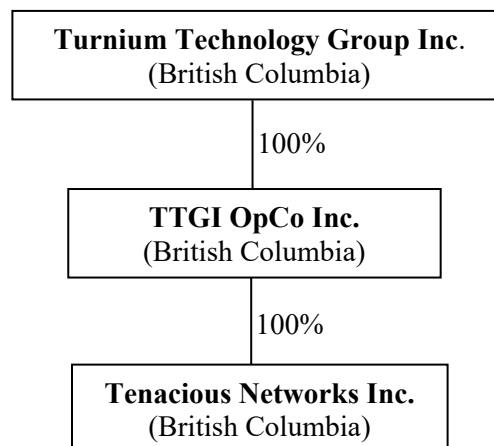
Corporate Structure

Name and Incorporation

On Closing, the Resulting Issuer proposes to change its name from “RMR Science Technologies Inc.” to “Turnium Technology Group Inc.”, and proposes to change its registered office to 3200 – 650 West Georgia Street, Vancouver, British Columbia, V6B 4P7.

Intercorporate Relationships

Upon completion of the Transaction, the Resulting Issuer will hold all of the issued and outstanding common shares of Amalco, the British Columbia corporation resulting from the Amalgamation. The following chart sets forth the corporate structure of the Resulting Issuer:



Narrative Description of the Business

At Closing, the Resulting Issuer will own, through Amalco, 100% of the assets and liabilities of TTGI. The Resulting Issuer intends to continue on, through Amalco, with the business presently carried on by TTGI, being the business of delivering software-defined wide area networking solutions as a managed cloud-native service and as a licensed OEM white label software program. See “*Information Concerning TTGI – Description of the Business*”.

Stated Business Objectives

The objectives of the business post transaction are to increase sales and development velocities through the addition of new staff. Sales are expected to grow through the addition of staff and resources to further the Resulting Issuer’s capabilities to deliver to new and existing partners. Development velocity is expected

to increase through the addition of new staff and the formation of parallel development teams to streamline product development.

Additionally, the Resulting Issuer will undertake a number of M&A initiatives to add global reach and footprint to the business.

Milestones

The timeline for the addition of new staff (initially) is 12 months. The Resulting Issuer has plans to hire 41 new team members. The bulk of these will be based in Canada based on current plans but some will be international. These staff will be new direct hires and not part of M&A activities. The first 8 people in this hiring process have been identified and it is expected that these 8 will have additional line of site to future hires. The Resulting Issuer expects that challenges and difficulties may occur as a result of such an aggressive hiring plan.

It is anticipated that in the same 12 month period the Resulting Issuer will identify and negotiate new strategic acquisitions. These are in the early stages of negotiation but are expected to fit strategically with the Resulting Issuer's growth objectives.

Description of the Securities

The authorized capital of the Resulting Issuer will consist of an unlimited number of class A common shares without par value, having the same rights and restrictions as the RMR Shares, and an unlimited number of class B preferred shares. Refer to “*Information Concerning RMR – Description of Securities*”.

Pro Forma Consolidated Capitalization

The following table sets forth the pro forma share and loan capitalization of the Resulting Issuer assuming completion of the Transaction, based on the pro forma consolidated financial statements attached as Appendix I to this Filing Statement.

Designation of Security	Amount Authorized	Amount Outstanding as of date of Filing Statement	Amount Outstanding on Completion of Transaction
Resulting Issuer Shares	Unlimited	Nil	68,540,081
Resulting Issuer Warrants	Unlimited	Nil	10,616,651
Resulting Issuer Agents' Warrants	Unlimited	Nil	229,649
Resulting Issuer Options ⁽¹⁾	20% of issued shares	Nil	11,100,766

⁽¹⁾ See “*Information Concerning the Resulting Issuer – Options to Purchase Securities*”.

⁽²⁾ Based on the Pro Forma Financial Statements of the Resulting Issuer as at March 31, 2022, the Resulting Issuer had shareholders' equity of \$879,375.

Fully Diluted Share Capital

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

	Number of Resulting Issuer Shares	Percentage of Fully Diluted Resulting Issuer Shares
Resulting Issuer Shares to be held by RMR Shareholders	2,047,155	2.26%
Resulting Issuer Shares to be issued to TTGI Shareholders	60,582,299	66.87%
Resulting Issuer Shares issuable in exchange for TTGI Shares issuable on conversion of TTGI Subscription Receipts	5,910,627	6.52%
Resulting Issuer Shares issuable upon exercise of Resulting Issuer Options	11,100,766	12.25%
Resulting Issuer Shares issuable upon exercise of Resulting Issuer Warrants	10,616,651	11.72%
Resulting Issuer Shares issuable upon exercise of Resulting Issuer Agents' Warrants	229,649	<1%
Resulting Issuer Shares issuable upon exercise of warrants underlying Resulting Issuer Agents' Warrants	114,824	<1%
Total	90,601,971	100.0%

Available Funds and Principal Purposes

Upon completion of the Transaction, it is anticipated that the Resulting Issuer will have an estimated working capital deficiency of \$819,855, based on the estimated working capital deficiency of RMR as of April 30, 2022 of \$55,780 and the estimated working capital deficiency of TTGI as of April 30, 2022 of \$764,075.

The following table sets forth the estimated total funds available to the Resulting Issuer, upon completion of the Transaction:

	Amount (\$)
Consolidated working capital (deficiency) calculated as of April 30, 2022	(819,855)
Gross proceeds from Financing	3,309,951
Estimated remaining costs of Transaction ⁽¹⁾	(505,490)
Funds generated by net recurring revenue ⁽²⁾	2,653,834
Total available funds	4,638,440

⁽¹⁾ Includes the Agent's expenses and one half of the Agent's commission and fees and advisory fee which were deducted from the gross proceeds of the Financing at closing.

- (2) TTGI reported gross margin of \$3,225,396 for the year ended September 30, 2021. TTGI earns net monthly recurring revenue (“**Net MRR**”) from the licensing of its SD-WAN Software. This revenue is reliable with a churn rate of approximately 0.6% per year. Included in TTGI’s gross margin for the year ended September 30, 2021 was Net MRR from SD-WAN licenses of \$2,544,800.

The following table sets forth the expected use of proceeds by the Resulting Issuer, assuming completion of the Transaction:

Principal Use of Funds	Amount (\$)
General and Administrative Expenses for 12 Months	980,000
Sales ⁽¹⁾	1,025,500
Marketing, Operations, R&D ⁽²⁾	1,635,000
Unallocated Working Capital	997,940
Total	4,638,440

- (1) Comprised of sales personnel and incumbent costs. (See “Part III – The Resulting Issuer – Narrative Description of the Business – Stated Business Objectives and Milestones”).

- (2) Comprised of \$413,000 of marketing costs, \$332,000 of operating costs and \$890,000 of research and development costs. (See “Part III – The Resulting Issuer – Narrative Description of the Business – Stated Business Objectives and Milestones”).

Market circumstances and business considerations in the future may require the Resulting Issuer to reallocate the available funds to meet its objectives. Moreover, the Resulting Issuer may need additional funds in order to meet its future objectives which may require additional equity or debt financing. However, it is expected that the available funds will be sufficient to support the implementation of the Resulting Issuer’s business plan over at least the next 12 months.

Dividends

It is not anticipated that the Resulting Issuer will issue any dividends in the foreseeable future.

Principal Shareholders

It is not anticipated that any Person will own of record or beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the Resulting Issuer Shares following completion of the Transaction other than the following:

Name	Number of Resulting Issuer Shares upon Closing⁽¹⁾	Percentage of Resulting Issuer Shares upon Closing
Johan Arnet	15,939,059 ⁽²⁾	23.26%

- (1) Based on 68,540,081 Resulting Issuer Shares issued and outstanding.

- (2) These Resulting Issuer Shares will be held indirectly through corporations controlled by Mr. Arnet (12,767,101 Resulting Issuer Shares held by Thinsolution Inc. and 3,171,958 Resulting Issuer Shares held through IntrinsicIQ Technology Group Inc.).

Directors, Officers and Promoters

At Closing, the directors, officers and promoters of the Resulting Issuer will be comprised of the individuals set out below.

Name and Municipality of Residence	Position or Office	Principal Occupation During Past 5 Years	Director of Resulting Issuer since	Number of Resulting Issuer Shares Owned and Percentage⁽⁵⁾
Johan Arnet ^{(1), (3)} North Vancouver, BC	CEO and Director	CEO of TTGI and predecessor corporations	On Closing	15,939,059 ⁽⁴⁾ 23.26%
Derek Spratt ⁽¹⁾ Vancouver, BC	Chairman and Director	Chairman of TTGI and predecessor corporations since April 2019; Managing Director ScaleUP Ventures 2017-2019	On Closing	301,371 <1%
Juliet Jones West Vancouver, BC	CFO and Corporate Secretary	CFO of TTGI since November 2021; CFO/Secretary Nubeva Technologies Ltd.; CFO/Secretary LOOPShare Ltd.	N/A	89,284 <1%
Geoff Hultin , Vancouver, BC	CMO	CMO of TTGI; Director, Working Pieces Consulting Ltd.; VP Commercial Sales, Urbanfibre	N/A	781,103 1.14%
John Wigboldus , Vancouver, BC	CRO	CRO of TTGI since May 2022; Independent Management Consultant February 2022 to May 2022; SVP Sales at Rise People Inc May 2021 to February 2022; SVP Sales at CounterPath Corporation November 2016 to May 2021	N/A	Nil
Haresh Kheskani , San Francisco, CA	CTO	CTO/VP Strategic Solutions of TTGI	N/A	126,103 <1%
Aaron Patton , Burnaby, BC	President, Tenacious	Founder and President of Tenacious	N/A	3,211,820 4.69%
Colin Atkinson , New Westminter, BC	COO-Tech	COO of TTGI; CEO of Plait Networks Ltd.	N/A	447,871 <1%
Ralph Garcea ⁽²⁾⁽³⁾ Caledon, ON	Director	Managing Director of Focus Merchant Group	November 19, 2021	223,833 <1%
Jim Lovie ⁽¹⁾⁽²⁾⁽³⁾ Toronto, ON	Director	Director of TTGI	On Closing	2,008,309 2.93%
Evelyn Bailey ⁽²⁾ Port Carling, ON	Director	Global Managing Partner Scotiabank – Kindral since Nov. 2021; Global Managing Director Scotiabank – IBM June 2019-November 2021; Senior VP, Data and AI for IBM Corp. 2018-2019; Senior VP, Systems Technology for IBM Corp. 2016-2018	On Closing	Nil

Name and Municipality of Residence	Position or Office	Principal Occupation During Past 5 Years	Director of Resulting Issuer since	Number of Resulting Issuer Shares Owned and Percentage⁽⁵⁾
Peter Green West Vancouver, BC	Director	Founder and CEO of PSG Associates Holdings Inc. since January 2018; President of TELUS Business Solutions from 2007 – 2017	On Closing	Nil

(1) Member of the Board of Directors of TTGI pre-Closing and of the Resulting Issuer post-Closing.

(2) Member of the Audit Committee of the Resulting Issuer. Evelyn Bailey will be the Chair of the Audit Committee.

(3) Member of the Compensation and Corporate Governance Committee of the Resulting Issuer.

(4) These Resulting Issuer Shares are held indirectly through corporations controlled by Mr. Arnet (12,440,387 Resulting Issuer Shares held by Thinsolution Inc. and 3,171,958 Resulting Issuer Shares held by IntrinsIQ Technology Group Inc.).

(5) Based on 68,540,081 Resulting Issuer Shares issued and outstanding.

Each of the Resulting Issuer's directors will hold office until the next annual general meeting of shareholders of the Resulting Issuer or until a successor is elected or appointed.

Assuming completion of the Transaction, the directors and officers of the Resulting Issuer, as a group, will beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 23,128,753 Resulting Issuer Shares, representing approximately 33.74% of the then issued and outstanding Resulting Issuer Shares.

Management, Directors and Officers

The following is a description of the education and work experience of each of the members of management and the directors of the Resulting Issuer:

Johan Arnet, CEO and Director, Age: 47

Mr. Arnet has founded and grown six IT, Internet and telecom companies since 1995. He began developing the proprietary software that is now TTGI's Multapplied-branded SD-WAN platform in 2009 and incorporated Multapplied in 2012. Mr. Arnet studied computer science at Simon Fraser University. Mr. Arnet founded Rocket Networks, an Internet service provider business in 2009 and sold it to TeliPhone Navigata in 2014. In addition to Multapplied, Johan is co-founder of Plait and a co-founder of Turnium. Mr. Arnet also owns IntrinsIQ Technology Group Inc., a Vancouver-based IT value-added reseller and professional services Company. Mr. Arnet anticipates spending 100% of his working time in his capacity as CEO of the Resulting Issuer. Mr. Arnet has entered into a non-competition and non-disclosure agreement with the Resulting Issuer.

Derek Spratt, Chairman and Director, Age: 60

Mr. Spratt has an Engineering degree from Queens University. He was formerly the CEO of Mobidia, Intrinsyc Software and Consequent Technologies and the President of PCS Wireless. He was also Managing Director of ScaleUp Ventures and has been a board member with BC Discovery Fund, BC Advantage Funds, and an advisor to Quorum Capital and Bessemer Venture Partners. Mr. Spratt anticipates spending 30% of his working time in his capacity as Chairman of the Resulting Issuer. Mr. Spratt has entered into a non-competition and non-disclosure agreement with the Resulting Issuer.

Juliet Jones, CFO and Corporate Secretary, Age: 57

Ms. Jones, CPA, CGA has over 25 years of experience working for publicly traded companies primarily in the technology industry. She has acted in CFO and CEO roles at Peace Arch Entertainment, a TSX listed Company that completed a US IPO. Peace Arch Entertainment produced over 200 hours of television programming. Ms. Jones was CFO of WebTech Wireless, a TSX listed SaaS Company, raising over \$50 million in equity and growing its market cap to \$480 million. She worked with NowPublic Technologies, a private Company that sold to the Examiner.com. Ms. Jones was CFO of LOOPShare Ltd., a Canadian Company that completed a reverse takeover and listed on the TSXV in June 2016. Most recently Ms. Jones was CFO of Nubeva Technologies Ltd., a Silicon Valley Company providing cyber security software to OEM customers. Ms. Jones took Nubeva public on the TSXV in 2018. Ms. Jones became a Certified General Accountant in 1994.

Aaron Patton, President of Tenacious, Age: 47

Mr. Patton started his first internet Company in 1994 downloading newsgroups via satellite dish for rural dialup users. He worked for the Black Press Media group working up to a senior sales position before leaving to go back to school. He has started multiple technology companies, including Tenacious which was purchased by TTGI in 2020.

Colin Atkinson, COO - Technology, Age: 46

Mr. Atkinson has been involved in management and leadership roles for over 25 years. His industry experiences range from technology to commercial construction and his teams have successfully completed millions of dollars of projects including being part of the renovations of the Telus World of Science, several new buildings at the University of British Columbia, and the homes of two of the most prominent families in British Columbia. Colin's ability to build and create successful teams has consistently led to sustained growth in every industry in which Colin has worked.

Geoff Hultin, CMO, Age 55

Mr. Hultin has held marketing, sales, and management positions in the internet and telecom industries since 1994. He has grown new business units, products, and sales at companies including TELUS, Sporg.com, Talemtry, Bell Canada, Allstream, and Urbanfibre.

John Wigboldus CRO, Age: 54

As Chief Revenue Officer Mr. Wigboldus is accountable for growing TTGI's business. Prior to joining TTGI, Mr. Wigboldus was the SVP Sales at Rise People and then worked as an independent Management Consultant. Before his tenure at Rise People, he was SVP Sales at CounterPath, a Vancouver-based software company that was recently acquired by Alianza. Prior to CounterPath he worked at Icron Technologies, Allstream, and Sutus. He was a senior leader and founder at ADZILLA new media, and held sales leadership and operational roles at Voyus, C1 Communications, MetroNet, AT&T International and TELUS. An entrepreneurial veteran of the technology industry, Mr. Wigboldus brings sales, marketing, and business development experience to the CRO role. . Mr. Wigboldus holds a bachelor's degree from the University of British Columbia.

Ralph Garcea, Director, Age: 55

Mr. Garcea has an MBA from York University and an Engineering degree University of Toronto and worked for many years in the public markets as a technology analyst for Scotia Capital, Credit Suisse First Boston, and Haywood. Later in his career he worked as Managing Director for Northland Capital Partners, Global Maxfin Capital, Cantor Fitzgerald, and Echelon Wealth Partners. He is currently a board member with Converge Technology Solutions and Edgewater Wireless Systems and is the Managing Partner of Focus Merchant Group.

Mr. Garcea anticipates spending 10% of his working time in his capacity as a director of the Resulting Issuer. Mr. Garcea has not entered into a non-competition and non-disclosure agreement with the Resulting Issuer.

Jim Lovie, Director, Age: 70

Mr. Lovie is the former EVP of Sales for Rogers Communications Canada. He has also held senior executive roles with Xerox, Bell Canada.

Mr. Lovie anticipates spending 10% of his working time in his capacity as a director of the Resulting Issuer. Mr. Lovie has not entered into a non-competition and non-disclosure agreement with the Resulting Issuer.

Evelyn Bailey, Director, Age: 56

Ms. Bailey, ICD.D, has over 30 years of experience working in the IT industry for IBM in numerous capacities. She has worked in support of the Public Sector (BC Government), Bell Canada (Telcomm) and most recently Scotiabank (Financial) driving double digit growth by transforming business through leveraging IT capabilities. By aligning financial objectives with talent and collaboration with partners Ms Bailey has led complex turnarounds for multibillion dollar IBM divisions - Storage, Systems (Mainframe, UNIX/AIX) and Data & AI. Outcomes included balanced improvement in the P&L, double digit revenue growth and increased client satisfaction. Ms. Bailey completed her ICD.D in March 2020. Ms. Bailey is Global Managing Partner, Scotiabank - Kyndryl (Nov 2021, spin off of IBM). She was Global Managing Director, Scotiabank - IBM (June 2019 - Nov 2021), Senior Vice President, Data & AI - IBM Corp, NY (2018-2019) and Senior Vice President, Systems Technology - IBM Corp, NY (2016-2018).

Ms. Bailey anticipates spending 10% of her working time in her capacity as a director of the Resulting Issuer. Ms. Bailey has not entered into a non-competition and non-disclosure agreement with the Resulting Issuer.

Peter Green, Director, Age: 61

Peter Green is an accomplished telecommunications executive and sales leader with a career spanning over three decades in the UK and Canada. He is currently the founder and CEO of PSG Associates Holdings Inc. Previously, Peter served as President of TELUS Business Solutions from 2007 to 2017 where he oversaw an organization with over 25,000 medium and large enterprise customers generating \$1.4 billion in revenue annually. Peter initiated and led the negotiation of a \$1 billion contract with the province of British Columbia, representing the then-largest commercial transaction in TELUS history.

Mr. Green anticipates spending 10% of his working time in his capacity as a director of the Resulting Issuer. Mr. Green has not entered into a non-competition and non-disclosure agreement with the Resulting Issuer.

Promoter

No one Person can be considered to be the promoter of the Resulting Issuer.

Other Reporting Issuer Experience

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

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From (MM/YY)	To (MM/YY)
Ralph Garcea	Converge Technology Solutions Corp	TSX	Director	06/19	Present
	Edgewater Wireless Systems Inc.	TSX-V	Director	06/21	Present
	Deal Pro Capital Corp.	TSX-V	VP, Business Development	06/21	Present
Peter Green	Fobi AI Inc.	TSX-V	Director	06/19	Present
	Mobilum Technologies Inc.	CSE	Director	02/20	Present
Juliet Jones	Nubeva Technologies Ltd.	TSX-V	CFO, Secretary	02/2018	09/21
	Loopshare Ltd.	TSX-V	CFO, Secretary and Director	06/16	04/17
Geoff Hultin	Rain City Resources Inc.	TSX-V	Director	07/20	Present

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Resulting Issuer, none of the proposed directors, officers or promoters of the Resulting Issuer, or a shareholder holding a sufficient number of securities to affect materially the control of the Resulting Issuer is, or within ten years before the date of this Filing Statement, has been, a director, officer, insider or promoter of any other issuer that while that Person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days; or

- (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the knowledge of the Resulting Issuer, no proposed director, officer, promoter or Control Person of the Resulting Issuer, or a shareholder holding a sufficient number of securities to affect materially the control of the Resulting Issuer, has been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable securityholder making a decision about the Transaction.

Personal Bankruptcies

To the knowledge of the Resulting Issuer, no proposed director, officer, promoter or Control Person of the Resulting Issuer, or a shareholder holding a sufficient number of securities to affect materially the control of the Resulting Issuer, has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Resulting Issuer holding positions as director or officers of other companies. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Resulting Issuer. Conflicts, if any, will be subject to the procedures and remedies under the BCBCA.

Audit Committee and Corporate Governance

Audit Committee Disclosure

Under National Instrument 52-110 – Audit Committees (“**NI 52-110**”) reporting issuers are required to provide disclosure with respect to their Audit Committee including the text of the Audit Committee’s charter, composition of the Audit Committee, and the fees paid to the external auditor. The following disclosure relates to the Audit Committee of the Resulting Issuer:

AUDIT COMMITTEE CHARTER

1. Mandate and Purpose of the Committee

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of **Turnium Technology Group Inc.** (the “**Company**”) is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company’s financial statements;

- (b) the Company's compliance with legal and regulatory requirements, as they relate to the Company's financial statements;
- (c) the qualifications, independence and performance of the Company's auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company's internal audit function;
- (f) consideration and approval of certain related party transactions; and
- (g) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

2. Authority

The Committee has the authority to:

- (i) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (ii) communicate directly with the Company's auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

3. Composition and Expertise

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. A majority of the Committee's members must be "independent" and "financially literate" as such terms are defined in applicable securities legislation.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

4. Meetings

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The

Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

5. Committee and Charter Review

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or any stock exchange on which the Company's shares are listed and shall recommend changes to the Board thereon.

6. Reporting to the Board

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

7. Duties and Responsibilities

(a) Financial Reporting

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, MD&A and related news releases, before they are released.

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- (ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability of thereof;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) Auditor

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) Relationship with the Auditor

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;

(iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and

(iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) Accounting Policies

The Committee is responsible for:

(i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;

(ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;

(iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;

(iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and

(v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) Risk and Uncertainty

The Committee is responsible for reviewing, as part of its approval of the financial statements:

(i) uncertainty notes and disclosures; and

(ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) Controls and Control Deviations

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) Compliance with Laws and Regulations

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;
- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

(h) Related Party Transactions

All transactions between the Company and a related party (each a "related party transaction"), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.

The term "related party" includes (i) all directors, officers, employees, consultants and their associates (as that term is defined in the Securities Act (British Columbia)), as well as all entities with common directors, officers, employees and consultants (each "general related parties"), and (ii) all other individuals and entities having beneficial ownership of, or control or direction over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities (each "10% shareholders").

Related party transactions involving general related parties which are not material to the Company require review and approval by the Committee. Related party transactions that are material to the Company or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

8. Non-Audit Services

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

9. Submission Systems and Treatment of Complaints

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chair of the Audit Committee and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

10. Procedure for Reporting of Fraud or Control Weaknesses

Each employee is expected to report situations in which he or she suspects fraud or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously, and ensure that the situation is brought to the attention of the Committee. In addition, weaknesses in the internal control procedures of the Company that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Company's assets, should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Company that the employee (the "whistleblower") has anonymous and direct access to the Chair of the Audit Committee. Should a new Chair be appointed prior to the updating of this document, the current Chair will ensure that the whistleblower is able to reach the new Chair in a timely manner. In the event that the Chair of the Audit Committee cannot be reached, the whistleblower should contact the Chair of the Board of Directors. Access to the names and place of employment of the Company's Directors can be found on the Company's website.

In addition, it is the policy of the Company that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Committee anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.

11. Hiring Policies

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

Composition of Audit Committee

The following individuals will be members of the Audit Committee of the Resulting Issuer:

Evelyn Bailey	Independent ⁽¹⁾	Financially literate ⁽²⁾
Ralph Garcea	Independent ⁽¹⁾	Financially literate ⁽²⁾
Jim Lovie	Independent ⁽¹⁾	Financially literate ⁽²⁾

⁽¹⁾ A member of an audit committee is independent if the member has no direct or indirect material relationship with the Resulting Issuer, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

⁽²⁾ An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Resulting Issuer's financial statements.

Relevant Education and Experience

The relevant education and/or experience of each member of the Audit Committee is as follows:

Evelyn Bailey, Director and Chair of the Audit Committee

Ms. Bailey has a Bachelor of Commerce from the University of Calgary and has completed the Directors Education Program, University of Toronto – Rotman School of Management. Ms. Bailey is the IBM Global Managing Director, Scotiabank & Tangerine.

Ralph Garcea, Director

Mr. Garcea has an MBA from York University and worked for many years in the public markets as a technology analyst for Scotia Capital, Credit Suisse First Boston, and Haywood Securities. Later in his career he worked as Managing Director for Northland Capital Partners, Global Maxfin Capital, Cantor Fitzgerald, and Echelon Wealth Partners.

Jim Lovie, Director

Mr. Lovie is the former EVP of Sales for Rogers Communications Canada. He has also held senior executive roles with Xerox, Bell Canada.

Audit Committee Oversight

The Audit Committee of the Resulting Issuer will, in future, disclose any recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

The Resulting Issuer may or may not in the future rely on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-Audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee of the Resulting Issuer is authorized by the Board of Directors to review the performance of the Resulting Issuer's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Resulting Issuer. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

Exemption

As a TSX-V listed issuer, the Resulting Issuer will be exempt from the requirements of Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110.

Corporate Governance Disclosure

National Instrument 58-101 - Disclosure of Corporate Governance Practices ("**NI 58-101**") prescribes certain disclosure by reporting issuers of their corporate governance practices. This disclosure is presented below for the Resulting Issuer.

Board of Directors

The board of directors will facilitate its exercise of independent supervision over the Resulting Issuer's management through frequent meetings of the board.

All of the members of the board of the Resulting Issuer will be independent for the purposes of NI 58-101 except for Johan Arnet who will not be independent since he will serve as the CEO of the Resulting Issuer and Derek Spratt who will not be independent since he will serve as Chairman of the Resulting Issuer.

Orientation and Continuing Education

New board members will receive an orientation package which will include reports on operations and results, and public disclosure filings by the Resulting Issuer. Board meetings may sometimes held at the Resulting Issuer's offices and, from time to time, may be combined with presentations by the Resulting Issuer's management to give the directors additional insight into the Resulting Issuer's business. In addition, management of the Resulting Issuer will make itself available for discussion with all board members.

Ethical Business Conduct

The board of the Resulting Issuer believes that the fiduciary duties placed on individual directors by the Resulting Issuer's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the board in which the director has an interest will be sufficient to ensure that the board operates independently of management and in the best interests of the Resulting Issuer.

Nomination of Directors

The board of the Resulting Issuer will, I each year, consider its size when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the board's duties effectively and to maintain a diversity of view and experience.

The board of the Resulting Issuer will not have a nominating committee, and these functions will be performed by the board as a whole.

Compensation Governance

The Resulting Issuer will have a separate Compensation and Corporate Governance Committee, which will be responsible for, among other things, evaluating the performance of the Resulting Issuer's executive officers, determining or making recommendations with respect to the compensation of the Resulting Issuer's executive officers, making recommendations with respect to director compensation, incentive compensation plans and equity-based plans, making recommendations with respect to the compensation policy for the employees of the Resulting Issuer or its subsidiaries and ensuring that the Resulting Issuer is in compliance with all legal requirements with respect to compensation disclosure. In performing its duties, the board will have the authority to engage such advisors, including executive compensation consultants, as it considers necessary.

All members of the board of directors of the Resulting Issuer will be experienced participants in business or finance and will have sat on the board of directors of other companies, charities or business associations, in addition to the board of the Resulting Issuer.

Other Board Committees

The board of the Resulting Issuer will have one other committee, namely the Compensation and Corporate Governance Committee, the members of which will be Johan Arnet, Ralph Garcea and Jim Lovie.

Assessments

Due to the minimal size of the Resulting Issuer's Board of directors, no formal policy will be established to monitor the effectiveness of the directors, the board and its committees.

Executive Compensation

The following table sets out information concerning the anticipated compensation to be paid by the Resulting Issuer to for the 12-month period after giving effect to the Transaction to its chief executive officer, chief financial officer and the most highly compensated executive officer of the Resulting Issuer (other than its chief executive officer and chief financial officer) whose total compensation is anticipated to be more than \$150,000 during that period. The following is subject to change as determined by business and financial considerations of the Resulting Issuer after Closing.

Name and principal position	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan Compensation (\$)		All other compensation (\$)	Total compensation (\$)
				Annual incentive plans (\$)	Long-term incentive plans (\$)		
Johan Arnet CEO	300,000	Nil	Nil	Nil	Nil	Nil	300,000
Juliet Jones CFO	200,000	Nil	Nil	Nil	Nil	Nil	200,000
John Wigboldus CRO	200,000	Nil	Nil	Nil	Nil	Nil	200,000

It is anticipated that the Resulting Issuer may grant stock options to non-executive directors in recognition of the service that such directors devote to the Resulting Issuer.

The Compensation and Corporate Governance Committee will be responsible for ensuring an appropriate plan for executive compensation is in place and for making recommendations to the Board with respect to the compensation of the Resulting Issuer's executive officers. The Board will ensure that the total compensation paid to all Named Executive Officers is fair and reasonable and is consistent with the Resulting Issuer's compensation philosophy. This compensation philosophy is intended to ensure that executive compensation is reflective of prevailing market rates and is designed to create incentives to executive performance to achieve the Resulting Issuer's strategic objectives and increase the value to shareholders.

The Compensation and Corporate Governance Committee will periodically review the compensation paid to the Resulting Issuer's Directors and executive officers and ensure that the total compensation paid to all of the Named Executive Officers is fair, reasonable and competitive with the industry and is consistent with the Resulting Issuer's compensation philosophy and is aligned with the Resulting Issuer's overall business objectives and with shareholders' interests.

The Compensation and Corporate Governance Committee is responsible for the review and assessment of compensation arrangements for the Resulting Issuer's executive officers and will be authorized to approve terms of employment, salaries, bonuses, option grants and other incentive arrangements for the Resulting Issuer's executive officers, and, where appropriate, any severance arrangements. The Compensation and Corporate Governance Committee will review and assess the performance of executive officers in accordance with the Resulting Issuer's compensation policies and practices.

In addition to informal industry comparables from publicly available information, the Compensation and Corporate Governance Committee will consider a variety of factors when determining both compensation policies and programs, and individual compensation levels. These factors include the long-range interests of the Resulting Issuer and its shareholders, overall financial and operating performance of the Resulting Issuer and the Compensation and Corporate Governance Committee's assessment of each executive's individual performance and contribution toward meeting corporate objectives.

The Resulting Issuer's Compensation and Corporate Governance Committee and Board of Directors will consider annually the risks associated with the Resulting Issuer's compensation policies and practices including such risks as the retention of qualified executive staff during an economic downturn in the market.

The CEO together with the Compensation and Corporate Governance Committee, will review and discuss on an annual base the risks and provide oversight of the Resulting Issuer's compensation policies and practices, and will discuss with the Compensation and Corporate Governance Committee any additional practices that the Resulting Issuer may use to identify and mitigate compensation policies and practices that could encourage an NEO or individual at a principle business unit or division to take inappropriate or excessive risks. The Resulting Issuer will also have each NEO and employee annually review and sign off on the Resulting Issuer's corporate policies and procedures, including anti-bribery and anti-corruption policies and procedures. As part of this annual review, the CEO will discuss with the Compensation and Corporate Governance Committee any risks arising from the Resulting Issuer's compensation policies and practices that are reasonably likely to have a material adverse effect on the Resulting Issuer.

Due to the small size of the Resulting Issuer and the expected level of the Resulting Issuer's activity, the Board of Directors and the Compensation and Corporate Governance Committee will be able to closely monitor and consider any risks which may be associated with the Resulting Issuer's compensation policy and practices. Risks, if any, will be identified and mitigated through regular Board meetings, during which financial and other information pertaining to the Resulting Issuer will be reviewed, including executive compensation.

No NEO or Director will be permitted by the Resulting Issuer to purchase financial instruments, including, but not limited to, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of the Resulting Issuer's equity securities granted as compensation or held, directly or indirectly, by the NEO or Director.

The Compensation and Corporate Governance Committee will periodically review the management development and succession program and the organizational structure for management of the Resulting Issuer. The Compensation and Corporate Governance Committee will report to the Board on the committee's functions and on the results of its reviews and any recommendations.

The members of the Compensation and Corporate Governance Committee will be Johan Arnet, Ralph Garcea, and Jim Lovie. The Compensation and Corporate Governance Committee members have direct experience in their past executive and board positions that are relevant to their responsibilities as members of the Compensation and Corporate Governance Committee.

Executive Compensation Principles

Compensation plays an important role in achieving short and long-term business objectives that ultimately drive business success. The Resulting Issuer's compensation philosophy will be to foster entrepreneurship at all levels of the organization through, among other things, the granting of stock options as a significant component of executive compensation. This approach is based on the opinion of the Resulting Issuer and the Compensation and Corporate Governance Committee that the performance of the Resulting Issuer's share price over the long term is an important indicator of the Resulting Issuer's long term performance and the performance of its executive officers.

The Resulting Issuer's compensation philosophy is based on the following fundamental principles:

- *Alignment with shareholder interests* – the Resulting Issuer believes that the goals of its executives should be aligned with the maximization of long-term shareholder value;

- *Performance sensitivity* – compensation paid to executive officers should be linked to the operating and market performance of the Resulting Issuer and fluctuate with such performance; and
- *Offer market competitive compensation to attract and retain talent* – the compensation program should provide market competitive pay in terms of value and structure in order to retain, motivate and reward existing employees who are performing according to their objectives and should also serve to attract new individuals of the highest calibre.

The objectives of the compensation program in compensating all Named Executive Officers were developed based on the above-mentioned compensation philosophy and are as follows:

- to attract and retain highly qualified executive officers;
- to encourage and reward outstanding performance by those people who are in the best position to enhance the Resulting Issuer's near-term results and long-term prospects;
- to align the interests of executive officers with shareholders' interests and with the execution of the Resulting Issuer's business strategy;
- to evaluate executive performance on the basis of business plan implementation that correlates to long-term shareholder value; and
- to tie compensation directly to achieving and exceeding predetermined goals.

Aggregate compensation for each Named Executive Officer will be designed to be competitive with the market. The Compensation and Corporate Governance Committee will review compensation practices of similarly situated companies in determining appropriate compensation, and make its suggestions to the Board of Directors. Although the Compensation and Corporate Governance Committee will review each element of compensation for market competitiveness, and may weigh a particular element more heavily based on the Named Executive Officer's role within the Resulting Issuer, it will be primarily focused on remaining competitive in the market with respect to total compensation.

Base salaries for each calendar year will be determined in the fourth quarter of the fiscal year and any incentive awards, which will be based on a financial year, will also be determined in the fourth quarter of each year. In the event that a decision is made by the Compensation and Corporate Governance Committee to consider an increase in the compensation of any Named Executive Officer, the Compensation and Corporate Governance Committee will conduct a review of the compensation programs of peer group companies, in order to:

- understand the competitiveness of the Resulting Issuer's current pay levels for each executive position relative to companies with similar revenues and business characteristics;
- identify and understand any gaps that may exist between the Resulting Issuer's actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards for Board approval.

Aligning the Interests of the Named Executive Officers with the Interests of the Resulting Issuer's Shareholders

The Resulting Issuer believes that transparent, objective and easily verified corporate goals, combined with individual performance goals, play an important role in creating and maintaining an effective compensation strategy for the Named Executive Officers. The Resulting Issuer's objective is to establish benchmarks and targets for its Named Executive Officers which, if achieved, will enhance shareholder value. In addition, the compensation strategy will take into consideration the Resulting Issuer's current state of development and performance, the individual's performance and the Resulting Issuer's overall financial status.

The Compensation and Corporate Governance Committee will review annually key corporate performance indicators such as finance and project advancement and corporate profitability and earnings per share. The Compensation and Corporate Governance Committee will take into account the stage of development of the Resulting Issuer and available capital, as well as the particular officer's level of responsibility, duties, amount of time dedicated to the affairs of the Resulting Issuer and contribution to the Resulting Issuer's long term success. No specific formulas will be developed to assign a specific weighting to each of these components. Instead the Compensation and Corporate Governance Committee will consider the Resulting Issuer's performance and determine compensation based on the total assessment.

A combination of fixed and variable compensation will be used to motivate the Resulting Issuer's executives to achieve overall corporate goals. Three basic components of the Resulting Issuer's executive compensation program will be:

- fixed salary and benefits;
- annual short-term incentive plan (cash bonus); and
- long-term incentive awards (option-based compensation).

Fixed salary and benefits will comprise a portion of the total cash-based compensation; however, annual incentives and option-based compensation will represent compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance targets; and (ii) success in financing the Resulting Issuer and market performance of the Resulting Issuer's Shares. It is not expected that any specific formulae will be developed to assign a specific weighting to each of these components. Instead, the Compensation and Corporate Governance Committee will consider each performance target and the Resulting Issuer's performance and assign compensation based on this assessment.

Each element of the total targeted compensation will be reviewed on an annual basis by the Compensation and Corporate Governance Committee for each Named Executive Officer, to ensure that the incentives are designed and implemented to align compensation with short-term and long-term key corporate objectives and performance by the relevant Named Executive Officer.

Fixed Salary and Benefits

The Resulting Issuer also plans in the future to provide various employee benefit programs to key employees, including medical, health insurance, dental insurance, and life insurance.

Annual Incentive Plan

The Resulting Issuer's annual incentive plan is intended to provide incentives to enhance the growth and development of the Resulting Issuer's employees and motivate such employees to maintain high standards of individual performance with the objective of achieving the goals of the Resulting Issuer. Awards under the Resulting Issuer's annual incentive plan will be made by way of cash bonuses, which are approved by the Compensation Committee and the Board of Directors in its discretion, in accordance with the Resulting Issuer's compensation policies and practices which will be structured to reward the results of the most recently completed financial year.

The success of Named Executive Officers in achieving their individual objectives and their contribution to the Resulting Issuer in reaching its overall goals will be factors in the determination of their annual bonus. The Board will assess each Named Executive Officer's performance on the basis of his or her respective contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Resulting Issuer that arise on a day to day basis. This assessment will also be used by the Board with respect to the determination of annual bonuses for the Named Executive Officers.

Compensation and Measurements of Performance

Each Named Executive Officer will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met will ultimately be made by the Board and it reserves the right to make positive or negative adjustments to any bonus payment if it considers them to be appropriate.

Long Term Incentive Awards

The Resulting Issuer's long term incentive awards will consist of stock options granted pursuant to the Resulting Issuer Option Plan as determined by the Compensation and Governance Committee. The Compensation and Governance Committee believes that granting stock options to executive officers aligns the interests of the executive officers with the Resulting Issuer's shareholders by linking a component of executive compensation to the longer term performance of the Resulting Issuer's Shares. The Resulting Issuer emphasizes stock options in executive compensation as they allow the NEOs to share in the Resulting Issuer's results in a manner that is relatively cost effective despite the effects of treating stock options as a compensation expense. The Compensation and Governance Committee will provide recommendations to the Board with respect to option grants to NEOs.

When considering the grant of stock options to the Resulting Issuer's executive officers, the Compensation and Governance Committee will take into account the level of stock options granted by comparable companies to executives with similar levels of responsibility and will consider each executive officer based on reports received from management, its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value and the individual performance objectives set for the executive officer. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. In order to determine the number of options to grant to an executive officer, the Compensation and Governance Committee and the Board of Directors will also consider a number of factors, including position and length of service, recommendations by senior executive officers and previous grants of options to the executive officer.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Compensation and Governance Committee will also make the following determinations:

- the executive officers and Directors who are entitled to participate in the stock option plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the market price on the date of grant;
- the date on which each option is granted;
- the vesting period for each stock option; and
- the other material terms and conditions of each stock option grant.

The Compensation and Governance Committee will make these determinations subject to and in accordance with the provisions of the Resulting Issuer Option Plan. Generally, once each year, or more often as may be deemed appropriate, the Board of Directors will meet to review the recommendations of the Compensation and Governance Committee and consider and, if appropriate, approve a grant of options to those employees eligible for consideration for options under the terms of the Resulting Issuer's overall compensation plan.

Indebtedness of Directors, Officers, Promoters and Other Management

No proposed director, executive officer or promoter of the Resulting Issuer is or has been indebted to RMR or TTGI since the beginning of each of their most recently completed fiscal years, nor will they be indebted to the Resulting Issuer upon completion of the Transaction.

Investor Relations Arrangements

Following Closing, the Resulting Issuer expects to engage Venture North Capital Inc., a full-service capital markets consulting firm, headquartered in Toronto, Ontario to provide investor relations services. Venture North Capital Inc., is owned by Vassilios Mitoulas, who will hold 235,833 shares of the Resulting Issuer on Closing. Under the planned contract, it is expected that Venture North Capital Inc. will be paid a fee of \$8,000 per month and will be granted 200,000 stock options of the Resulting Issuer, which will have a term of 5 years and vest in four equal quarterly instalments of 50,000.

Options to Purchase Securities

Following Closing, the following Resulting Issuer Options will be outstanding:

Name	Number of Common Shares Issuable	Exercise Price per Common Share (\$) ⁽¹⁾	Expiry Date
Executive officers of Resulting Issuer as a group (7 persons)	5,167,716	(1)	(1)
Directors of Resulting Issuer as a group (who are not also executive officers of Resulting Issuer) (2 persons)	368,000	(2)	(2)

Name	Number of Common Shares Issuable	Exercise Price per Common Share (\$) ⁽¹⁾	Expiry Date
Any other Person	5,565,050	(3)	(3)
Total:	11,100,766⁽¹⁾⁽²⁾⁽³⁾	N/A	N/A

⁽¹⁾ There will be 1,467,391 Resulting Issuer Options exercisable at a price of \$0.10 per Resulting Issuer Share on or before August 4, 2026 and 3,700,325 Resulting Issuer Options exercisable at a price of \$0.48 per Resulting Share on or before November 16, 2026.

⁽²⁾ There will be 300,000 Resulting Issuer Options exercisable at a price of \$0.15 per Resulting Issuer Share on or before August 4, 2026 and 68,000 Resulting Issuer Options exercisable at a price of \$0.56 per Resulting Issuer Share for a period of five years from the date of Closing.

⁽³⁾ There will be 112,500 Resulting Issuer Options exercisable at a price of \$0.10 per Resulting Issuer Share on or before October 24, 2026, 300,000 Resulting Issuer Options exercisable at a price of \$0.15 per Resulting Share on or before August 4, 2026, 115,806 Resulting Issuer Options exercisable at a price of \$0.23 per Resulting Issuer Share on or before November 24, 2022, 4,900,744 Resulting Issuer Options exercisable at a price of \$0.48 per Resulting Share on or before November 16, 2026, and 136,000 Resulting Issuer Options exercisable at a price of \$0.56 per Resulting Issuer Share for a period of five years from the date of Closing.

Stock Option Plan

The Resulting Issuer Option Plan will come into effect on Closing and will provide that the board of directors of the Resulting Issuer may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and consultants to the Resulting Issuer, non-transferable options to purchase Resulting Issuer Shares, provided that the number of Resulting Issuer Shares reserved for issuance will not exceed that number of Resulting Issuer Shares which is equal to 20% of the issued and outstanding Resulting Issuer Shares on Closing.

Such options will be exercisable for a period of up to ten years from the date of grant. The number of Resulting Issuer Shares reserved for issuance to: (a) any individual, will not exceed 5% of the issued and outstanding Resulting Issuer Shares; and (b) all consultants, will not exceed 2% of the issued and outstanding Resulting Issuer Shares. In addition, the Resulting Issuer Option Plan will provide that no more than 5% of the issued Resulting Issuer Shares will be granted to any individual in any 12-month period, unless disinterested shareholder approval is obtained; no more than 2% of the issued Resulting Issuer Shares will be granted to any one consultant in any 12-month period; and no more than an aggregate of 2% of the issued Resulting Issuer Shares will be granted to all Persons conducting investor relations activities in any 12 month period. Subject to TSX-V requirements, vesting is at the discretion of the Board of Directors at the time of grant.

Resulting Issuer Options may be exercised for a period of 90 days following cessation of the optionee's position with the Resulting Issuer, provided that if the cessation of office, employment, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The exercise price of each Resulting Issuer Option will be determined by the Resulting Issuer's Board of Directors at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the TSX-V.

Escrowed Securities

Escrowed Securities

The following table sets out the number of Resulting Issuer Shares which will be held in escrow pursuant to the CPC Escrow Agreement:

Name and Municipality of Residence of Shareholder	Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction ⁽¹⁾	
	Number of RMR Shares Held in Escrow	Percentage of RMR Shares Held in Escrow	Number of Resulting Issuer Shares to be held in Escrow	Percentage of Resulting Issuer Shares to be held in Escrow
Vassilios Mitoulas ⁽²⁾ Toronto, ON	1,179,167	11.52%	235,833	<1%
Murray Duncan ⁽²⁾ Delta, BC	1,312,517	12.82%	262,503	<1%
Ralph Garcea ⁽²⁾ Toronto, ON	1,119,166	10.93%	223,833	<1%
Robin Hutchison Surrey, BC	100,000	<1%	20,000	<1%
J. Michael Hutchison Victoria, BC	100,000	<1%	20,000	<1%
Judi Dalling Vancouver, BC	100,000	<1%	20,000	<1%
Total	3,910,850	38.21%	782,169	<1%

⁽¹⁾ Based on 68,540,081 Resulting Issuer Shares issued and outstanding.

The Resulting Issuer Shares which will be subject to the CPC Escrow Agreement will be released from escrow as follows:

Percentage Escrowed Shares Released from Escrow	Release Date
25%	Date of Final Exchange Bulletin
25%	6 months from Final Exchange Bulletin
25%	12 months from Final Exchange Bulletin
25%	18 months from Final Exchange Bulletin

The following table sets out the number of Resulting Issuer Shares which will be held in escrow pursuant to the TSX-V Escrow Agreement:

Name and Municipality of Residence of Shareholder	Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction ⁽¹⁾	
	Number of RMR Shares Held in Escrow	Percentage of RMR Shares Held in Escrow	Number of Resulting Issuer Shares Held in Escrow	Percentage of Resulting Issuer Shares to be held in Escrow
Johan Arnet North Vancouver, BC	Nil	N/A	15,939,059	23.26%
Derek Spratt Vancouver, BC	Nil	N/A	167,371	<1%
Aaron Patton Burnaby, BC	Nil	N/A	3,211,820	4.69%
Geoff Hultin Vancouver, BC	Nil	N/A	781,103	1.14%
Colin Atkinson New Westminster, BC	Nil	N/A	447,871	<1%
Haresh Kheskani San Francisco, CA	Nil	N/A	52,174	<1%
Jim Lovie Toronto, ON	Nil	N/A	2,008,309	2.93%
Total	Nil	N/A	22,607,707	32.98%

⁽¹⁾ Based on 68,540,081 Resulting Issuer Shares issued and outstanding.

An aggregate of 6,690,766 Resulting Issuer Shares which may be acquired on the exercise of Resulting Issuer Options will also be held in escrow pursuant to the TSX-V Escrow Agreement.

The Resulting Issuer Shares, and the Resulting Issuer Shares which may be acquired on the exercise of Resulting Issuer Options, which will be subject to the TSX-V Escrow Agreement will be released from escrow as follows:

Percentage Escrowed Shares Released from Escrow	Release Date
10%	Date of Final Exchange Bulletin
15%	6 months from Final Exchange Bulletin
15%	12 months from Final Exchange Bulletin
15%	18 months from Final Exchange Bulletin
15%	24 months from Final Exchange Bulletin
15%	30 months from Final Exchange Bulletin
15%	36 months from Final Exchange Bulletin

Other Resale Restrictions

An aggregate of 24,928,666 Resulting Issuer Shares will be subject to a hold period and will become freely tradeable as follows:

Percentage of Shares	Date Freely Tradeable
10%	Date of Final Exchange Bulletin
15%	6 months from Final Exchange Bulletin
15%	12 months from Final Exchange Bulletin
15%	18 months from Final Exchange Bulletin
15%	24 months from Final Exchange Bulletin
15%	30 months from Final Exchange Bulletin
15%	36 months from Final Exchange Bulletin

An aggregate of 74,628 Resulting Issuer Shares and 300,000 Resulting Issuer Shares which may be acquired on the exercise Resulting Issuer Options will be subject to a hold period and will become freely tradeable as to 20% on the date of the Final Exchange Bulletin and 20% every three months thereafter.

Auditor, Registrar and Transfer Agent

Auditor

The auditor of the Resulting Issuer will be Manning Elliott LLP of 1700 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

Registrar and Transfer Agent

The registrar and transfer agent for the Resulting Issuer will be Computershare Trust Company of Canada, at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

Risk Factors

An investment in RMR, TTGI and the Resulting Issuer is subject to various risks and should be considered highly speculative. Investors should consider the following risk factors in addition to those outlined or otherwise referred to in this Filing Statement and the Appendices hereto.

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

Risks relating to the Transaction

The Amalgamation Agreement may be terminated in certain circumstances, including in the event of a Material Adverse Change in RMR

Each of RMR, TTGI and Subco has the right to terminate the Amalgamation Agreement in certain circumstances. Accordingly, there is no certainty, nor can RMR provide any assurance, that the Amalgamation Agreement will not be terminated by any of RMR, TTGI and Subco before the completion of the Transaction. For example, TTGI has the right, in certain circumstances, to terminate the Amalgamation Agreement if any change, effect, event, circumstance or fact occurs that constitutes a Material Adverse Change (as defined in the Amalgamation Agreement) in respect of RMR or Subco. Although a Material Adverse Change excludes certain events that are beyond the control of RMR (such as general political, economic or financial conditions or the state of securities and commodities market which do not have a materially disproportionate effect on RMR), there is no assurance that a Material Adverse Effect (as defined in the Amalgamation Agreement) on RMR will not occur before the Effective Date (as defined in the Amalgamation Agreement), in which case TTGI could elect to terminate the Amalgamation Agreement and the Transaction would not proceed.

Market for Securities

There can be no assurance that an active trading market in the Resulting Issuer Shares will be established and sustained. The market price for the Resulting Issuer Shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of the Resulting Issuer's peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of its securities.

Risks relating to the Resulting Issuer and its Business

Any failure in the Resulting Issuer's delivery of high-quality technical support services may adversely affect the Resulting Issuer's relationships with its customers and the Resulting Issuer's financial results.

The Resulting Issuer's customers depend on the Resulting Issuer's support organization to resolve technical issues relating to the Resulting Issuer's applications. The Resulting Issuer may be unable to respond quickly enough to accommodate short-term increases in customer demand for support services. Increased customer demand for these services, without corresponding revenues, could increase costs and adversely affect the Resulting Issuer's operating results. In addition, the Resulting Issuer's sales process is highly dependent on the Resulting Issuer's applications and business reputation and on positive recommendations from the Resulting Issuer's existing customers. Any failure to maintain high-quality technical support, or a market perception that the Resulting Issuer does not maintain high-quality support, could adversely affect the Resulting Issuer's reputation, the Resulting Issuer's ability to sell the Resulting Issuer's service offerings to existing and prospective customers, and the Resulting Issuer's business, operating results and financial position.

COVID-19 Impacts

The continuing global health, social, political and economic implications of the COVID-19 pandemic are highly unpredictable and could have significant impacts on our business, operations, future financial performance, and the market price of the Resulting Issuer Shares. As a result of the scale of the pandemic and the speed at which the global community has been impacted, our current and future financial

performance, including our quarterly and annual revenue growth rates and expenses as a percentage of our revenues, may differ significantly from our historical performance, and our future operating results may fall below expectations. The impacts of the pandemic on our business, operations, and future financial performance could include, but are not limited to:

- (a) a significant decline in revenue as customer spending slows due to an economic downturn and/or as customer demand otherwise decreases. This decline in revenue could persist through and beyond a recessionary period. Any decline in revenues may be offset by organizations shifting to remote working, and advantages that our products may offer them in this respect.
- (b) Adverse impacts to our growth rates, cash flows, and margins – particularly if expenses do not decrease across our business at the same pace as revenue declines. Many of our expenses are less variable in nature and may not correlate to changes in revenues, such as depreciation and other costs associated with our hosting operations and office facilities, customer support, and other infrastructure maintenance costs. As such, we may not be able to decrease them significantly in the short-term, or we may choose not to significantly reduce them in an effort to remain focused on our long-term outlook and opportunities.
- (c) Major disruptions to the respective businesses of the Resulting Issuer’s principal OEM and other partners which could have a material impact on our business, operations, prospects and revenues, and accordingly our financial position.
- (d) Significant supply chain constraints such that we cannot procure the servers and other technology infrastructure needed to deliver our services to our customers. Supply chain constraints could also affect our ability to sell via our OEM and other partners in conjunction with their hardware sales. Increased pricing of these components could also affect infrastructure costs to deliver our products and services.
- (e) Continued and/or new governmental lockdowns, restrictions, or regulations arising from the COVID-19 pandemic which restrict the movement of people in the jurisdictions in which we operate could significantly impact the ability of our employees, partners, customers, and vendors to work productively. Governmental restrictions have been globally inconsistent and it is not clear if and when a return to worksite locations or travel will be permitted or for how long or what restrictions will be in place in these jurisdictions at any given time. The extent and/or duration of ongoing workforce restrictions and limitations could impact our ability to enhance, develop, and support existing products and services, hold sales, marketing, and employee events, and generate new sales leads, among others. In addition, the changed environment under which we are operating could have an impact on our internal controls over financial reporting as well as our ability to meet a number of our compliance requirements in a timely manner.
- (f) Ongoing significant foreign exchange volatility which could materially impact our revenues that are denominated in foreign currencies and our ability to hedge our foreign exchange exposure. Additionally, volatility in debt and equity markets could affect the values of our debt and equity holdings and the realized gains or losses on the disposition of those holdings.

Additional Financing

The Resulting Issuer's ability to secure any required financing to sustain its operations will depend in part upon prevailing capital market conditions, as well as the Resulting Issuer's business success. There can be no assurance that the Resulting Issuer will be successful in its efforts to secure any additional financing or additional financing on terms satisfactory to the Resulting Issuer's management. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares. In addition, from time to time, the Resulting Issuer may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Resulting Issuer's debt levels above industry standards. The Resulting Issuer's articles will not limit the amount of indebtedness that the Resulting Issuer may incur. The level of the Resulting Issuer's indebtedness from time to time could impair the Resulting Issuer's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Ability to Attract New Customers

Our ability to attract new customers, retain revenue from existing customers, and increase revenue to both new and existing customers will depend in large part on our ability to continue to improve and enhance the functionality, performance, reliability, design, security, and scalability of our platform and products. We believe the simple and straightforward interface for our products has helped us to expand and offer our solutions to customers with limited technical expertise. In the future, providers of internet browsers could introduce new features that would make it difficult for our customers to use our products. In addition, internet browsers for desktop or mobile devices could introduce new features, change existing browser specifications such that they would be incompatible with our products, or prevent our customers from accessing our products. Any changes to technologies used in our products, to existing features that we rely on, or to operating systems or internet browsers that make it difficult for our customers to access our products, may make it more difficult for us to maintain or increase our revenues and could adversely impact our business and prospects while other emerging technology and services may impact the viability of the market for our products and services. Our continued success will depend upon our ability to keep pace with technological and marketplace change and to introduce, on a timely and cost-effective basis, new and enhanced products and services that satisfy changing customer requirements and achieve market acceptance. There can be no assurance that we will be able to respond effectively to changes in technology or customer demands. Moreover, there can be no assurance that our competitors will not develop competitive platforms or products, or that any such platforms or products will not have an adverse effect upon our business, financial condition or results of operations. If organizations do not continue to adopt our solutions, our sales will not grow as quickly as anticipated, or at all, and our business, results of operations and financial condition would be harmed.

Management of Growth

The Resulting Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Resulting Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Resulting Issuer to deal with this growth may have a material adverse effect on the Resulting Issuer's business, financial condition, results of operations and prospects.

Research and Development

The Resulting Issuer believes that it must continue to dedicate a significant amount of investment in our research and development efforts to maintain and develop our solutions and maintain and enhance our competitive position. We recognize the costs associated with these research and development investments earlier than the anticipated benefits, and the return on these investments may be lower, or may develop more slowly, than we expect. If we spend significant resources on research and development and are unable to generate an adequate return on our investment, our business, financial condition and results of operations may be materially and adversely affected.

Additional Patent Applications or Copyrights

The Resulting Issuer's research and development activities and commercial success depend in part upon its ability to develop new or improved technologies and products, and to successfully obtain patent or other proprietary or statutory protection for these technologies and products in Canada, the United States and other countries, including copyright protection. The Resulting Issuer seeks to patent concepts, components, protocols and other inventions that are considered to have commercial value or that will likely yield a technological advantage. The Resulting Issuer will own copyrights to our technologies in the United States, Canada and other countries. The Resulting Issuer may not be able to develop new technology that is patentable, new patents may not be issued in connection with the Resulting Issuer's future applications, allowed claims may not be sufficient to protect the Resulting Issuer's new technologies, and patents or copyright protection may not be obtained by the Resulting Issuer in every jurisdiction where the Resulting Issuer's products are sold. Furthermore, any patents issued or copyrights could be challenged, invalidated or circumvented, and may not provide proprietary protection or a competitive advantage. New entrants to the field may have been issued patents, and may have filed patent applications or may obtain additional patents and proprietary rights, for technologies similar to those that the Resulting Issuer currently employs or may make in the future. Since patent applications filed before November 29, 2000 in the United States are maintained in secrecy until issued as patents, and since publication or public awareness of new technologies often lags behind actual discoveries, the Resulting Issuer cannot be absolutely certain that it was or will be the first to develop its technologies. In addition, the potential disclosure in the Resulting Issuer's new patent applications, particularly in respect of the utility of its claimed inventions, may not be sufficient to meet the statutory requirements for patentability in all cases. As a result, there can be no assurance that the Resulting Issuer's new patent applications (if any) will result in enforceable patents, nor can the breadth of allowed claims in the Resulting Issuer's patents, and their enforceability, be predicted. Even if the Resulting Issuer's future patents or existing or future copyrights are held to be enforceable, others may be able to design around these patents or copyrights, or develop products similar to the Resulting Issuer's products that are not within the scope of these patents or copyrights.

Product Errors, Defects or Vulnerabilities

The software technology enabling our software products is complex and, despite testing prior to their release, the related application software may contain errors, vulnerabilities or defects, especially when upgrades or new versions are released. Any errors or vulnerabilities that are discovered after commercial release could result in loss of revenues or delay in market acceptance, diversion of development resources, damage to our reputation and brand recognition, increased service and warranty costs, liability claims and our end-customers' unwillingness to buy products and services from us. In addition, it is possible that the Resulting Issuer's products may become the subject of a third-party attack or disruption, whether malicious or otherwise. This could detrimentally affect the marketing and sales of our technology, which could have a material adverse effect on our business.

Breach of Security Measures and Unauthorized Access

The Resulting Issuer's platform and services involve the storage, processing and transmission of significant amounts of data which may include certain personally identifiable information and protected health data depending on applicable legal definitions and parameters in different jurisdictions. Internal or external security incidents or breaches could expose the Resulting Issuer to a risk of loss of this information, litigation and possible liability. If our data security measures are inadequate or interfered with or breached as a result of third-party action, employee error, malfeasance or otherwise, during the transfer of data to additional data centers or at any time, and, as a result, someone obtains unauthorized access to our data or our customers', partners' or employees' data, our reputation could be damaged, our business may suffer and we could incur significant liability. The Resulting Issuer remains potentially vulnerable to additional known or unknown threats that elude our detection, investigation and prevention efforts, and the Resulting Issuer may be unable to anticipate new attack techniques or may not have time to implement adequate preventative measures, including recommended upgrades, patches or improvements for individuals or entities utilizing unlicensed or outdated versions of our product or agent. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed and the Resulting Issuer could lose sales, channel partners and existing and potential customers. In addition, our customers may authorize third-party service providers to access their customer data. Because the control of these third-party service providers is undertaken by our customers, we cannot ensure the complete integrity or security of such transmissions or processing.

Data Security and Hacking

Increasingly, organizations are subject to a wide variety of attacks on their networks. In addition to traditional computer "hackers," malicious code (such as viruses and worms), employee theft or misuse, denial of service attacks, ransomware, malware and sophisticated government and government-supported actors now engage in incidents and attacks (including advanced persistent threat intrusions), and add to the risks to our internal networks and the information they store, manage and process. It is virtually impossible for the Resulting Issuer to entirely mitigate these risks (especially as it relates to unlicensed or outdated versions of our product or agent). Any such security incident or breach could compromise our networks, creating system disruptions or slowdowns and exploiting security vulnerabilities of our products, and the information stored on our networks could be accessed, publicly disclosed, lost, or stolen, which could subject us to liability and cause us financial harm. These breaches, or any perceived breach, may also result in damage to our reputation, brand recognition, negative publicity (through research reports or otherwise), loss of channel partners, end-customers and sales, increased costs to remedy any problem, and costly litigation and may result in the Resulting Issuer's business, operating results and financial condition being materially adversely affected.

Brand Development

The Resulting Issuer believes that developing and maintaining awareness of its proprietary corporate and product brands in a cost-effective manner is critical to achieving widespread acceptance of its existing and future products and services, and is an important element in attracting new customers. Further, the Resulting Issuer believes in the increased importance of brand recognition as competition in our market intensifies. Successful promotion of our brands will depend largely on the effectiveness of our marketing and communications efforts and on our ability to provide reliable secure and useful services at competitive prices. If the Resulting Issuer fails to successfully promote, maintain, and protect its brands, or incurs substantial expenses in an unsuccessful attempt to promote and maintain its brands, the Resulting Issuer

may fail to attract enough new customers or retain existing customers to the extent necessary to realize a sufficient return on its brand-building efforts, and lose market share to other competitors.

As we continue to pursue sales to large enterprises, our sales cycle, forecasting processes and deployment processes may become more unpredictable and require greater time and expense.

Sales to large enterprises involve risks that may not be present or that are present to a lesser extent with sales to smaller organizations and accordingly, our sales cycle may lengthen as we continue to pursue sales to large enterprises. As we primarily target large enterprise customers, we face longer sales cycles, more complex customer requirements, substantial upfront sales costs, and less predictability in completing our sales as compared to sales to smaller customers. With larger organizations, the decision to incorporate our entry security and operations solutions typically requires the approvals of multiple management personnel and more technical personnel than would be typical of a smaller organization and, accordingly, sales to larger organizations will require us to invest more time educating these potential customers. In addition, large enterprises often require extensive configuration, integration services, and pricing negotiations, which increase our upfront investment in the sales effort with no guarantee that these customers will deploy our entry security and operations solutions widely enough across their organization to justify our substantial upfront investment. Purchases by large enterprises are also frequently subject to budget constraints and unplanned administrative, processing, and other delays, which means we may not be able to come to an agreement on the terms of the sale to a large enterprise. In addition, our ability to successfully sell our solutions to large enterprises is dependent on us attracting and retaining sales personnel with experience in selling to large organizations. If we are unable to increase sales of our platform to large enterprise customers while mitigating the risks associated with serving such customers, our business, financial condition and results of operations may be adversely impacted. Furthermore, if we fail to realize an expected sale from a large customer in a particular quarter or at all, our business, financial condition and results of operations could be adversely affected for a particular period or in future periods.

Intellectual Property Protection

The Resulting Issuer's revenue, cost of revenue, and expenses may suffer if we cannot continue to protect our intellectual property rights, or if third parties assert that the Resulting Issuer has violated their intellectual property rights. The Resulting Issuer relies upon patent, copyright, trademark and trade secret laws in the United States and Canada, and similar laws in other countries, and agreements with employees, customers, suppliers and other parties, to establish and maintain intellectual property rights in, amongst other items, its technology platform and products. The industry in which the Resulting Issuer will compete may include new or existing entrants that own, or claim to own, intellectual property, and the Resulting Issuer may receive in the future, assertions and claims from third parties that the Resulting Issuer's products infringe on their patents or other intellectual property rights. Litigation may be necessary to determine the scope, enforceability and validity of third-party proprietary rights or to establish the Resulting Issuer's proprietary rights. Any of the Resulting Issuer's direct or indirect intellectual property rights could be challenged, invalidated or circumvented, or such intellectual property rights may not be sufficient to permit the Resulting Issuer to take advantage of current market trends or otherwise to provide competitive advantages, which could result in costly or delayed product redesign efforts, discontinuance of certain product offerings or other competitive harm. Further, the laws of certain countries do not protect proprietary rights to the same extent as the laws of Canada or the United States. Therefore, in certain jurisdictions the Resulting Issuer may be unable to protect its proprietary technology adequately against unauthorized third-party copying or use, which could adversely affect its competitive position. Third parties also may claim that the Resulting Issuer or customers or partners indemnified by the Resulting Issuer are infringing upon their intellectual property rights. Even if management believes that the claims are without merit, the claims

can be time-consuming and costly to defend and divert management's attention and resources away from the business. Claims of intellectual property infringement also might require the Resulting Issuer to redesign affected products, enter into costly settlement or license agreements (if such licenses can be obtained on commercially reasonable terms, or at all) or pay costly damage awards, or face a temporary or permanent injunction prohibiting the marketing or selling certain of our products, which could result in the Resulting Issuer's business, operating results and financial condition being materially adversely affected.

Consumer Product Liability

The Resulting Issuer may be subject to claims related to product liability and consumer protection legislation, particularly in the United States, where litigation and class actions are more prevalent. The limitation of liability provisions in the standard terms and conditions in our license agreements may not fully or effectively protect us from claims as a result of applicable laws or unfavourable judicial decisions in Canada, the United States or other countries. The sale and support of our products also entails the risk of product liability claims. Because we control the design of our products, we may not be indemnified for product liability claims arising out of our design defects. In addition, even claims that ultimately are unsuccessful could result in our expenditure of funds in litigation, divert management's time and other resources, and harm our reputation and brand recognition.

General Economic Conditions May Adversely Affect the Resulting Issuer's Growth

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries continue to be negatively impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and devalued precious and base metal markets combined with a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, tax rates and base and precious metals pricing may adversely affect the Resulting Issuer's growth and profitability.

Dependence on future financing

There can be no assurance that the Resulting Issuer will have the funds required to make such expenditures or that those expenditures will prove profitable. Obtaining additional financing would be subject to a number of factors, including market prices for minerals, investor acceptance of the Resulting Issuer's properties and investor sentiment. These factors may make the timing, amount, terms or conditions of additional financing unavailable to the Resulting Issuer. The most likely source of future funds presently available to the Resulting Issuer is through equity or debt financings. Any sale of share capital will result in dilution to existing shareholders.

Historical dependence on distributions of securities for funding requirements

The principal source of funds available to TTGI has been primarily through equity financings and it is expected that the Resulting Issuer will continue to raise funds through equity financings. Future equity financing undertaken by the Resulting Issuer will cause dilution to existing holders of Resulting Issuer Shares. TTGI has had a history of negative cash flow. Given the general disruption of the COVID-19 pandemic, there is no assurance that the Resulting Issuer will be able to generate a positive cash flow from its expected and planned operations. The Resulting Issuer is in its early stage of development and since it

has negative cash flow, it must rely on its cash reserves to fund its ongoing operational expenses. As a result, the Resulting Issuer may be required to raise additional capital in the future to fund its business operations. There is no assurance that additional sources of capital will be made available to the Resulting Issuer, or that such financing will be on terms favourable to the Resulting Issuer, which could jeopardize its ability to continue operations as a going concern. If there are substantial sales of Resulting Issuer Shares, the trading price of Resulting Issuer Shares will likely decline significantly.

Sales of a large number of Resulting Issuer Shares in the public market or the potential for such sales over time could cause the trading price of Resulting Issuer Shares to decline significantly and could impair the Resulting Issuer's ability to raise capital through future sales of Resulting Issuer Shares.

Competition from other companies

It is possible that new competitors will enter the markets we operate in. Several potential competitors (including PC OEMs) are marketing or have announced the development of products and related patents that could be in direct competition with the Resulting Issuer. In addition, as the Resulting Issuer develops new products and services, we may begin competing against companies with whom it did not previously compete. Many of these competitors have greater financial, technical, marketing, sales and other resources, greater name recognition, longer operating histories and a larger base of customers than we do. They may be able to devote greater resources to the development, promotion and sale of services than we can and they may offer lower pricing than we do. Further, they may have greater resources for research and development of new technologies, the provision of customer support and the pursuit of acquisitions, or they may have other financial, technical or other resource advantages. Our larger competitors may have substantially broader and more diverse product and services offerings as well as routes to market, which allows them to leverage their relationships based on other products or incorporate functionality into existing products to gain business in a manner that discourages users from purchasing our solutions. Conditions in our market could change rapidly and significantly as a result of technological advancements, partnering or acquisitions by our competitors or continuing market consolidation. Accordingly, competition could have a material adverse effect on the Resulting Issuer's business, financial condition and results of operations.

Dependence on key personnel

The Resulting Issuer's operations will be highly dependent on the founder and CEO, Johan Arnet, CFO Juliet Jones, Aaron Patton, Haresh Kheskani, Colin Atkinson, Geoff Hultin, John Wigboldus, as well as on acquiring certain other key members of its management team. The failure to retain such individuals would materially adversely affect the Resulting Issuer's business. The Resulting Issuer's success is also largely dependent on its ability to hire and retain other highly qualified personnel. This is particularly true in highly technical businesses such as the Resulting Issuer's. These individuals are in high demand and the Resulting Issuer may not be able to attract the personnel it needs. In addition, the Resulting Issuer may not be able to afford the high salaries and fees demanded by qualified personnel, or it may not be able to retain such employees after they are hired. Failure to hire key personnel when needed or to retain such personnel, on acceptable terms, would have a significant negative effect on the Resulting Issuer's business.

Damage to the Resulting Issuer's Reputation

There has been a marked increase in the use of social media platforms and similar channels, including weblogs (blogs), social media websites and other forms of Internet-based communications that provide individuals with access to a broad audience of consumers and other interested persons. The availability and impact of information on social media platforms is virtually immediate and many social media platforms

publish user-generated content without filters or independent verification as to the accuracy of the content posted. The opportunity for dissemination of information, including inaccurate information, is seemingly limitless and readily available. Information, opinions and statements concerning the Resulting Issuer may be posted on such platforms at any time. Information posted may be adverse to the Resulting Issuer's interests or may be inaccurate, each of which may harm the Resulting Issuer's performance, prospects or business. Any damage to the Resulting Issuer's reputation, whether arising from the conduct of business, negative publicity, regulatory, supervisory or enforcement actions, matters affecting our financial reporting or compliance with provincial securities commissions, the Exchange, security breaches or otherwise could have a material adverse effect on the business and results of operation of the Resulting Issuer. The harm may be immediate without affording the Resulting Issuer an opportunity for redress or correction. Ultimately, the risks associated with any such negative publicity or incorrect information cannot be completely eliminated or mitigated and may materially harm the reputation, business, financial condition and results of operations of the Resulting Issuer.

Privacy Laws

We are subject to federal, provincial and foreign laws regarding cybersecurity and the protection of data. Laws and regulatory frameworks in Canada, the United States, Europe and many other jurisdictions related to data privacy and the collection, processing, and disclosure of consumer personal information are constantly evolving, and are likely to remain uncertain for the foreseeable future. Some of our customers may use our products to transmit, receive and store certain identifying client information in various jurisdictions. Certain of this information may be considered to be personally identifiable information. Such personal information may be obtained as part of normal use, and we instruct and rely on our customers to obtain the required notices and consents for the collection and use of such information. If a customer fails to give the required notice or obtain the consent required by law, we may not be aware of the breach and could be in violation of applicable privacy laws. While we employ security measures to protect our customers' personal information and data that we may collect and store, such as encryption and authentication technology licensed from third parties, advances in computer capabilities, new discoveries in the field of cryptography and other developments may result in a compromise or breach of the technology we use to protect such information. If our security measures fail to protect our customers' personal information and data adequately, we could be liable to our customers for their losses. As a result, we could be subject to fines, we could face regulatory or other legal action, and our customers could end their relationships with us. There can be no assurance that the limitations of liability in our contracts would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim. Federal, provincial, state and certain foreign governmental bodies and agencies are experiencing heightened sensitivity to privacy issues and have adopted or are considering adopting laws and regulations regarding the collection, use and disclosure of personal information obtained from consumers and individuals. The costs of compliance with, and other burdens imposed by, such evolving laws and regulations that are applicable to the businesses of our customers may limit the use and adoption of our products and reduce overall demand for it. Even the perception of privacy concerns, whether or not valid, may inhibit market adoption of our products in certain industries or jurisdictions. Issuances of securities of the Resulting Issuer will result in dilution to holders of Resulting Issuer Shares.

On completion of the Transaction, there will be 68,540,081 Resulting Issuer Shares issued and outstanding, as well as 11,100,766 Resulting Issuer Options, 10,616,651 Resulting Issuer Warrants and 229,649 Resulting Issuer Agents' Warrants outstanding.

The holders of Resulting Issuer Options and Resulting Issuer Warrants will have an opportunity to profit from a rise in the market price of Resulting Issuer Shares with a resulting dilution in the interests of holders

of Resulting Issuer Shares. The Resulting Issuer's ability to obtain additional financing during the period such rights are outstanding may be adversely affected and the existence of the rights may have an adverse effect on the price of Resulting Issuer Shares. The holders of Resulting Issuer Options and Resulting Issuer Warrants may exercise such securities at a time when the Resulting Issuer would, in all likelihood, be able to obtain any needed capital by a new offering of securities on terms more favourable than those provided by the outstanding rights.

The increase in the number of Resulting Issuer Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Resulting Issuer Shares. In addition, as a result of such additionally issued Resulting Issuer Shares, the voting power that the holders of the Resulting Issuer Shares will have will be diluted.

Officers and directors of the Resulting Issuer will own significant Resulting Issuer Shares and can exercise significant influence

On Closing, the officers and directors of the Resulting Issuer, as a group, will beneficially own, on a non-diluted basis, directly or indirectly, or exercise control or direction over, an aggregate of 23,128,753 Resulting Issuer Shares, representing approximately 33.74% of the then issued and outstanding Resulting Issuer Shares.

As shareholders of the Resulting Issuer, the officers and directors will be able to exert significant influence on matters requiring approval by shareholders, including the election of directors and the approval of any significant corporate transactions. The concentration of ownership may also have the effect of delaying, deterring or preventing a change in control and may make some transactions more difficult or impossible to complete without the support of these shareholders.

Conflicts of interest

Certain of the directors and officers of the Resulting Issuer are or may become directors of other technology companies and as such may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions of the Board. To the extent that such other companies may participate in ventures in which the Resulting Issuer is also participating, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each Resulting Issuer's participation. The corporate laws of British Columbia require the directors and officers to act honestly and in good faith with a view to the best interests of the Resulting Issuer. However, in conflict of interest situations, the Resulting Issuer's directors and officers may owe the same duty to another Company and will need to balance the competing obligations and liabilities of their actions. There is no assurance that the interests of the Resulting Issuer will receive priority in all cases.

No cash dividends on Resulting Issuer Shares

Shareholders should not anticipate receiving cash dividends on the Resulting Issuer Shares. Neither RMR nor TTGI has ever declared or paid any cash dividends or distributions on their respective shares. It is currently expected that the Resulting Issuer will retain future earnings, if any, to support operations and to finance exploration and therefore not pay any cash dividends on Resulting Issuer Shares in the foreseeable future.

Increased costs and compliance risks as a result of being a public Company

Legal, accounting and other expenses associated with public Company reporting requirements have increased significantly in recent years. Management of TTGI anticipates that general and administrative costs associated with regulatory compliance will continue to increase with recently adopted corporate governance requirements, including rules implemented by the Canadian Securities Administrators and the TSX-V, and will result in some activities becoming more time-consuming and costly. There can be no assurance that the Resulting Issuer will be able to effectively meet all of the requirements of these new regulations, including National Instrument 52-109 – Certification of Disclosure in Issuer’s Annual and Interim Filings (“**NI 52--109**”). Any failure to effectively implement internal controls, or to resolve difficulties encountered in their implementation, could harm the Resulting Issuer’s operating results, result in the failure to meet reporting obligations or result in management being required to give a qualified assessment of the Resulting Issuer’s internal controls over financial reporting or the Resulting Issuer’s independent auditors providing an adverse opinion regarding management’s assessment. Any such result could cause investors to lose confidence in the Resulting Issuer’s reported financial information, which could have a material adverse effect on the market price of the Resulting Issuer Shares. These new rules and regulations may make it more difficult and more expensive for the Resulting Issuer to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain appropriate coverage. As a result, it may be more difficult for the Resulting Issuer to attract and retain qualified individuals to serve on its board of directors or as executive officers. If the Resulting Issuer fails to maintain the adequacy of its internal controls, the Resulting Issuer’s ability to provide accurate financial statements and comply with the requirements of NI 52-109 could be impaired, which could cause the market price of Resulting Issuer Shares to decrease.

GENERAL MATTERS

Sponsorship

Pursuant to TSX-V Policy 2.2, unless a waiver is obtained sponsorship is generally required in conjunction with a Qualifying Transaction. RMR has obtained a waiver from this sponsorship requirement.

Relationships

There are no actual or anticipated agreements between the Resulting Issuer and any registrant to provide sponsorship or corporate finance services, either now or in the future.

Opinions

The following professional persons have prepared reports or have provided opinions that are either included or referenced within this Filing Statement:

1. Davidson & Company LLP has provided auditor's reports on the audited financial statements of RMR included in this Filing Statement.
2. Manning Elliott LLP has provided auditor's reports on the audited financial statements of TTGI and Tenacious included in this Filing Statement.
3. Evans & Evans, Inc. prepared the Valuation Report.

Interests of Experts

Davidson & Company LLP is the auditor for RMR and Manning Elliott LLP is the auditor for TTGI and Tenacious. Davidson & Company LLP is independent of RMR within the meaning of the *Code of Professional Conduct of the Chartered Professional Accountants of British Columbia* and Manning Elliott LLP is independent of both TTGI and Tenacious within the meaning of the *Code of Professional Conduct of the Chartered Professional Accountants of British Columbia*. Evans & Evans, Inc. prepared the Valuation Report. As of the date of this Filing Statement, no professional person who has provided an opinion, valuation or report referenced in this Filing Statement holds more than 1% of the issued and outstanding RMR Shares or TTGI Shares and upon completion of the Transaction, will not hold more than 1% of the issued and outstanding Resulting Issuer Shares, and no such professional person is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of its Associates or Affiliates.

Other Material Facts

There are no other material facts about RMR, TTGI, the Transaction, or the Resulting Issuer that are not disclosed elsewhere in this Filing Statement.

Board Approval

This Filing Statement has been approved by the Board of Directors of RMR and by the Board of Directors of TTGI. Where information contained in this Filing Statement rests particularly within the knowledge of a Person other than RMR or TTGI, RMR and TTGI have relied upon information by such Person.

CERTIFICATE OF THE ISSUER

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities of RMR Science Technologies Inc. assuming completion of the Transaction.

Dated this 6th day of June, 2022

“Robin Hutchison”

Robin Hutchison
Chief Executive Officer

“Judi Dalling”

Judi Dalling
Chief Financial Officer

On Behalf of the Board of Directors of RMR Science Technologies Inc.

“Ralph Garcea”

Ralph Garcea
Director

“Vassilios Mitoulas”

Vassilios Mitoulas
Director

CERTIFICATE OF TURNIUM TECHNOLOGY GROUP, INC.

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

Dated this 6th day of June, 2022

“Johan Arnet”

Johan Arnet
Chief Executive Officer

“Juliet Jones”

Juliet Jones
Chief Financial Officer

On Behalf of the Board of Directors of Turnium Technology Group, Inc.

“Derek Spratt”

Derek Spratt
Director

“James Lovie”

James Lovie
Director

PERSONAL INFORMATION

“Personal Information” means any information about an identifiable individual and includes information contained in any Items in the attached Filing Statement that are analogous to items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40 and 41 of the TSX-V’s Form 3B2 – *Information Required in a Filing Statement for a Qualifying Transaction*, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

- (a) the disclosure of Personal Information by the undersigned to the TSX-V as defined in Appendix 6B to the Corporate Finance Manual of the TSX-V (“**Appendix 6B**”) pursuant to this Filing Statement; and
- (b) the collection, use and disclosure of Personal Information by the TSX-V for the purposes described in Appendix 6B or as otherwise identified by the TSX-V, from time to time.

Dated this 6th day of June, 2022.

RMR SCIENCE TECHNOLOGIES INC.

By: “Robin Hutchison”

Robin Hutchison
Chief Executive Officer

FINANCIAL STATEMENTS

Appendix A

Financial Statements of RMR Science Technologies Inc.

RMR SCIENCE TECHNOLOGIES INC.

Condensed Consolidated Interim Financial Statements

For the six months ended March 31, 2022 and 2021

(Unaudited – prepared by management)

(Expressed in Canadian Dollars)

RMR Science Technologies Inc.
Condensed Consolidated Interim Statements of Financial
Position
(Unaudited - prepared by management)
(Expressed in Canadian Dollars)

	<i>Notes</i>	March 31, 2022	September 30, 2021
		\$	\$
ASSETS			
Current			
Cash	4	32,273	84,208
GST receivable		9,599	1,811
Prepaid expenses		4,095	2,167
Total assets		45,967	88,186
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Accounts payable and accrued liabilities	5	59,992	113,192
SHAREHOLDERS' DEFICIENCY			
Equity attributable to shareholders			
Share capital	6	737,236	537,236
Reserves	7	52,445	52,445
Deficit		(803,706)	(639,687)
Total shareholders' deficiency		(14,025)	(25,006)
Total liabilities and shareholders' deficiency		45,967	88,186

Nature of operations – Note 1

Proposed transaction – Note 2

Approved on behalf of the Board:

/s/ Robin Hutchison

Director

/s/ Ralph Garcea

Director

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

RMR Science Technologies Inc.
Condensed Consolidated Interim Statements of Loss and
Comprehensive Loss
(Unaudited - prepared by
management)
(Expressed in Canadian Dollars)

	<i>Notes</i>	Six Months Ended March 31,		Three Months Ended March 31,	
		2022	2021	2022	2021
		\$	\$		
General and administrative expenses					
Bank service charges		743	451	332	263
General office and administration		290	958	121	249
Marketing and promotion		1,197	-	-	-
Professional fees		145,459	19,860	47,730	10,000
Transfer agent, listing and filing fees		16,330	10,142	7,151	5,873
Net loss and comprehensive loss for the period		(164,019)	(31,411)	(57,728)	(16,385)
Basic and diluted loss per common share		(0.02)	(0.01)	(0.01)	(0.00)
Weighted average number of common shares outstanding		10,045,558	5,135,775	10,045,558	5,135,775

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

RMR Science Technologies Inc.
Condensed Consolidated
Interim Statement of
Shareholders' Deficiency
(Unaudited - prepared by
management)
(Expressed in Canadian Dollars)

	Common Shares		Option Reserve	Share Subscriptions Received	Deficit	Total Shareholders' Deficiency
	Number of Shares	Amount				
		\$	\$	\$	\$	\$
Balance, September 30, 2020	7,735,775	537,236	52,445	-	(642,084)	(52,403)
Net loss for the period	-	-	-	-	(31,411)	(31,411)
Balance, March 31, 2021	7,735,775	537,236	52,445	-	(673,495)	(83,814)
Balance, September 30, 2021	7,735,775	537,236	52,445	25,000	(639,687)	(25,006)
Shares issued for cash	2,500,000	200,000	-	(25,000)	-	175,000
Net loss for the period	-	-	-	-	(164,019)	(164,019)
Balance, March 31, 2022	10,235,775	737,236	52,445	-	(803,706)	(14,025)

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

RMR Science Technologies Inc.
Condensed Consolidated Interim Statements of Cash Flow
(Unaudited - prepared by management)
(Expressed in Canadian Dollars)

	Six Months Ended	
	March 31,	
	2022	2021
	\$	\$
Cash provided by (used in):		
Operating activities:		
Net loss for the period	(164,019)	(31,411)
Changes in non-cash working capital:		
Prepaid expenses	(1,928)	(2,492)
Accounts receivable	(7,788)	(1,519)
Accounts payable and accrued liabilities	(53,200)	16,136
	(226,935)	(19,286)
Financing activities:		
Shares issued for cash	175,000	-
	175,000	-
Net change in cash and cash equivalents	(51,935)	(19,286)
Cash and cash equivalents, beginning of period	84,208	115,865
Cash and cash equivalents, end of period	32,273	96,579
Non-cash investing and financing activities		
Share subscriptions received applied to share issuances	\$ 25,000	\$ -

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

RMR Science Technologies Inc.
Notes to the Condensed Consolidated Interim Financial Statements
For the six months ended March 31, 2022 and 2021
(Unaudited – prepared by management)
(Expressed in Canadian Dollars)

1. Nature of operations

RMR Science Technologies Inc. ("RMR" or the "Company") was incorporated on October 17, 2017, by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia). The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSXV") Policy 2.4.

The registered and records office of the Company is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia V7X 1T2. The head office is located at 4 – 3300 157A St., Surrey, British Columbia, V3Z 2P2.

The principal business of the Company will be the identification and evaluation of assets or businesses with an intent to completing a qualifying transaction ("Qualifying Transaction").

On April 14, 2018, the Company signed a letter of intent ("LOI") with cannÖgen Biosciences, Inc. ("cannÖgen"), a privately held corporation existing under the laws of the state of Nevada, with respect to a proposed business combination between the Company and cannÖgen. On May 12th 2021, cannÖgen notified RMR that due to the delays, it has decided not to pursue with the propose business combination.

As outlined in Note 2, the Company identified a new proposed transaction.

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

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. These financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at March 31, 2022, the Company has an accumulated deficit of \$803,706 (September 30, 2021: \$639,687). In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

2. Proposed transaction

On August 9, 2021, the Company entered into an arm's length Letter of Intent ("Turnium LOI") with Turnium Technology Group, Inc. ("TTGI"). Pursuant to the Turnium LOI, the Company will, subject to execution of definitive agreements, effect a business combination (the "Business Combination") which will result in the Company owning all of the issued and outstanding shares of TTGI. The proposed transaction is intended to be a Qualifying Transaction of the Company pursuant to TSXV Policy 2.4, and on closing, the resulting issuer will be a technology issuer under TSXV policies.

Immediately prior to the Business Combination, the common shares of the Company will be consolidated on the basis of one new share for five old shares (the "Share Consolidation"). Upon completion of the Business Combination, shareholders of TTGI will receive one common share of the Company for each common share of TTGI, including common shares issued by TTGI pursuant to the Bridge Financing and Concurrent Financing (both as hereinafter defined).

The closing of the Business Combination is subject to regulatory approval.

On December 21, 2021, at a special meeting of the shareholders, the Business Combination was approved.

On December 21, 2021, the Company and TTGI entered into a definitive amalgamation agreement to effect the Business Combination which is intended to be a Qualifying Transaction. The Business Combination has been structured as a three-cornered amalgamation pursuant to which a wholly-owned subsidiary of the Company, 1333633 B.C. Ltd., and TTGI will amalgamate pursuant to the provisions of the *Business Corporations Act* (British Columbia) and the amalgamated company will become a wholly-owned subsidiary of the Company, which will be renamed Turnium Technology Group Inc.

3. Basis of presentation

(a) Statement of compliance

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

These financial statements were authorized for issue by the Board of Directors on May 30 2022.

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair

RMR Science Technologies Inc.
Notes to the Condensed Consolidated Interim Financial Statements
For the six months ended March 31, 2022 and 2021
(Unaudited – prepared by management)
(Expressed in Canadian Dollars)

3. Basis of presentation (continued)

(b) Basis of measurement (continued)

values. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company.

(d) Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company, which is incorporated under the laws of British Columbia, and its wholly owned subsidiary, 1333633 B.C. LTD., which is incorporated in British Columbia on November 17, 2021. All significant intercompany balances and transactions have been eliminated upon consolidation.

3. Summary of significant accounting policies

These condensed interim financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with the International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended September 30, 2021.

4. Cash

The Company's cash is comprised of cash of \$32,273.

RMR Science Technologies Inc.
Notes to the Condensed Consolidated Interim Financial Statements
For the six months ended March 31, 2022 and 2021
(Unaudited – prepared by management)
(Expressed in Canadian Dollars)

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are comprised of:

	March 31, 2022	September 30, 2021
	\$	\$
Accounts payable	59,992	103,942
Accrued liabilities	-	9,250
	59,992	113,192

6. Share capital

(a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(b) Issued and outstanding:

On October 7, 2021 the Company completed a non-brokered private placement of 2,500,000 common shares at a price of \$0.08 per common share for aggregate gross proceeds of \$200,000.

As at March 31, 2022, the Company has 10,235,775 common shares outstanding, 2,600,000 of which are held in escrow.

7. Stock options

On January 4, 2018, the Company adopted an incentive stock option plan (the “Option Plan”) which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

Any common shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the final exchange bulletin is issued.

On November 19, 2021, the Company cancelled an aggregate of 760,000 options to purchase Class “A” common shares previously granted to certain directors and officers of the Company.

RMR Science Technologies Inc.
Notes to the Condensed Consolidated Interim Financial Statements
For the six months ended March 31, 2022 and 2021
(Unaudited – prepared by management)
(Expressed in Canadian Dollars)

7. Stock options (continued)

A summary of the Company's outstanding stock options and changes is as follows:

	Quantity	Weighted Average Exercise Price (\$)	Contractual Life (Years)
Outstanding, September 30, 2020 and 2021	760,000	\$0.10	2.46
Cancelled	(760,000)	\$0.10	-
Balance, March 31, 2022	-	-	-

8. Related party transactions

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and directors. During the six months ended March 31, 2022 and 2021, there was no compensation paid to key management.

Included in accounts payable is \$622 due to officers and directors of the Company. These accounts are unsecured, non-interest bearing and due on demand.

9. Financial instruments and risk management

As at March 31, 2022, the Company's financial instruments comprise cash and accounts payable and accrued liabilities. The fair value of cash, accounts payable and accrued liabilities approximate its carrying value due to its short-term to maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

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

As at March 31, 2022, the fair value of cash held by the Company was classified as Level 1 of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

9. Financial instruments and risk management (continued)

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset-backed commercial paper.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company believes that these sources are sufficient to cover the likely short-term cash requirements, but that further funding will be required to meet long-term requirements. As at March 31, 2022, the Company had a cash balance of \$32,273 to settle current liabilities of \$59,992. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company currently has no interest-bearing financial instruments other than cash, so its exposure to interest rate risk is insignificant.

ii. Foreign currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no assets or liabilities and has no revenue or expenses denominated in a foreign currency, so it is not exposed to foreign currency risk.

iii. Equity price risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

11. Capital management

Capital is comprised of items included in shareholders' equity (deficiency). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

The Company is not subject to any externally-imposed capital requirements.

12. Subsequent events

a) On April 8, 2022, in connection with the Qualifying Transaction, TTGI raised \$3,309,951 from the issuance of 5,910,627 Units (the "Concurrent Financing") at a price of \$0.56 per Unit. Each Unit will automatically convert into one Unit of TTGI immediately prior to closing of the Business Combination. Each Unit will consist of one common share and one-half of one common share purchase warrant, each warrant entitling the holder to purchase one common share at a price of \$0.75 per share for a period of two years from closing of the Business Combination.

RMR SCIENCE TECHNOLOGIES INC.

Financial Statements

For the years ended September 30, 2021 and 2020

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
RMR Science Technologies Inc.

Opinion

We have audited the accompanying financial statements of RMR Science Technologies Inc. (the "Company"), which comprise the statements of financial position as at September 30, 2021 and 2020, and the statements of loss and comprehensive loss, shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company has an accumulated deficit of \$639,687. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Catherine Tai.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

January 28, 2022

RMR Science Technologies Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

		September 30,	September 30,
	Notes	2021	2020
		\$	\$
ASSETS			
Current			
Cash	5	84,208	115,865
Accounts receivable		1,811	1,237
Prepaid expenses		2,167	9,346
Total assets		88,186	126,448
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Accounts payable and accrued liabilities	6	113,192	178,851
SHAREHOLDERS' DEFICIENCY			
Share capital	7	537,236	537,236
Share subscriptions received	7	25,000	-
Option reserve		52,445	52,445
Deficit		(639,687)	(642,084)
Total shareholders' deficiency		(25,006)	(52,403)
Total liabilities and shareholders' equity (deficiency)		88,186	126,448

Nature of operations – Note 1
Proposed transaction – Note 2
Subsequent event – Note 14

Approved on behalf of the Board:

Director

Director

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

RMR Science Technologies Inc.
Statements of Income (loss) and Comprehensive Income (loss)
(Expressed in Canadian Dollars)

		For the Years Ended	
		September 30,	
	<i>Notes</i>	2021	2020
		\$	\$
General and administrative expenses			
Bank service charges		909	490
General office and administration		2,370	1,169
Professional fees		80,278	23,166
Transaction costs		-	25,000
Transfer agent, listing and filing fees		21,614	10,639
		(105,171)	(60,464)
Gain on settlement of debt	10	107,568	-
Net income (loss) and comprehensive income (loss) for the year		2,397	(60,464)
Basic and diluted earnings (loss) per common share		0.00	(0.01)
Weighted average number of common shares outstanding – basic and diluted		7,735,775	7,735,775

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

RMR Science Technologies Inc.
Statements of Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

	Common Shares		Share Subscriptions Received	Option Reserve	Deficit	Total Shareholders' Equity (Deficiency)
	Number of	Amount				
	Shares					
		\$	\$	\$	\$	\$
Balance, September 30, 2019	7,735,775	519,848	-	69,833	(581,620)	8,061
Fair value of agent's options expired	-	17,388	-	(17,388)	-	-
Net loss for the year	-	-	-	-	(60,464)	(299,792)
Balance, September 30, 2020	7,735,775	537,236		52,445	(642,084)	(52,403)
Share subscriptions received (Note 7)	-		25,000	-	-	25,000
Net income for the year	-	-		-	2,397	2,397
Balance, September 30, 2021	7,735,775	537,236	25,000	52,445	(639,687)	(25,006)

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

RMR Science Technologies Inc.
Statements of Cash Flow
(Expressed in Canadian Dollars)

	For the Year Ended	
	September 30,	
	2021	2020
	\$	\$
Cash provided by (used in):		
Operating activities:		
Net income (loss) for the year	2,397	(60,464)
Items not involving cash:		
Gain on extinguishment of debt	(107,568)	-
Changes in non-cash working capital:		
Prepaid expenses	7,179	22,725
Accounts receivable	(574)	2,111
Accounts payable and accrued liabilities	41,909	17,736
	(56,657)	(17,892)
Financing activities:		
Share subscriptions received (Note 7)	25,000	-
	25,000	-
Net change in cash	(31,657)	(17,892)
Cash, beginning of year	115,865	133,757
Cash, end of year	84,208	115,865

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

1. Nature of operations

RMR Science Technologies Inc. ("RMR" or the "Company") was incorporated on October 17, 2017, by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia). The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSXV") Policy 2.4.

The registered and records office of the Company is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia V7X 1T2. The head office is located at 4 – 3300 157A St., Surrey, British Columbia, V3Z 2P2.

The principal business of the Company will be the identification and evaluation of assets or businesses with an intent to completing a qualifying transaction ("Qualifying Transaction").

On April 14, 2018, the Company signed a letter of intent ("LOI") with cannÖgen Biosciences, Inc. ("cannÖgen"), a privately held corporation existing under the laws of the state of Nevada, with respect to a proposed business combination between the Company and cannÖgen. On May 12th 2021, cannÖgen notified RMR that due to the delays, it has decided not to pursue with the propose business combination.

As outlined in Note 2, the Company identified a new proposed transaction.

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

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. These financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2021, the Company has an accumulated deficit of \$639,687 (September 30, 2020: \$642,084). In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

2. Proposed transaction

On August 9, 2021, the Company entered into an arm's length Letter of Intent ("Turnium LOI") with Turnium Technology Group, Inc. ("TTGI"). Pursuant to the Turnium LOI, the Company will, subject to execution of definitive agreements, effect a business combination (the "Business Combination") which will result in the Company owning all of the issued and outstanding shares of TTGI. The proposed transaction is intended to be a QT of the Company pursuant to TSXV Policy 2.4, and on closing, the resulting issuer will be a technology issuer under TSXV policies.

Pursuant to the Business Combination, shareholders of TTGI will receive five common shares of the Company for each common share of TTGI, including common shares issued by TTGI pursuant to the the Bridge Financing and Concurrent Financing (both as hereinafter defined). TTGI currently has 53,832,143 common shares issued and outstanding.

TTGI is raising up to \$1,500,000 (the "Bridge Financing") through the issuance of up to 3,125,000 units at a price of \$0.48 per unit, each unit consisting of one common share and one-half common share purchase warrant, each whole warrant entitling the holder to purchase one common share at a price of \$0.72 per share on or before December 31, 2022.

TTGI also intends to raise up to \$10,000,000 (the "Concurrent Financing") through the issuance of up to 17,857,143 subscription receipts at a price of \$0.56 per subscription receipt. Each subscription receipt will automatically convert into one unit of TTGI immediately prior to closing of the Business Combination. Each unit will consist of one common share and one-half of one common share purchase warrant, each warrant entitling the holder to purchase one common share at a price of \$0.75 per share for a period of two years from closing of the Business Combination. Based on the exchange ratio of five Company common shares for each TTGI common share, on closing of the Business Combination an aggregate of 89,285,715 common shares of the Company and 44,642,857 share purchase warrants of the Company would be issued to subscribers under the Concurrent Financing.

On closing of the Business Combination, the Company intends to grant new options to directors, officers, employees and consultants entitling them to purchase up to 1,020,000 common shares at a price of \$0.10 per share on or before March 15, 2023 and 1,000,000 common shares at a price of \$0.10 per share for a period of five years from closing of the Business Combination.

The Company intends to raise up to \$200,000 (the "Company Financing") through the issuance of 2,500,000 common shares at a price of \$0.08 per share.

TTGI has agreed to pay the expenses incurred by the Company in connection with the Business Combination up to a maximum of \$150,000 if TTGI terminates the Turnium LOI in order to enter into a superior proposal.

TTGI's obligation to close the Business Combination is subject to the following conditions precedent for its benefit:

- The Company Financing completing on or before the expiration of thirty business days from August 9, 2021 (completed October, 2021);

2. Proposed transaction (continued)

- The Bridge Financing completing before the date of closing the Business Combination (completed); and
- The Transaction Financing completing on or before the date of closing the Business Combination.

The QT is subject to shareholder and TSXV approval. On December 21, 2021, a special meeting of the shareholders of the Company approved the Business Combination.

3. Basis of presentation

(a) Statement of compliance

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

These financial statements were authorized for issue by the Board of Directors on January 28, 2022.

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company.

4. Significant accounting policies

Financial instruments

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”) or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI).

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

The Company classifies its financial instruments as follows:

Financial Instrument	Classification
Cash	Amortized cost
GST receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

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

4. Significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets at amortized cost

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and

the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

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

Derecognition

Financial assets

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

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

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

4. Significant accounting policies (continued)

Financial instruments (continued)

Critical Accounting Estimates

Critical accounting estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities include, but are not limited to, the following:

- Recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make estimates in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the financial statements.

Significant accounting judgments, estimates and assumptions

Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

- Going concern

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

- Treatment of research and development expenses

The application of the Company's accounting policy for research and development expenditures requires judgment in determining whether it is likely that the future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances.

Significant judgment is required to distinguish between the research and development phases. Estimates and assumptions may change if new information becomes available. If new information suggests future economic benefits are unlikely, the amount capitalized is written off to profit or loss.

4. Significant accounting policies (continued)

Share capital

Common shares issued by the Company are classified as shareholders' equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from shareholders' equity.

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated using the residual method whereby proceeds are allocated first to common shares based on the market trading price of the common shares, and any remaining balance is allocated to warrants.

Share-based payments

The Company accounts for share-based payments using a fair value based method with respect to all share-based payments measured and recognized, to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the options are recorded at the fair value of the goods or services received. When the value of the goods or services received in exchange for the share-based payments cannot be reliably estimated, the fair value is measured using the Black-Scholes option pricing model. When options and warrants are exercised, the related amount in the options and warrants reserve is transferred to share capital. When options and warrants expire unexercised, such amounts are transferred to deficit. When finders' options and warrants expire unexercised, such amounts are reversed to share capital.

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, deferred income tax assets and liabilities are determined based on differences between financial statement carrying amounts of existing assets and liabilities, and their respective tax basis (temporary differences). Deferred income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantively enacted. The amount of deferred income tax assets recognized is limited to the amount of the benefit that is probable of being realized.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. The computation of diluted earnings (loss) per share assumes the exercise or contingent issuance of securities only when such exercise would have a dilutive effect on the earnings (loss) per share.

5. Cash

The Company's cash is comprised of cash of \$84,208.

RMR Science Technologies Inc.
Notes to the Financial Statements
For the years ended September 30, 2021 and 2020
(Expressed in Canadian Dollars)

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are comprised of:

	2021	2020
	\$	\$
Accounts payable	103,942	178,851
Accrued liabilities	9,250	-
	113,192	178,851

7. Share capital

(a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.

(b) Issued and outstanding:

As at September 30, 2021, the Company has 7,735,775 common shares outstanding, 2,600,000 of which are held in escrow. During the year ended September 30, 2021, the Company received share subscriptions of \$25,000.

8. Stock options

On January 4, 2018, the Company adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

Any common shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the final exchange bulletin is issued.

A summary of the Company's outstanding stock options and changes is as follows:

	Quantity	Weighted Average Exercise Price (\$)	Contractual Life (Years)
Outstanding and exercisable, September 30, 2020 and 2021	760,000	\$0.10	1.46

9. Related party transactions

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and directors. During the years ended September 30, 2021 and 2020, there was no compensation paid to key management.

Included in accounts payable is \$1,133 due to officers and directors of the Company. These accounts are unsecured, non-interest bearing and due on demand.

10. Gain on settlement of debt

During the year ended, September 30, 2021, the Company entered into a debt settlement agreement with a service provider (the "Service Provider"). Pursuant to the terms of the agreement the Service Provider forgave amounts owing in the amount of \$107,568.

11. Income taxes

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

		2021		2020
Income (loss) for the year	\$	2,398	\$	(60,464)
Expected income tax (recovery)	\$	1,000	\$	(16,000)
Change in statutory, foreign tax, foreign exchange rates and other		4,000		16,000
Adjustment to prior years provision versus statutory tax return		6,000		-
Change in unrecognized deductible temporary		(11,000)		-
Total income tax expense (recovery)	\$	-	\$	-
Current income tax	\$	-	\$	
Deferred tax recovery	\$	-	\$	-

RMR Science Technologies Inc.
Notes to the Financial Statements
For the years ended September 30, 2021 and 2020
(Expressed in Canadian Dollars)

11. Income taxes (continued)

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

		2021		2020
Deferred tax assets (liabilities)				
Property and equipment	\$	65,000	\$	-
Share issue costs		18,000		14,000
Non-capital losses available for the future period		100,000		180,000
		183,000		194,000
Unrecognized deferred tax assets		(183,000)		(194,000)
Net deferred tax assets	\$	-	\$	-

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

	2021	Expiry Date Range	2020	Expiry Date Range
Temporary Differences				
Property and equipment	\$ 242,000	No expiry date	\$ -	No expiry date
Share issue costs	66,000	2042 to 2043	52,000	2041 to 2043
Non-capital losses available for future periods	\$ 371,000	2038 to 2041	\$ 668,000	2038 to 2040
Canada	\$ 371,000	2038 to 2041	\$ 668,000	2038 to 2040

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

12. Financial instruments and risk management

As at September 30, 2021, the Company's financial instruments comprise cash and accounts payable and accrued liabilities. The fair value of cash, accounts payable and accrued liabilities approximate its carrying value due to its short-term to maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

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

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset-backed commercial paper.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company believes further funding will be required to meet short term and long term requirements. As at September 30, 2021, the Company had a cash balance of \$84,208 to settle current liabilities of \$113,192.

All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

12. Financial instruments and risk management (continued)

i. Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company currently has no interest-bearing financial instruments other than cash, so its exposure to interest rate risk is insignificant.

ii. Foreign currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no assets or liabilities and has no revenue or expenses denominated in a foreign currency, so it is not exposed to foreign currency risk.

iii. Equity price risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

13. Capital management

Capital is comprised of items included in shareholders' equity (deficiency). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

The Company is not subject to any externally-imposed capital requirements.

14. Subsequent events

- a) On October 7, 2021 the Company completed a non-brokered private placement of 2,500,000 common shares at a price of \$0.08 per common share for aggregate gross proceeds of \$200,000.
- b) On November 19, 2021, the Company cancelled an aggregate of 760,000 options to purchase Class "A" common shares previously granted to certain directors and officers of the Company.
- d) On December 21, 2021, the Company held its annual and special meeting, wherein the shareholders of the Company approved the Business Combination.
- e) On December 21, 2021, the Company and TTGI entered into a definitive amalgamation agreement to effect the Business Combination which is intended to be a Qualifying Transaction. The Business Combination has been structure as a three-cornered amalgamation pursuant to which a wholly-owned subsidiary of the Company, 1333633 B.C. Ltd., and TTGI will amalgamate pursuant to the provisions of the *Business Corporations Act* (British Columbia) and the amalgamated company will become a wholly-owned subsidiary of the Company, which will be renamed TTGI OpCo Inc.

RMR SCIENCE TECHNOLOGIES INC.

Financial Statements

For the years ended September 30, 2020 and 2019

(Expressed in Canadian Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
RMR Science Technologies Inc.

Opinion

We have audited the accompanying financial statements of RMR Science Technologies Inc. (the "Company"), which comprise the statements of financial position as at September 30, 2020 and 2019, and the statements of loss and comprehensive loss, changes in shareholders' equity (deficiency) and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the financial statements, which indicates that the Company has an accumulated deficit of \$642,084 and reported a net loss of \$60,464. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

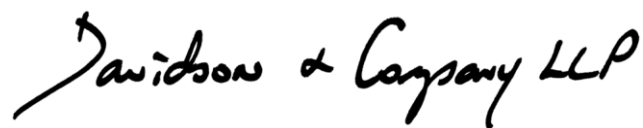
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Catherine Tai.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

January 28, 2021

RMR Science Technologies Inc.
Statements of Financial Position
(Expressed in Canadian Dollars)

	<i>Notes</i>	September 30 2020 \$	September 30, 2019 \$
ASSETS			
Current			
Cash	4	115,865	133,757
GST receivable		1,237	3,349
Prepays		2,275	-
Deferred financing costs	13	7,071	32,701
Total assets		126,448	169,177
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Accounts payable and accrued liabilities	5	178,851	161,116
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Equity attributable to shareholders			
Share capital	6	537,236	519,848
Reserves	7,8	52,445	69,833
Deficit		(642,084)	(581,620)
Total shareholders' equity		(52,403)	8,061
Total liabilities and shareholders' equity (deficiency)		126,448	169,177

Nature of operations – Note 1
Proposed transaction – Note 13

Approved on behalf of the Board:

/s/ Robin Hutchison

Director

/s/ Ron Erickson

Director

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

RMR Science Technologies Inc.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		For the Year Ended	
		September 30,	
	<i>Notes</i>	2020	2019
		\$	\$
General and administrative expenses			
Bank service charges		490	1,251
Foreign exchange		-	73
Office and administration		1,169	-
Professional fees		23,166	237,825
Transaction costs		25,000	41,053
Transfer agent, listing and filing fees		10,639	18,049
Travel and entertainment		-	1,541
Net loss and comprehensive loss for the year		(60,464)	(299,792)
Basic and diluted loss per common share		(0.01)	(0.06)
Weighted average number of common shares outstanding – basic and diluted		7,735,775	5,135,775

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

RMR Science Technologies Inc.
Statements of Shareholders' Equity (Deficiency)
(Expressed in Canadian Dollars)

(Expressed in Canadian Dollars)

	Common Shares				Total
	Number of		Option		Shareholders'
	Shares	Amount	Reserve	Deficit	Equity
		\$	\$	\$	(Deficiency)
Balance, September 30, 2018	7,735,775	519,848	69,833	(281,828)	307,853
Net loss for the year	-	-	-	(299,792)	(299,792)
Balance, September 30, 2019	7,735,775	519,848	69,833	(581,620)	8,061
Fair value of agent's options expired	-	17,388	(17,388)	-	-
Net loss for the year	-	-	-	(60,464)	(60,464)
Balance, September 30, 2020	7,735,775	537,236	52,445	(642,084)	(52,403)

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

RMR Science Technologies Inc.
Statements of Cash Flow
(Expressed in Canadian Dollars)

	For the Year Ended	
	September 30,	
	2020	2019
	\$	\$
Cash provided by (used in):		
Operating activities:		
Net loss for the year	(60,464)	(299,792)
Changes in non-cash working capital:		
Prepaid expenses	(2,275)	-
Deferred transaction costs	25,000	-
GST receivable	2,111	(3,349)
Accounts payable and accrued liabilities	17,736	68,223
	(17,892)	(234,918)
Financing activities:		
Share issuance costs	-	(32,901)
Deferred financing costs	-	(7,071)
	-	(39,972)
Net change in cash	(17,892)	(274,890)
Cash , beginning of year	133,757	408,647
Cash , end of year	115,865	133,757

Significant non-cash transactions:

- Reversed \$17,388 from Option Reserve to Share Capital upon expiry of agent's options.

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

1. Nature of operations

RMR Science Technologies Inc. (“RMR” or the “Company”) was incorporated on October 17, 2017, by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia). The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange (“TSXV”) Policy 2.4.

The registered and records office of the Corporation is located at 1200 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia V7X 1T2. The head office is located at 4 – 3300 157A St., Surrey, British Columbia, V3Z 2P2.

The principal business of the Company will be the identification and evaluation of assets or businesses with an intent to completing a qualifying transaction (“Qualifying Transaction”).

On March 15, 2018, the Company completed its initial public offering of 5,000,000 class “A” common shares (“Common Shares”) at a price of \$0.10 per Common Share for gross proceeds of \$500,000.

On April 14, 2018, the Company signed a letter of intent (“LOI”) with cannÖgen Biosciences, Inc. (“cannÖgen”), a privately held corporation existing under the laws of the state of Nevada, with respect to a proposed business combination between the Company and cannÖgen (the “Qualifying Transaction”) by way of an amalgamation, arrangement, share purchase or other similar form of transaction which will result in cannÖgen becoming a wholly-owned subsidiary of the Company, or otherwise combining its corporate existence with that of the Company. As consideration, the Company will issue and deliver up to 7,500,000 class “A” common shares (“Common Shares”) of the Company. The final structure of the Transaction is subject to receipt of tax, corporate and securities laws advice for both the Company and cannÖgen. Upon completion of the Qualifying Transaction, the combined entity will continue to carry on the business of cannÖgen.

On May 30, 2019, the Company received conditional approval from the TSXV for its Qualifying Transaction and entered a definitive agreement with cannÖgen (the “Definitive Agreement”) and the holders (“cannÖgen Shareholders”) of cannÖgen common shares (“cannÖgen Shares”). Pursuant to the Definitive Agreement, RMR will acquire all of the outstanding cannÖgen Shares from the cannÖgen Shareholders in exchange for issuing an aggregate of 7,500,000 Common Shares to the cannÖgen Shareholders on the basis of one Common Share for every one cannÖgen Share. The Definitive Agreement contains such covenants, conditions and indemnities as are customary in a transaction of this nature and having regard to the business of RMR and cannÖgen including, without limitation, receipt of all applicable regulatory approvals and completion of RMR’s previously announced private placement. In connection with this proposed transaction, the Company has incurred transaction costs of \$66,053 (2019: \$41,053).

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

RMR Science Technologies Inc.
Notes to the Financial Statements
For the year ended September 30, 2020 and 2019
(Expressed in Canadian Dollars)

1. Nature of operations (continued)

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. These audited financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2020, the Company has an accumulated deficit of \$642,084 (September 30, 2019: \$581,620) and reported a net loss of \$60,464 (September 30, 2019: \$299,792). In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

2. Basis of presentation

(a) Statement of compliance

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

These financial statements were authorized for issue by the Board of Directors on January 28, 2021.

(b) Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss ("FVTPL"), which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency of the Company.

3. Significant accounting policies

Financial instruments

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

The Company classifies its financial instruments as follows:

Financial Instrument	Classification
Cash	FVTPL
GST receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Measurement

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

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

3. Significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets at amortized cost

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

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

Derecognition

Financial assets

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

Significant accounting judgments, estimates and assumptions

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

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

3. Significant accounting policies (continued)

Significant accounting judgments, estimates and assumptions (continued)

Critical Accounting Estimates

Critical accounting estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities include, but are not limited to, the following:

- Recovery of deferred tax assets

The measurement of income taxes payable and deferred income tax assets and liabilities requires management to make estimates in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant tax authorities, which occurs subsequent to the issuance of the financial statements.

Critical Accounting Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

- Going concern

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

- Treatment of research and development expenses

The application of the Company's accounting policy for research and development expenditures requires judgment in determining whether it is likely that the future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances.

Significant judgment is required to distinguish between the research and development phases. Estimates and assumptions may change if new information becomes available. If new information suggests future economic benefits are unlikely, the amount capitalized is written off to profit or loss.

3. Significant accounting policies (continued)

Share capital

Common shares issued by the Company are classified as shareholders' equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from shareholders' equity.

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated using the residual method whereby proceeds are allocated first to common shares based on the market trading price of the common shares, and any remaining balance is allocated to warrants.

Share-based payments

The Company accounts for share-based payments using a fair value based method with respect to all share-based payments measured and recognized, to directors, employees and non-employees. For directors and employees, the fair value of the options is measured at the date of grant. For non-employees, the options are recorded at the fair value of the goods or services received. When the value of the goods or services received in exchange for the share-based payments cannot be reliably estimated, the fair value is measured using the Black-Scholes option pricing model. When options and warrants are exercised, the related amount in the options and warrants reserve is transferred to share capital. When options and warrants expire unexercised, such amounts are transferred to deficit. When finders' options and warrants expire unexercised, such amounts are reversed to share capital.

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method of tax allocation, deferred income tax assets and liabilities are determined based on differences between financial statement carrying amounts of existing assets and liabilities, and their respective tax basis (temporary differences). Deferred income tax assets and liabilities are measured using the tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantively enacted. The amount of deferred income tax assets recognized is limited to the amount of the benefit that is probable of being realized.

Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. The computation of diluted earnings (loss) per share assumes the exercise or contingent issuance of securities only when such exercise would have a dilutive effect on the earnings (loss) per share.

3. Significant accounting policies (continued)

Accounting policy adopted during the year:

IFRS 16 – Leases:

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for reporting periods beginning on or after January 1, 2019, with early application permitted. There was no material impact on the Company's financial statements upon adoption of IFRS 16.

4. Cash

The Company's cash is comprised of cash of \$115,865.

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are comprised of:

	2020	2019
	\$	\$
Accounts payable	178,851	160,931
Accrued liabilities	-	185
	178,851	161,116

6. Share capital

- (a) The authorized share capital of the Company consists of an unlimited number of common shares without par value.
- (b) Issued and outstanding:

As at September 30, 2020, the Company has 7,735,775 common shares outstanding, 2,600,000 of which are held in escrow.

7. Stock options

On January 4, 2018, the Company adopted an incentive stock option plan (the “Option Plan”) which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

Any common shares acquired pursuant to the exercise of options prior to the completion of the Qualifying Transaction must be deposited in escrow and will be subject to escrow until the final exchange bulletin is issued.

A summary of the Company’s outstanding stock options and changes is as follows:

	Quantity	Weighted Average Exercise Price (\$)	Contractual Life (Years)
Outstanding, September 30, 2018, 2019 and 2020	760,000	\$0.10	2.46

8. Agent’s Options

The Agent’s Options outstanding and exercisable at September 30, 2020 are as follows:

	Quantity	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual (Years) (\$)
Balance, September 30, 2018 and 2019	364,225	0.10	0.46
Expired	(364,225)	0.10	-
Balance, September 30, 2020	-	-	-

9. Related party transactions

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company’s executive officers and directors. During the years ended September 30, 2020 and 2019, there was no compensation paid to key management.

RMR Science Technologies Inc.
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9. Related party transactions (continued)

Key management compensation (continued)

Included in accounts payable is \$1,197 due to officers and directors of the Company. These accounts are unsecured, non-interest bearing and due on demand.

10. Income taxes

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

	2020	2019
Loss for the year	\$ (60,464)	\$ (299,792)
Expected income tax (recovery)	\$ (16,000)	\$ (81,000)
Change in unrecognized deductible temporary differences	16,000	81,000
Total income tax expense (recovery)	\$ -	\$ -

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

	2020	2019
Deferred tax assets (liabilities)		
Share issue costs	\$ 14,000	\$ 21,000
Non-capital losses available for future period	180,000	157,000
	194,000	178,000
Unrecognized deferred tax assets	(194,000)	(178,000)
Net deferred tax assets	\$ -	\$ -

RMR Science Technologies Inc.
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For the year ended September 30, 2020 and 2019
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10. Income taxes (continued)

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

	2020	Expiry Date Range	2019	Expiry Date Range
Temporary Differences				
Share issue costs	\$ 52,000	2039 to 2042	\$ 78,000	2039 to 2042
Non-capital losses available for future periods	\$ 668,000	2038 to 2040	\$ 581,000	2038 to 2039
Canada	\$ 668,000	2038 to 2040	\$ 581,000	2038 to 2039

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

11. Financial instruments and risk management

As at September 30, 2020, the Company's financial instruments comprise cash and accounts payable and accrued liabilities. The fair value of cash, accounts payable and accrued liabilities approximate its carrying value due to its short-term to maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

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

As at September 30, 2020, the fair value of cash held by the Company was classified as Level 1 of the fair value hierarchy.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset-backed commercial paper.

11. Financial instruments and risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company believes that these sources are sufficient to cover the likely short-term cash requirements, but that further funding will be required to meet long-term requirements. As at September 30, 2020, the Company had a cash balance of \$115,865 to settle current liabilities of \$178,851. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

i. Interest rate risk

Interest rate risk arises from changes in market rates of interest that could adversely affect the Company. The Company currently has no interest-bearing financial instruments other than cash, so its exposure to interest rate risk is insignificant.

ii. Foreign currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no assets or liabilities and has no revenue or expenses denominated in a foreign currency, so it is not exposed to foreign currency risk.

iii. Equity price risk

Equity price risk arises from market fluctuations in equity prices that could adversely affect the Company's operations. The Company's current exposure to equity price risk is limited to declines in the values and volumes including those of its own shares, which could impede its ability to raise additional funds when required.

12. Capital management

Capital is comprised of items included in shareholders' equity (deficiency). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The capital for expansion was mostly from proceeds from the issuance of common shares. The net proceeds raised will only be sufficient to identify and evaluate a limited number of assets and businesses for the purpose of identifying and completing a Qualifying Transaction. Additional funds may be required to finance the Company's Qualifying Transaction.

The Company is not subject to any externally-imposed capital requirements.

13. Proposed Transaction

As outlined in note 1, on May 30, 2019, the Company received conditional approval from the TSXV for its Qualifying Transaction and entered a definitive agreement with cannÖgen (the "Definitive Agreement") and the holders ("cannÖgen Shareholders") of cannÖgen common shares ("cannÖgen Shares").

Prior to the completion of the Transaction, the Company will complete a brokered private placement of 10,000,000 subscription receipts ("Subscription Receipts") at a price of \$0.50 per Subscription Receipt, for aggregate gross proceeds of \$5,000,000 (the "Offering"). Upon completion of the Transaction, each Subscription Receipt will automatically convert without any further action on the part of the holder into one Common Share of the Company and one half of one Common Share purchase warrant of the Company. Each whole Common Share purchase warrant ("Warrant") will entitle the holder to acquire one Common Share at an exercise price of \$0.75 per Common Share for a period of two years from the date of issuance. The Warrants will also contain an accelerated expiry provision wherein if the Common Shares of the Company trade over \$1.00 on the TSXV, or on another recognized exchange, for a period of ten consecutive trading days, the Company may provide written notice to the holder that the Warrant will expire 30 days from the date of that notice. Subject to the terms of an agency agreement to be entered into in connection with the Offering, the agents for the Offering are expected to receive a cash commission equal to 7% of the gross proceeds raised by such agents and such number of broker warrants ("Broker Warrants"), that is equal to 7% of the number of Subscription Receipts sold by such broker. Each Broker Warrant will be exercisable to acquire one Common Share at a price of \$0.50 for a period of two years from the date of issuance. The Subscription Receipts will be issued in accordance with the terms of a subscription receipt indenture that will provide that the gross proceeds for the Offering will be held in escrow pending completion of the Qualifying Transaction. During the period from October 17, 2017 (date of incorporation) to September 30, 2018, the Company advanced \$25,000 to Canaccord as a non-refundable deposit to assist with Qualifying Transaction costs. The deposit was expensed to Transaction costs during the year ended September 30, 2020. In connection with the Offering, the Company has \$7,071 (2019 – \$32,071) in deferred financing costs.

13. Proposed Transaction (continued)

Upon completion of the Qualifying Transaction, it is the intention of the parties that the Resulting Issuer will continue to focus on the current business and affairs of cannÖgen and will be an industrial or Technology or Life Sciences Issuer listed on the TSXV.

Appendix B

MD&A of RMR Science Technologies Inc.

**RMR SCIENCE TECHNOLOGIES INC.
4 – 3300 157A Street, Surrey, BC, Canada**

Form 51-102F1

**Management's Discussion & Analysis of Financial Condition and Results of Operations for the Six months ended
March 31, 2022 and 2021**

Date: May 30, 2022

Management's Discussion and Analysis

The following management discussion and analysis (MD&A) of the financial information of RMR Science Technologies Inc. ("RMR" or the "Company") and results of operations should be read in conjunction with the Company's condensed interim financial statements for the six months ended March 31, 2022 and 2021. These documents are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include the operating results of the Company.

This MD&A was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 30, 2022. The information contained within this MD&A is current to May 30, 2022.

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian Dollars unless noted otherwise.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These forward-looking statements can generally be identified as such because of the context of the statements, including such words as "believes", "anticipates", "expects", "plans", "may", "estimates", or words of a similar nature. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from anticipated future results and/or achievements expressed or implied by such forward-looking statements, which speak only as of the date the statements were made. Readers are therefore advised to consider the risks associated with any such forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth herein.

Overview

The Company was incorporated on October 17, 2017, by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia). The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSXV") Policy 2.4.

The principal business of the Company will be the identification and evaluation of assets or businesses with an intent to completing a qualifying transaction.

On March 14, 2018, the TSXV issued a bulletin listing the common shares as of market open on March 15, 2018 and immediately halted trading pending completion of closing of the Initial Public Offering (See "*Initial Public Offering*" below). The common shares resumed trading under the trading symbol "RMS.P" on March 19, 2018.

Additional information relating to the Company can be found on the SEDAR website at www.sedar.com.

Overall Performance

Proposed transaction

On August 9, 2021, the Company entered into an arm's length Letter of Intent ("Turnium LOI") with Turnium Technology Group, Inc. ("TTGI"). Pursuant to the Turnium LOI, the Company will, subject to execution of definitive agreements, effect a business combination (the "Business Combination") which will result in the Company owning all of the issued and outstanding shares of TTGI. The proposed transaction is intended to be a Qualifying Transaction of the Company pursuant to TSXV Policy 2.4, and on closing, the resulting issuer will be a technology issuer under TSXV policies.

Immediately prior to the Business Combination, the common shares of the Company will be consolidated on the basis of one new share for five old shares (the "Share Consolidation"). Upon completion of the Business Combination, shareholders of TTGI will receive one common share of the Company for each common share of TTGI, including common shares issued by TTGI pursuant to the Bridge Financing and Concurrent Financing (both as hereinafter defined).

On December 1, 2021 TTGI issued a \$1,000,000 promissory note (the "Bridge Financing") convertible into TTGI common shares at a price of \$0.48 per share at the option of the holder. As consideration for the convertible note, TTGI issued 500,000 share purchase warrants. Each share purchase warrant entitles the holder to acquire one common share of the TTGI at a price equal to the lesser of \$0.48 per share or 15% discount to the lowest equity issuance round up to and including the equity round of the Qualifying Transaction for a period of 36 months. Effective April 4, 2022 the note converted into 2,083,334 common shares of TTGI.

TTGI raised \$3,309,951 from the issuance of 5,910,627 subscription receipts (the "Concurrent Financing") at a price of \$0.56 per subscription receipt. Each subscription receipt will automatically convert into one Unit of TTGI immediately prior to closing of the Business Combination. Each Unit will consist of one common share and one-half of one common share purchase warrant, each warrant entitling the holder to purchase one common share at a price of \$0.75 per share for a period of two years from closing of the Business Combination.

TTGI has agreed to pay the expenses incurred by the Company in connection with the Business Combination up to a maximum of \$150,000 if TTGI terminates the Turnium LOI in order to enter into a superior proposal.

The closing of the Business Combination is subject to regulatory approval.

On December 21, 2021, at a special meeting of the shareholders, the Business Combination was approved.

On December 21, 2021, the Company and TTGI entered into a definitive amalgamation agreement to effect the Business Combination which is intended to be a Qualifying Transaction. The Business Combination has been structured as a three-cornered amalgamation pursuant to which a wholly-owned subsidiary of the Company, 1333633 B.C. Ltd., and TTGI will amalgamate pursuant to the provisions of the *Business Corporations Act* (British Columbia) and the amalgamated company will become a wholly-owned subsidiary of the Company, which will be renamed Turnium Technology Group Inc.

Corporate

In October, 2021, the Company raised \$200,000 (the "Company Financing") through the issuance of 2,500,000 common shares at a price of \$0.08 per share.

On November 19, 2021, the Company announced that Ronald Erickson resigned from the board of directors and Judi Dalling resigned as Corporate Secretary. The board of directors elected Ralph Garcea to replace Ronald Erickson as a director, and Murray Duncan as Corporate Secretary.

On November 19, 2021, the Company cancelled an aggregate of 760,000 options to purchase Class "A" common shares previously granted to certain directors and officers of the Company.

Election of Directors

At the Company's annual general and special meeting, which was held on December 21, 2021, the following directors were appointed to hold office until the earlier of (i) completion of the Qualifying Transaction and (ii) the close of the next annual meeting of the shareholders, or until their successors are duly elected or appointed:

Rob Hutchison;
Michael Hutchison;
Vassilios Mitoulas; and
Ralph Garcea.

Election of Directors – Post Qualifying Transaction

At the Company's annual and special general meeting, which was held on December 21, 2021, the following individuals were elected to hold office as directors of the Company, upon to completion of the Qualifying Transaction:

Derek Spratt;
Johan Arnet;
Ralph Garcea;
Jim Lovie;
Peter Green; and
Evelyn Bailey.

Financial Position

The statement of financial position as at March 31, 2022 indicates a cash position of \$32,273 (September 30, 2021: \$84,208).

GST receivable is \$9,599 (September 30, 2021: \$1,237) and prepaid expenses are \$4,095 (September 30, 2021: \$2,167).

Current liabilities at March 31, 2022 total \$59,992 (September 30, 2021: \$113,192), comprised of legal fees of \$32,410 (September 30, 2021: \$87,898); audit fees of \$21,532 (September 30, 2021: \$9,250); agent's fees of \$nil (September 30, 2021: \$14,212); general office and administration \$590 (September 30, 2021: \$335); and filing fees of \$5,460 (September 30, 2021: \$1,497). On September 30, 2021, the Company entered into a debt settlement agreement with a service provider (the "Service Provider"). Pursuant to the terms of the agreement the Service Provider forgave amounts owing in the amount of \$107,568.

Shareholders' equity is comprised of share capital of \$737,236 (September 30, 2021: \$537,236), option reserves of \$52,445 (September 30, 2021: \$52,445), and an accumulated deficit of \$803,706 (September 30, 2021: \$639,687). During the period, the Company closed a non-brokered private placement and issued 2,500,000 common shares at a price of \$0.08 per share, for aggregate gross proceeds of \$200,000. Also, during the period, the Company cancelled 760,000 stock options.

As at March 31, 2022, the Company had a working capital deficit of \$14,025 (September 30, 2021: a deficit of \$25,006).

The weighted average number of common shares outstanding, basic and diluted, as at March 31, 2022 was 10,045,558 (September 30, 2021: 7,735,775).

Results of Operations

During the six months ended March 31, 2022, the Company reported a net loss of \$164,019 (March 31, 2021: \$57,728, \$0.02 basic and diluted loss per share (March 31, 2021: \$0.01 loss per share)).

Summary of Quarterly Results

The following table presents selected quarterly financial information of the Company for the eight completed quarters of operation prepared in accordance with IFRS and expressed in Canadian Dollars.

	2022		2021				2020	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-
Net income (loss) and comprehensive income (loss)	57,728	106,291	40,825	(7,017)	(16,385)	(15,026)	(28,855)	(3,284)
Basic and diluted income (loss) per share	(0.020)	(0.010)	0.000	(0.001)	(0.000)	(0.000)	(0.001)	(0.000)

Q4 of 2021 included a debt settlement of \$107,568. The Company's significant accounting policies are set out in Note 3 of the audited financial statements for the year ended September 30, 2021.

Analysis of Quarterly Results

	Notes	Six Months Ended March 31,		Three Months Ended March 31,	
		2022	2021	2022	2021
		\$	\$	\$	\$
Bank service charges		743	451	332	263
General office and administration		290	958	121	249
Marketing and promotion		1,197	-	-	-
Professional fees	a)	145,459	19,860	47,730	10,000
Transfer agent, listing and filing fees	b)	16,330	10,142	7,151	5,873

a) Professional fees to March 31, 2022 consist of legal fees of \$129,441 and audit fees of \$16,018 incurred as a result preparation for the Qualifying Transaction.

b) Transfer agent, listing and filing fees increased in Q1 of fiscal 2022 as a result of fees relating to the private placement and the annual general and special meeting held on December 21, 2021.

Liquidity & Capital Resources

The Company has financed its operations to date through the issuance of common shares.

	March 31, 2022	September 30, 2021
	\$	\$
Working capital (deficit)	(14,025)	(25,006)
Deficit	803,706	639,687

During the six months ended March 31, 2022, net cash used in operating activities was \$226,935 (March 31, 2021: \$19,286), comprised of a loss of \$164,019 (March 31, 2021: \$31,411), an increase in prepaid expenses of \$1,928 (March 31, 2021: \$2,492), an increase in accounts receivable of \$7,788 (March 31, 2021: \$1,519) and a decrease in accounts payable and accrued liabilities of \$53,200 (March 31, 2021: an increase of \$16,136).

Cash from financing activities was \$175,000 (March 31, 2021: \$nil), comprised of share subscriptions of \$200,000 less \$25,000 share subscriptions received prior to the period.

The Company's continuing operations as intended are dependent upon its ability to close the Business Combination, which will be subject to regulatory approval. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern. As at March 31, 2022, the Company has an accumulated deficit of \$803,706 (September 30, 2021: \$639,687) and reported a net loss of \$164,019 (March 31, 2021: a net loss of \$31,411). In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

Related Party Transactions

Included in accounts payable is \$622 due to officers and directors of the Company. These accounts are unsecured, non-interest bearing and due on demand.

Proposed Transactions

All current transactions are fully disclosed in the financial statements for the years ended March 31, 2022 and 2021.

Financial Instruments & Other Instruments

(a) Fair values

Financial instruments recognized at fair value on the statements of financial position must be classified in one of the following three fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability; or

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

As at March 31, 2022, the Company's financial instruments are comprised of cash and cash equivalents and accounts payable and accrued liabilities. With the exception of cash and cash equivalents and accounts receivables, all financial instruments held by the Company are measured at amortized cost.

(b) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and short-term investments. The Company limits its exposure to credit loss by placing its cash and cash equivalents and short-term investments with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

At March 31, 2022, the Company had cash and cash equivalents of \$32,273 (September 30, 2021: \$84,208) available to apply against short-term business requirements and current liabilities of \$59,992 (September 30, 2021: \$113,192). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of March 31, 2022.

(d) Other price risk

Other price risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

Changes in Accounting Policies

There were no new accounting policies adopted during the six months ended March 31, 2022.

Risks and Uncertainties

The following are risk factors associated with the Company:

- a) the Company has not commenced commercial operations and has no assets other than cash, prepaids and accounts receivable. It has no history of earnings, and shall not generate earnings or pay dividends until at least after completion of the Qualifying Transaction;
- b) investment in the common shares of the Company is highly speculative given the proposed nature of the Company's business and its present stage of development;
- c) the directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.
- d) there can be no assurance that an active and liquid market for the Company's common shares exists and an investor may find it difficult to resell its common shares;
- e) until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- f) the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;
- g) even though a proposed Qualifying Transaction has been identified, there can be no assurance that the Company will be able to successfully complete the transaction;

- h) completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the TSXV;
- i) trading in the common shares may be halted for reasons, including for failure by the Company to submit documents to the TSXV in the time periods required;
- j) in the event that the Company does not close the proposed Qualifying Transaction, the TSXV may suspend trading in the Company's common shares or delist the Company;
- k) neither the TSXV nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction; and
- l) the Company's business could be adversely affected by the effects of health epidemics, including the global COVID-19 pandemic. In December 2019, a novel strain of COVID-19 was reported in China. Since then, the COVID-19 has spread globally, to include Canada, the United States and several European countries. The spread of COVID-19 from China to other countries has resulted in the World Health Organization (WHO) declaring the outbreak of COVID-19 as a "pandemic," or a worldwide spread of a new disease, on March 11, 2020. Many countries around the world, including Canada, have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus, and have closed non-essential businesses. The global outbreak of COVID-19 continues to rapidly evolve. The extent to which COVID-19 may impact the Company's business and operations will depend on future developments, including the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease and whether Canada and other countries are required to move to complete lock-down status. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

As a result of these factors, this Offering is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the common shares.

Other MD&A Requirements

Information available on SEDAR

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR website – www.sedar.com.

Disclosure by Venture Issuer

An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements to which this MD&A relates.

Outstanding Share Data

Common shares issued and outstanding as at March 31, 2022 are described in detail in Note 6 to the condensed interim financial statements for the six months ended March 31, 2022 and 2021.

As at the date of this document, May 30, 2022, the Company had the following number of securities outstanding:

Number of Shares
10,235,775

**RMR SCIENCE TECHNOLOGIES INC.
4 – 3300 157A Street, Surrey, BC, Canada**

Form 51-102F1

**Management's Discussion & Analysis of Financial Condition and Results of Operations for the Financial
Years Ended September 30, 2021 and 2020**

Date: January 28, 2022

Management's Discussion and Analysis

The following management discussion and analysis (MD&A) of the financial information of RMR Science Technologies Inc. ("RMR" or the "Company") and results of operations should be read in conjunction with the Company's financial statements for the years ended September 30, 2021, and 2020. These documents are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include the operating results of the Company.

This MD&A was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on January 28, 2022. The information contained within this MD&A is current to January 28, 2022.

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian Dollars unless noted otherwise.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These forward-looking statements can generally be identified as such because of the context of the statements, including such words as "believes", "anticipates", "expects", "plans", "may", "estimates", or words of a similar nature. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from anticipated future results and/or achievements expressed or implied by such forward-looking statements, which speak only as of the date the statements were made. Readers are therefore advised to consider the risks associated with any such forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth herein.

Overview

The Company was incorporated on October 17, 2017, by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia). The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSXV") Policy 2.4.

The principal business of the Company will be the identification and evaluation of assets or businesses with an intent to completing a qualifying transaction.

On March 14, 2018, the TSXV issued a bulletin listing the common shares as of market open on March 15, 2018 and immediately halted trading pending completion of closing of the Initial Public Offering (See "*Initial Public Offering*" below). The common shares resumed trading under the trading symbol "RMS.P" on March 19, 2018.

Additional information relating to the Company can be found on the SEDAR website at www.sedar.com.

Overall Performance

Proposed transaction

On August 9, 2021, the Company entered into an arm's length Letter of Intent ("Turnium LOI") with Turnium Technology Group, Inc. ("TTGI"). Pursuant to the Turnium LOI, the Company will, subject to execution of definitive agreements, effect a business combination (the "Business Combination") which will result in the Company owning all of the issued and outstanding shares of TTGI. The proposed transaction is intended to be a QT of the Company pursuant to TSXV Policy 2.4, and on closing, the resulting issuer will be a technology issuer under TSXV policies.

Pursuant to the Business Combination, shareholders of TTGI will receive five common shares of the Company for each common share of TTGI, including common shares issued by TTGI pursuant to the the Bridge Financing and Concurrent Financing (both as hereinafter defined). TTGI currently has 53,832,143 common shares issued and outstanding.

Per the Turnium LOI, TTGI has raised \$1,500,000 (the "Bridge Financing") through the issuance of up to 3,125,000 units at a price of \$0.48 per unit, each unit consisting of one common share and one-half common share purchase warrant, each whole warrant entitling the holder to purchase one common share at a price of \$0.72 per share on or before December 31, 2022.

TTGI also intends to raise up to \$10,000,000 (the "Concurrent Financing") through the issuance of up to 17,857,143 subscription receipts at a price of \$0.56 per subscription receipt. Each subscription receipt will automatically convert into one unit of TTGI immediately prior to closing of the Business Combination. Each unit will consist of one common share and one-half of one common share purchase warrant, each warrant entitling the holder to purchase one common share at a price of \$0.75 per share for a period of two years from closing of the Business Combination. Based on the exchange ratio of five Company common shares for each TTGI common share, on closing of the Business Combination an aggregate of 89,285,715 common shares of the Company and 44,642,857 share purchase warrants of the Company would be issued to subscribers under the Concurrent Financing.

On closing of the Business Combination, the Company intends to grant new options to directors, officers, employees and consultants entitling them to purchase up to 1,020,000 common shares at a price of \$0.10 per share on or before March 15, 2023 and 1,000,000 common shares at a price of \$0.10 per share for a period of five years from closing of the Business Combination.

On October 7, 2021 the Company completed a non-brokered private placement of 2,500,000 common shares at a price of \$0.08 per common share for aggregate gross proceeds of \$200,000.

TTGI has agreed to pay the expenses incurred by the Company in connection with the Business Combination up to a maximum of \$150,000 if TTGI terminates the Turnium LOI in order to enter into a superior proposal.

TTGI's obligation to close the Business Combination is subject to the following conditions precedent for its benefit:

- The Company Financing completing on or before the expiration of thirty business days from August 9, 2021 (completed October, 2021);
- The Bridge Financing completing before the date of closing the Business Combination (completed); and
- The Transaction Financing completing on or before the date of closing the Business Combination.

The QT is subject to shareholder and TSXV approval. At a special meeting of the shareholders of the Company on December 21, 2021, the Business Combination was approved.

On December 21, 2021, the Company and TTGI entered into a definitive amalgamation agreement to effect the Business Combination which is intended to be a Qualifying Transaction. The Business Combination has been structure as a three-cornered amalgamation pursuant to which a wholly-owned subsidiary of the Company, 1333633 B.C. Ltd., and TTGI will amalgamate pursuant to the provisions of the *Business Corporations Act* (British Columbia) and the amalgamated company will become a wholly-owned subsidiary of the Company, which will be renamed TTGI OpCo Inc.

Corporate

On November 19, 2021, the Company announced that Ronald Erickson resigned from the board of directors and Judi Dalling resigned as Corporate Secretary. The board of directors elected Ralph Garcea to replace Ronald Erickson as a director, and Murray Duncan as Corporate Secretary.

On November 19, 2021, the Company cancelled an aggregate of 760,000 options to purchase Class "A" common shares previously granted to certain directors and officers of the Company.

Election of Directors

At the Company's annual general and special meeting, which was held on December 21, 2021, the following directors were appointed to hold office until the earlier of (i) completion of the Qualifying Transaction and (ii) the close of the next annual meeting of the shareholders, or until their successors are duly elected or appointed:

Rob Hutchison;
Michael Hutchison;
Vassilios Mitoulas; and
Ralph Garcea.

Election of Directors – Post Qualifying Transaction

At the Company's annual and special general meeting, which was held on December 21, 2021, the following individuals were elected to hold office as directors of the Company, upon to completion of the Qualifying Transaction:

Derek Spratt;
Johan Arnet;
Ralph Garcea;
Jim Lovie;
Peter Green; and
Evelyn Bailey.

Financial Position

The statement of financial position as at September 30, 2021 indicates a cash position of \$84,208 (September 30, 2020: \$115,865).

GST receivable is \$1,811 (September 30, 2020: \$1,237).

Included in prepaid expenses associated with the Qualifying Transaction are \$Nil (September 30, 2020: \$9,346).

Current liabilities at September 30, 2021 total \$113,192 (September 30, 2020: \$178,851), comprised of legal fees of \$87,898 (September 30, 2020: \$167,036); audit fees of \$9,250 (September 30, 2020: \$9,033); agent's fees of \$14,212 (September 30, 2020: \$nil); general office and administration \$335 (September 30, 2020: \$1,197); and transfer agent fees of \$1,497 (September 30, 2020: \$1,585). On September 30, 2021, the Company entered into a debt settlement agreement with a service provider (the "Service Provider"). Pursuant to the terms of the agreement the Service Provider forgave amounts owing in the amount of \$107,568.

Shareholders' equity is comprised of share capital of \$537,236 (September 30, 2020: \$537,236), option reserves of \$52,445 (September 30, 2020: \$52,445), share subscriptions received of \$25,000 and an accumulated deficit of \$639,687 (September 30, 2020: \$642,084).

As at September 30, 2021, the Company had working capital deficit of \$25,006 (September 30, 2020: \$52,403).

The weighted average number of common shares outstanding, basic and diluted, as at September 30, 2021 was 7,735,775 (September 30, 2020: 7,735,775).

Results of Operations

During the year ended September 30, 2021, the Company reported a net profit of \$2,397 (September 30, 2020: a net loss of 60,464), \$0.00 basic and diluted earnings per share (September 30, 2020: \$0.01 loss per share). The net profit for fiscal 2021 was a result of a debt settlement agreement with a supplier in the amount of \$107,568.

Summary of Quarterly Results

The following table presents selected quarterly financial information of the Company for the eight completed quarters of operation prepared in accordance with IFRS and expressed in Canadian Dollars.

	2021				2020			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue						-	-	-
Net income (loss) and comprehensive income (loss)	40,825	(7,017)	(16,385)	(15,026)	(28,855)	(3,284)	(13,391)	(14,934)
Basic and diluted income (loss) per share	0.000	(0.001)	(0.000)	(0.000)	(0.001)	(0.000)	(0.005)	(0.005)

Q4 of 2021 included a debt settlement of \$107,568. The Company's significant accounting policies are set out in Note 3 of the audited financial statements for the year ended September 30, 2021.

Analysis of Quarterly Results

For the periods ended:

Notes	Year Ended September 30,		Three Months Ended September 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
General and administrative expenses				
Bank service charges	909	490	195	490
General office and administration	2,370	1,169	209	-
Professional fees a)	80,278	23,166	60,418	73
Transaction costs	-	25,000	25,000	25,000
Transfer agent, listing and filing fees b)	21,614	10,639	6,879	2,368
Travel and entertainment	-	1,541	-	-

a) Professional fees to September 30, 2020 consist of legal fees of \$51,665 (September 30, 2020: \$14,562) and audit and accounting fees of \$28,613 (September 30, 2020: \$8,604), incurred as a result preparation for the Qualifying Transaction.

b) Transfer agent, listing and filing fees increased in Q4 of fiscal 2021 as a result of filing fees related to the Qualifying Transaction.

Liquidity & Capital Resources

The Company has financed its operations to date through the issuance of common shares.

	September 30,	
	2021	2020
	\$	\$
Working capital (deficit)	(25,006)	(52,403)
Deficit	639,687	642,084

During the year ended September 30, 2021, net cash used in operating activities was \$56,657 (September 30, 2020: \$17,892), comprised of a profit of \$2,397 (September 30, 2020: a loss of \$60,464), a decrease in accounts receivable and prepaid expenses of \$6,605 (September 30, 2020: \$24,836) and a decrease in accounts payable and accrued liabilities of \$65,659 (September 30, 2020: \$17,736).

Cash from financing activities was \$25,000 representing share subscriptions received (September 30, 2020: \$nil).

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. The financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2021, the Company has an accumulated deficit of \$639,687 (September 30, 2020: \$642,084) and reported a net profit of \$2,397 (September 30, 2020: a net loss of \$60,464). In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

Related Party Transactions

Included in accounts payable is \$332 due to officers and directors of the Company. These accounts are unsecured, non-interest bearing and due on demand.

Proposed Transactions

All current transactions are fully disclosed in the financial statements for the years ended September 30, 2021 and 2020.

Financial Instruments & Other Instruments

(a) Fair values

Financial instruments recognized at fair value on the statements of financial position must be classified in one of the following three fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability; or

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

As at September 30, 2021, the Company's financial instruments are comprised of cash and cash equivalents and accounts payable and accrued liabilities. With the exception of cash and cash equivalents and accounts receivables, all financial instruments held by the Company are measured at amortized cost.

(b) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and short-term investments. The Company limits its exposure to credit loss by placing its cash and cash equivalents and short-term investments with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

At September 30, 2021, the Company had cash and cash equivalents of \$84,208 (September 30, 2020: \$115,865) available to apply against short-term business requirements and current liabilities of \$113,192 (September 30, 2020: \$178,851). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of September 30, 2021.

(d) Other price risk

Other price risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

Changes in Accounting Policies

There were no new accounting policies adopted during the year ended September 30, 2021.

Risks and Uncertainties

The following are risk factors associated with the Company:

- a) the Company has not commenced commercial operations and has no assets other than cash, prepaids and accounts receivable. It has no history of earnings, and shall not generate earnings or pay dividends until at least after completion of the Qualifying Transaction;

- b) investment in the common shares of the Company is highly speculative given the proposed nature of the Company's business and its present stage of development;
- c) the directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.
- d) there can be no assurance that an active and liquid market for the Company's common shares exists and an investor may find it difficult to resell its common shares;
- e) until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- f) the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;
- g) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;
- h) completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the TSXV and, in the case of a Non Arm's Length Qualifying Transaction (as such term is defined in the policies of the TSXV);
- i) upon public announcement of a proposed Qualifying Transaction, trading in the common shares was halted and will remain halted for an indefinite period of time, typically until a Sponsor (as such term is defined in the policies of the TSXV) has been retained and certain preliminary reviews have been conducted. The common shares will be reinstated to trading before the TSXV has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction;
- j) trading in the common shares may be halted at other times for other reasons, including for failure by the Company to submit documents to the TSXV in the time periods required;
- k) the TSXV will generally suspend trading in the Company's common shares or delist the Company in the event that the TSXV has not issued a Final Exchange Bulletin within 24 months from the date of listing;
- l) neither the TSXV nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- m) in the event that management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts;
- n) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to an investor, which dilution may be significant and which may also result in a change of control of the Company; and

RMR SCIENCE TECHNOLOGIES INC.
4 – 3300 157A Street, Surrey, BC, Canada

Form 51-102F1

**Management's Discussion & Analysis of Financial Condition and Results of Operations for the Financial
Years Ended September 30, 2020 and 2019**

Date: January 28, 2021

Management's Discussion and Analysis

The following management discussion and analysis (MD&A) of the financial information of RMR Science Technologies Inc. ("RMR" or the "Company") and results of operations should be read in conjunction with the Company's financial statements for the year ended September 30, 2020. These documents are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to future performance. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include the operating results of the Company.

This MD&A was reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on January 28, 2021. The information contained within this MD&A is current to January 28, 2021.

The Company's critical accounting estimates, significant accounting policies and risk factors have remained substantially unchanged and are still applicable to the Company unless otherwise indicated. All amounts are expressed in Canadian Dollars unless noted otherwise.

Forward-Looking Statements

Certain statements contained in this MD&A may constitute forward-looking statements. These forward-looking statements can generally be identified as such because of the context of the statements, including such words as "believes", "anticipates", "expects", "plans", "may", "estimates", or words of a similar nature. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from anticipated future results and/or achievements expressed or implied by such forward-looking statements, which speak only as of the date the statements were made. Readers are therefore advised to consider the risks associated with any such forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth herein.

Overview

The Company was incorporated on October 17, 2017, by Certificate of Incorporation issued pursuant to the provisions of the *Business Corporations Act* (British Columbia). The Company is classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSXV") Policy 2.4.

The principal business of the Company will be the identification and evaluation of assets or businesses with an intent to completing a qualifying transaction.

On March 14, 2018, the TSXV issued a bulletin listing the Common Shares as of market open on March 15, 2018 and immediately halted trading pending completion of closing of the Initial Public Offering (See "*Initial Public Offering*" below). The Common Shares resumed trading under the trading symbol "RMS.P" on March 19, 2018.

Additional information relating to the Company can be found on the SEDAR website at www.sedar.com.

Overall Performance

Qualifying Transaction

On April 14, 2018, the Company signed a letter of intent ("LOI") with cannÖgen Biosciences Inc. ("cannÖgen"), a privately held Company existing under the laws of the state of Nevada, having respect to a proposed business combination between the Company and cannÖgen (the "Qualifying Transaction") by way of an amalgamation, arrangement, share purchase or other similar form of transaction which will result in cannÖgen becoming a wholly-owned subsidiary of the Company, or otherwise combining its corporate existence with that of the Company. The final structure of the Qualifying Transaction is subject to receipt of tax, corporate and securities laws advice for both the Company and cannÖgen. Upon completion of the Qualifying Transaction, the combined entity will continue to carry on the business of cannÖgen.

The Qualifying Transaction is expected to proceed by way of a business combination pursuant to which cannÖgen will become a wholly-owned subsidiary of the Company, and as consideration therefore, the Company will issue and deliver up to 7,500,000 class "A" common shares ("Common Shares") of the Company at a deemed price of \$0.27 per Common Share, or at such other price as may be agreed to by the parties and the TSXV.

Prior to the completion of the Qualifying Transaction, the Company will complete a brokered private placement of 10,000,000 subscription receipts ("Subscription Receipts") at a price of \$0.40 per Subscription Receipt, for aggregate gross proceeds of a minimum of \$3,000,000 up to a maximum of \$5,000,000 (the "Offering"). Upon completion of the Qualifying Transaction, each Subscription Receipt will automatically convert without any further action on the part of the holder into one Common Share of the Company and one half of one Common Share purchase warrant of the Company. Each whole Common Share purchase warrant ("Warrant") will entitle the holder to acquire one Common Share at an exercise price of \$0.60 per Common Share for a period of two years from the date of issuance. The Warrants will also contain an accelerated expiry provision wherein if the Common Shares of the Company trade over \$0.85 on the TSXV, or on another recognized exchange, for a period of ten consecutive trading days, the Company may provide written notice to the holder that the Warrant will expire 30 days from the date of that notice. Subject to the terms of an agency agreement to be entered into in connection with the Offering, the agents for the Offering are expected to receive a cash commission equal to 7% of the gross proceeds raised by such agents and such number of broker warrants ("Broker Warrants"), that is equal to 7% of the number of Subscription Receipts sold by such broker. Each Broker Warrant will be exercisable to acquire one Common Share at a price of \$0.50 for a period of two years from the date of issuance. The Subscription Receipts will be issued in accordance with the terms of a subscription receipt indenture that will provide that the gross proceeds for the Offering will be held in escrow pending completion of the Qualifying Transaction. During the period from October 17, 2017 (date of incorporation) to September 30, 2018, the Company advanced \$25,000 to Canaccord as a non-refundable deposit to assist with Qualifying Transaction costs. The deposit was expensed to Transaction costs during the year ended September 30, 2020. In connection with the Offering, the Company has \$7,071 (2019 – \$32,071) in deferred financing costs.

On May 30, 2019, the Company received conditional approval from the TSXV for its Qualifying Transaction and entered a definitive agreement with cannÖgen (the "Definitive Agreement") and the holders ("cannÖgen Shareholders") of cannÖgen common shares ("cannÖgen Shares"). Pursuant to the Definitive Agreement, RMR will acquire all of the outstanding cannÖgen Shares from the cannÖgen Shareholders in exchange for issuing an aggregate of 7,500,000 Common Shares to the cannÖgen Shareholders on the basis of one Common Share for every one cannÖgen Share. The Definitive Agreement contains such covenants, conditions and indemnities as are customary in a transaction of this nature and having regard to the business of RMR and cannÖgen including, without limitation, receipt of all applicable regulatory approvals and completion of RMR's previously announced private placement. In connection with this proposed transaction, the Company has incurred transaction costs of \$66,053 (2019: \$41,053).

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

Initial Public Offering

On March 15, 2018, the Company completed its initial public offering of 5,000,000 class "A" common shares ("Common Shares") at a price of \$0.10 per Common Share for gross proceeds of \$500,000.

Stock Options and Agent's Options

On March 15, 2018, the Company granted options to acquire an aggregate of 760,000 Common Shares at an exercise price of \$0.10 per Common Share to directors and officers of the Company, which will expire five years from the date of grant, vesting immediately. The fair value of the stock options granted was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk free interest rate of 2.06%; expected dividend rate of 0%; expected volatility of 88%; expected life of five years; and forfeiture rate of 0%. The fair value of the options was calculated at \$52,445, which was recognized during the period from October 17, 2017 (date in corporation) to September 30, 2018 as share-based payment expense.

On March 15, 2018, the Company granted 500,000 non-transferable stock options to the Agent ("Agent Options") at an exercise price of \$0.10 per Common Share. The Agent's Options will expire 24 months from the date the Common Shares were listed on the TSXV, which was March 15, 2018. The fair value of the stock options granted was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk free interest rate of 2.06%; expected dividend rate of 0%; expected volatility of 88%; expected life of two years; and forfeiture rate of 0%. The fair value of the options was calculated at \$23,805, which was recognized as Agent's Option Reserve during the year ended September 30, 2019.

On April 6, 2018, the Agent exercised 135,775 Agent's options for gross proceeds of \$13,577. \$6,417 was transferred to Share Capital from Agent Option Reserve to recognize the fair value of the options exercised.

On March 15, 2020, 364,225 Agent's options expired unexercised and \$17,388 was removed from Agent's Option Reserve.

Financial Position

The statement of financial position as at September 30, 2020 indicates a cash position of \$115,865 (September 30, 2019: \$133,757).

GST receivable is \$1,237 (September 30, 2019: \$3,349).

Prepaid expenses associated with the Qualifying Transaction are \$32,071 (September 30, 2019: \$32,701).

Current liabilities at September 30, 2020 total \$178,851 (September 30, 2019: \$161,116), comprised of legal fees of \$167,036 (September 30, 2019: \$155,195); audit fees of \$9,033 (September 30, 2019: \$nil); marketing and promotion of \$nil (September 30, 2019: \$1,071); general office and administration \$1,197 (September 30, 2019: \$26); and transfer agent fees of \$1,585 (September 30, 2019: \$4,824).

Shareholders' equity is comprised of share capital of \$537,236 (September 30, 2019: \$519,848), option reserves of \$52,445 (September 30, 2019: \$69,833) and an accumulated deficit of \$642,084 (September 30, 2019: \$581,620).

As at September 30, 2020, the Company had working capital deficit of \$52,043 (September 30, 2019: working capital of \$8,061).

The weighted average number of Common Shares outstanding, basic and diluted, as at September 30, 2020 was 5,135,775 (September 30, 2019: 5,135,775).

Results of Operations

During the year ended September 30, 2020, the Company reported a net loss of \$60,464 (September 30, 2019: \$299,792), \$0.01 basic and diluted loss per share (September 30, 2019: \$0.06).

Summary of Quarterly Results

The following table presents selected quarterly financial information of the Company for the eight completed quarters of operation prepared in accordance with IFRS and expressed in Canadian Dollars.

	2020				2019			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	-	-	-	-	-	-	-	-
Net loss and comprehensive loss	28,855	3,284	13,391	14,934	110,324	23,128	77,504	88,836
Basic and diluted loss per share	0.000	0.000	0.005	0.005	0.010	0.010	0.010	0.020

Q4 of 2019 included legal fees of \$103,698 incurred in preparation for the Qualifying Transaction. The Company's significant accounting policies are set out in Note 3 of the audited financial statements for the year ended September 30, 2020.

Analysis of Quarterly Results

For the periods ended:

	Notes	Year Ended September 30,		Three Months Ended September 30,	
		2020	2019	2020	2019
		\$	\$	\$	\$
General and administrative expenses					
Bank service charges		490	1,251	245	401
Foreign exchange		-	73	-	25
General office and administration		1,169	-	-	-
Marketing and promotion		-	-	-	(1,412)
Professional fees	a)	23,166	237,825	73	62,645
Transaction costs	b)	25,000	41,053	25,000	-
Transfer agent, listing and filing fees	c)	10,639	18,049	2,368	6,071
Travel and entertainment		-	1,541	-	1,541

a) Professional fees to September 30, 2020 consist of legal fees of \$14,562 (September 30, 2019: \$188,607) and accounting fees of \$8,604 (September 30, 2019: \$49,218). F2019 professional fees were incurred as a result preparation for the Qualifying Transaction.

b) Transaction costs – during F2020, the Company expensed the \$25,000 non-refundable deposit paid to Canaccord. During F2019 the Company incurred legal fees of \$41,053 in Qualifying Transaction costs.

- c) Transfer agent, listing and filing fees – F2019 included filing fees associated with the Qualifying Transaction.

Liquidity & Capital Resources

The Company has financed its operations to date through the issuance of Common Shares.

	September 30,	
	2020	2019
	\$	\$
Working capital (deficit)	(52,403)	8,061
Deficit	642,084	581,620

During the year ended September 30, 2020, net cash used in operating activities was \$17,892 (September 30, 2019: \$234,918), comprised of a loss of \$60,464 (September 30, 2019: \$299,792), accounts receivable of \$2,111 (September 30, 2019: \$3,349) and an increase in accounts payable and accrued liabilities of \$17,736 (September 30, 2019: \$68,223).

Cash used in financing activities was \$nil (September 30, 2019: \$39,972), comprised of share issuance costs of \$nil (September 30, 2019: \$32,901), and deferred financing costs of \$nil (September 30, 2019: \$7,071).

The Company's continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. The audited financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2020, the Company has an accumulated deficit of \$642,084 (September 30, 2019: \$581,620) and reported a net loss of \$60,464 (September 30, 2019: \$299,792). In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements that would potentially affect current or future operations or the financial condition of the Company.

Related Party Transactions

Included in accounts payable is \$1,197 due to officers and directors of the Company. These accounts are unsecured, non-interest bearing and due on demand.

Proposed Transactions

All current transactions are fully disclosed in the condensed interim financial statements for the year ended September 30, 2020.

Financial Instruments & Other Instruments

(a) Fair values

Financial instruments recognized at fair value on the consolidated statements of financial position must be classified in one of the following three fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability; or

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

As at September 30, 2020, the Company's financial instruments are comprised of cash and cash equivalents and accounts payable and accrued liabilities. With the exception of cash and cash equivalents and accounts receivables, all financial instruments held by the Company are measured at amortized cost.

(b) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and short-term investments. The Company limits its exposure to credit loss by placing its cash and cash equivalents and short-term investments with high credit quality financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

At September 30, 2020, the Company had cash and cash equivalents of \$115,865 (September 30, 2019: \$133,757) available to apply against short-term business requirements and current liabilities of \$178,851 (September 30, 2019: \$161,116). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of September 30, 2020.

(d) Other price risk

Other price risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

Changes in Accounting Policies

IFRS 16 – Leases:

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for reporting periods

beginning on or after January 1, 2019, with early application permitted. There was no material impact on the financial statements upon adoption of IFRS 16.

Risks and Uncertainties

The following are risk factors associated with the Company:

- a) the Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after completion of the Qualifying Transaction;
- b) investment in the Common Shares of the Company highly speculative given the proposed nature of the Company's business and its present stage of development;
- c) the directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.
- d) there can be no assurance that an active and liquid market for the Company's Common Shares exists and an investor may find it difficult to resell its Common Shares;
- e) until completion of a Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions;
- f) the Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction;
- g) even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;
- h) completion of the Qualifying Transaction is subject to a number of conditions including acceptance by the TSXV and, in the case of a Non Arm's Length Qualifying Transaction (as such term is defined in the policies of the TSXV), Majority of the Minority Approval (as such term is defined in the policies of the TSXV);
- i) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed Non Arm's Length Qualifying Transaction for which Majority of the Minority Approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Company of fair value for the Common Shares;
- j) upon public announcement of a proposed Qualifying Transaction, trading in the Common Shares was halted and will remain halted for an indefinite period of time, typically until a Sponsor (as such term is defined in the policies of the TSXV) has been retained and certain preliminary reviews have been conducted. The Common Shares will be reinstated to trading before the TSXV has reviewed the transaction and before the Sponsor has completed its full review. Reinstatement to trading provides no assurance with respect to the merits of the transaction or the likelihood of the Company completing the proposed Qualifying Transaction;
- k) trading in the Common Shares may be halted at other times for other reasons, including for failure by the Company to submit documents to the TSXV in the time periods required;

- l) the TSXV will generally suspend trading in the Company's Common Shares or delist the Company in the event that the TSXV has not issued a Final Exchange Bulletin within 24 months from the date of listing;
- m) neither the TSXV nor any securities regulatory authority passes upon the merits of the proposed Qualifying Transaction;
- n) in the event that management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed Qualifying Transaction, investors may find it difficult or impossible to effect service of notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts. A director of the Company currently resides outside of Canada;
- o) the Qualifying Transaction may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to an investor, which dilution may be significant and which may also result in a change of control of the Company; and
- p) subject to prior acceptance by the TSXV, the Company may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover that loan.
- q) the Company's business could be adversely affected by the effects of health epidemics, including the global COVID-19 pandemic. In December 2019, a novel strain of COVID-19 was reported in China. Since then, the COVID-19 has spread globally, to include Canada, the United States and several European countries. The spread of COVID-19 from China to other countries has resulted in the World Health Organization (WHO) declaring the outbreak of COVID-19 as a "pandemic," or a worldwide spread of a new disease, on March 11, 2020. Many countries around the world, including Canada, have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus, and have closed non-essential businesses. The global outbreak of COVID-19 continues to rapidly evolve. The extent to which COVID-19 may impact the Company's business and operations will depend on future developments, including the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease and whether Canada and other countries are required to move to complete lock-down status. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

As a result of these factors, this Offering is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the Common Shares.

Other MD&A Requirements

Information available on SEDAR

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR website – www.sedar.com.

Disclosure by Venture Issuer

An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements to which this MD&A relates.

Outstanding Share Data

Common Shares issued and outstanding as at September 30, 2020 are described in detail in Note 6 to the audited financial statements for the year ended September 30, 2020.

As at the date of this document, January 28, 2021, the Company had the following number of securities outstanding:

Number of Shares	\$	Number of Options	Exercise Price (\$)	Expiry Date
7,735,775	537,206			
		760,000	0.10	March 15, 2023

- o) subject to prior acceptance by the TSXV, the Company may be permitted to loan or advance up to an aggregate of \$250,000 of its proceeds to a target business without requiring shareholder approval and there can be no assurance that the Company will be able to recover that loan.
- p) the Company's business could be adversely affected by the effects of health epidemics, including the global COVID-19 pandemic. In December 2019, a novel strain of COVID-19 was reported in China. Since then, the COVID-19 has spread globally, to include Canada, the United States and several European countries. The spread of COVID-19 from China to other countries has resulted in the World Health Organization (WHO) declaring the outbreak of COVID-19 as a "pandemic," or a worldwide spread of a new disease, on March 11, 2020. Many countries around the world, including Canada, have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus, and have closed non-essential businesses. The global outbreak of COVID-19 continues to rapidly evolve. The extent to which COVID-19 may impact the Company's business and operations will depend on future developments, including the duration of the outbreak, travel restrictions and social distancing in Canada and other countries, the effectiveness of actions taken in Canada, the United States and other countries to contain and treat the disease and whether Canada and other countries are required to move to complete lock-down status. The ultimate long-term impact of COVID-19 is highly uncertain and cannot be predicted with confidence.

As a result of these factors, this Offering is only suitable to investors who are willing to rely solely on management of the Company and who can afford to lose their entire investment. Those investors who are not prepared to do so should not invest in the common shares.

Other MD&A Requirements

Information available on SEDAR

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR website – www.sedar.com.

Disclosure by Venture Issuer

An analysis of the material components of the Company's general and administrative expenses is disclosed in the financial statements to which this MD&A relates.

Outstanding Share Data

Common shares issued and outstanding as at September 30, 2021 are described in detail in Note 7 to the audited financial statements for the year ended September 30, 2021.

As at the date of this document, January 28, 2022, the Company had the following number of securities outstanding:

Number of Shares	\$
10,235,775	737,206

Appendix C

Financial Statements of Turnium Technology Group, Inc.

TURNIUM TECHNOLOGY GROUP, INC.

Condensed Interim Consolidated Financial Statements

March 31, 2022

(Expressed in Canadian dollars)

(UNAUDITED)

TURNIUM TECHNOLOGY GROUP, INC.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars)
(Unaudited)

	March 31, 2022 \$	September 30, 2021 \$
Assets		
Current assets		
Cash	467,633	432,346
Cash, restricted (Note 21(c))	1,296,687	-
Amounts receivable	314,650	518,061
Prepaid expenses	311,554	36,868
Total current assets	2,390,524	987,275
Non-current assets		
Property and equipment (Note 7)	59,440	54,757
Right-of-use assets (Note 6)	102,908	-
Intangible assets (Note 8)	303,405	314,000
Goodwill (Note 5)	1,137,158	1,137,158
Total assets	3,993,435	2,493,190
Liabilities and Deficiency		
Current liabilities		
Accounts payable and accrued liabilities	1,422,124	981,857
Deferred revenue	70,487	32,706
Due to related parties (Note 12)	271,940	542,562
Promissory note (Note 11)	300,000	300,000
Loans payable (Note 10)	1,167,595	652,366
Lease liabilities (Note 9)	8,211	-
Subscription receipts (Note 21)	1,296,687	-
Total current liabilities	4,537,044	2,509,491
Non-current liabilities		
Loans payable (Notes 10)	1,125,647	629,192
Lease liabilities (Note 9)	97,184	-
Derivative warrant liabilities (Note 13)	963,521	2,247,217
Deferred tax liability	84,780	84,780
Total liabilities	6,808,176	5,470,680
Deficiency		
Common shares (Note 14)	6,595,598	6,460,049
Subscriptions receivable	(100)	(100)
Other reserve	590,743	590,743
Share-based payment reserve (Note 16)	3,170,315	2,119,747
Warrant reserve (Note 13 (a))	1,517,593	-
Deficit	(14,688,890)	(12,147,929)
Total deficiency	(2,814,741)	(2,977,490)
Total liabilities and deficiency	3,993,435	2,493,190

Nature of operations and going concern (Note 1)

Subsequent events (Note 21)

Approved and authorized for issuance by the Board of Directors on June 6, 2022

“JOHAN ARNET”

“DEREK SPRATT”

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

TURNIUM TECHNOLOGY GROUP, INC.

Condensed Interim Consolidated Statements of Comprehensive Loss

(Expressed in Canadian dollars except share amounts)

(Unaudited)

	Three months ended March 31		Six months ended March 31	
	2022	2021	2022	2021
Revenue	1,451,922	799,367	2,668,084	1,713,202
Cost of good sold	(544,539)	(151,129)	(840,523)	(192,445)
Gross profit	907,383	648,238	1,827,561	1,520,757
Expenses				
Amortization (Note 7)	14,679	10,546	18,224	11,976
Amortization of right-of-use assets (Note 6)	1,378	6,150	1,378	12,299
General and administrative	747,399	277,050	1,463,121	925,941
Research and development	275,496	239,978	485,431	424,847
Sales and marketing	433,178	500,117	807,372	596,742
Share-based compensation (Note 16)	682,362	-	1,180,716	-
Total operating expenses	2,154,491	1,033,841	3,956,242	1,971,805
Loss before other income (loss)	(1,247,109)	(385,603)	(2,128,681)	(451,048)
Other income (loss)				
Gain on change in fair value of derivatives (Note 13)	6,305	-	40,542	-
Foreign exchange gain (loss)	(1,479)	(9,735)	2,597	(30,569)
Government assistance (Note 10(a))	-	12,682	-	22,062
Interest expense	(239,741)	(84,046)	(455,419)	(164,282)
Scientific Research & Experimental Development refund (Note 21 (e))	-	-	-	253,512
Net income loss and comprehensive loss for the period	(1,482,024)	(466,702)	(2,540,961)	(370,325)
Basic and diluted loss per common share	\$(0.03)	\$(0.01)	\$(0.04)	\$(0.01)
Weighted average number of common shares outstanding	58,373,629	49,797,168	58,029,693	48,889,758

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

TURNIUM TECHNOLOGY GROUP, INC.

Condensed Interim Consolidated Statements of Changes in Deficiency

(Expressed in Canadian dollars except share amounts)

(Unaudited)

	Common Shares Number #	Common Shares Amount \$	Common Shares Subscribed \$	Other Reserve \$	Share-based Payment Reserve \$	Warrant Reserve \$	Deficit \$	Total Deficiency \$
Balance, September 30, 2020 (Note 2(b))	49,311,437	1,709,413	(100)	590,743	1,208,809	—	(6,523,505)	(3,014,640)
Net changes upon Amalgamation (Note 4)	(781,868)	—	—	—	—	—	—	—
Balance, October 1, 2020, after Amalgamation	48,529,569	1,709,413	(100)	590,743	1,208,809	—	(6,523,505)	(3,014,640)
Net loss and comprehensive loss	—	—	—	—	—	—	(370,325)	(370,325)
Balance, March 31, 2021	48,529,569	1,709,413	(100)	590,743	1,208,809	—	(6,893,830)	(3,384,965)
Balance, September 30, 2021	57,693,234	6,460,049	(100)	590,743	2,119,747	—	(12,147,929)	(2,977,490)
Share-based compensation (Note 16)	—	—	—	—	1,180,716	—	—	1,180,716
Derivative warrant reclassified (Note 13 (a))	—	—	—	—	—	1,517,593	—	1,517,593
Common shares issued for exercise of options (Note 14)	805,731	130,148	—	—	(130,148)	—	—	—
Share issuance costs	—	5,401	—	—	—	—	—	5,401
Net loss and comprehensive loss	—	—	—	—	—	—	(2,540,961)	(2,540,961)
Balance, March 31, 2022	58,498,965	6,595,598	(100)	590,743	3,170,315	1,517,593	(14,688,890)	(2,814,741)

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

TURNIUM TECHNOLOGY GROUP, INC.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

(Unaudited)

	Six Months Ended March 31, 2022 \$	Six Months Ended March 31, 2021 \$
Operating activities		
Net loss for the period	(2,540,961)	(370,325)
Items not affecting cash:		
Accretion	267,903	6,860
Depreciation and amortization	18,224	11,976
Amortization of right-of-use assets	1,378	12,299
Gain on change in fair value of derivatives (Note 13)	(40,542)	-
Government assistance	-	(22,062)
Loan interest	-	157,422
Lease interest	1,108	2,751
Share-based compensation (Note 16)	1,180,716	-
Changes in non-cash operating working capital:		
Amounts receivable	203,411	95,236
Prepaid expenses	(274,686)	(88,835)
Accounts payable	440,267	161,813
Accrued liabilities	-	(391,080)
Deferred revenue	37,781	(3,470)
Net cash provided by (used in) operating activities	(705,401)	(427,415)
Investing activities		
Purchase of property and equipment	(12,311)	(5,924)
Cash acquired through TNET acquisition	-	77,646
Net cash provided by (used in) investing activities	(12,311)	71,722
Financing activities		
Proceeds from convertible note (Note 10 (c))	1,000,000	-
Finance cost of convertible note	18,220	-
Proceeds from (repayments to) related parties (Note 12 (a)(b)(d)(e))	(270,622)	141,102
Proceeds from CEBA loans	-	100,000
Subscriptions received	-	8,000
Share issuance costs	5,401	-
Repayment of lease liabilities	-	(14,850)
Net cash provided by (used in) financing activities	752,999	234,252
Increase (decrease) in cash	35,287	(121,441)
Cash beginning of the period	432,346	437,475
Cash, end of period	467,633	316,034
Supplemental cash flow information (Note 20)		

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

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1. Nature of Operations and Going Concern

Turnium Technology Group, Inc. (the "Company") was formed by way of amalgamation on October 1, 2020 under the Business Corporations Act (British Columbia). The Company's registered office is located at Suite 3200 – 650 West Georgia Street, Vancouver, British Columbia, V6B 4P7.

The Company is engaged in the provision of an SD-WAN business platform, professional IT services and support, hardware sales and the resale of third-party services targeted at corporate clients.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As of March 31, 2022, the Company had a working capital deficit of \$2,146,520, an accumulated deficit of \$14,688,890, and during the six months ended March 31, 2022, the Company incurred a net loss of \$2,540,961. These factors, among others, indicate there are material uncertainties that may cast significant doubt as to the ability of the Company to continue as a going concern. Management believes that the proceeds from additional equity financing activities that it is currently pursuing, combined with revenue that the Company expects to generate in subsequent periods, will provide the Company with sufficient working capital to satisfy its liabilities and commitments as they become due for the foreseeable future. There can be no assurances that sufficient equity can be raised on acceptable terms on a timely basis. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

The condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the condensed interim consolidated financial statements. Such adjustments could be material.

2. Statement of Compliance

(a) Basis of Preparation

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. These condensed interim consolidated financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the year ended September 30, 2021 (the "annual financial statements"), which include the information necessary or useful to understanding the Company's business and financial statement presentation. In particular, the Company's use of judgements and estimates and significant accounting policies were presented in note 2(b) of those annual financial statements and have been consistently applied in the preparation of these condensed interim consolidated financial statements.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations

(b) Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Tenacious Networks Inc. ("TNET"), a company incorporated in the province of British Columbia in 2019. All intercompany transactions have been eliminated on consolidation.

On October 1, 2020, the Company was formed by the amalgamation of five companies under the Business Corporations Act (British Columbia). The amalgamation effected a business combination of Multapplied Networks Inc., Turnium Technology Group Inc., Turnium Technology Ltd., Plait Networks Ltd., and M.N.I. Investment Holdings Ltd. Each company agreed to the amalgamation under the provisions of the Business Corporations Act (British Columbia) and to continue as one company under the name of Turnium Technology Group, Inc. (Note 4).

Business combinations involving entities under common control are outside the scope of IFRS 3, *Business*

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Combinations, and as a result, due to the common control of the predecessor companies, the accounting for amalgamation was outside the scope of IFRS 3. The amalgamation was accounted for as a transfer of the carrying amounts of assets and liabilities under the predecessor value method of accounting. Under the predecessor value method, assets and liabilities are recorded at their carrying value rather than their fair market value and no goodwill is recorded. Further, financial statements are reported on a combined basis as if the business combination had occurred at the beginning of the reporting period.

(c) Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, and are presented in Canadian dollars, which is also the functional currency of the parent and subsidiary of the Company.

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the period.

These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. Accounting Standards

Accounting standards or amendments to existing accounting standards that have been issued but which have future effective dates are either not applicable or are not expected to have a significant impact on the Company's condensed interim consolidated financial statements.

4. Amalgamation

Effective October 1, 2020, the Company completed an amalgamation agreement (the "Amalgamation Agreement"). Pursuant to the Amalgamation Agreement, Turnium Technology Group Inc. ("TTGI") amalgamated (the "Amalgamation") with Turnium Technology, Ltd. ("Turnium"), Plait Networks Ltd. ("Plait"), Multapplied Networks Inc. ("MNI") and M.N.I. Investment Holdings Ltd. ("MNIH", and together with TTGI, Turnium, Plait and MNI, the "Amalgamating Companies") under the name of Turnium Technology Group, Inc. ("Amalco"). Pursuant to the Amalgamation Agreement the common shares of Amalco were cancelled and 48,529,569 common shares were issued to the shareholders of the Amalgamating Companies.

In addition, the 4,436,000 outstanding options to purchase MNI common shares ("MNI Options") were converted into options to purchase Amalco common shares on a 0.59792308 to one basis with the same terms and conditions of the outstanding MNI Options including the exercise price and expiry date. The 3,500,000 outstanding warrants exercisable into shares of MNI ("MNI Warrants") were converted into warrants to purchase Amalco common shares on a 0.5 to one basis with the same terms and conditions of the outstanding MNI Warrants except with an exercise price of \$0.30.

The 225,000 outstanding options to purchase TTGI common shares ("TTGI Options") were converted into options to purchase Amalco common shares on a 0.5 to one basis with the same terms and conditions of the outstanding TTGI Options including the exercise price and expiry date. The 2,261,617 outstanding warrants exercisable into shares of TTGI were cancelled for no consideration.

5. Acquisition

On February 28, 2021, the Company entered into a share purchase agreement (the "Share Purchase Agreement") with the shareholders of Tenacious Networks Inc. ("TNET"), whereby the Company purchased 100% of the issued and outstanding common shares of TNET. In consideration, the Company issued 6,343,916 common shares of the Company to the shareholders of TNET with a fair value of

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\$2,700,000 and entered into a promissory note with the shareholders of TNET for a principal amount of \$300,000 (Note 11). The shareholders of TNET consisted of a company controlled by the former President of TNET and a company controlled by the CEO of the Company. As TNET meets the IFRS 3, *Business Combinations*, definition of a business the acquisition was accounted for as a business combination and measured at the fair value of consideration paid of \$3,000,000. TNET is engaged in the provision of professional IT services and support, hardware sales and resell of third party services targeted at corporate clients.

In accordance with the acquisition method of accounting, the acquisition cost had been allocated on a preliminary basis to the identifiable underlying assets acquired and liabilities assumed, based upon their estimated fair values at the date of acquisition. As such the purchase price allocation at February 28, 2021 was preliminary and the determination of the final working capital adjustment, the identification of any intangible assets and the finalization of the value of goodwill remained provisional. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identified adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition would be revised. No such information was obtained and, therefore, no revision to the acquisition cost was made.

The purchase price allocation for the acquisition of TNET is summarized as follows:

	\$
Fair value of TNET's net assets acquired:	
Cash	77,646
Amounts receivable	172,518
Other current assets	1,133
Intangible assets	611,000
Goodwill	2,582,027
Accounts payable and accrued liabilities	(37,615)
Due to related parties	(202,906)
Deferred revenue	(38,833)
Deferred tax liability	(164,970)
Total fair value of TNET's net assets acquired	3,000,000

The resulting goodwill represents the sales and growth potential of TNET and will not be deductible for tax purposes. At September 30, 2021, the Company completed an impairment test and determined the fair value of goodwill to be \$1,137,158. As a result, for the year ended September 30, 2021, the Company recognized impairment of goodwill of \$1,444,869.

Included in the condensed interim consolidated statements of comprehensive loss for the six months ended March 31, 2022, the Company recognized revenue of TNET of \$1,106,803 (2021 - \$142,790) and net income (loss) of \$23,047 (2021 - (\$2,334)).

Had the acquisition occurred at the beginning of the six month period ended March 31, 2021, revenue would have increased by \$600,480, resulting in consolidated revenue of \$2,313,682. Had the acquisition occurred at the beginning of the three month period ended March 31, 2021, revenue would have increased by \$224,902, resulting in consolidated revenue of \$1,024,269.

6. Right-of-Use Asset

	Total \$
Cost:	
Balance, September 30, 2021	-
Additions	104,287
Impairment	-
Balance, March 31, 2022	104,287

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Accumulated amortization:

Balance, September 30, 2021	-
Amortization	(1,378)
Balance, March 31, 2022	(1,378)

Carrying amounts:

Balance, September 30, 2021	-
Balance, March 31, 2022	102,908

- a) During the six months ended March 31, 2022 the Company entered into a five-year office lease resulting in a right-of-use asset, offset by the corresponding lease liability.

7. Property and Equipment

	Furniture and Fixtures \$	Computer Equipment \$	Total \$
Cost:			
Balance, September 30, 2021	49,152	31,494	80,646
Additions	1,386	10,925	12,311
Impairment	-	-	-
Balance, March 31, 2022	50,538	42,419	92,957
Accumulated amortization:			
Balance, September 30, 2021	16,730	9,159	25,889
Amortization	3,320	4,308	7,628
Balance, March 31, 2022	20,050	13,467	33,517
Carrying amounts:			
Balance, September 30, 2021	32,422	22,335	54,757
Balance, March 31, 2022	30,488	28,951	59,440

8. Intangible Assets

	Customer Lists \$
Balance, September 30, 2020	-
Additions (Note 5)	611,000
Amortization	(23,761)
Impairment	(273,239)
Balance, September 30, 2021	314,000
Amortization	(10,595)
Balance, March 31, 2022	303,405

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9. Lease Liabilities

The lease liability, which consists of a five-year lease of office space, has been discounted using a 12.75% interest rate.

	\$
Balance at September 30, 2021	—
Additions	104,287
Interest expense	1,108
Lease payments	-
Balance at March 31, 2022	105,395

The following is a schedule of future minimum lease payments:

Fiscal year ending September 30:	\$
2022	7,175
2023	28,700
2024	31,092
2025	32,800
2026	32,800
2027	13,667
Net minimum lease payments	146,233
Amount representing interest	(40,838)
Present value of minimum lease payments	105,395
Less: current portion	(8,211)
Long-term portion	97,184

10. Loans Payable

	March 31, 2022 \$	September 30, 2021 \$
Canada Emergency Business Account loans payable (a)	180,000	180,000
Shareholder loan payable (b)	18,250	18,250
Convertible loan payable (c)	1,000,000	-
Loan payable (d)	1,850,000	1,850,000
Sub-total	3,048,250	2,048,250
Less: debt discount	(755,008)	(766,692)
Balance, net	2,293,242	1,281,558
Less current portion	1,167,595	652,366
Long-term portion	1,125,647	629,192

- a) The Company received Canada Emergency Business Account ("CEBA") loans in three equal instalments for the aggregate amount of \$180,000 funded by the Government of Canada. The loans are interest-free and may be repaid any time before December 31, 2023, at which time, if unpaid, the remaining balance will convert to a 3-year term loan at an interest rate of 5% per annum. If the Company repays these loans prior to December 31, 2023, there will be loan forgiveness of 25% of the loan repaid, up to a maximum of \$60,000 if all loan instalments are repaid. Although the maximum forgivable portion of the loans of \$60,000 is not repayable if the Company repays the amount of

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\$120,000 by December 31, 2023, this amount will be recognized in income when the Company has reasonable assurance that the terms of early repayment of this aid will be complied with.

At March 31, 2022 the Company reported the carrying value of these loans at \$164,579 (September 30, 2021 - \$155,107) and recognized loan accretion for the six months ended March 31, 2022 of \$9,472 (2021 - \$8,974) .

- b) On May 14, 2020, the Company entered into a loan agreement with a shareholder of the Company for proceeds of \$18,250. The loan is unsecured, non-interest bearing and due on the earlier of (i) May 1, 2025 (ii) upon completion of any financing in excess of \$2,000,000 or (iii) cash on hand in excess of \$500,000.
- c) On December 1, 2021, the Company issued a convertible promissory note in the amount of \$1,000,000. The Promissory Note bears simple interest at a rate of 1% per month, increasing by 0.10% every three months (resulting in first year interest rate of 13.8%; and second year interest rate of 18.6%), payable monthly and is due on November 30, 2024. The principal portion and any unpaid interest may be converted at the option of the holder into common shares of the Company at a price equal to the lesser of \$0.48 per share or 15% discount to the lowest equity issuance round up to and including the equity round of the qualifying transaction.

As further consideration for the Promissory Note the Company issued 500,000 share purchase warrants, each entitling the holder to acquire one common share of the Company at a price equal to the lesser of \$0.48 per share or 15% discount to the lowest equity issuance round up to and including the equity round of the qualifying transaction for a period of 36 months. The warrants are subject to earlier accelerated exercise if the shares have traded and continue to trade on a public exchange at a 30-day volume-weighted average purchase price per share of \$1.25. The warrant holders shall have the right to pay all or a portion of the Purchase Price (exercise price multiplied by the number of shares being exercised) by making a cashless exercise. In a cashless exercise, the portion of the Purchase Price shall be paid by reducing the number of warrant shares otherwise issuable pursuant to the notice of cash exercise by an amount equal to: exercise price to be so paid divided by the fair market value per warrant share determined by the Board of Directors of the Company as of the business day immediately preceding the date of exercise.

Subject to the completion of the Business Combination and public listing on the TSX Venture Exchange (Note 2 (c)), the warrants maybe be terminated by the Company on 30 days written notice in the event that the closing price of the resulting issuer's shares on the TSX Venture Exchange is not less than \$1.25 for 30 consecutive days.

The Company allocated \$112,535 to the embedded conversion feature of the Promissory Note, \$143,684 to the fair value of the share purchase warrants (Note 15) and \$743,781 to the liability component of the Promissory Note. At March 31, 2022, the Company reported the carrying value of Promissory Note at \$779,246 and reported accrued interest and accretion expense of \$76,465. Due to the variable number of shares that may be issued for the warrant and the conversion feature, the Company has recorded these as derivative liabilities. (Note 13).

On April 4, 2022, the Company issued 2,083,334 common shares at a price of \$0.48 for conversion of the promissory note. (Note 21 (a)). Effective April 8, 2022, the Company completed the equity round of the qualifying transaction at a price of \$0.56 per share, resulting in the warrant exercise price being fixed at \$0.48 per share.

- d) The Company entered into a loan agreement dated July 30, 2021 with two creditors (the "Lenders") for a maximum principal amount of \$1,850,000 bearing interest at 12.75% per annum and maturing on July 30, 2024. Upon closing, the Company issued 1,730,797 share purchase warrants to the Lenders as additional compensation. Each share purchase warrant is exercisable at \$0.48 per warrant on or before July 30, 2027, subject to early expiry. In the event that the common shares of the Company trade on a public exchange at a 30-day volume weighted average price of \$1.25 per share, the Company may accelerate the expiry date of the warrants by giving 30 days written notice to the Lenders.(Note 13(b)).

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The loan was subject to an underwriting fee of \$37,000, certain prepayment fees, various financial covenants, and a general security agreement. The Company must make monthly interest payments, with a mandatory principal payment of \$850,000 on the 6-month anniversary of the closing date (January 31, 2022), which shall not be subject to prepayment fees. Proceeds of \$1,750,000 of this loan were used as part of the settlement of loans payable.

The Company incurred debt financing costs totaling \$806,684, which included \$99,843 of legal fees and \$706,841 relating to the fair value of 1,730,797 share purchase warrants. The debt financing costs are amortized over the term of the loan at the effective interest rate.

During the six months ended March 31, 2022, the Company recognized interest and accretion expense of \$340,580 (2021 – \$164,282). As at March 31, 2022, a total of \$1,331,167 (September 30, 2021 – \$1,117,145) is outstanding for principal, net of unamortized discount of \$518,833 (September 30, 2021 – \$732,855).

On April 8, 2022, the Lenders agreed to extend the mandatory principal payment of \$850,000 to May 31, 2023, subject to the payment of a fee in the amount of \$35,000. At March 31, 2022, the loan was in default as the loan extension had not occurred and the fee had not been paid. On May 13, 2022, the Company paid the fee and at the date of these condensed interim consolidated financial statements the loan was in good standing. (Note 21(b))

11. Promissory Note

On February 28, 2021, in connection with the Share Purchase Agreement (Note 5), the Company entered into a Promissory Note with a company controlled by the former President of TNET, and a company controlled by the CEO of the Company for a principal amount of \$300,000. The Promissory Note bears interest at a rate of 6% per annum with interest beginning to accrue on May 1, 2021. The Promissory Note is due on demand and is secured by a General Security Agreement dated February 28, 2021. During the six months ended March 31, 2022, the Company recognized accrued interest of \$9,000 (March 31, 2021 – \$Nil) and accrued interest in the amount of \$16,500 (September 30, 2021 – \$7,500) is included in accounts payable and accrued liabilities.

12. Related Party Transactions

The Company considers its directors and officers to be key management personnel, and the following table summarizes the compensation of the Company's key management:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Six Months Ended March 31, 2022	Six Months Ended March 31, 2021
	\$	\$	\$	\$
Consulting*	198,273	165,500	458,913	351,000
Salaries and wages*	161,816	96,185	234,119	107,370
Share-based compensation	352,127	-	639,730	-

* Salaries and wages paid to key management personnel are included under general and administrative, sales and marketing and research and development expenses on the condensed interim consolidated statement of comprehensive loss.

- a) During the three and six months ended March 31, 2022, the Company incurred \$82,500 and \$165,000 respectively (2021 – \$152,500 and \$77,500 respectively) in consulting fees, reimbursed \$240,713 in expenses including rent, labour and data centre costs to companies controlled by the CEO of the Company.

During the six months ended March 31, 2022, the Company repaid \$82,915 of loans due to the company controlled by the CEO of the Company, reducing the outstanding balance as at March 31, 2022 to \$154,690 (September 30, 2021 – \$237,606). The amount is unsecured, non-interest bearing and due on the earlier of (i) August 31, 2025 (ii) upon completion of any financing in excess of \$2,000,000 or (iii) cash on hand in excess of \$500,000. In addition, the Company had trade payable of \$54,829 due to companies controlled by the CEO.

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- b) During the three and six months ended March 31, 2022, the Company incurred \$45,000 and \$90,000 respectively (2021 - \$45,000 and \$90,000 respectively) in advisory fees to a Director of the Company. In December 2021, the Company repaid \$52,750 of a \$139,000 amount owing to the Director, reducing the September 30, 2021 balance of \$139,000 to \$86,250. The amount is unsecured, non-interest bearing and due on the earlier of (i) February 1, 2025 (ii) upon completion of any financing in excess of \$2,000,000 or (iii) cash on hand in excess of \$500,000. In addition, the Company had trade payables of \$91,032 due to a company controlled by the director.
- c) At March 31, 2022, the Company the Company had a balance due to an officer of the Company in the amount of \$48,500 in respect of services provided (September 30, 2021 – Nil).
- d) During the six months ended March 31, 2022, the Company repaid \$65,000 to a company controlled by the former President of TNET. The amount which was outstanding at September 30, 2021 was unsecured, non-interest bearing and due on demand.
- e) During the six months ended March 31, 2022, the Company repaid \$65,000 to a company controlled by the CEO of the Company. The amount which was outstanding at September 30, 2021 was unsecured, non-interest bearing and due on demand.
- f) As at March 31, 2022, the Company owed \$300,000 under a Promissory Note (Note 11) to a company controlled by the former President of TNET and a company controlled by the CEO of the Company.
- g) As at March 31, 2022, the Company owed \$31,000 (September 30, 2021 - \$31,000) to the former CTO of the Company. The loan is unsecured, non-interest bearing and due on the earlier of (i) February 1, 2025 (ii) upon completion of any financing in excess of \$2,000,000 or (iii) cash on hand in excess of \$500,000.

13. Derivative warrant liabilities

In accordance with IFRS, a contract to issue a variable number of shares fails to meet the definition of equity and must instead be classified as a derivative liability and measured at fair value with changes in fair value recognized in the condensed interim consolidated statements of comprehensive loss at each period-end. The derivative liabilities will ultimately be converted into the Company's equity (common shares) when the warrants are exercised, or will be extinguished on the expiry of the outstanding warrants, and will not result in the outlay of any cash by the Company. Immediately prior to exercise, the warrants are remeasured at their estimated fair value. Upon exercise, the intrinsic value is transferred to share capital (the intrinsic value is the share price at the date the warrant is exercised less the exercise price of the warrant). Any remaining fair value is recorded through the condensed interim consolidated statements of comprehensive loss as part of the change in estimated fair value of derivative warrant liabilities.

The Company uses the Black-Scholes option pricing model to estimate fair value. As the Company is not publicly traded, volatility was estimated using publicly traded comparable companies. The risk-free interest rate for the life of the warrants was based on the yield available on government benchmark bonds with an approximate equivalent remaining term at the time of issue. The life of warrant is based on the contractual term.

The following assumptions were used to estimate the fair value of the derivative warrant liabilities as at March 31, 2022:

Annualized volatility	110% - 114%
Risk-free interest rate	2.28% - 2.42%
Life of warrants in years	2.67 - 6.46
Dividend rate	-
Market price	\$ 0.48
Fair value per warrant	\$ 0.26 - \$0.34

*As the Company is not publicly traded, volatility has been estimated using publicly traded comparable companies.

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The Company reported the following derivative warrant liabilities:

	March 31, 2022 \$	September 30, 2021 \$
3,500,000 share purchase warrants (a)	-	1,543,264
1,730,797 share purchase warrants (b)	684,868	703,953
500,000 share purchase warrants (c)	154,219	-
Conversion feature of convertible note (c)	124,434	-
Total	963,521	2,247,217

- a) On May 1, 2021, the Company issued 3,500,000 common share purchase warrants exercisable at a price equal to the lesser of \$0.25 per share or a discount of 16.67% from an IPO or RTO/QT transaction financing price, or the RTO/QT vend-in price. The warrants expire on the earlier of September 14, 2028 and five years following the listing of the Company should the Company complete an IPO, or five years following the closing date should a successor company acquire the Company by way of a reverse takeover or qualifying transaction ("RTO/QT"). If the Company completes an IPO or RTO/QT transaction, there will be variability in the amount of proceeds receivable upon the exercise of the warrants. At initial recognition on May 1, 2021, the Company recorded a derivative warrant liability of \$1,406,469 based on the estimated fair value of the warrants. On February 14, 2022, the Company increased the value of the derivative warrant liability to \$1,517,593 and realized a loss on revaluation of \$24,202. Effective February 14, 2022, the price of the warrants was fixed at \$0.25 per share pursuant to the terms of a replacement warrant certificate, based on the RTO/QT transaction price being determined at \$0.56 per share. The value of the derivative warrant liability of \$1,517,593 was reallocated from derivative warrant liability to warrant reserve.
- b) On July 30, 2021, the Company issued 1,730,797 share purchase warrants as part of a debt financing. The warrants are exercisable at \$0.48 per share and expire on July 30, 2027, subject to earlier accelerated exercise if the shares have traded and continue to trade on a public exchange at a 30-day volume-weighted average purchase price per share of \$1.25. The warrant holders shall have the right to pay all or a portion of the Purchase Price (exercise price multiplied by the number of shares being exercised) by making a cashless exercise. In a cashless exercise, the portion of the Purchase Price shall be paid by reducing the number of warrant shares otherwise issuable pursuant to the notice of cash exercise by an amount equal to: exercise price to be so paid divided by the fair market value per warrant share determined by the Board of Directors of the Company as of the business day immediately preceding the date of exercise. As a result of the cashless exercise, there is a variable number of shares to be issued upon the exercise of the warrants.

For the six months ended March 31, 2022, the Company reported a gain on the revaluation of the derivative warrant liability in the amount of \$17,065 (March 31, 2021 - \$nil).

- c) On December 1, 2021, the Company issued a three-year convertible note with a principal amount of \$1,000,000 (Note 10(c)). The note is convertible into common shares of the Company at the option of the holder at a price equal to the lesser of \$0.48 per common share and a 15% reduction to the QT transaction price.

In connection with the note, the Company issued 500,000 share purchase warrants. The warrants are exercisable at \$0.48 per warrant or a discount of 15% from an QT transaction financing price and expire on November 30, 2024. The warrant holder may elect to reduce the number of warrants in order to affect the cashless exercise of the warrants based on the fair market value of the Company's common shares.

As a result of the conversion price and the warrant exercise price being variable and also due to the cashless exercise feature of the warrants, the number of shares that may be issued is not fixed and therefore both the conversion feature of the note and the warrants are classified as a derivative liability. At the time of issue, the Company recorded derivative liabilities of \$112,535 for the conversion feature and \$143,684 for the warrants.

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(Expressed in Canadian dollars)
(Unaudited)

For the six months ended March 31, 2022, the Company revalued the derivative liabilities and reported a loss in the fair value of the conversion feature in the amount of \$11,899 and a gain in fair value of the warrants in the amount of \$7,685.

On April 4, 2022, the lender converted the note to common shares at a price of \$0.48 per share and realized a gain on settlement of the derivative warrant liability of \$124,434.

14. Share Capital

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued Share Capital:

As at March 31, 2022 there were 58,498,965 common shares issued and outstanding (September 31, 2021 - 57,693,234). There were 805,731 shares issued during the three months ended March 31, 2022 from the exercise of stock options.

15. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted Average Exercise Price
Balance, October 1, 2021	7,161,337	\$0.43
Cancelled	-	
Issued	500,000	\$0.72
Balance, March 31, 2022	7,661,337	\$0.449
Exercisable, March 31, 2022	7,661,337	\$0.449

The following table summarizes information about warrants outstanding and exercisable at March 31, 2022:

Warrants Outstanding	Exercise Price \$	Expiry Date
1,930,540	0.72	⁽²⁾ December 31, 2022
500,000	⁽⁴⁾ 0.48	⁽⁵⁾ November 30, 2024
1,730,797	0.48	⁽³⁾ July 30, 2027
3,500,000	0.25	⁽¹⁾ September 14, 2028
<u>7,661,337</u>		

⁽¹⁾On February 14, 2022, the exercise price of the warrants became fixed and the warrant value of \$1,517,593 was reallocated from derivative warrant liability to warrant reserve. (Note 13 (a)). Expiry date is the earlier of (i) September 22, 2028; and (ii) five years following the listing of the Company should the Company complete an IPO, or five years following the closing date should a successor company acquire the Company by way of a reverse takeover or qualifying transaction ("RTO/QT").

⁽²⁾Expiry date is the earlier of (i) December 31, 2022; and (ii) 30 days after giving notice of the acceleration of the expiry date if the shares are listed on the TSX Venture Exchange and the closing price is \$0.90 for period of at least 10 consecutive trading days.

⁽³⁾Expiry date is the earlier of (i) July 30, 2027; and (ii) a date the Company elects on 30 days notice, if the shares are listed on a public exchange at a 30-day volume weighted average price of \$1.25.

⁽⁴⁾Exercisable at the lesser of: (i) \$0.48 per share; and (ii) a discount of 15% from the IPO or RTO/QT financing price, or the RTO/QT vend-in price.

⁽⁵⁾Expiry date is the earlier of (i) November 30, 2024; and (ii) 30 days after giving notice of the acceleration of the expiry date if the shares are listed on the TSX Venture Exchange and the closing price is \$1.25 for period of at least 10 consecutive trading days.

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Condensed Interim Consolidated Financial Statements
for the Three Months Ended March 31, 2022 and 2021
(Expressed in Canadian dollars)
(Unaudited)

16. Stock Options

Options to purchase common shares may be granted to directors, consultants, officers and employees of the Company and its subsidiary for terms up to 10 years at a price at least equal to the market price prevailing on the date of the grant. The continuity of stock options for the period ended March 31, 2022 is as follows:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, September 30, 2021	4,257,068	0.17
Granted	8,601,069	0.48
Expired	(124,368)	0.23
Forfeited	(466,378)	0.23
Net exercise of options ⁽¹⁾	(1,370,625)	0.23
Balance, March 31, 2022	10,896,766	0.40
Exercisable, March 31, 2022	3,299,702	0.23

⁽¹⁾805,731 common shares were issued on the net exercise of options.

The following table summarizes information about stock options outstanding as at March 31, 2022:

Exercise Price \$	Expiry Date	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Contracted Life (Years)
0.2308	November 24, 2022*	115,806	115,806	0.65
0.10	August 5, 2026	1,467,391	1,467,391	4.35
0.15	August 5, 2026	600,000	600,000	4.35
0.10	October 24, 2026	112,500	112,500	4.57
0.48	November 26, 2026	8,601,069	1,004,005	4.66
		10,896,766	3,299,702	4.23

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the three and six months ended March 31, 2022, the Company recognized share-based compensation expense of \$682,362 and \$1,180,716 respectively (March 31, 2021 - \$nil). The weighted average fair value of options granted during the three and six months ended March 31, 2022 was \$0.39 (March 31, 2021 - \$nil) per share. The Company recognizes compensation expense using the graded vesting method over the requisite service period for each separately vesting tranche of the award. Weighted average assumptions used in calculating the fair value of share-based compensation expense are as follows:

	2022
Risk-free rate	1.39%
Dividend yield	—
Volatility*	119%
Expected forfeitures	—
Weighted average expected life of the options (year)	5.00

*As the Company is not publicly traded, volatility has been estimated using publicly traded comparable companies.

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Condensed Interim Consolidated Financial Statements
for the Three Months Ended March 31, 2022 and 2021
(Expressed in Canadian dollars)
(Unaudited)

17. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital, share-based payment reserve, common stock subscribed and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its board of directors, will balance its overall capital structure through new equity issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended September 30, 2021.

18. Commitments and Contingencies

The Company entered into a fixed term five-year premises lease with payments over the term of \$289,923. The Company has recorded a lease liability, initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate.

The Company had no significant commitments or contractual obligations with any parties respecting executive compensation, consulting arrangements, or other matters. Management services provided are on a month-to-month basis.

19. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

The fair values of financial instruments, which include cash, amounts receivable, accounts payable, due to related parties, promissory note and loans payable approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and receivables. Cash is held with major banks in Canada and the United States, which are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

Amounts Receivable

Amounts receivable consists of trade receivable of \$314,650 (September 30, 2021 - \$518,061). To reduce the credit risk of amounts receivable, the Company regularly reviews the collectability of the amounts receivable to ensure there is no indication that these amounts will not be fully recoverable. As at March 31, 2022, the Company recognized a provision for bad debts of \$10,559 (September 30, 2021 - \$nil) in accordance with IFRS 9, *Financial Instruments*.

One customer represented 10.6% of total revenue for the six months ended March 31, 2022 (2021 - 13.7%).

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Condensed Interim Consolidated Financial Statements
for the Three Months Ended March 31, 2022 and 2021
(Expressed in Canadian dollars)
(Unaudited)

(c) Currency Risk

The Company's functional currency is the Canadian dollar. Currency risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company's head office and operating expenses are mainly denominated in Canadian dollars. A some of the Company's revenue is denominated in US dollars. If the US dollar depreciates compared to the Canadian dollar revenue would decrease in Canadian dollars. The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars:

	March 31, 2022	September 30, 2021
Balance in US dollars:		
Cash	\$ 148,436	\$ 58,581
Amounts receivable	72,400	150,537
Accounts payable	(53,889)	(19,014)
Net exposure	166,947	190,104
Balance in Canadian dollars:	\$ 208,618	\$ 241,167

A 10% change in the US dollar to the Canadian dollar exchange rate would impact the Company's net loss by approximately \$20,862 for the six months ended March 31, 2022 (September 30, 2021 - \$24,117).

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and its short-term term deposits at prescribed market rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank accounts and short-term term deposits is subject to movements in interest rates.

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. A summary of the Company's obligations is as follows:

As at March 31, 2022	Carrying amount \$	Contractual cash flows \$	1 year or less \$	1 -5 Years \$
Accounts payable and accrued liabilities	1,422,124	1,422,124	1,422,124	—
Promissory note	300,000	300,000	300,000	—
Due to related parties	271,940	271,940	281,277	—
Lease liability	105,395	146,233	21,525	124,708
Loans payable	2,293,242	3,862,866	1,131,500	2,731,366
	4,392,701	6,003,163	3,156,426	2,856,074

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Condensed Interim Consolidated Financial Statements
for the Three Months Ended March 31, 2022 and 2021
(Expressed in Canadian dollars)
(Unaudited)

20. Supplemental cash flow information

During the six months ended March 31, 2022, the Company received cash in the amount of \$1,296,687 for subscription receipts in connection with its planned transaction described at Note 21(c). Under the subscription agreements the funds are to be held in escrow and released upon certain conditions being met, failing which the funds would be returned to the investors. On April 7, 2022, the Company delivered the funds to the escrow agent together with accrued bank interest.

During the six months ended March 31, 2022, the Company entered into a five-year office lease resulting in a right-of-use asset in the amount of \$104,287, offset by the corresponding lease liability.

21. Subsequent Events

- a) On April 4, 2022, the \$1,000,000 convertible note was converted into 2,083,334 common shares at a conversion price of \$0.48 per share.
- b) On April 8, 2022, the Company revised the terms of its loan agreement to extend the mandatory principal payment of \$850,000 to May 31, 2023, subject to the payment of a fee in the amount of \$35,000. At May 31, 2022 the loan extension fee was paid at the loan was extended.
- c) Effective December 21, 2021, RMR Science Technologies Ltd. ("RMR"), a British Columbia capital pool company listed on the TSX Venture Exchange ("TSX.V") and the Company entered into an amalgamation agreement that would result in RMR's acquisition of all of the issued and outstanding securities of the Company (the "Transaction"). The Transaction is considered to be a reverse takeover by the Company, the accounting acquirer, of RMR, the accounting acquiree.

Upon completing the Transaction, pursuant to the amalgamation agreement, RMR will issue 66,492,926 common shares at an agreed price of \$0.56 per share in exchange for all of the issued and outstanding common shares of the Company after conversion of the subscription receipts that were issued on April 8, 2022.

On April 8, 2022, the Company closed a private placement of 5,910,627 subscription receipts at a price of \$0.56 each for gross proceeds of \$3,309,951. Immediately prior to closing the Transaction, each subscription receipt will convert into one common share and one-half of one common share purchase warrant of the Company. Each whole share purchase warrant is exercisable at a price of \$0.75 per common share for 24 months. The Company paid cash commissions of \$129,984 and issued 229,649 agents' compensation options. Each option entitles the holder to purchase one unit of the Company on or before April 8, 2024. Each unit will consist of one Common Share and one-half of one share purchase warrant, each warrant entitling the holder to purchase one Common Share at a price of \$0.75 per Common Share on or before April 8, 2024.

In connection with the Transaction and the financing of subscription receipts, the Company entered into an agency agreement with Eight Capital Inc. ("Eight") under which it paid an advisory fee of \$100,000 and third party legal costs of \$125,000. In addition, the Company provided Eight with the first right of refusal to act as agent with respect to certain capital transactions including the public or private offering of equity or equity-based securities for a period of one year.

- d) On April 14, 2022, the Company received refundable Scientific Research & Experimental Development tax credits in the amount of \$226,665.

TURNIUM TECHNOLOGY GROUP, INC.

Consolidated and Combined Financial Statements

September 30, 2021 and September 30, 2020

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders and the Board of Directors of Turnium Technology Group, Inc.

Opinion

We have audited the financial statements of Turnium Technology Group, Inc. and its subsidiaries (the "Company") which comprise the following:

- consolidated statement of financial position as at September 30, 2021, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the year then ended;
- combined statement of financial position as at September 30, 2020, and the combined statements of comprehensive loss, changes in equity and cash flows for the year then ended; and
- the related notes comprising a summary of significant accounting policies and other explanatory information (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at September 30, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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 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.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2(c) of the accompanying Financial Statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
February 14, 2022

TURNIUM TECHNOLOGY GROUP, INC.

Consolidated and Combined Statements of Financial Position
(Expressed in Canadian dollars)

	September 30, 2021 \$	September 30, 2020 \$
	(Consolidated – Note 2(a))	(Combined – Note 2(a))
Assets		
Current assets		
Cash	432,346	437,474
Amounts receivable	518,061	335,426
Prepaid expenses	36,868	6,631
Total current assets	987,275	779,531
Non-current assets		
Right-of-use assets (Note 6)	–	45,096
Property and equipment (Note 7)	54,757	24,008
Intangible assets (Note 8)	314,000	–
Goodwill (Note 5)	1,137,158	–
Total assets	2,493,190	848,635
Liabilities and Deficiency		
Current liabilities		
Accounts payable and accrued liabilities	981,857	884,519
Deferred revenue (Note 3(h))	32,706	–
Due to related parties (Note 12)	542,562	291,905
Promissory note (Note 11)	300,000	–
Loans payable (Note 10)	652,366	2,577,160
Lease liabilities (Note 9)	–	24,987
Total current liabilities	2,509,491	3,778,571
Non-current liabilities		
Loans payable (Notes 10)	629,192	61,334
Lease liabilities (Note 9)	–	23,370
Derivative warrant liabilities (Note 13)	2,247,217	–
Deferred tax liability	84,780	–
Total liabilities	5,470,680	3,863,275
Deficiency		
Common shares (Note 14)	6,460,049	1,709,413
Subscriptions receivable	(100)	(100)
Other reserve	590,743	590,743
Share-based payment reserve (Notes 15 and 16)	2,119,747	1,208,809
Deficit	(12,147,929)	(6,523,505)
Total deficiency	(2,977,490)	(3,014,640)
Total liabilities and deficiency	2,493,190	848,635

Going concern (Note 2(c))

Subsequent events (Note 23)

Approved and authorized for issuance by the Board of Directors on February 14, 2022:

“Johan Arnet”

“Derek Spratt”

(The accompanying notes are an integral part of these consolidated and combined financial statements)

TURNIUM TECHNOLOGY GROUP, INC.

Consolidated and Combined Statements of Comprehensive Loss

(Expressed in Canadian dollars except share amounts)

	Year Ended September 30, 2021 \$	Year Ended September 30, 2020 \$
	(Consolidated – Note 2(a))	(Combined – Note 2(a))
Revenue	3,949,800	2,828,087
Cost of good sold	(724,404)	(232,802)
Gross profit	3,225,396	2,595,285
Expenses		
Amortization	30,799	9,010
Amortization of right-of-use assets	20,498	24,598
General and administrative (Note 20)	2,540,772	3,346,501
Research and development (Note 20)	809,615	543,625
Sales and marketing (Note 20)	1,205,276	237,430
Share-based compensation (Note 16)	910,938	–
Share-based compensation – consulting contract (Note 15)	1,406,469	–
Total operating expenses	6,924,367	4,161,164
Loss before other income (loss)	(3,698,971)	(1,565,879)
Other income (loss)		
Loss on change in fair value of derivatives (Note 13)	(133,907)	–
Foreign exchange gain (loss)	(29,382)	63
Government assistance (Note 10(a))	22,062	21,094
Interest expense	(396,001)	(292,771)
Impairment of intangible assets (Note 8)	(273,239)	–
Impairment of goodwill (Note 5)	(1,444,869)	–
Impairment of leasehold improvements	–	(11,582)
Loss on termination of lease	(3,819)	–
Scientific Research & Experimental Development refund	253,512	372,152
Net loss before income taxes	(5,704,614)	(1,476,923)
Deferred income tax recovery	80,190	–
Net loss and comprehensive loss for the year	(5,624,424)	(1,476,923)
Basic and diluted loss per common share	(0.11)	(0.03)
Weighted average number of common shares outstanding	52,006,644	49,123,744

(The accompanying notes are an integral part of these consolidated and combined financial statements)

TURNIUM TECHNOLOGY GROUP, INC.

Consolidated and Combined Statements of Changes in Deficiency
(Expressed in Canadian dollars except share amounts)

	<u>Common Shares</u>		Common	Other	Share-based		Total
	Number	Amount	Shares	Reserve	Payment	Deficit	Deficiency
	#	\$	\$	\$	\$	\$	\$
Balance October 1, 2019 (Note 2(a))	48,804,737	1,918,948	(1,253)	569,743	731,162	(5,046,582)	(1,827,982)
Issuance of shares to settle debt	506,700	253,350	—	21,000	—	—	274,350
Repurchase of common shares (Note 14(c))	—	(462,885)	—	—	—	—	(462,885)
Write-off of subscriptions receivable	—	—	1,153	—	—	—	1,153
Share-based compensation	—	—	—	—	477,647	—	477,647
Net loss and comprehensive loss	—	—	—	—	—	(1,476,923)	(1,476,923)
Balance, September 30, 2020 (Note 2(a))	49,311,437	1,709,413	(100)	590,743	1,208,809	(6,523,505)	(3,014,640)
Net changes upon Amalgamation (Note 4)	(781,868)	—	—	—	—	—	—
Balance, October 1, 2020, after Amalgamation	48,529,569	1,709,413	(100)	590,743	1,208,809	(6,523,505)	(3,014,640)
Issuance of shares to settle debt (Note 10)	3,058,935	1,443,269	—	—	—	—	1,443,269
Issuance of shares for cash	1,298,416	623,240	—	—	—	—	623,240
Issuance of shares for acquisition of TNET (Note 5)	6,343,916	2,700,000	—	—	—	—	2,700,000
Share issuance costs	—	(15,873)	—	—	—	—	(15,873)
Repurchase and cancellation of shares (Note 14(c))	(1,537,602)	—	—	—	—	—	—
Share-based compensation	—	—	—	—	910,938	—	910,938
Net loss and comprehensive loss	—	—	—	—	—	(5,624,424)	(5,624,424)
Balance, September 30, 2021	57,693,234	6,460,049	(100)	590,743	2,119,747	(12,147,929)	(2,977,490)

(The accompanying notes are an integral part of these consolidated and combined financial statements)

TURNIUM TECHNOLOGY GROUP, INC.

Consolidated and Combined Statements of Cash Flows

(Expressed in Canadian dollars)

	Year Ended September 30, 2021 \$	Year Ended September 30, 2020 \$
	(Consolidated – Note 2(a))	(Combined – Note 2(a))
Operating activities		
Net loss	(5,624,424)	(1,476,923)
Items not affecting cash:		
Accretion	80,719	2,428
Depreciation and amortization	30,799	9,010
Amortization of right-of-use assets	20,498	24,598
Deferred tax income recovery	(80,190)	–
Bad debts	14,732	848
Loss on change in fair value of derivatives	133,907	–
Loss on termination of lease	3,819	–
Government assistance	(22,062)	(21,094)
Impairment of intangible assets	273,239	–
Impairment of goodwill	1,444,869	–
Impairment of leasehold improvements	–	11,582
Loan interest	267,715	288,003
Lease interest	4,150	6,862
Write-off of subscriptions receivable	–	1,153
Share-based compensation from warrants issued for consulting services	1,406,469	477,647
Share-based compensation	910,938	–
Changes in non-cash operating working capital:		
Amounts receivable	(24,848)	(106,141)
Prepaid expenses	(36,869)	575,000
Accounts payable	(43,311)	405,673
Accrued liabilities	281,118	156,093
Deferred revenue	(6,127)	–
Net cash provided by (used in) operating activities	(964,859)	354,739
Investing activities		
Purchase of property and equipment	(37,787)	(12,933)
Cash acquired through TNET acquisition	77,646	–
Net cash provided by (used in) investing activities	39,859	(12,933)
Financing activities		
Proceeds from CEBA loans (Note 10(a))	100,000	80,000
Proceeds from loans payable	100,000	115,133
Debt issuance costs	(99,843)	–
Proceeds from (repayments to) related parties	237,444	211,009
Proceeds from issuance of common shares	623,240	–
Repurchase of common shares	–	(462,885)
Share issuance costs	(15,873)	–
Repayment of lease liabilities	(25,096)	(28,200)
Net cash provided by (used in) financing activities	919,872	(84,943)
(Decrease) increase in cash	(5,128)	256,863
Cash beginning of the year	437,474	180,611
Cash end of the year	432,346	437,474

Supplemental cash flow information (Note 21)

(The accompanying notes are an integral part of these consolidated and combined financial statements)

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

for the Year Ended September 30, 2021 with

Combined Comparative Information for the Year Ended September 30, 2020

(Expressed in Canadian dollars)

1. Corporate Information

Turnium Technology Group, Inc. (the "Company") was formed by way of amalgamation on October 1, 2020 under the Business Corporations Act (British Columbia). The Company is engaged in the provision of an SD-WAN business platform, professional IT services and support, hardware sales and the resale of third party services targeted at corporate clients. The Company's registered office is located at Suite 3200 – 650 West Georgia Street, Vancouver, British Columbia, V6B 4P7.

2. Basis of Presentation

(a) Statement of Compliance and Principles of Consolidation

These consolidated and combined financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") on a going concern basis.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Tenacious Networks Inc. ("TNET"), a company incorporated in the province of British Columbia in 2019. All intercompany transactions have been eliminated on consolidation.

On October 1, 2020, the Company was formed by the amalgamation of five companies under the Business Corporations Act (British Columbia). The amalgamation effected a business combination of Multapplied Networks Inc., Turnium Technology Group Inc., Turnium Technology Ltd., Plait Networks Ltd., and M.N.I. Investment Holdings Ltd. Each company agreed to the amalgamation under the provisions of the Business Corporations Act (British Columbia) and to continue as one company under the name of Turnium Technology Group, Inc. (Note 4).

Business combinations involving entities under common control are outside the scope of IFRS 3, *Business Combinations*, and as a result, due to the common control of the predecessor companies, the accounting for amalgamation was outside the scope of IFRS 3. The amalgamation was accounted for as a transfer of the carrying amounts of assets and liabilities under the predecessor value method of accounting. As a result of using the predecessor value method of accounting for a business combination between entities under common control, the Company has prepared financial statements in the comparative period from October 1, 2019 to October 1, 2020 by combining the financial statements of the pre-amalgamated entities at their historical carrying values.

The consolidated and combined financial statements were approved by the Board of Directors and authorized for issue on February 14, 2022.

(b) Basis of Measurement

These consolidated and combined financial statements have been prepared on a historical cost basis, except for certain financial instruments, and are presented in Canadian dollars, which is also the functional currency of the parent and subsidiary of the Company.

The preparation of these consolidated and combined financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated and combined financial statements and reported amounts of expenses during the period.

These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the consolidated and combined financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

TURNIUM TECHNOLOGY GROUP, INC.

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Combined Comparative Information for the Year Ended September 30, 2020

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2. Basis of Presentation (continued)

(b) Basis of Measurement (continued)

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities include the following:

i) The useful life and recoverability of long-lived assets:

Management estimates the useful life of long-lived assets based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of technical or commercial obsolescence, and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's long-lived assets in the future.

The assessment of impairment of long-lived assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions, timing of cash flows, the useful lives of assets, and their related salvage values

ii) Valuation of intangibles and goodwill:

The impairment test for cash generating units ("CGUs") to which goodwill is allocated based on the value in use of the CGU, determined in accordance with the expected cash flow approach. The calculation is based on assumptions used to estimate future cash flows, the cash flow growth rate and the discount rates. The Company exercises significant judgement in determining CGUs.

iii) The inputs used in the valuation of share-based compensation:

The fair value of stock options granted is measured using a Black-Scholes option pricing model. Measurement inputs include share price on measure date, exercise price of the option, expected volatility, actual and expected life of the option, expected dividends based on the dividend yield at the date of the grant, anticipated forfeiture rate, and the risk-free interest rate. The expected life of the options is based on historical experience and general option holder behavior. The Company also makes an estimate of the number of options that will be forfeited and the rate is adjusted to reflect the actual number of options that vest. Consequently, the actual share-based compensation expense may vary from the amount estimated.

iv) Revenue recognition for special contracts and projects:

The Company has projects with multiple performance obligations that generally include subscriptions for software and services. Estimates are required to determine the status of a project at each period-end. The Company's revenue recognition policy is described in Note 3(h).

v) Incremental borrowing rate:

The Company uses estimation in determining the incremental borrowing rate used to measure the loan liabilities. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in similar economic environment.

vi) Allowance for credit losses:

The Company provides for doubtful debts by analyzing the historical default experience and current information available about a customer's credit worthiness on an account by account basis. Uncertainty relates to the actual collectability of customer balances that can vary from the Company's estimation. At September 30, 2021, the Company has an allowance for doubtful accounts of \$14,732 (2020 - \$9,836).

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2. Basis of Presentation (continued)

(b) Basis of Measurement (continued)

Significant areas of judgment include:

i) Application of the going concern assumption:

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

ii) Business combinations:

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets, liabilities, and contingent liabilities acquired are recorded at their fair values. In determining the allocation of the purchase price in a business combination, including any acquisition related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Judgement is used in determining whether an amalgamation is to be accounted for as a merger or a purchase. The Company has accounted for the amalgamation on October 1, 2020 as a merger of the five predecessor companies under common control. Accordingly, all assets, liabilities, reserves and operating results of the predecessor companies were combined at their existing carrying amounts at the date of amalgamation and for the year ended September 30, 2020.

iii) Leases:

The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create economic incentive to exercise renewal options.

iv) Deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company generating future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in classifying transactions and assessing probable outcomes of tax positions taken, and in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

v) Allowance for uncollectible trade receivables:

The valuation of allowances for uncollectible trade receivables requires judgement involving estimated credit losses based on customer, industry concentrations and the Company's knowledge of the financial conditions of its customers. Uncertainty relates to the actual collectability of customer balances that can vary from management's estimates and judgment.

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(Expressed in Canadian dollars)

2. Basis of Presentation (continued)

(c) Going Concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As of September 30, 2021, the Company had a working capital deficit of \$1,522,216, an accumulated deficit of \$12,147,929, and during the year ended September 30, 2021, the Company incurred a net loss of \$5,624,424. These factors, among others, indicate there are material uncertainties that may cast significant doubt as to the ability of the Company to continue as a going concern. Management believes that the proceeds from additional equity financing activities that it is currently pursuing, combined with revenue that the Company expects to generate in subsequent periods, will provide the Company with sufficient working capital to satisfy its liabilities and commitments as they become due for the foreseeable future. There can be no assurances that sufficient equity can be raised on acceptable terms on a timely basis.

The consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements. Such adjustments could be material.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The impact on the Company has not been significant, and while the Company does not anticipate any long-term impact, it is not possible to reliably estimate the immediate impact on the financial results and condition of the Company. The Company will continue to monitor and assess risks associated with COVID-19.

3. Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value, to be cash equivalents.

(b) Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss.

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3. Summary of Significant Accounting Policies (continued)

(c) Financial Instruments

(i) Recognition and initial measurement

The Company's financial instruments consist of cash, amounts receivable, accounts payable, due to related parties, promissory note, loans payable, and derivative warrant liabilities.

Amounts receivable are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI - equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Company does not have any financial assets classified as FVTPL or FVOCI but only those classified at amortized cost.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statements of comprehensive loss. Any gain or loss on derecognition is recognized in the consolidated statements of comprehensive loss.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the consolidated statements of comprehensive loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the consolidated statements of comprehensive loss. Any gain or loss on derecognition is also recognized in the consolidated statements of comprehensive loss. The Company's financial liabilities of accounts payable, due to related parties, promissory note and loans payable are classified as measured at amortized cost, and derivative warrant liabilities are classified as FVTPL.

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognized in its consolidated statements of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

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3. Summary of Significant Accounting Policies (continued)

(c) Financial Instruments (continued)

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the consolidated statements of comprehensive loss.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(d) Impairment of Financial Assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the 12-month expected credit losses.

The Company recognizes in the consolidated statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(e) Property and Equipment

Property and equipment consists of furniture, leasehold improvements, and computer equipment and is recorded at cost and amortized annually at following rates calculated to amortize the assets over their estimated useful lives:

Computer equipment	30% declining balance
Furniture and fixtures	20% declining balance
Leasehold improvements	Over lesser of useful life and lease term

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3. Summary of Significant Accounting Policies (continued)

(f) Intangible Assets

Intangible assets consist of customer relationships acquired recorded at cost and amortized annually on a straight-line basis over 15 years.

(g) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value, except deferred tax assets or liabilities, which are recognized and measured in accordance with IAS 12, *Income Taxes*. Subsequent changes in fair values are adjusted against the cost of acquisition if they qualify as measurement year adjustments. The measurement year is the year between the date of acquisition and the date where all significant information necessary to determine the fair values is available and cannot exceed 12 months. All other subsequent changes are recognized in the consolidated statements of comprehensive loss.

The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed including any contingently payable purchase price obligation due over time. The Company uses valuation techniques, which are generally based on forecasted future net cash flows discounted to present value. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied. The determination of fair value involves making estimates relating to acquired intangibles assets, property and equipment and contingent consideration. In certain situations, goodwill or a bargain purchase gain may result from a business combination. Goodwill is measured as the excess of the consideration transferred over the net amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognized immediately in the consolidated statements of comprehensive loss as a bargain purchase gain. Acquisition related costs are recognized in the consolidated statements of comprehensive loss as incurred.

(h) Revenue

The Company accounts for revenue under IFRS 15, *Revenue from Contracts with Customers*, which establishes a five-step model to account for revenue arising from contracts with customers:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price, which is the total consideration provided by the customer;
- allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- recognize revenue when the relevant criteria are met for each performance obligation.

The Company has several sources of revenue.

Revenue is earned from the grant of non-exclusive, non-transferrable licenses to service providers to use the Company's SD-WAN business platform (the "Platform"). Pursuant to the licensing agreements, the Company charges an initial start-up fee and a license fee for software license units that covers the licensing of all of the software comprised in the Platform. Revenue from license fees is generally earned over time and is recognized on a straight-line basis over the term of the contract. Revenue from initial start-up fees is recognized when the set-up process is complete and the customer has full access to the software.

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3. Summary of Significant Accounting Policies (continued)

(h) Revenue (continued)

Revenue is also earned through the sale of onsite and remote support, host/cloud services, and the resale of both hardware and software. Revenue from onsite and remote support are generally earned at a point in time and are recognized at the point in time when the support services have been completed. Certain onsite and remote support is sold on a block of hours basis and is recognized proportionately between the number of hours provided out of the pre-purchased block of hours. Revenue from host/cloud services are generally earned over time and are recognized using the output method based on time elapsed. Revenue from the resale of hardware and software are generally earned at a point in time and is recognized when the product has been delivered to the customer. Revenue from the resale of software licenses are recognized at a point in time on a net amount basis, which is the amount billed to a customer less the amount paid to the software license provider.

At September 30, 2021, the Company recognized \$32,706 (2020 - \$nil) in deferred revenue represented by the pre-purchase of block hours for onsite and remote support not utilized by the end of the period along with the sale of hardware not delivered to the customer by the end of the period.

(i) Impairment of Non-financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If indicators exist, then the asset's recoverable amount is estimated. The recoverable amounts of the following types of intangible assets are measured annually whether or not there is any indication that they may be impaired.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of assets other than intangible assets that have indefinite useful lives, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

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3. Summary of Significant Accounting Policies (continued)

(j) Leases

In January 2016, the IASB published a new standard, IFRS 16, *Leases*, replacing IAS 17, *Leases* ("IAS 17") and related interpretations (IFRIC 4, *Determining Whether an Arrangement Contains a Lease* ("IFRIC 4")). The new standard eliminated the prior dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. Effective October 1, 2019, the Company adopted this standard using the modified retrospective approach. Prior periods have not been restated for the impact of IFRS 16. There was no impact as a result of this change in accounting policy.

For contracts entered into before October 1, 2019, the Company determined whether the arrangement contained a lease under IAS 17. The Company only leases office space on a month to month basis. Prior to the adoption of IFRS 16, these leases were classified as operating or finance leases based on an assessment of whether the lease transferred significantly all the risks and rewards of ownership of the underlying asset.

On transition, the Company elected to apply the practical expedient to grandfather the determination of which contract is or contains a lease and applied IFRS 16 to those contracts that were previously identified as leases.

For contracts entered into subsequent to October 1, 2019 at inception of the contract, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36, *Impairment of Assets*. This replaced the previous requirement to recognize a provision for onerous lease contracts.

The lease liability is initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any, if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be remeasured when there is a change in either the future lease payments or assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and interest on the obligation. Interest expense on the lease obligation is included in the consolidated statement of comprehensive loss.

On transition, the Company elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and for low value leases and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term, as permitted by IFRS 16. The adoption of IFRS 16 did not result in any adjustment to historical operations.

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3. Summary of Significant Accounting Policies (continued)

(k) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as a share-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credit to share capital, adjusted for any consideration paid.

(l) Research and Development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in profit or loss as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. No development costs have been capitalized to date.

(m) Income Taxes

Income tax comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in the other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amounts of an asset or liability differs from its tax base, except for the taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

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3. Summary of Significant Accounting Policies (continued)

(m) Income Taxes (continued)

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company re-assesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(n) Loss per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, the exercise of stock options and share purchase warrants is considered to be anti-dilutive and basic and diluted loss per share are the same. As at September 30, 2021, the Company has 11,418,405 (2020 – 10,422,617) potentially dilutive shares which were anti-dilutive.

(o) Refundable tax credits

The Government of Canada provides refundable tax credits to qualifying companies engaged in Scientific Research and Experimental Development (“SRED”) activities, as that term is defined in the Income Tax Act (Canada). The Company records 100% of its claim for such credits in profit or loss during the period in which the claim filed with the taxation authorities has been accepted and the tax credits have been received. Subsequent amendments or adjustments to such claims, if any, are recorded as they occur.

(p) Accounting for Government Grants and Disclosure of Government Assistance

The Company classifies forgivable loans, or the forgivable portion thereof, from the government as government assistance when there is a reasonable assurance that the Company will meet the terms for forgiveness on the loan. If this threshold is not met, the Company classifies forgivable loans as loan payable, measured initially at fair value in accordance with IFRS 9, *Financial Instruments*.

The Company applied for COVID-19 financial relief in Canada under the Canada Emergency Wage Subsidy (“CEWS”) program. The CEWS program is a wage subsidy program launched by the Canadian federal government to qualifying employers to subsidize payroll costs during the COVID-19 pandemic. The qualified subsidy amounts received under the CEWS program are non-repayable. Government grants and assistance are recognized as a reduction in the related expense in the period in which there is reasonable assurance that the grant or assistance has become receivable and all conditions, if any, have been satisfied.

4. Amalgamation

Effective October 1, 2020, the Company completed an amalgamation agreement (the “Amalgamation Agreement”). Pursuant to the Amalgamation Agreement, Turnium Technology Group Inc. (“TTGI”) amalgamated (the “Amalgamation”) with Turnium Technology, Ltd. (“Turnium”), Plait Networks Ltd. (“Plait”), Multapplied Networks Inc. (“MNI”) and M.N.I. Investment Holdings Ltd. (“MNIH”, and together with TTGI, Turnium, Plait and MNI, the “Amalgamating Companies”) under the name of Turnium Technology Group, Inc. (“Amalco”).

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4. Amalgamation (continued)

Pursuant to the Amalgamation Agreement the common shares of the Amalgamating Companies were treated as follows:

- Each Turnium Share was cancelled for no consideration;
- Each Plait Share was cancelled for no consideration;
- All of the TTGI common shares owned by MNI were cancelled for no consideration;
- All of the TTGI common shares outstanding after the cancellation of shares owned by MNI were converted into 13,291,900 Amalco common shares;
- All of the outstanding MNI common shares owned by MNIH were cancelled for no consideration;
- All of the MNI Common Shares outstanding after the cancellation of common shares held by MNIH were converted into 27,464,705 Amalco common shares; and
- All of the outstanding MNIH Common Shares were converted into 7,772,964 Amalco common shares.

In addition, the 4,436,000 outstanding options to purchase MNI common shares ("MNI Options") were converted into options to purchase Amalco common shares on a 0.59792308 to one basis with the same terms and conditions of the outstanding MNI Options including the exercise price and expiry date. The 3,500,000 outstanding warrants exercisable into shares of MNI ("MNI Warrants") were converted into warrants to purchase Amalco common shares on a 0.5 to one basis with the same terms and conditions of the outstanding MNI Warrants except with an exercise price of \$0.30.

The 225,000 outstanding options to purchase TTGI common shares ("TTGI Options") were converted into options to purchase Amalco common shares on a 0.5 to one basis with the same terms and conditions of the outstanding TTGI Options including the exercise price and expiry date. The 2,261,617 outstanding warrants exercisable into shares of TTGI were cancelled for no consideration.

5. Acquisition

On February 28, 2021, the Company entered into a share purchase agreement (the "Share Purchase Agreement") with the shareholders of Tenacious Networks Inc. ("TNET"), whereby the Company purchased 100% of the issued and outstanding common shares of TNET. In consideration, the Company issued 6,343,916 common shares of the Company to the shareholders of TNET with a fair value of \$2,700,000 and entered into a promissory note with the shareholders of TNET for a principal amount of \$300,000 (Note 11). The shareholders of TNET consisted of a company controlled by the former President of TNET and a company controlled by the CEO of the Company. As TNET meets the IFRS 3, *Business Combinations*, definition of a business the acquisition was accounted for as a business combination and measured at the fair value of consideration paid of \$3,000,000. TNET is engaged in the provision of professional IT services and support, hardware sales and resell of third party services targeted at corporate clients.

In accordance with the acquisition method of accounting, the acquisition cost has been allocated on a preliminary basis to the identifiable underlying assets acquired and liabilities assumed, based upon their estimated fair values at the date of acquisition. As such the purchase price allocation at February 28, 2021 is preliminary and the determination of the final working capital adjustment, the identification of any intangible assets and the finalization of the value of goodwill remains provisional. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

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5. Acquisition (continued)

The preliminary purchase price allocation for the acquisition of TNET is summarized as follows:

	\$
Fair value of TNET's net assets acquired:	
Cash	77,646
Amounts receivable	172,518
Other current assets	1,133
Intangible assets	611,000
Goodwill	2,582,027
Accounts payable and accrued liabilities	(37,615)
Due to related parties	(202,906)
Deferred revenue	(38,833)
Deferred tax liability	(164,970)
Total fair value of TNET's net assets acquired	3,000,000

The resulting goodwill represents the sales and growth potential of TNET and will not be deductible for tax purposes. At September 30, 2021, the Company completed an impairment test and determined the fair value of goodwill to be \$1,137,158. As a result, the Company recognized impairment of goodwill of \$1,444,869.

Included in the consolidated statements of comprehensive loss for the year ended September 30, 2021, the Company recognized revenue of TNET of \$883,084 and net loss of \$74,275 since the business combination on February 28, 2021. Had the business combination occurred on October 1, 2020, management estimated that the revenue of the Company would have increased by approximately \$100,233 (unaudited) and the net loss of the Company would have increased by approximately \$223 (unaudited) for the year ended September 30, 2021.

6. Right-of-use Assets

	Right-of-use assets \$
Cost:	
Balance, September 30, 2019 (Unaudited)	—
IFRS 16 transition adjustment	69,694
Balance, September 30, 2020	69,694
Additions	—
Termination	(69,694)
Balance, September 30, 2021	—
Accumulated amortization:	
Balance, September 30, 2019 (Unaudited)	—
Additions	24,598
Balance, September 30, 2020	24,598
Additions	20,498
Termination	(45,096)
Balance, September 30, 2021	—
Carrying amounts:	
Balance, September 30, 2020	45,096
Balance, September 30, 2021	—

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7. Property and Equipment

	Furniture and Fixtures \$	Leasehold Improvements \$	Computer Equipment \$	Total \$
Cost:				
Balance, September 30, 2019 (Unaudited)	29,926	17,040	–	46,966
Additions	–	–	12,933	12,933
Impairment	–	(17,040)	–	(17,040)
Balance, September 30, 2020	29,926	–	12,933	42,859
Additions	19,226	–	18,561	37,787
Balance, September 30, 2021	49,152	–	31,494	80,646
Accumulated amortization:				
Balance, September 30, 2019 (Unaudited)	9,841	5,458	–	15,299
Additions	3,190	–	5,820	9,010
Impairment	–	(5,458)	–	(5,458)
Balance, September 30, 2020	13,031	–	5,820	18,851
Additions	3,699	–	3,339	7,038
Balance, September 30, 2021	16,730	–	9,159	25,889
Carrying amounts:				
Balance, September 30, 2020	16,895	–	7,113	24,008
Balance, September 30, 2021	32,422	–	22,335	54,757

8. Intangible Assets

	Customer Lists \$
Cost:	
Balance, September 30, 2019 (Unaudited)	–
Additions	–
Balance, September 30, 2020	–
Additions (Note 5)	611,000
Balance, September 30, 2021	611,000
Accumulated amortization:	
Balance, September 30, 2019 (Unaudited)	–
Additions	–
Balance, September 30, 2020	–
Additions	23,761
Impairment	273,239
Balance, September 30, 2021	297,000
Carrying amounts:	
Balance, September 30, 2020	–
Balance, September 30, 2021	314,000

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8. Intangible Assets (continued)

At September 30, 2021, the Company completed an impairment test and determined the fair value of Customer Lists to be \$314,000. As a result, the Company recognized impairment of intangible assets of \$273,239.

9. Lease Liabilities

The leases liabilities consist of leases of office space and vehicle. The leases have been discounted using a 12.68% interest rate.

	\$
Balance at September 30, 2019 (Unaudited)	–
Additions	69,695
Interest expense	6,862
Lease payments	(28,200)
Balance at September 30, 2020	48,357
Interest expense	4,150
Lease payments	(24,750)
Termination	(27,757)
Balance at September 30, 2021	–

10. Loans Payable

	September 30, 2021 \$	September 30, 2020 \$
Canada Emergency Business Account loans payable (a)	180,000	80,000
Shareholder loan payable (b)	18,250	18,250
Loan payable (c)	–	2,558,948
Loan payable (d)	1,850,000	–
Sub-total	2,048,250	2,657,198
Less: debt discount	(766,692)	(18,704)
Balance, net	1,281,558	2,638,494
Less current portion	652,366	2,577,160
Long-term portion	629,192	61,334

- a) In June 2020, two of the Company's pre-amalgamation subsidiaries (Plait and TTL) opened a Canada Emergency Business Account ("CEBA") and each received loans of \$40,000 funded by the Government of Canada (for an aggregate of \$80,000). During the year ended September 30, 2021, the Company received additional loans of \$100,000 funded by the Government of Canada for total loans of \$180,000. The loans are interest-free and may be repaid any time before December 31, 2022, at which time, if unpaid, the remaining balance will convert to a 3-year term loan at an interest rate of 5% per annum. If the Company repays either of these loans prior to December 31, 2022, there will be loan forgiveness of 25% of the loan repaid, up to a maximum of \$60,000 if all loans are repaid. Although the maximum forgivable portion of the loans of \$60,000 is not repayable if the Company repays the amount of \$120,000 by December 31, 2022, this amount will be recognized in income when the Company has reasonable assurance that the terms of early repayment of this aid will be complied with. Subsequent to September 30, 2021, the Government of Canada extended the loan forgiveness deadline from December 31, 2022 to December 31, 2023.

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10. Loans Payable (continued)

During the year ended September 30, 2020, the Company measured the \$80,000 loans at a fair value of \$58,906 resulting in an adjustment of \$21,094 recognized in net loss as government assistance. During the year ended September 30, 2020, the Company recognized accretion of the loan of \$2,428 increasing the carrying value of the loan payable to \$61,334. During the year ended September 30, 2021, the Company measured the \$100,000 additional loans at a fair value of \$77,938 resulting in an adjustment of \$22,062 recognized in net loss as government assistance. During the year ended September 30, 2021, the Company recognized accretion of the loans of \$15,873 increasing the carrying value of the loans payable to \$155,107.

- b) On May 14, 2020, the Company entered into a loan agreement with a shareholder of the Company for proceeds of \$18,250. The loan is unsecured, non-interest bearing and due on the earlier of (i) May 1, 2025 (ii) upon completion of any financing in excess of \$2,000,000 or (iii) cash on hand in excess of \$500,000.
- c) On October 10, 2012 and July 2, 2014, the Company entered into loan agreements with a lender, whereby the Company was loaned a total of \$1,250,000. As consideration for committing to lend the funds, the Company issued 250,000 common shares of the Company to the lender. The loans were repayable in full by the balance due date of October 1, 2014. The loans were not repaid on October 1, 2014. The loans were interest free until October 1, 2014, after which time they began to bear interest at 1% per month to be paid monthly, until paid in full.

The loans are secured by a general security agreement and the source code of Company's software technology. The Company can pay out 80% of after tax profits to its shareholders by way of dividends only after full payment of the loans plus interest and after \$1,250,000 has been paid to each of the CEO and the director (the "Individuals"), their holding companies or their assignees. Payment to these Individuals will be paid by bonus and/or dividend in a manner agreed to by the parties. If the Company requires the after tax profits to expand its business it may, subject to a unanimous vote of the board of directors, reduce the 80% dividend payout to an amount that is not less than 50% of after tax profits.

These Individuals will be paid executive salaries in an amount appropriate for the services provided only after the Company has achieved a positive cash flow and the loans have been repaid in full. Until that time, they will provide their time and services to the Company at no charge.

Consulting services provided to the Company by any company in which these Individuals hold a majority beneficial interest (being related companies) will be provided to the Company at cost until the loans have been repaid in full. After the loans have been repaid in full, compensation for consulting services rendered by these companies or persons related to these Individuals will be determined by a committee of directors excluding these Individuals.

These Individuals are jointly and severally liable to the lender if they are in breach of any of their obligations in respect of executive compensation, consulting services rendered by related companies and the transfer of shares.

Until the loans have been repaid in full, these Individuals agree not to sell, transfer, pledge or hypothecate more than 20% of the Company's common shares owned by them without written consent of two executives. The outstanding loans of \$1,250,000 and accrued interest of \$1,576,589 were settled in full in July 2021.

The Company settled the total amounts owing of \$2,826,589 through a cash payment of \$1,750,000 with the remaining \$1,076,589 being settled through the issuance of 2,242,885 units at \$0.48 per unit (Note 14(g)). Each unit consisted of one common share and one-half of one share purchase warrant, each whole warrant entitling the holder to purchase one common share at a price of \$0.72 per share on or before December 31, 2022, subject to early expiry. In the event that the common shares of the Company trade on the TSXV and the closing price per common share for a period of 10 consecutive trading days is \$0.90 or more, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof by way of a news release and in such case the warrants will expire on the 30th day after the date of dissemination of the news release.

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10. Loans Payable (continued)

The Company entered into a loan agreement dated July 30, 2021 with two creditors (the "Lenders") for a maximum principal amount of \$1,850,000 bearing interest at 12.75% per annum and maturing on July 30, 2024. On the closing date, the Company shall issue to the Lenders an amount of share purchase warrants equal to 3% of the issued and outstanding shares of the Company, including the Bridge Financing shares (Note 23(a)), to the Lenders as additional compensation. Each share purchase warrant is exercisable at \$0.48 per warrant on or before July 30, 2027, subject to early expiry. In the event that the common shares of the Company trade on a public exchange at a 30-day volume weighted average price of \$1.25 per share, the Company may accelerate the expiry date of the warrants by giving 30 days written notice to the Lenders. Upon closing, the Company issued 1,730,797 share purchase warrants (Note 13(b)). The loan is subject to an underwriting fee of \$37,000, certain prepayment fees, various financial covenants, and a general security agreement. The Company must make monthly interest payments, with a mandatory principal prepayment of \$850,000 on the 6-month anniversary of the closing date (January 31, 2022), which shall not be subject to prepayment fees. Subsequent to September 30, 2021, the Lenders agreed to extend the mandatory principal prepayment to March 31, 2022. Proceeds of \$1,750,000 of this loan were used as part of the settlement of loans payable described above.

The Company incurred debt financing costs totaling \$806,684, which included \$99,843 of legal fees and \$706,841 relating to the fair value of 1,730,797 share purchase warrants. The debt financing costs will be amortized over the term of the loan at the effective interest rate. During the year ended September 30, 2021, the Company recognized interest and accretion expense of \$113,896. As at September 30, 2021, a total of \$1,117,145 is outstanding for principal, net of an unamortized discount of \$732,855, and \$19,387 is outstanding for interest, which is included in accounts payable and accrued liabilities.

11. Promissory Note

On February 28, 2021, in connection with the Share Purchase Agreement (Note 5), the Company entered into a Promissory Note with a company controlled by the former President of TNET, and a company controlled by the CEO of the Company for a principal amount of \$300,000. The Promissory Note bears interest at a rate of 6% per annum with interest beginning to accrue on May 1, 2021. The Promissory Note is due on demand and is secured by a General Security Agreement dated February 28, 2021. During the year ended September 30, 2021, the Company recognized accrued interest of \$7,500 (2020 - \$nil). As at September 30, 2021, accrued interest of \$7,500 (2020 - \$nil) is included in accounts payable and accrued liabilities on the consolidated statement of financial position.

12. Related Party Transactions

The Company considers its directors and officers to be key management personnel, and the following table summarizes the compensation of the Company's key management:

	Year Ended September 30, 2021 \$	Year Ended September 30,, 2020 \$
Consulting*	885,740	260,000
Salaries and wages*	322,609	605,311
Share-based compensation	910,938	—

* Salaries and wages paid to key management personnel are included under general and administrative and research and development expenses on the consolidated statement of comprehensive loss.

- a) During the year ended September 30, 2021, the Company incurred \$195,000 (2020 - \$255,052) in advisory fees, made cash payments of \$1,143 (2020 - \$13,622), and settled \$139,180 (2020 - \$50,000) of amounts owing to a company controlled by the CEO of the Company (Note 14(e)). As at September 30, 2021, the Company owed \$237,606 (2020 - \$182,930) to the company controlled by the CEO of the Company. The amount is unsecured, non-interest bearing and due on the earlier of (i) August 31, 2025 (ii) upon completion of any financing in excess of \$2,000,000 or (iii) cash on hand in excess of \$500,000.

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12. Related Party Transactions (continued)

- b) During the year ended September 30, 2021, the Company incurred \$76,500 (2020 - \$76,500) in advisory fees and settled \$50,000 (2020 - \$nil) of amounts owing to a Director of the Company (Note 14 (f)). As at September 30, 2021, the Company owed \$139,000 (2020 - \$76,500) to the Director of the Company. The amount is unsecured, non-interest bearing and due on the earlier of (i) February 1, 2025 (ii) upon completion of any financing in excess of \$2,000,000 or (iii) cash on hand in excess of \$500,000.
- c) As at September 30, 2021, the Company was owed \$14 from the CEO of the Company (2020 – the Company owed \$620) relating to accounts receivable received on behalf of the Company and expenses paid on behalf of the Company. The amount is unsecured, non-interest bearing and due on demand.
- d) As at September 30, 2021, the Company owed \$65,000 (2020 - \$nil) to a company controlled by the former President of TNET. The amount is unsecured, non-interest bearing and due on demand.
- e) As at September 30, 2021, the Company owed \$68,464 (2020 - \$855) to two companies controlled by the CEO of the Company. The amounts are unsecured, non-interest bearing and due on demand.
- f) As at September 30, 2021, the Company owed \$300,000 under a Promissory Note (Note 11) to a company controlled by the former President of TNET and a company controlled by the CEO of the Company.
- g) As at September 30, 2021, the Company owed \$31,000 (2020 - \$31,000) to the CTO of the Company. The loan is unsecured, non-interest bearing and due on the earlier of (i) February 1, 2025 (ii) upon completion of any financing in excess of \$2,000,000 or (iii) cash on hand in excess of \$500,000.
- h) As at September 30, 2021, the Company owed \$1,506 (2020 - \$nil) to the former President of TNET relating to expenses paid on behalf of TNET. The amount is unsecured, non-interest bearing and due on demand.

13. Derivative warrant liabilities

In accordance with IFRS, a contract to issue a variable number of shares fails to meet the definition of equity and must instead be classified as a derivative liability and measured at fair value with changes in fair value recognized in the consolidated statements of comprehensive loss at each period-end. The derivative liabilities will ultimately be converted into the Company's equity (common shares) when the warrants are exercised, or will be extinguished on the expiry of the outstanding warrants, and will not result in the outlay of any cash by the Company. Immediately prior to exercise, the warrants are remeasured at their estimated fair value. Upon exercise, the intrinsic value is transferred to share capital (the intrinsic value is the share price at the date the warrant is exercised less the exercise price of the warrant). Any remaining fair value is recorded through the consolidated statements of comprehensive loss as part of the change in estimated fair value of derivative warrant liabilities.

- a) On September 15, 2018, MNI entered into an engagement agreement ("MNI Agreement"), whereas MNI granted 3,500,000 warrants (the "MNI Warrants") entitling the purchaser to acquire up to 3,500,000 common shares of MNI at an exercise price of \$0.15 per share for a period of 10 years. Under the MNI Agreement the parties agreed that should MNI be acquired through a business combination, the MNI Warrants would be cancelled and replaced by an equivalent number of new warrants in the surviving company, exercisable on no less favourable terms and conditions.

On October 1, 2020, the Company entered into an amendment agreement ("First Amendment") in connection with the Amalgamation (Note 4). Under the terms of the First Amendment, together with the Amalgamation, the MNI Warrants were exchanged on a 0.5:1 basis for 1,750,000 new warrants ("New Warrants") at an exercise price of \$0.30 and otherwise on the same terms and conditions as the MNI Warrants, including term to expiry and manner of exercising.

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13. Derivative warrant liabilities (continued)

On May 1, 2021, the Company entered a second amendment agreement ("Second Amendment") which amended the terms of the First Amendment whereas the New Warrants were amended ("Amended Warrants"). Under the terms of the Second Amendment, the 1,750,000 New Warrants were exchanged on a 2:1 basis for 3,500,000 new Amended Warrants which are exercisable for a period which is the greater of the current expiration date being 10 years from the original grant of the MNI Warrants, or five years following the listing of the Company should the Company complete an IPO, or five years following the closing date should a successor company acquire the Company by way of a reverse takeover or qualifying transaction ("RTO/QT"). In addition, the Amended Warrants are exercisable at a price equal to the lesser of \$0.25 per share or a discount of 16.67% from an IPO or RTO/QT transaction financing price, or the RTO/QT vend-in price. As a result of the Second Amendment, if the Company completes an IPO or RTO/QT transaction, there will be variability in the amount of proceeds receivable upon the exercise of the warrants.

At initial recognition on May 1, 2021, the Company recorded a derivative warrant liability of \$1,406,469 based on the estimated fair value of the Warrants.

The Company uses the Black-Scholes option pricing model to estimate fair value. As the Company is not publicly traded, volatility was estimated using publicly traded comparable companies. The risk-free interest rate for the life of the Warrants was based on the yield available on government benchmark bonds with an approximate equivalent remaining term at the time of issue. The life of warrant is based on the contractual term.

As at September 30, 2021, the Company revalued the derivative warrants to an estimated fair value of \$1,543,264 (2020 - \$nil). The Company recorded a decrease in the estimated fair value of the derivative warrant liability of \$136,795 for the year ended September 30, 2021 (2020 - \$nil).

- b) On July 30, 2021, the Company issued 1,730,797 share purchase warrants as part of a debt financing cost relating to a loan agreement (Note 10(c)). The warrants are exercisable at \$0.48 per warrant and expire on July 30, 2027, subject to earlier accelerated exercise if the shares have traded and continue to trade on a public exchange at a 30-day volume-weighted average purchase price per share of \$1.25. The warrant holders shall have the right to pay all or a portion of the Purchase Price (exercise price multiplied by the number of shares being exercised) by making a cashless exercise. In a cashless exercise, the portion of the Purchase Price shall be paid by reducing the number of warrant shares otherwise issuable pursuant to the notice of cash exercise by an amount equal to: Exercise price to be so paid divided by the fair market value per warrant share determined by the Board of Directors of the Company as of the business day immediately preceding the date of exercise. As a result of the cashless exercise, there is a variable number of shares to be issued upon the exercise of the warrants.

At initial recognition on July 30, 2021, the Company recorded a derivative warrant liability of \$706,841 based on the estimated fair value of the warrants.

As at September 30, 2021, the Company revalued the derivative warrants to an estimated fair value of \$703,953. The Company recorded a decrease in the estimated fair value of the derivative warrant liability of \$2,888 for the year ended September 30, 2021 (2020 - \$nil).

The following assumptions were used to estimate the fair value of the derivative warrant liabilities during the years ended September 30, 2021 and 2020.

	2021
Annualized volatility	116–130%
Risk-free interest rate	1.10–1.38
Life of warrants in years	5.83–7.38
Dividend rate	—
Market price	\$ 0.426–0.480
Fair value per warrant	\$ 0.25–0.48

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14. Share Capital

Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

- a) On October 1, 2020, the Company issued 48,529,569 common shares upon completion of the Amalgamation (Note 4).
- b) On January 21, 2021, the Company issued 52,174 common shares upon settlement of \$24,000 of accounts payable.
- c) On October 1, 2018, MNI entered into a consulting agreement with a third-party corporation (the "consultant"). Pursuant to the agreement, the consultant was to provide operational business development and introductory services in consideration for the issuance of 2,777,777 common shares. The fair value of the common shares was \$500,000 which was recorded in prepaid expenses for future services, and was to be recognized in profit and loss as the services were provided by the consultant. As of September 30, 2020, services had been provided pursuant to the agreement to earn 206,193 of the shares issued, and as a result MNI recognized the \$37,115 fair value of these shares as an expense. In addition, MNI and the consultant agreed that no further services would be provided, and subsequent to September 30, 2020, the remaining 2,571,584 shares would be returned to treasury for cancellation. As a result, the remaining \$462,885 for future services was removed from prepaid expenses and share capital during the year ended September 30, 2020. On October 1, 2020, the remaining 2,571,584 unearned shares were exchanged for 1,537,602 common shares upon amalgamation. On January 25, 2021, the 1,537,602 common shares were returned to treasury for cancellation.
- d) On February 28, 2021, the Company issued 6,343,916 common shares with a fair value of \$2,700,000 pursuant to a Share Purchase Agreement whereby the Company acquired all issued and outstanding shares of TNET (Note 5).
- e) On February 28, 2021, the Company issued 326,714 common shares upon settlement of \$139,180 of related party loans payable (Note 12(a)).
- f) On February 28, 2021, the Company issued 117,371 common shares upon settlement of \$50,000 of related party loans payable (Note 12(b)).
- g) On July 30, 2021, the Company issued 2,242,885 units at a price of \$0.48 per unit for the settlement of debt of \$1,076,589 (Note 10(c)). Each unit consisted of one common share and one-half of one share purchase warrant, each whole warrant entitling the holder to purchase one common share at a price of \$0.72 per share on or before December 31, 2022, subject to early expiry. In the event that the common shares of the Company trade on the TSXV and the closing price per common share for a period of 10 consecutive trading days is \$0.90 or more, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof by way of a news release and in such case the warrants will expire on the 30th day after the date of dissemination of the news release.
- h) On August 10, 2021, the Company issued 300,000 units at a price of \$0.48 per unit for total cash proceeds of \$144,000. Each unit consisted of one common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one common share at a price of \$0.72 per share on or before December 31, 2022, subject to early expiry. In the event that the common shares of the Company trade on the TSXV and the closing price per common share for a period of 10 consecutive trading days is \$0.90 or more, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof by way of a news release and in such case the warrants will expire on the 30th day after the date of dissemination of the news release. As part of the issuance, the Company incurred share issuance costs of \$7,200.

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14. Share Capital (continued)

- i) On September 7, 2021, the Company issued 1,318,207 units at a price of \$0.48 per unit for total proceeds of \$632,740, consisting of cash proceeds of \$479,240, and settlement of accounts payable of \$153,500. Each unit consisted of one common share and one-half of one share purchase warrant, with each whole warrant entitling the holder to purchase one common share at a price of \$0.72 per share on or before December 31, 2022, subject to early expiry. In the event that the common shares of the Company trade on the TSXV and the closing price per common share for a period of 10 consecutive trading days is \$0.90 or more, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof by way of a news release and in such case the warrants will expire on the 30th day after the date of dissemination of the news release. As part of the issuance, the Company incurred share issuance costs of \$8,673.

15. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Year Ended September 30, 2021		Year Ended September 30, 2020	
	Number of Warrants	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding – beginning of year	5,761,617	\$ 0.15	5,761,617	\$ 0.15
Cancelled or converted upon Amalgamation	(4,011,617)	–	–	–
Issued	3,661,337	0.31	–	–
Modification	1,750,000	0.25	–	–
Outstanding – end of year	7,161,337	\$ 0.43	5,761,617	\$ 0.15
Exercisable – end of year	7,161,337	\$ 0.43	5,761,617	\$ 0.15

The following table summarizes information about warrants outstanding and exercisable at September 30, 2021:

Warrants Outstanding	Exercise Price \$	Expiry Date
1,930,540	0.72	**December 31, 2022
1,730,797	0.48	***July 30, 2027
3,500,000	*0.25	September 14, 2028
<u>7,161,337</u>		

* Exercisable by the lesser of: (i) \$0.25 per share; and (ii) a discount of 16.67% from the IPO or RTO/QT financing price, or the RTO/QT vend-in price.

** Expiry date is the earlier of (i) December 31, 2022; and (ii) 30 days after giving notice of the acceleration of the expiry date if the shares are listed on the TSX Venture Exchange and the closing price is \$0.90 for period of at least 10 consecutive trading days.

*** Expiry date is the earlier of (i) July 30, 2027; and (ii) a date the Company elects on 30 days notice, if the shares are listed on a public exchange at a 30-day volume weighted average price of \$1.25.

Under the terms of the amalgamation, all prior 3,500,000 outstanding warrants exercisable into shares of MNI ("MNI Warrants") were converted into 1,750,000 warrants to purchase Amalco common shares on a 0.5 to one basis with the same terms and conditions of the outstanding MNI Warrants except with an exercise price of \$0.30. In addition, all prior 2,261,617 outstanding warrants exercisable into shares of TTGI were cancelled for no consideration (Note 4).

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

for the Year Ended September 30, 2021 with

Combined Comparative Information for the Year Ended September 30, 2020

(Expressed in Canadian dollars)

15. Share Purchase Warrants (continued)

On May 1, 2021, the Company amended the terms of the warrants to increase the number of warrants outstanding from 1,750,000 to 3,500,000 for a period which is the greater of: (i) five years following the listing of the Company's shares; and (ii) September 14, 2028. The exercise price is amended from \$0.15 per share to the lesser of: (i) \$0.25 per share; and (ii) a discount of 16.67% from the IPO or RTO/QT financing price, or the RTO/QT vend-in price. The amended warrants are fully vested. The modification of the warrants was valued using the Black Scholes pricing model and resulted in \$1,406,469 being recognized as consulting expenses. Weighted average assumptions used in calculating the fair value of the modification of warrants on May 1, 2021 are as follows:

Risk-free rate	1.35%
Dividend yield	—
Volatility*	129%
Expected forfeitures	—
Weighted average expected life of the options (year)	7.38

*As the Company is not publicly traded, volatility has been estimated using publicly traded comparable companies.

On July 30, 2021, the Company issued 1,730,797 share purchase warrants in relation to the issuance of a loan. The fair value was determined to be \$706,841 using the Black Scholes pricing model and was recognized as debt financing costs, which will be amortized over the life of the related loan payable (Note 10(c)). Weighted average assumptions used in calculating the fair value of the warrants on July 30, 2021 are as follows:

Risk-free rate	1.10%
Dividend yield	—
Volatility*	116%
Expected forfeitures	—
Weighted average expected life of the options (year)	6.00

*As the Company is not publicly traded, volatility has been estimated using publicly traded comparable companies.

16. Stock Options

The following table summarizes information about the stock options.

	Year Ended September 30, 2021		Year Ended September 30, 2020	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding – beginning of year	4,661,000	0.10	4,877,684	0.10
Exchanged upon Amalgamation	(1,896,121)	0.20	—	—
Granted	2,067,391	0.11	—	—
Cancelled	(388,650)	0.18	—	—
Expired	(186,552)	0.15	(216,684)	0.28
Outstanding – end of year	4,257,068	0.16	4,661,000	0.10
Exercisable – end of year	4,257,068	0.16	4,661,000	0.10

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements
for the Year Ended September 30, 2021 with
Combined Comparative Information for the Year Ended September 30, 2020
(Expressed in Canadian dollars)

16. Stock Options (continued)

The following table summarizes information about stock options outstanding and exercisable as at September 30, 2021.

Exercise Price \$	Expiry Date	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Contracted Life (Years)
0.1538	November 17, 2021*	435,287	435,287	0.13
0.2308	November 24, 2022**	1,641,890	1,641,890	1.15
0.10	August 5, 2026	1,467,391	1,467,391	4.85
0.15	August 5, 2026	600,000	600,000	4.85
0.10	October 24, 2026	112,500	112,500	5.07
		4,257,068	4,257,068	2.95

*Subsequently expired in full without exercise (Note 24(e)).

**Subsequently 1,370,625 options were exercised (Note 24(d)) and 155,459 options were cancelled (Note 24(e)).

Share-based compensation expense is determined using the Black-Scholes option pricing model. During the year ended September 30, 2021, the Company recognized share-based compensation expense of \$910,938 (2020 - \$nil). The weighted average fair value of options granted during the year ended September 30, 2021, was \$0.44 (2020 - \$nil) per share. Weighted average assumptions used in calculating the fair value of share-based compensation expense are as follows:

	2021	2020
Risk-free rate	0.83%	—
Dividend yield	—	—
Volatility*	117%	—
Expected forfeitures	—	—
Weighted average expected life of the options (year)	5.00	—

*As the Company is not publicly traded, volatility has been estimated using publicly traded comparable companies.

17. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital, share-based payment reserve, common stock subscribed and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its board of directors, will balance its overall capital structure through new equity issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended September 30, 2020.

18. Commitments and Contingencies

The Company had no significant commitments or contractual obligations with any parties respecting executive compensation, consulting arrangements, or other matters. Management services provided are on a month-to-month basis. The Company no longer has any significant commitments with respect to the premises lease as a result of adopting IFRS 16 (Note 3(j)). Refer to Note 9 for minimum lease payments.

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

for the Year Ended September 30, 2021 with

Combined Comparative Information for the Year Ended September 30, 2020

(Expressed in Canadian dollars)

19. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

The fair values of financial instruments, which include cash, amounts receivable, accounts payable, due to related parties, promissory note and loans payable approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and receivables. Cash is held with major banks in Canada and the United States, which are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

Amounts Receivable

Amounts receivable consists of trade receivable of \$518,061 (2020 - \$335,426). To reduce the credit risk of amounts receivable, the Company regularly reviews the collectability of the amounts receivable to ensure there is no indication that these amounts will not be fully recoverable. As at September 30, 2021, the Company recognized a provision for bad debts of \$nil (2020 - \$9,836) in accordance with IFRS 9, *Financial Instruments*. During the year ended September 30, 2021, the Company recognized bad debts of \$14,732 (2020 - \$1,541), which are included under general and administrative expenses on the consolidated statements of comprehensive loss.

The following table represents the customers that represented 10% or more of total revenue:

Year Ended September 30,	2021	2020
Customer A	15%	14%
Customer B	10%	11%

(c) Currency Risk

The Company's functional currency is the Canadian dollar. Currency risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company's head office and operating expenses are mainly denominated in Canadian dollars. A some of the Company's revenue is denominated in US dollars. If the US dollar depreciates compared to the Canadian dollar revenue would decrease in Canadian dollars. The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars:

	September 30, 2021	September 30, 2020
Balance in US dollars:		
Cash	\$ 58,581	\$ 94,591
Amounts receivable	150,537	81,333
Accounts payable	(19,014)	—
Net exposure	190,104	175,924
Balance in Canadian dollars:	\$ 241,167	\$ 234,358

A 10% change in the US dollar to the Canadian dollar exchange rate would impact the Company's net loss by approximately \$24,117 for the year ended September 30, 2021 (September 30, 2020 - \$23,436).

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

for the Year Ended September 30, 2021 with

Combined Comparative Information for the Year Ended September 30, 2020

(Expressed in Canadian dollars)

19. Financial Instruments and Risk Management (continued)**(d) Interest Rate Risk**

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and its short-term term deposits at prescribed market rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank accounts and short-term term deposits is subject to movements in interest rates.

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. A summary of the Company's obligations is as follows:

As at September 30, 2021	Carrying amount \$	Contractual cash flows \$	1 year or less \$	1 -5 Years \$
Accounts payable and accrued liabilities	981,857	981,857	981,857	—
Promissory note	300,000	300,000	300,000	—
Due to related parties	542,562	542,562	542,562	—
Loans payable	1,281,558	2,048,250	868,250	1,180,000
	<u>3,105,977</u>	<u>3,872,669</u>	<u>2,692,669</u>	<u>1,180,000</u>

20. Expenses by Nature

Expenses for the year ended September 30, 2021 were comprised as follows:

	General and administrative \$	Research and development \$	Sales and marketing \$
Personnel	668,708	629,022	522,702
Consulting	1,080,872	152,673	433,785
Office expense	176,652	24,968	78,986
Professional fees	554,178	—	5,268
Tradeshaw and travel	629	—	16,675
Marketing and communications	59,733	2,952	147,860
Totals	<u>2,540,772</u>	<u>809,615</u>	<u>1,205,276</u>

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements
for the Year Ended September 30, 2021 with
Combined Comparative Information for the Year Ended September 30, 2020
(Expressed in Canadian dollars)

20. Expenses by Nature (continued)

Expenses for the year ended September 30, 2020 were comprised as follows:

	General and administrative \$	Research and development \$	Sales and marketing \$
Personnel	1,822,322	496,148	11,782
Consulting	636,001	–	106,775
Office expense	219,768	42,063	9,994
Professional fees	595,681	5,271	–
Tradeshows and travel	71,729	143	10,493
Marketing and communications	–	–	98,386
Totals	3,346,501	543,625	237,430

21. Supplemental Cash Flow Information

Common shares issued upon the settlement of loans payable	1,265,769	203,350
Common shares issued upon the settlement of accounts payable	177,500	71,000
Share-based compensation relating to modification of warrants	1,406,469	–
Share-based compensation relating to granting of options	910,938	–
Interest paid	–	–
Income taxes paid	–	–

22. Income Taxes

The Company is subject to statutory income tax rates of 27%. The income tax provision differs from the amounts that would be obtained by applying the Canadian statutory income tax rate to net income (loss) before taxes as follows:

	September 30, 2021	September 30, 2020
Net loss for the year	(5,624,424)	(1,476,923)
Statutory income tax rate	27.00%	27.00%
Expected income tax recovery at statutory tax rate	(1,518,594)	(398,769)
Tax effect of:		
Permanent differences and other	1,106,059	423,277
Change in tax benefits not recognized	327,755	(24,508)
Income tax provision - deferred	(84,780)	–

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

for the Year Ended September 30, 2021 with

Combined Comparative Information for the Year Ended September 30, 2020

(Expressed in Canadian dollars)

22. Income Taxes (continued)

The significant components of deferred tax assets and liabilities as at September 30, 2021 and September 31, 2020 are as follows:

	September 30, 2021	September 30, 2020
Non-capital losses carried forward	1,348,610	936,075
Other	175	—
Deferred tax assets	1,348,785	936,075
Unrecognized deductible temporary differences	(1,348,785)	(936,075)
Total deferred tax assets	—	—
Intangible assets	(84,780)	—
Total deferred tax liabilities	(84,780)	—

As at September 30, 2021, the Company has non-capital losses carried forward of \$4,994,853 in Canada which are available to offset future years' taxable income. These losses expire as follows:

	Total
2033	327,860
2034	584,005
2035	666,320
2036	306,339
2037	15,089
2038	521,559
2039	374,736
2040	642,965
2041	1,555,980
	4,994,853

23. Subsequent Events

- a) The Company entered into a Letter of Intent ("LOI") with RMR Science Technologies Inc. ("RMR") dated August 9, 2021, and a Definitive Amalgamation Agreement ("Business Combination") with RMR and 1333633 BC Ltd. ("Subco") dated December 23, 2021 whereby the Company and Subco will amalgamate and become the wholly-owned subsidiary of RMR. The shares of RMR are listed on the TSX Venture Exchange ("TSXV"). The transaction will constitute a qualifying transaction of RMR as defined in Policy 2.4 *Capital Pool Companies* of the TSXV.

Pursuant to the Business Combination the common shares of the amalgamating companies were treated as follows:

- Each RMR Class A Common Share will be consolidated on the basis of 1 post-consolidation share for every 5 pre-consolidation shares;
- All of the outstanding common shares of the Company will be exchanged for post-consolidation Class A Common Shares of RMR at a rate of 1:1, which includes common shares of the Company issued pursuant to the Concurrent Financing;
- All existing stock options and share purchase warrants of the Company shall be exchanged on a 1:1 basis for stock options and share purchase warrants of RMR with an equivalent exercise price;

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

for the Year Ended September 30, 2021 with

Combined Comparative Information for the Year Ended September 30, 2020

(Expressed in Canadian dollars)

23. Subsequent Events (continued)

During the year ended September 30, 2021, as a condition of the LOI, the Company issued 3,861,092 units (the "Bridge Financing") at a price of \$0.48 per unit for cash proceeds of \$623,240, settlement of debt of \$1,076,589, and settlement of accounts payable of \$153,500. Each unit consisted of one common share and one-half of one common share purchase warrant, each whole warrant entitling the holder to purchase one common share at a price of \$0.72 per share on or before December 31, 2022 (Notes 14(g), 14(h), and 14(i)).

As a condition of the Business Combination, the Company must raise a minimum of \$6,000,000 and a maximum of \$8,000,000 (the "Concurrent Financing") through the issuance of subscription receipts at a price of \$0.56 per subscription receipt. Each subscription receipt will automatically convert into one unit of the Company immediately prior to closing of the Business Combination upon satisfaction of certain escrow release conditions. Each unit will consist of one common share and one-half of one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of \$0.75 per share for a period of two years from closing of the Concurrent Financing. Based on the 1:1 exchange ratio (post-consolidation) upon closing of the Business Combination a minimum of 10,714,286 RMR Class A Common Shares and 5,357,143 share purchase warrants of RMR, and a maximum of 14,285,715 RMR Class A Common Shares and 7,142,857 share purchase warrants of RMR, would be issued to subscribers under the Concurrent Financing.

Completion of the Business Combination is subject to a number of conditions, including but not limited to, the Company's completion of the Concurrent Financing, RMR completing a share consolidation of its existing issued and outstanding common shares on a 1:5 basis, TSXV acceptance and, if applicable pursuant to the requirements of the TSXV. Where applicable, the Business Combination cannot close until the required shareholder approval is obtained. There can be no assurance that the proposed transaction will be completed as proposed or at all.

- b) On December 1, 2021, as a bridge loan to the completion of the Business Combination and the Concurrent Financing, the Company issued a subordinate unsecured convertible promissory note (the "Promissory Note") in the amount of \$1,000,000.

The Promissory Note bears simple interest at a rate of 1% per month, increasing by 0.10% every three months (resulting in first year interest rate of 13.8%; and second year interest rate of 18.6%), payable monthly and is due on November 30, 2023. On February 14, 2022 the maturity date was extended to November 30, 2024. The principal portion and any unpaid interest may be converted at the option of the holder into common shares of the Company at a price equal to the lesser of \$0.48 per share or 15% discount to the lowest equity issuance round up to and including the equity round of the qualifying transaction.

As further consideration for the Promissory Note the Company issued 500,000 share purchase warrants, each entitling the holder to acquire one common share of the Company at a price equal to the lesser of \$0.48 per share or 15% discount to the lowest equity issuance round up to and including the equity round of the qualifying transaction for a period of 36 months. The warrants are subject to earlier accelerated exercise if the shares have traded and continue to trade on a public exchange at a 30-day volume-weighted average purchase price per share of \$1.25. The warrant holders shall have the right to pay all or a portion of the Purchase Price (exercise price multiplied by the number of shares being exercised) by making a cashless exercise. In a cashless exercise, the portion of the Purchase Price shall be paid by reducing the number of warrant shares otherwise issuable pursuant to the notice of cash exercise by an amount equal to: Exercise price to be so paid divided by the fair market value per warrant share determined by the Board of Directors of the Company as of the business day immediately preceding the date of exercise. As a result of the cashless exercise, there is a variable number of shares to be issued upon the exercise of the warrants. Subject to the completion of the Business Combination and public listing on the TSX Venture Exchange, the warrants maybe be terminated by the Company on 30 days written notice in the event that the closing price of the resulting issuer's shares on the TSX Venture Exchange is not less than \$1.25 for thirty consecutive days.

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

for the Year Ended September 30, 2021 with

Combined Comparative Information for the Year Ended September 30, 2020

(Expressed in Canadian dollars)

23. Subsequent Events (continued)

- c) On November 17, 2021 the Company granted 8,901,069 five-year incentive stock options, exercisable at \$0.48 per share.
- d) On January 25, 2022, 1,370,625 stock options were exercised at a price of \$0.2308 through a cashless exercise resulting in the issuance of 805,731 common shares and the surrender of 564,894 stock options.
- e) Subsequent to the year ended September 30, 2021, 435,287 stock options exercisable at a price of \$0.1538 expired and 155,459 stock options exercisable at a price of \$0.2308 were cancelled.

TURNIUM TECHNOLOGY GROUP, INC.

Consolidated Financial Statements

September 30, 2020

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders and the Board of Directors of Turnium Technology Group, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Turnium Technology Group, Inc. (the "Company"), which comprise the consolidated statement of financial position as at September 30, 2020, the consolidated statements of comprehensive loss, changes in deficit and cash flows for the eight-month period ended September 30, 2020, and the related notes comprising a summary of significant accounting policies and other explanatory information (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020 and its financial performance and its cash flows for the eight-month period then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2(c) of the accompanying consolidated financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

Without modifying our opinion, we draw attention to Note 14 to the consolidated financial statements which describes that Turnium Technology Group, Inc. adopted International Financial Reporting Standards as issued by the International Accounting Standards Board on February 1, 2020 with a transition date of February 1, 2019. These standards were applied retrospectively by management to the comparative information in these consolidated financial statements, including the consolidated statement of financial position as at January 31, 2020 and February 1, 2019, and the consolidated statements of comprehensive loss, changes in deficit and cash flows for the year ended January 31, 2020 and related disclosures. We were not engaged to report on the comparative financial information. As such, the comparative information is unaudited and no opinion has been expressed thereon.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 as issued by the International Accounting Standards Board, 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.

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
February 14, 2022

TURNIUM TECHNOLOGY GROUP, INC.

Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	September 30, 2020 \$	January 31, 2020 \$ (Unaudited)	February 1, 2019 \$ (Unaudited) (Note 14)
Assets			
Current assets			
Cash	129,202	69,939	13,805
Amounts receivable (Note 12(b))	42,763	35,481	27,693
Total current assets	171,965	105,420	41,498
Non-current assets			
Due from related party (Note 6)	–	17,043	–
Total assets	171,965	122,463	41,498
Liabilities and Deficiency			
Current liabilities			
Accounts payable	296,871	189,624	182,626
Accrued liabilities	55,622	14,090	13,637
Due to related party (Note 6)	789	–	223,642
Loans payable (Note 5)	–	1,160	1,010
Related party loans payable (Notes 4 and 6)	314,410	218,219	–
Total current liabilities	667,692	423,093	420,915
Loans payable (Notes 5)	61,334	–	–
Total liabilities	729,026	423,093	420,915
Deficiency			
Common shares (Note 7)	525,480	403,350	130
Other reserve	590,743	590,743	544,743
Subscriptions received	–	–	(130)
Share-based payment reserve (Notes 8 and 9)	428,957	278,881	–
Deficit	(2,102,241)	(1,573,604)	(924,160)
Total deficiency	(557,061)	(300,630)	(379,417)
Total liabilities and deficiency	171,965	122,463	41,498
Going concern (Note 2(c))			
Commitments and contingencies (Note 11)			
Subsequent events (Note 15)			

Approved and authorized for issuance by the Board of Directors on February 14, 2022:

"Johan Arnet"

"Derek Spratt"

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

TURNIUM TECHNOLOGY GROUP, INC.

Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars except share amounts)

	Eight-Month Period Ended September 30, 2020 \$	Twelve-Month Period Ended January 31, 2020 \$ (Unaudited)
Revenue (Note 6(d))	396,318	553,041
Expenses		
Accretion	2,428	–
Advertising and marketing	4,254	24,031
Allowance for bad debts	–	693
Consulting (Notes 8 and 9)	281,876	437,971
General and administrative	181,346	197,059
Professional fees	91,148	153,607
Travel	4,034	16,661
Wages and benefits (Note 6)	380,963	372,463
Total operating expenses	946,049	1,202,485
Loss before other income (loss)	(549,731)	(649,444)
Other income (loss)		
Government assistance (Note 5)	21,094	–
Net loss and comprehensive loss for the period	(528,637)	(649,444)
Basic and diluted loss per common share	(0.02)	(0.03)
Weighted average number of common shares outstanding	28,027,351	24,867,867

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

TURNIUM TECHNOLOGY GROUP, INC.

Consolidated Statements of Changes in Deficiency
(Expressed in Canadian dollars except share amounts)

	<u>Common Shares</u>		Share-based	Other	Common		Total
	Number	Amount	Payment	Reserve	Shares	Deficit	Deficiency
		\$	Reserve	\$	Subscribed	\$	\$
Balance, February 1, 2019 (Unaudited) (Note 14)	26,000,000	130	–	544,743	(130)	(924,160)	(379,417)
Issuance of common shares for cash	1,133,750	272,000	–	46,000	–	–	318,000
Issuance of common shares to settle liabilities (Note 7(g) to (j))	524,880	131,220	–	–	–	–	131,220
Subscriptions received	–	–	–	–	130	–	130
Stock-based compensation	–	–	278,881	–	–	–	278,881
Net loss and comprehensive loss	–	–	–	–	–	(649,444)	(649,444)
Balance, January 31, 2020 (Unaudited)	27,658,630	403,350	278,881	590,743	–	(1,573,604)	(300,630)
Issuance of shares to settle liabilities (Note 7(l) and (m))	488,520	122,130	–	–	–	–	122,130
Stock-based compensation	–	–	150,076	–	–	–	150,076
Net loss and comprehensive loss	–	–	–	–	–	(528,637)	(528,637)
Balance, September 30, 2020	28,147,150	525,480	428,957	590,743	–	(2,102,241)	(557,061)

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

TURNIUM TECHNOLOGY GROUP, INC.

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Eight-Month Period Ended September 30, 2020 \$	Twelve-Month Period Ended January 31, 2020 \$
		(Unaudited)
Operating activities		
Net loss	(528,637)	(649,444)
Items not affecting cash:		
Accretion	2,428	—
Government assistance	(21,094)	—
Stock-based compensation	150,076	278,881
Changes in non-cash operating working capital:		
Amounts receivable	(7,282)	(7,789)
Accounts payable	179,377	138,218
Accrued liabilities	41,532	454
Net cash used in operating activities	(183,600)	(262,146)
Financing activities		
Due from/to related parties	164,023	(22,466)
Proceeds from loans payable	80,000	150
Repayment of loans payable	(1,160)	—
Proceeds from the issuance of common shares	—	318,130
Net cash provided by financing activities	242,863	318,280
Increase in cash	59,263	56,134
Cash beginning of the period	69,939	13,805
Cash end of the period	129,202	69,939
Supplemental cash flow information:		
Common shares issued upon the settlement of loans payable	50,000	—
Common shares issued upon the settlement of accounts payable	72,130	131,220
Interest paid	—	—
Income taxes paid	—	—

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

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

For the eight-month period ended September 30, 2020 with

Unaudited comparative information for the year ended January 31, 2020

(Expressed in Canadian dollars)

1. Corporate Information

Turnium Technology Group, Inc. (the “Company”; “Turnium”) (formerly TMP Technologies Inc.) was incorporated on January 15, 2019 under the Business Corporations Act (British Columbia). The Company is engaged in the provision of an SD-WAN business platform, and the delivery of network and cloud-based services. The Company’s registered office is located at Suite 3200, 650 West Georgia Street Vancouver, British Columbia, V6B 4P7.

2. Basis of Presentation

(a) Statement of Compliance and Principles of Consolidation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) on a going concern basis.

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Turnium Technology, Ltd. (“TTL”), a company incorporated in the province of British Columbia in 2017, and Plait Networks Ltd. (“Plait”), a company incorporated in the province of British Columbia in 2016. All intercompany transactions have been eliminated on consolidation.

On February 28, 2019, the Company entered into a Share Transfer Agreement with Plait, whereby the Company agreed to acquire all 100,000 of the issued and outstanding Class B Non-Voting Common Shares of Plait in consideration for the issuance of 14,929,010 common shares of the Company to Plait shareholders. Plait retained 100% of their Class A Voting shares. As the Company did not meet the IFRS 3, *Business Combinations*, definition of a business the acquisition was recorded at the carrying value of the assets and liabilities of \$Nil.

In April 2020, Plait amended its articles to change the Class B Non-Voting Shares to having one vote per share. On April 23, 2020, Plait then repurchased and cancelled all of its 96,000 outstanding Class A Voting Shares. After the amendment, repurchase and cancellation the only remaining outstanding shares were 100,000 Class B Voting Shares held by the Company.

Also in April 2020, TTL amended its articles to change the Class B and Class C Non-Voting Shares to Class B Voting Shares having one vote per share. TTL then repurchased and cancelled all 783,215 outstanding Class A Voting Shares. After the amendments, repurchase and cancellation the only remaining outstanding shares were 1,023,442 Class B Voting Shares held by 57% by the Company and 43% by Plait. The April 2020 transactions are collectively referred to as the Reorganization.

Business combinations involving entities under common control are outside the scope of IFRS 3 and as a result, due to the common control of Plait, TTL and the Company the Reorganization is outside the scope of IFRS 3. The Reorganization was accounted for as a transfer of the carrying amounts of assets and liabilities under the predecessor value method of accounting. Financial statement presentation under the predecessor value method of accounting as a result of a business combination between entities under common control requires the Company to restate the results of operations as if the combination had taken place at the beginning of the earliest comparative period presented. These consolidated financial statements restate the results of operations as if the Reorganization had taken place on February 1, 2019.

The consolidated financial statements were approved by the Board of Directors and authorized for issue on February 14, 2022.

(b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments Note 3(c), and are presented in Canadian dollars, which is also the functional currency of the Company.

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

For the eight-month period ended September 30, 2020 with

Unaudited comparative information for the year ended January 31, 2020

(Expressed in Canadian dollars)

2. Basis of Presentation (continued)

(b) Basis of Measurement (continued)

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the period.

These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities include the following:

i) The inputs used in the valuation of stock-based compensation:

The fair value of stock options granted is measured using the Black-Scholes option pricing model. Measurement inputs include share price on the measurement date, exercise price of the option, expected volatility, actual and expected life of the option, expected dividends based on the dividend yield at the date of the grant, anticipated forfeiture rate, and the risk-free interest rate. The expected life of the options is based on historical experience and general option holder behavior. The Company also makes an estimate of the number of options that will be forfeited and the rate is adjusted to reflect the actual number of options that vest. Consequently, the actual stock-based compensation expense may vary from the amount estimated.

ii) Revenue recognition for special contracts and projects:

The Company has projects with multiple performance obligations that generally include subscriptions for software and services. Estimates are required to determine the status of a project at the end of each reporting period. The Company's revenue recognition policy is described in Note 3(e).

iii) Incremental borrowing rate:

The Company uses estimation in determining the incremental borrowing rate used to measure the loan liabilities. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in similar economic environment.

iv) Allowance for credit losses:

The Company provides for doubtful debts by analyzing the historical default experience and current information available about a customer's credit worthiness on an account by account basis. Uncertainty relates to the actual collectability of customer balances that can vary from the Company's estimation. At September 30, 2020, the Company has an allowance for doubtful accounts of \$Nil (January 31, 2020 - \$Nil).

Significant areas of judgment include:

i) Application of the going concern assumption:

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

For the eight-month period ended September 30, 2020 with

Unaudited comparative information for the year ended January 31, 2020

(Expressed in Canadian dollars)

2. Basis of Presentation (continued)

(b) Basis of Measurement (continued)

ii) Application of IFRS 16, *Leases* ("IFRS 16"):

The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create economic incentive to exercise renewal options.

iii) Deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company generating future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in classifying transactions and assessing probable outcomes of tax positions taken, and in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

iv) The valuation of allowances for uncollectible trade receivables requires judgement involving estimated credit losses based on customer, industry concentrations and the Company's knowledge of the financial conditions of its customers. Uncertainty relates to the actual collectability of customer balances that can vary from management's estimates and judgment.

(c) Going Concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended September 30, 2020, the Company has incurred a net loss of \$528,636 and as of September 30, 2020, had an accumulated deficit of \$2,102,241 and a working capital deficiency of \$495,727. These factors, among others, may cast significant doubt as to the ability of the Company to continue as a going concern. Management believes that the proceeds from additional equity financing activities that it is currently pursuing, combined with revenue that the Company expects to generate in subsequent periods, will provide the Company with sufficient working capital to satisfy its liabilities and commitments as they become due for the foreseeable future. There can be no assurances that sufficient equity can be raised on acceptable terms on a timely basis.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these consolidated financial statements. Such adjustments could be material.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The impact on the Company has not been significant, and while the Company does not anticipate any long-term impact, it is not possible to reliably estimate the immediate impact on the financial results and condition of the Company. The Company will continue to monitor and assess risks associated with COVID-19.

3. Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value, to be cash equivalents.

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

For the eight-month period ended September 30, 2020 with

Unaudited comparative information for the year ended January 31, 2020

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies (continued)

(b) Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss. The Company's functional currency, as well as that of its wholly-owned subsidiaries TTL and Plait, is the Canadian dollar.

(c) Financial Instruments

(i) Recognition and initial measurement

The Company's financial instruments consist of cash, amounts receivable, due from/to related parties, accounts payable, loans payable, and related party loans payable.

Account receivables are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI - equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Company does not have any financial assets classified as FVTPL or FVTOCI, only those classified at amortized cost.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortized cost. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the consolidated statement of comprehensive loss. Any gain or loss on derecognition is recognized in the consolidated statement of comprehensive loss.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the consolidated statement of comprehensive loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the consolidated statement of comprehensive loss. Any gain or loss on derecognition is also recognized in the consolidated statement of comprehensive loss.

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

For the eight-month period ended September 30, 2020 with

Unaudited comparative information for the year ended January 31, 2020

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies (continued)

(c) Financial Instruments (continued)

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognized in its consolidated statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the consolidated statement of comprehensive loss.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(d) Impairment of Financial Assets

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

(e) Revenue

The Company's revenue is primarily earned from the grant of non-exclusive, non-transferrable licenses to service providers to use the Company's SD-WAN business platform (the "Platform"). Pursuant to the licensing agreements, the Company charges an initial start-up fee and a license fee for software license units that covers the licensing of all of the software comprised in the Platform.

Revenue from license fees is generally earned over time and is recognized on a straight-line basis over the term of the contract. Revenue from initial start-up fees is recognized when the set-up process is complete and the customer has full access to the software.

(f) Impairment of Non-financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If indicators exist, then the asset's recoverable amount is estimated. The recoverable amounts of the following types of intangible assets are measured annually whether or not there is any indication that they may be impaired.

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

For the eight-month period ended September 30, 2020 with

Unaudited comparative information for the year ended January 31, 2020

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies (continued)

(f) Impairment of Non-financial Assets (continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or “CGU”).

The Company’s corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of assets other than intangible assets that have indefinite useful lives, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(g) Leases

In January 2016, the IASB published a new standard, IFRS 16, replacing IAS 17, *Leases* (“IAS 17”) and related interpretations (IFRIC 4, *Determining Whether an Arrangement Contains a Lease* (“IFRIC 4”)). The new standard eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant.

For contracts entered into at inception, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36, *Impairment of Assets*. This replaced the previous requirement to recognize a provision for onerous lease contracts.

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

For the eight-month period ended September 30, 2020 with

Unaudited comparative information for the year ended January 31, 2020

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies (continued)

(g) Leases (continued)

The lease liability is initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any, if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be remeasured when there is a change in either the future lease payments or assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and interest on the obligation. Interest expense on the lease obligation is included in the consolidated statement of comprehensive loss.

The Company does not recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and for low value leases and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term, as permitted by IFRS 16.

(h) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as a stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credit to share capital, adjusted for any consideration paid.

(i) Research and Development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in profit or loss as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. No development costs have been capitalized to date.

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

For the eight-month period ended September 30, 2020 with

Unaudited comparative information for the year ended January 31, 2020

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies (continued)

(j) Income Taxes

Income tax comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in the other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amounts of an asset or liability differs from its tax base, except for the taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company re-assesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(k) Loss per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, the exercise of stock options and share purchase warrants is considered to be anti-dilutive and basic and diluted loss per share are the same. As at September 30, 2020, the Company has 2,486,617 (January 31, 2020 – 2,486,617) potentially dilutive shares which were anti-dilutive.

(l) Refundable Tax Credits

The Government of Canada provides refundable tax credits to qualifying companies engaged in Scientific Research and Experimental Development (“SR&ED”) activities, as that term is defined in the Income Tax Act (Canada). The Company records 100% of its claim for such credits in profit or loss during the period in which the claim filed with the taxation authorities has been accepted and the tax credits have been received. Subsequent amendments or adjustments to such claims, if any, are recorded as they occur.

(m) Accounting for Government Grants and Disclosure of Government Assistance

The Company classifies forgivable loans, or the forgivable portion thereof, from the government as government assistance when there is a reasonable assurance that the Company will meet the terms for forgiveness on the loan. If this threshold is not met, the Company classifies forgivable loans as loan payable, measured initially at fair value in accordance with IFRS 9, *Financial Instruments*.

The Company applied for COVID-19 financial relief in Canada under the Canada Emergency Wage Subsidy (“CEWS”) program. The CEWS program is a wage subsidy program launched by the Canadian federal government to qualifying employers to subsidize payroll costs during the COVID-19 pandemic. The qualified subsidy amounts received under the CEWS program are non-repayable. Government grants and assistance are recognized as a reduction in the related expense in the period in which there is reasonable assurance that the grant or assistance has become receivable and all conditions, if any, have been satisfied.

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Consolidated Financial Statements

For the eight-month period ended September 30, 2020 with

Unaudited comparative information for the year ended January 31, 2020

(Expressed in Canadian dollars)

4. Related Party Loans Payable

- a) During the period ended September 30, 2020, the Company secured \$31,000 of amounts owed to a shareholder of the Company. The loan is unsecured, non-interest bearing and due the earlier of February 1, 2025, the completion of a financing by the Company of \$2,000,000 or the Company having cash of over \$500,000.
- b) During the period ended September 30, 2020, the Company secured \$76,500 of amounts owed to a director of the Company. The loan is unsecured, non-interest bearing and due the earlier of February 1, 2025, the completion of a financing by the Company of \$2,000,000 or the Company having cash of over \$500,000.
- c) During the period ended September 30, 2020, the Company secured \$18,250 of amounts owed a shareholder of the Company. The loan is unsecured, non-interest bearing and due the earlier of February 1, 2025, the completion of a financing by the Company of \$2,000,000 or the Company having cash of over \$500,000.
- d) During the period ended September 30, 2020, the Company secured \$182,930 of amounts owed to a company controlled by the CEO of the Company. The loan is unsecured, non-interest bearing and due the earlier of February 1, 2025, the completion of a financing by the Company of \$2,000,000 or the Company having cash of over \$500,000.
- e) At September 30, 2020, the Company owed \$5,730 to a Company with common management and shareholders. The loan is unsecured, non-interest bearing and due on demand.

5. Loans Payable

- a) At September 30, 2020, the Company owed \$Nil (January 31, 2020 - \$1,160) to an unrelated party. The loan is unsecured, non-interest bearing and due on demand.
- b) In June 2020, each of the Company's subsidiaries (Plait and TTL) opened a Canada Emergency Business Account ("CEBA") and each received a loan of \$40,000 funded by the Government of Canada (for an aggregate of \$80,000). Each loan is interest-free and may be repaid any time before December 31, 2022, at which time, if unpaid, the remaining balance will convert to a 3-year term loan at an interest rate of 5% per annum. If either loan is repaid prior to December 31, 2022, there will be loan forgiveness of 25% of the loan, up to \$10,000 (for an aggregate of \$20,000).

Although the forgivable portion of each loan of \$10,000 is not repayable if an amount of \$30,000 is repaid by December 31, 2022, this portion will be recognized in income when there is reasonable assurance that the terms of early repayment of this aid will be complied with. The Company measured the loan at a fair value of \$58,906 resulting in an adjustment of \$21,094 recognized in net loss as government assistance. During the period ended September 30, 2020, the Company recognized accretion of the loan of \$2,428 increasing the carrying value of the loan payable to \$61,334.

6. Related Party Transactions

The Company considers its directors and officers to be key management personnel, and the following table summarizes the compensation of the Company's key management:

	Eight-Month Period Ended September 30, 2020 \$	(Unaudited) Twelve-Month Period Ended January 31, 2020 \$
Salaries and wages	103,557	110,443

TURNIUM TECHNOLOGY GROUP, INC.

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6. Related Party Transactions (continued)

- a) At September 30, 2020, the Company owed \$789 to related parties (January 31, 2020 - \$17,043 owing from related parties).
- b) At September 30, 2020, the Company had accounts payable of \$234,140 (January 31, 2020 - \$130,573) owed to related parties.
- c) At September 30, 2020, the Company owed \$314,410 of loans payable to related parties as described in Note 4 (January 31, 2020 - \$218,219).
- d) During the period ended September 30, 2020, the Company earned revenue of \$2,245 (year ended January 31, 2020 - \$1,142) and expenses incurred of \$491,350 (year ended January 31, 2020 - \$528,465) in transactions with the related parties.

7. Share Capital

Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

- a) On March 27, 2019, the Company issued 100,000 common shares for cash at \$0.25 per share for proceeds of \$25,000.
- b) On April 19, 2019, the Company issued 160,000 common shares for cash at \$0.25 per share for proceeds of \$40,000.
- c) On July 2, 2019, the Company issued 80,000 common shares for cash at \$0.25 per share for proceeds of \$20,000.
- d) On July 17, 2019, the Company issued 200,000 common shares for cash at \$0.25 per share for proceeds of \$50,000.
- e) On July 23, 2019, the Company issued 500,000 common shares for cash at \$0.25 per share for proceeds of \$125,000.
- f) On September 16, 2019, the Company issued 93,750 common shares for cash at \$0.128 per share for proceeds of \$12,000.
- g) On November 21, 2019, the Company issued 200,000 common shares upon the conversion of \$50,000 of accounts payable.
- h) On January 13, 2020, the Company issued 44,880 common shares upon the settlement of \$11,220 of accounts payable.
- i) On January 14, 2020, the Company issued 80,000 common shares upon the settlement of \$20,000 of accounts payable.
- j) On January 31, 2020, the Company issued 200,000 common shares upon the settlement of \$50,000 of accounts payable.
- k) During the period ended January 31, 2020, the Company received proceeds of \$46,000 upon the issuance of shares of a subsidiary.
- l) On March 30, 2020, the Company issued 200,000 common shares to a Company controlled by the CEO of the Company upon the settlement of \$50,000 of loans payable.
- m) On March 31, 2020, the Company issued 288,520 common shares upon the settlement \$72,130 of accounts payable.

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8. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Eight-Month Period Ended September 30, 2020		(Unaudited) Twelve-Month Period Ended January 31, 2020	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding – beginning of period	2,261,617	0.15	2,529,670	0.15
Cancelled	–	–	(268,053)	0.15
Outstanding – end of period	2,261,617	0.15	2,261,617	0.15
Exercisable – end of period	1,964,044	0.10	1,324,130	0.05

The following table summarizes information about warrants outstanding and exercisable at September 30, 2020:

Warrants Outstanding	Exercise Price \$	Expiry Date
2,261,617	0.15	January 22, 2029
<u>2,261,617</u>		

On January 22, 2019, the Company entered into a consulting agreement which was subsequently amended on March 1, 2019. Pursuant to the agreement, the Company granted 2,261,617 warrants to an advisor for corporate advisory services which has been recorded within consulting expenses on the consolidated statement of comprehensive loss. The warrants vested as to 339,242 on January 22, 2019, with the remaining 1,922,375 to vest 2,633 per day until January 21, 2021. The warrants had a fair value of \$530,406 of which \$150,076 (January 31, 2020 - \$225,422) was expensed relating to warrants that vested during the period, with the remaining \$154,908 to be expensed in future periods as the services are received.

The Company did not grant any other warrants during the period ended September 30, 2020 or the year ended January 31, 2020. Weighted average assumptions used in calculating the fair value of stock-based compensation expense for the warrants granted on January 22, 2019 are as follows:

Risk-free rate	2.32%
Dividend yield	–
Volatility*	107%
Expected forfeitures	–
Weighted average expected life of the options (year)	10.00

*As the Company is not publicly traded, volatility has been estimated using publicly traded comparable companies.

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9. Stock Options

The following table summarizes information about the stock options.

	Eight-Month Period Ended September 30, 2020		(Unaudited) Twelve-Month Period Ended January 31, 2020	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding – beginning of period	225,000	0.05	–	–
Granted	–	–	225,000	0.05
Outstanding – end of period	225,000	0.05	225,000	0.05
Exercisable – end of period	225,000	0.05	225,000	0.05

The following table summarizes information about stock options outstanding and exercisable as at September 30, 2020.

Exercise Price \$	Expiry Date	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Contracted Life (Years)
0.05	October 24, 2026	225,000	225,000	6.07

The fair value of stock options granted was determined using the Black-Scholes option pricing model.

During the period ended September 30, 2020, the Company granted no (January 31, 2020 - 225,000) stock options with a fair value of \$Nil (January 31, 2020 - \$53,459), of which \$Nil (year ended January 31, 2020 - \$53,459) was expensed as stock-based compensation during the period.

There were no stock options exercised during the period ended September 30, 2020 or year ended January 31, 2020.

Weighted average assumptions used in calculating the fair value of stock-based compensation expense are as follows:

	September 30, 2020	(Unaudited) January 31, 2020
Risk-free rate	–	2.32%
Dividend yield	–	–
Volatility*	–	113%
Expected forfeitures	–	–
Weighted average expected life of the options (year)	–	7.00

*As the Company is not publicly traded, volatility has been estimated using publicly traded comparable companies.

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10. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital, share-based payment reserve, common stock subscribed and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its board of directors, will balance its overall capital structure through new equity issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended January 31, 2020.

11. Commitments and Contingencies

The Company had no significant commitments or contractual obligations with any parties respecting executive compensation, consulting arrangements, or other matters. Management services and office space provided are on a month-to-month basis.

12. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

The fair values of financial instruments, which include cash, amounts receivable, due from/to related parties, accounts payable, loans payable, and related party loans payable approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and receivables. Cash is held with major banks in Canada and the United States, which are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

Amounts Receivable

Amounts receivable consists of trade receivables of \$42,763 (January 31, 2020 - \$35,481). To reduce the credit risk of amounts receivable, the Company regularly reviews the collectability of the amounts receivable to ensure there is no indication that these amounts will not be fully recoverable. During the year ended September 30, 2020, the Company recognized a provision for bad debts of \$Nil (January 31, 2020 - \$Nil) in accordance with IFRS 9, *Financial Instruments*.

The Company had one customer that represented 10% or more of total revenue. The following table represents the top three customers as a percentage of total revenue:

	September 30, 2020	(Unaudited) January 31, 2020
Customer A	11%	11%
Customer B	9%	9%
Customer C	8%	9%

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12. Financial Instruments and Risk Management (continued)**(c) Currency Risk**

The Company's functional currency is the Canadian dollar. Currency risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company's head office and operating expenses are mainly denominated in Canadian dollars. A some of the Company's revenue is denominated in US dollars. If the US dollar depreciates compared to the Canadian dollar revenue would decrease in Canadian dollars. The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars:

	September 30, 2020	(Unaudited) January 31, 2020
Balance in US dollars:		
Cash	\$ 17,770	\$ 6,272
Net exposure	17,770	6,272
Balance in Canadian dollars:	\$ 23,704	\$ 8,294

A 10% change in the US dollar to the Canadian dollar exchange rate would impact the Company's net loss by approximately \$1,777 for the period ended September 30, 2020 (year ended January 31, 2020 - \$627).

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and its short-term term deposits at prescribed market rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank accounts and short-term term deposits is subject to movements in interest rates.

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. A summary of the Company's obligations is as follows:

	Carrying amount \$	Contractual cash flows \$	1 year or less \$	1 -5 Years \$
As at September 30, 2020				
Account payables	296,871	296,871	296,871	—
Accrued professional fees	45,000	45,000	45,000	—
Other accrued liabilities	10,622	10,622	10,622	—
Related party loans payable	314,410	314,410	314,410	—
Loans payable	61,334	80,000	—	80,000
	728,237	746,903	666,903	80,000

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13. Income Taxes

The Company is subject to statutory income tax rates of 27%. The income tax provision differs from the amounts that would be obtained by applying the Canadian statutory income tax rate to net income (loss) before taxes as follows:

	September 30, 2020	(Unaudited) January 31, 2020
Net loss for the period	(528,637)	(649,444)
Statutory income tax rate	27.00%	27.00%
Expected income tax recovery at statutory tax rate	(142,732)	(175,350)
Tax effect of:		
Permanent differences and other	41,294	75,936
Change in tax benefits not recognized	101,438	99,414
Income tax provision	—	—

The significant components of deferred tax assets and liabilities as at September 30, 2020 and January 31, 2020 are as follows:

	September 30, 2020	(Unaudited) January 31, 2020
Non-capital losses carried forward	449,443	348,005
Total deferred tax assets	449,443	348,005
Unrecognized deductible temporary differences	(449,443)	(348,005)
Total deferred tax assets	—	—

As at September 30, 2020, the Company has non-capital losses carried forward of \$1,664,603 in Canada which are available to offset future years' taxable income. These losses expire as follows:

	Total \$
2038	519,280
2039	371,658
2040	773,665
	1,664,603

14. First Time Adoption of International Financial Reporting Standards

Transition to IFRS

The Company has adopted IFRS effective February 1, 2020 with a transition date of February 1, 2019 (the "Transition Date"). Prior to the adoption of IFRS the Company prepared its consolidated financial statements in accordance with Canadian Accounting Standards for Private Enterprises ("ASPE").

The comparative information presented in these first annual consolidated financial statements for the year ended January 31, 2020 and the opening consolidated statement of financial position as at February 1, 2019 have been prepared in accordance with the accounting policies referenced in Note 3 and IFRS 1, *First-Time Adoption of International Financial Reporting Standards* ("IFRS 1").

TURNIUM TECHNOLOGY GROUP, INC.

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14. First Time Adoption of International Financial Reporting Standards (continued)

Initial elections upon adoption

The Company adopted IFRS in accordance with IFRS 1 which requires the retrospective application of IFRS at the Transition Date with all adjustments to assets and liabilities taken to deficit, subject to mandatory exceptions and the application of optional exemptions. As IFRS and ASPE employ a similar conceptual framework, there were no IFRS 1 exceptions that would have a material impact if elected. Therefore, the Company did not apply any IFRS 1 exceptions in the conversion from ASPE to IFRS.

Estimates

IFRS 1 does not permit changes to estimates previously made. Accordingly, estimates used at the Transition Date are consistent with estimates made at the same date under ASPE.

Reconciliation between ASPE and IFRS

IFRS employs a conceptual framework that is similar to ASPE. However, some differences exist in certain matters of recognition, measurement and disclosure. The adoption of IFRS had no effect on the Company's opening consolidated statement of financial position as at February 1, 2019, the comparative consolidated statement of financial position as at January 31, 2020, or its loss and comprehensive loss or cash flows for the year ended January 31, 2020.

15. Subsequent Events

- a) Effective October 1, 2020, the Company completed an amalgamation agreement (the "Amalgamation Agreement"), pursuant to which it amalgamated with Turnium Technology, Ltd. ("Turnium"), Plait Networks Ltd. ("Plait"), Multapplied Networks Inc. ("MNI"), and M.N.I. Investment Holdings Ltd. ("MNIH"), and together with the Company and Turnium, Plait, and MNI, the "Amalgamating Companies") continued operations under the name of Turnium Technology Group, Inc. ("Amalco").

Appendix D

MD&A of Turnium Technology Group, Inc.

Turnium Technology Group, Inc.

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (this “**MD&A**”) is dated June 6, 2022 and is intended to assist the reader in understanding the results of operations and financial condition of Turnium Technology Group, Inc., (“**TTGI**”, or the “**Company**”). This MD&A should be read in conjunction with the following information that can be obtained from www.sedar.com:

- (i) The Company’s audited combined and consolidated financial statements for the years ended September 30, 2021 and 2020 and accompanying notes (the “Financial Statements”);
- (ii) The Company’s unaudited condensed consolidated interim financial statements for the three and six months ended March 31, 2022 and accompanying notes;
- (iii) The Company’s management discussion and analysis for the year ended September 30, 2021; and
- (iv) The Company’s filing statement dated June 6, 2022.

The Financial Statements of TTGI have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretation Committee (“IFRIC”).

TTGI’s reporting and functional currency is Canadian Dollars and the functional currency of its wholly owned operating subsidiary, Tenacious Networks Inc. (“TNET”), is Canadian Dollars. The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. Should we add “All dollar amounts reported herein are in CAD dollars unless otherwise Indicated.

CAUTION ON FORWARD-LOOKING INFORMATION

This MD&A contains certain “forward-looking information” and “forward-looking statements” (collectively “**forward-looking statements**”) within the meaning of applicable Canadian securities legislation. When we discuss our strategy, plans, outlook, future financial and operating performance, financing plans, growth in cash flow and other events and developments that have not yet happened, we are making forward-looking statements. All statements in this MD&A that address events or developments that we expect to occur in the future are forward-looking statements, including the following:

- the development and capabilities of TTGI (as defined herein) to provide the software and services;
- our plan to expand operations by adding additional customers;
- our expectations in relation to working capital;
- our expectations in relation to our future financial needs;

Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as “expect”, “plan”, “anticipate”, “project”, “target”, “potential”, “schedule”, “forecast”, “budget”, “estimate”, “intend” or “believe” and similar expressions or their negative connotations, or that events or conditions “will”, “would”, “may”, “could”, “should” or “might” occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond the Company’s control, including the following:

- our dependence on suppliers and customers;
- our ability to attract customers;
- the competitive nature of the SD-WAN market;
- our ability to manage our growth;
- expansion plans not being completed as expected;
- protection of intellectual property;
- exchange rate risks;
- regulatory risks;
- tax laws;
- our future operations and our ability to realize the anticipated benefit of acquisitions and dispositions;
- ability to raise capital;
- conflicts of interest;
- our dependence on key personnel;
- dilution to present and prospective shareholders;
- the lack of a market for our securities; and
- our share price.

The Company assumes no responsibility to revise forward looking statements to reflect new information, subsequent events or changes in circumstances, except as required by applicable securities laws.

1. History of the Business

The Company's registered and records office is located at 3200-650 West Georgia Street, Vancouver British Columbia, V6B 4P7. The Company's operations are located at 1127 15th St. West., North Vancouver, BC Canada, V7P 1M7.

Turnium Technology Group, Inc. is a private company formed by amalgamation under the Business Corporation Act of British Columbia ("BCBCA") on October 1, 2020.

TTGI acquired all of the issued and outstanding shares of TNET effective February 28, 2021. TNET was incorporated in June 2019 and operations started February 1, 2020. Further information on the acquisition of TNET is set out in Note 5 of the Company's Financial Statements.

Effective December 21, 2021 RMR Science Technologies Ltd. ("RMR"), a British Columbia capital pool company listed on the Toronto Venture Exchange ("TSX.V") and the Company entered into an amalgamation agreement that would result in RMR's acquisition of all of the issued and outstanding securities of the Company (the "Business Combination"). The Business Combination is considered to be a reverse takeover by the Company, the accounting acquirer, of RMR, the accounting acquiree.

2. Core Business

TTGI develops and commercializes a software platform, being a software-defined wide area networking ("SD-WAN") platform, used to build communication networks that connect a business' multiple branches or locations to each other as well as to multiple cloud-hosted applications, data, and storage. TTGI leverages the capabilities of white-box hardware (hardware not manufactured by a known brand or containing software), Linux, and open-source software to build a proprietary software platform that delivers business

connectivity networks that are simpler, easier to deploy and more cost-effective than traditional telecom networks that rely on proprietary hardware.

3. Products and Services

TTGI's SD-WAN product can be hosted, managed, branded and sold by customers and a managed SD-WAN service that customers can buy and resell or use themselves. SD-WAN makes it easy to deploy and manage secure private networks using a combination of Internet, wireless, 4G/LTE, 5G and fiber connections and obtain features comparable to the dedicated networks and connections offered by traditional telecommunications providers. SD-WAN networks benefit from being faster to deploy and easier to manage and avoid the complexity and time-consuming processes entailed in working with telecom quote, provision, change and repair processes.

TTGI delivers two product solutions sets to customers. One is a wholesale white-label software platform originally branded 'Multapplied' that is now sold under the "Turnium Wholesale SD-WAN" brand, to channel partners that want to own, run, manage, and brand their own SD-WAN solution. The second is a turnkey managed SD-WAN service branded 'Turnium Managed SD-WAN' that is re-sold by channel partners who want to add a Turnium-branded offer to their sales portfolio without the expense or complication of running the platform themselves. In addition, TTGI delivers services through a wholly owned subsidiary, TNET, which provides channel partners with professional services, end-customer businesses with IT services and support services including managed desktop, managed LAN, hosted voice and computer hardware, network, and security sales. TNET contributes a revenue positive support structure to TTGI, offsetting what would otherwise be a cost center, while also enabling the range of services that TTGI can sell to its customers.

Turnium Wholesale SD-WAN

Turnium Wholesale SD-WAN is a wholesale software platform that is sold to channel partners who package, brand, price, and sell it to residential, home-business, SMB, government, and enterprise customers as their own offering. Our channel partners include System Integrators, MSPs (managed service providers), ISPs (Internet service providers), and telecommunication companies (including cable companies) that provide managed network, hosted voice, managed desktop, backup services, managed security and outsourced IT.

These channel partners install TTGI's software in their own data centers and host and manage it themselves. With Turnium software installed, a partner can sell and deliver a better end-user experience of the business applications they sell, such as telephone service and applications like data backup, security firewalls or managed computer desktop. Running Turnium Wholesale SD-WAN allows a partner to replace expensive, inflexible legacy networks provided by traditional telecoms with similar functionality that is faster to setup and change, easier to manage and comes at a highly competitive price.

Turnium Managed SD-WAN

Turnium Managed SD-WAN is a turnkey, managed SD-WAN service that is sold through an indirect channel program to SMB and SME (small-medium enterprise). Turnium channel partners include system integrators, independent software vendors, IT value-added resellers, IT consultants and MSPs that provide managed network, hosted voice, managed desktop, backup services, managed security and outsourced IT.

TTGI hosts and delivers its managed service from its own data centres in Vancouver, Calgary, Toronto, New York, and Los Angeles. Turnium can add new regional instances of its software easily.

TTGI channel partners resell Turnium Managed SD-WAN on 12, 24 or 36-month contracts and receive a monthly commission stream. TTGI channel partners invest in pre-sales, sales and marketing activity.

As compared to its wholesale software, TTGI's Turnium Managed SD-WAN provides channel partners and end-customers with a fully packaged service that includes SD-WAN software that is hosted and managed by TTGI. The service comes packaged with hardware, customer service and support bundled into a monthly price. TTGI can also provide higher-touch services to design and deploy a managed solution to meet custom requirements.

This service gives TTGI's customers access to a complete solution for a monthly fee per site, with professional services being delivered on an hourly basis, without having to deploy, manage or support the core networking infrastructure themselves. TTGI can use any existing customer connectivity or provide last-mile circuits bundled into the solution.

TTGI earns revenue under each of its three brands, from a combination of upfront site license fees, set-up fees, support and maintenance fees and monthly per-site license fees. Further through TNET, TTGI resells computer hardware and licensing from brands such as Lenovo and Fortinet and provides professional services.

4. Market

TTGI is taking advantage of the rapid growth and adoption of SD-WAN. According to Gartner, between 2017 and 2022, the SD-WAN industry and associated services are forecast to grow rapidly while hardware sales will be flat and traditional Networking technologies will decline.

TTGI's channel partners enable it to leverage their existing trusted customer relationships, sales staff and delivery capabilities. This "pull-through" of TTGI's software is an efficient sales strategy, as TTGI sells once to channel partners who have multiple customers and can deliver TTGI's SD-WAN software as part of their existing customer relationships. This prevents TTGI from competing with potential channel partners for the attention and trust of their customers.

There are over 170,000 identified potential channel partners in the Wired & Wireless Telecommunications, Telecommunications Reseller, Data Processing and Computer Systems Design & Related Services industry segments in North America, comprising our total addressable market.

Since 2019, TTGI has focused on selling to Managed Service Providers (MSPs). SD-WAN delivers a strong value proposition to MSPs as it provides the MSP with a secure, reliable on-ramp to deliver their hosted, managed services. The MSP generates significant profit from their hosted services and uses TTGI's SD-WAN as a means-to-an-end. The MSP is much less price sensitive and typically bundles Multapplied or Turnium SD-WAN into their other services.

TTGI is also targeting large regional, national and international telecom companies. Although, sales cycles to these companies are lengthy, TTGI is approaching these potential partners due to the significant impact they could have on TTGI's business.

5. Overall Performance

During the six months ended March 31, 2022 and to the date of this MD&A, TTGI was focused on completing the Business Combination and concurrent financing. Also, during this period, the Company was actively enhancing its software offering, and building its base of channel partners. TTGI reported the

following milestones:

Development of the Business

- **May 17, 2022** – TTGI and Quantum Internet Solutions announced their joint support of the Ukrainian Safe Haven Project. Situated at the former Grouse Nest Resort in Sooke, BC, the Ukrainian Safe Haven is set to provide refuge for up to 100 Ukrainians forced to flee from the ongoing conflict in Donbas, Kharkiv, Mariupol, and other affected cities within the country.

Turnium and Quantum are donating a complete technology package to the non-profit that will keep residents of the Ukrainian Safe Haven connected to vital news with internet, video, and voice calling services. Quantum is donating all hardware, installation, and 24/7 support while Turnium is donating the company's software-defined wide area networking (SD-WAN) technology.

The combined donations from Quantum and Turnium will ensure those staying at the Safe Haven will receive fast and reliable internet service to keep them connected to critical information and their loved ones.

- **March 01, 2022** – TTGI and Lanner Electronics Inc. ("Lanner") announced the availability of TTGI's and Lanner's joint edge compute solution. This solution was released for viewing at Mobile World Congress 2022 (MWC22). This joint integrated solution is built using TTGI's cloud-native network function (CNF) certified software-defined wide area network (SD-WAN) solution embedded on Lanner's latest white box network appliance, the NCA-1516 uCPE. The Lanner NCA-1516 uCPE is available in multiple memory and processor configurations to suit customer needs and can support multiple workloads including Turnium's SD-WAN solution. The Lanner NCA-1516 and Turnium SD-WAN solution are the foundation of any cloud extension and wide area network (WAN) architecture and enable customers to build a disaggregated secure access service edge using their preferred security vendors. A number of SKUs covering various hardware configurations for this bundled solution are available directly from Lanner. This joint solution makes it easier for enterprises and carriers to deliver a bundled uCPE/SD-WAN solution and bring branch offices on-net more efficiently and cost effectively.
- **February 14 2022** – TTGI announced that it closed a new channel partner agreement with the fastest growing wholesale telecom provider in Latin America. After an extensive competitive process including a proof-of-concept deployment and evaluation by its technical and business teams, TTGI has begun working with its new channel partner. Launching in Brazil and Columbia, TTGI's new channel partner provides network services direct to enterprise as well as to telecommunications companies, managed service, and internet service providers. Gartner Inc., forecasts that Latin American organizations will purchase \$170.6M US in SD-WAN equipment by 2025, up from \$81.7M US in 2021 – an increase of 108% year over year ("Forecast: Enterprise Network Equipment by Geography", 2019-2025. March 2021).
- **February 3 2022** – TTGI announced it has signed a managed services agreement with TD SYNnex. The deal brings Turnium Managed SD-WAN to TD SYNnex' vast network of resellers across Canada. With Turnium SD-WAN, TD SYNnex' reseller network delivers to customers consistent bandwidth, built-in failover, and bi-directional support for the quality of service required for voice and video. Companies benefit from Turnium's solution, which allows them to get higher speeds and failover by simultaneously using two Internet connections from different Internet Service Providers (ISPs). Turnium Managed SD-WAN offers a low barrier to entry for IT services providers to leverage current

cutting-edge technology. This provides customers like TD SYNEX the ability to readily deploy network endpoints as needed using a Network-as-a-Service approach regardless of the underlying infrastructure. What takes telecommunications companies and ISPs days or weeks to deliver can now be done in a matter of minutes.

- **January 12, 2022** – TTGI opened its software development center in Halifax, Nova Scotia, Canada. The new development center puts TTGI in the heart of Nova Scotia's burgeoning \$2.5 billion technology industry. On Canada's East Coast, TTGI's Halifax center operates 4 hours ahead of the development team in British Columbia's Lower Mainland. TTGI's developers are skilled in C/C++ and other languages necessary to advance the features and functionality that telecom and managed service providers need from Turnium's disaggregated SD-WAN platform.
- **November 16, 2021**– TTGI participated in the ICT Virtual Trade Mission to Brazil organized by Global Affairs Canada and the Consulate General of Canada in São Paulo, Brazil. The virtual mission took place between November 3 and 17th, 2021, alongside the Futurecom Trade Show and Congress, the largest telecommunications event in Latin America. TTGI joined the delegation with the goal of continuing to expand its global reach to include the Brazilian market and customers across Latin America.
- **November 16, 2021**– TTGI engaged Haresh Kheskani as Chief Technology Officer (CTO)/VP of Engineering. Haresh joins the Turnium team having spent the last year as Turnium's VP Strategic Solutions, introducing Turnium's white-label SD-WAN platform to technology and managed services companies in Silicon Valley. Haresh brings over 35 years of technical experience in software development, network function virtualization and other core networking technologies to Turnium. In his prior roles, Haresh was VP Product Management for Cloud Platform at Loodse (currently known as Kubermatic). Haresh spent over 15 years at Cisco Systems leading software development programs including OpenStack, Network Function Virtualization Infrastructure (NFVI), Container Deployment, and Performance, Scale and Security. Prior to Cisco, Haresh held roles at ONStor, Silicon Graphics, Touch Communications, and Fairchild Semiconductor.
- **October 26, 2021**– TTGI attended Mobile World Congress Los Angeles and demoed at the IBM Booth where it announced a commitment from IBM's Technology Assurance Group (TAG) to bring their network of managed technology service providers (MTSPs) to IBM's Cloud for Telecommunications. TTGI joined IBM's (NYSE: [IBM](#)) ecosystem of partners earlier this summer. Along with leveraging TTGI's powerful SD-WAN, TAG benefits from IBM's highly reliable and scalable cloud environment designed to accelerate business transformation with the power of edge and 5G, while addressing the unique requirements of operators, partner ecosystems and their enterprise clients.

Together TTGI and IBM Cloud for Telecommunications help Technology Assurance Group (TAG) extend the reach of their managed technology solutions and partner network to new customers across the United States. TAG is an organization of leading managed technology services providers in the United States and Canada representing \$700 million in products and services.

The combined TAG, IBM, and TTGI offering helps TAG's MTSP partners deliver reliable and scalable software-defined wide area networks that accelerate customer digital transformation and hybrid cloud adoption.

- **October 26, 2021** - TTGI launched an embedded multi-path site networking solution with Lanner Electronics at Mobile World Congress Los Angeles, October 26-28, 2021. The solution includes TTGI's off-the-shelf network bonding and failover software pre-installed on Lanner's uCPE L-1515

device. This bundle enables customers to deliver multi-path failover using diverse LTE and wireline paths quickly and simply. This solution will make it easier and faster for customers to provide site survivability, bond wireless and wireline circuits and get the business continuity benefits of fast failover in a single purchase from Lanner.

The combined solution will be available as a new SKU (Turnium SW Bonding Tool) in Lanner's product catalogue. The bundled price from Lanner allows customers to make a single purchase and receive the benefit of high-quality Lanner hardware pre-imaged with Turnium's multi-path bonding and failover technology to increase site bandwidth and survivability.

Financing and Corporate

- On December 21, 2021 RMR Science Technologies Inc. ("RMR"), a British Columbia capital pool company listed on the Toronto Venture Exchange ("TSX.V") and the Company entered into an amalgamation agreement that would result in RMR's acquisition of the issued and outstanding securities of the Company pursuant to an amalgamation agreement (the "Business Combination"). The Business Combination is considered to be a reverse takeover by the Company, the accounting acquirer, of RMR, the accounting acquiree.

Among other things, the Business Combination is subject to the Company completing a concurrent financing of Subscription receipts. The following tables sets out the pro forma share capital of the Company subsequent to completion of the Business Combination:

	Number of Common Shares
Common Shares held by RMR Shareholders prior to Business Combination ⁽¹⁾	2,047,155
Common Shares issued to TTGI Shareholders pursuant to Business Combination ⁽²⁾	66,492,926
Common Shares issuable upon exercise of Options	11,100,766
Common Shares issuable upon exercise of Warrants ⁽³⁾	10,616,651
Common Shares issuable upon exercise of Agents' Compensation Options	229,649
Common Shares issuable upon exercise of Warrants underlying Agents' Compensation Options	114,824
Total	90,601,971

⁽¹⁾ Effective prior to the closing of the Business Combination, the RMR common shares will be consolidated on a 1:5 basis.

⁽²⁾ Pursuant to the amalgamation agreement, RMR issued 66,492,926 shares at an agreed price of \$0.56 per share, in exchange for all of the issued and outstanding common shares of TTGI, including the common shares issued on conversion of 5,910,627 subscription receipts described herein.

⁽³⁾ Includes 2,955,313 warrants issued on conversion of subscription receipts.

48,393,170 of the issued and outstanding common shares will be subject to escrow conditions. 5,558,246 common shares issuable on exercise of options are also subject to escrow conditions.

In connection with the reverse takeover transaction and the private placement of Subscription Receipts, the Company entered into an agency agreement with Eight Capital LLC (“Eight”) under which it paid an advisory fee of \$100,000 and third party legal costs of \$125,000. In addition, the Company provided Eight with the first right of refusal to act as agent with respect to certain equity-based capital transactions for a period of one year.

- **April 14, 2022** - the Company received refundable Scientific Research & Experimental Development tax credits in the amount of \$ 226,665.
- **April 8, 2022** - in connection with the Business Combination the Company completed a private placement of 5,910,627 subscription receipts and a price of \$0.56 per subscription receipt, for gross proceeds of \$3,309,951. Each subscription receipts converted into one common share of the Company and one-half (1/2) of one common share purchase warrant prior to closing the Business Combination. Each whole share purchase warrant entitles the holder to acquire one common share at a price of \$0.75 per share for a period of two years. The Company paid cash commissions of \$129,984 and 229,649 agents’ compensation options. Each compensation option entitles the holder to purchase one unit of the Company on before April 8, 2024. Each unit will consist of one common share and one-half of one share purchase warrant, each warrant entitling the holder to purchase one common share at a price of \$0.75 on or before April 8, 2024.
- **April 7, 2022** – Subject to the Company’s payment of a \$35,000 refinancing fee, which was paid on May 13, 2022, the Company extended the current principal of \$850,000 of its \$1,850,000 term loan to May 31, 2023.
- **April 4, 2022** – TTGI issued 2,083,334 common shares on the conversion of its \$1 million convertible note.
- **December 21, 2021** – TTGI entered into a definitive amalgamation agreement with RMR, a capital pool company, under which the Company will become a wholly-owned subsidiary of RMR and the business of RMR will be that of the business of the Company. The Agreement is subject to a number of conditions including approval of the Company’s shareholders, TSX Venture Exchange approval of the transaction, listing the Company’s security in the TSX Venture Exchange and raising funds in a concurrent financing.
- **December 1, 2021** – TTGI closed a \$1 million convertible promissory note and issued 500,000 warrants as consideration. See note 10 c) to the Company’s Financial Statements.

6. Future Plans and Outlook

Gartner forecasts the global SD-WAN market to reach \$34.9B USD by 2022 based on the cost-savings and performance increases companies gain by moving from traditional telecommunications-based MPLS services to Internet-based SD-WAN. TTGI provides the technology, infrastructure and services that Enterprise customers need to save money and increase performance.

Plans

TTGI reports the following progress on its plans for 2022:

Plans for fiscal 2022	Progress for the three months ended December 31, 2021
Continue to grow sales through execution of the business plan	Revenue increased by 82% compared with the same quarter of the prior year and by 19% compared to the preceding quarter.
Grow revenue and increase international reach and support capabilities by the acquisition of at least one company	Not yet commenced
Complete its Public listing on the TSX Venture exchange	In progress

7. Summary of Quarterly Results

Results for the three and six months ended March 31, 2022 and 2021 are as follows:

Income Statement Data (unaudited)	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Six Months Ended March 31, 2022	Six Months Ended March 31, 2021
Revenue	1,451,922	799,367	2,668,084	1,713,202
Gross profit	907,383	648,238	1,827,561	1,520,757
Expenses	2,154,491	1,017,145	3,956,242	1,947,530
Loss before other income	(1,247,109)	(385,603)	(2,128,681)	(451,048)
Refundable tax credits	-	-	-	253,512
Foreign exchange gain	(1,479)	(9,735)	2,597	(30,569)
Interest expense	(239,741)	(84,046)	(455,419)	(164,282)
Gain (loss) on change in value of derivative instruments	6,305	-	40,542	-
Government assistance	-	12,682	-	22,062
Net comprehensive loss for the period	(1,482,024)	(466,702)	(2,540,961)	(370,325)
Basic and diluted loss per common share	\$ (0.03)	\$ (0.01)	\$ (0.04)	\$ (0.01)
Weighted average number of common shares outstanding	58,373,629	49,797,168	58,029,693	48,889,758

During the above periods the Company recognized the following revenue and comprehensive income of TNET, acquired effective February 28, 2021:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Six Months Ended March 31, 2022	Six Months Ended March 31, 2021
Revenue	746,965	412,982	1,238,453	855,640
Comprehensive income (loss)	(39,251)	(232,989)	23,047	(149,843)

Revenue and Gross Margin

	Three Months ended March 31, 2022	Three Months ended March 31, 2021	Six Months ended March 31, 2022	Six months ended March 31, 2021
Recurring Revenue ⁽¹⁾	883,138	738,204	1,775,077	1,423,198
One-time charges ⁽¹⁾	568,784	61,163	893,007	290,004

During the quarter ended March 31, 2022 revenue increased by 82% over revenue for the same quarter of the prior year, 51% due to the acquisition of TNET and 49% due to growth in sales. For the six months ended March 31, 2022 revenue increased by 56% over the prior year period, 60% due to the acquisition of TNET.

For the six months ended March 31, 2022 one customer comprised 10.7% of revenue.

The Company reported gross margin for the quarter of 62% compared with gross margin of 81% for last year's comparable quarter. Gross margin for the six month period was 68% compared with 89% for the comparable six month period of last year. For the six month period, gross margin was 90% for recurring revenue and 27% for one-time charges. Direct costs are comprised of service and support labour and cost of goods sold.

Expenses

Expenses for the quarter ended March 31, 2022 increased by 108% over the same quarter of last year. This increase was due 61% to share-based compensation, 42% due to an increase in general and administrative expense and 3% due to increased research and development expense, offset by a 6% due to a decrease in sales and marketing expense.

Expenses for the six months ended March 31, 2022 increased by 101% over the same period of last year. This increase was due 59% to share-based compensation, 27% due to an increase in general and administrative expense, 3% due to increased research and development expense, and 11% due to an increase in sales and marketing expense.

The Company plans to increase expenses over the ensuing quarters, particularly for sales and marketing and research and development, in order to grow its business. Further, the Company expects an increase in general and administrative costs following completion of the planned Business Combination and resulting public listing.

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Refundable Tax Credits

The Government of Canada provides refundable tax credits to qualifying companies engaged in Scientific Research and Experimental Development (“SRED”) activities, as that term is defined in the Income Tax Act (Canada). The Company records 100% of its claim for such credits in profit or loss during the period in which the claim filed with the taxation authorities has been accepted and the tax credits have been received. Subsequent amendments or adjustments to such claims, if any, are recorded as they occur.

During the most recent quarter the Company reported refundable tax credits of \$Nil (2021 – \$253,512). Subsequent to the end of the quarter, on April 4, 2022, the Company recorded refundable tax credits of \$226,665 with respect to the year ended September 30, 2021. The Company recognizes refundable tax credits when they have been applied for and accepted by Canada Revenue Agency. The refundable tax credit was received in April 2022. Subsequent to the completion of the Company’s proposed Business Combination, SRED tax credits will no longer be refundable but may be carried forward for up to ten years to reduce future tax liability.

Interest Expense

Interest expense for the quarter ended March 31, 2022 increased by 185% over the comparable quarter due to a higher balance of loans during the six month period. The Company entered into a loan agreement in the amount of \$1,850,000 in July 2021 and during the quarter on December 1, 2021 the Company issued a convertible promissory note in the principal amount of \$1,000,000.

On April 4, 2022 the promissory note converted into common shares, and as a result it is anticipated that interest will be reduced for that last two quarters of the current fiscal year.

8. Quarterly Highlights

	31-Mar-22 Consolidated	31-Dec-21 Consolidated	30-Sep-21 Consolidated	30-Jun-21 Consolidated	31-Mar-21 Consolidated	31-Dec-20 Consolidated	⁽¹⁾ Sep 30, 2020 Combined	⁽¹⁾ Jun 30, 2020 Combined
Revenue	1,451,922	1,216,162	\$1,193,308	\$1,043,290	\$799,367	\$913,835	\$771,657	\$715,718
Gross Margin	907,383	920,178	903,121	801,518	648,238	872,519	715,162	667,257
Total Expenses	2,154,491	1,801,751	2,316,176	2,605,817	1,033,841	968,533	1,497,099	876,191
Refundable tax credits	-	-	-	-	-	253,512	-	121,968
Other gain (loss)	(234,915)	(177,364)	(1,779,312)	(84,111)	(81,099)	(61,121)	(72,051)	(55,489)
Net comprehensive income (loss)	(1,482,024)	(1,058,937)	(3,365,689)	(1,888,410)	(466,702)	96,377	(853,988)	(142,455)
Basic and diluted loss per common share	\$ (0.03)	\$ (0.02)	\$ (0.06)	\$ (0.04)	\$ (0.01)	\$ -	\$ (0.02)	\$ -
Weighted average number of common shares outstanding	58,373,629	57,693,234	55,904,583	53,832,142	49,797,168	48,529,569	48,529,569	49,311,437

⁽¹⁾ Quarterly highlights for the quarters ended June 30, 2020 and September 30, 2020 are prior to the October 31, 2021 amalgamation, and include the accounts of the amalgamated companies on a combined basis as if the amalgamation had taken place.

It is anticipated that revenues and expenses may vary, perhaps materially, from quarter to quarter due to several factors, including changes in product mix, costs related to planned increase in market share, global expansion costs and ongoing corporate development initiatives. Although revenues may fluctuate from quarter to quarter, and such fluctuations may be material, management expects that revenues will increase year over year. There are no known trends or seasonal impacts on the Company's business although seasonal trends may develop as the Company grows.

Expenses increased by 20% over the preceding quarter ended December 31, 2021, due 52% to an increase in share-based compensation expense, 19% to an increase in research and development costs, 9% to an increase in general and administrative expense and 17% to an increase in sales and marketing activities. Research and development costs increased by 31% over the preceding quarter due to additional labour and office expense from the opening of TTGI's Halifax development office.

Total expenses for the last four quarters included share based compensation expense. Share based compensation expense for the quarter ended June 30, 2021 was due to consulting fees paid in compensation warrants in the amount of \$1,406,469. During the quarter ended September 30, 2021 the company granted fully vested stock options and recognized stock based compensation expense in the amount of \$910,938. For the quarters ended March 31, 2022 and December 31, 2021 the Company expensed share based compensation \$682,362 and \$498,354 respectively. The Company uses a graded vesting model which results in a higher option expense at the beginning of the vesting period.

Other gains (losses) for the most recent quarter were interest expense of \$239,471 compared with interest expense of \$215,678 in the preceding quarter and reported a gain on revaluation of derivative liabilities of \$6,305 compared with \$34,237.

The Company anticipates increasing expenses over the next two quarters to increase sales activities and also to pursue product development plans. In addition, the Company expects to increase General and administrative expense to provide for the additional costs of managing a public company upon completion of its Business Combination.

9. Summary of Financial Position

The Company's financial position as at March 31, 2021 compared with the Company's financial position as at September 30, 2021 is as follows:

Balance Sheet Data	31-Mar-21	30-Sep-21
Current assets	\$2,390,524	\$987,275
Non-current assets	\$1,602,911	\$1,505,915
Current liabilities	\$4,537,044	\$2,509,491
Non-current liabilities	\$2,271,131	\$2,961,189

Current assets as at March 31, 2021 increased by 142% over current assets at September 30, 2021 due 92% to the proceeds received by the Company in the amount of \$1,296,687 for the sale of subscription receipts. A corresponding amount was included in current liabilities. Subsequent to the end of the period the funds were transferred to the escrow agent for the transaction. In addition, 20% of the increase was due to an increase in prepaid costs with respect to the Company's Business Combination and concurrent financing of set by a reduction in accounts receivable, offset by a 14% reduction in amounts receivable.

Non-current assets increased by 6% during the six months, due primarily to the Company's addition of a right of use asset pursuant to the Company's Halifax office lease.

Current liabilities increased by 81% over the end of the prior year, 64% due to the subscription receipts received, 22% due to an increase in accounts payable and accrued liabilities, 25% due to an increase in the current portion of loan payable, offset by a reduction in related party amounts owing. Subsequent to the end of the period the Company extended the \$850,000 current principal payment of its \$1,850,000 term loan. Effective May 13, 2022 the Company extended the \$850,000 current principal portion of its \$1,850,000 term loan to May 31, 2023.

Non-current liabilities decreased by \$690,058 or 23% over the end of the prior year. \$1,283,696 of the decrease was due to the net reduction in derivative liabilities. See Note 13. to the Company's Financial Statements. The decrease was offset by a \$496,455 increase in the long-term portion of loans payable due to the addition of a \$1 million convertible promissory note. The promissory note was later converted to common shares on April 4, 2022. Liquidity and Capital Resources

Until TTGI earns an operating surplus, it is reliant on its ability to raise capital in order to settle its debts as they come due. At March 31, 2022, TTGI had a working capital deficiency of \$2,146,520 (September 30, 2021 – \$1,522,216). During the six months ended March 31, 2022, the Company incurred a net loss of

\$2,540,961 (2021 – \$370,325). A summary of the Company’s obligations as at March 31, 2022 is as follows:

As at March 31, 2022	Carrying amount \$	Contractual cash flows \$	1 year or less \$	1-5 Years \$
Accounts payable and accrued liabilities	1,422,124	1,422,124	1,422,124	–
Promissory note	300,000	300,000	300,000	–
Due to related parties	271,940	271,940	271,940	–
Lease liability	105,395	105,395	21,525	124,708
Loans payable	2,293,242	3,862,866	1,131,500	2,731,366
	4,392,701	5,962,325	3,147,089	2,856,075

Included in working capital deficiency were the current portion of loans payable in the amount of \$1,167,595 (2021 - \$2,577,160) comprised of principal in the amount of \$1,212,411 net of accrued interest. On July 30, 2021, the Company entered into a loan agreement in the principal amount of \$1,850,000, bearing interest at a rate of 12.75% per annum. \$850,000 of the loan was due on January 31, 2021 and the balance is due on July 30, 2024. On January 1, 2022, the Lenders agreed to extend the mandatory principal prepayment to March 31, 2022 and on April 4, 2022 agreed to further extend it to May 31, 2023 subject to the payment of a finance fee in the amount of \$35,000 which was paid on May 13, 2022.

On December 1, 2021, the Company issued a convertible promissory note (the “Promissory Note”) with a principal amount of \$1 million. The Promissory Note bears simple interest at a rate of 1% per month, increasing by 0.10% every three months payable monthly and is due on November 30, 2024. The principal portion and any unpaid interest may be converted at the option of the holder into common shares of the Company at a price equal to the lesser of \$0.48 per share or 15% discount to the lowest equity issuance round up to and including the equity round of the qualifying transaction. On April 4, 2022 the lender converted the entire amount into common shares of the Company at a price of \$0.48 per common share.

As further consideration for the Note the Company issued 500,000 share purchase warrants, each entitling the holder to acquire one common share of the Company at a price equal to the lesser of \$0.48 per share or 15% discount to the lowest equity issuance round up to and including the equity round of the qualifying transaction for a period of 36 months. This warrant was recorded as a derivative liability until such time that the terms become fixed.

On April 8, 2022 the Company closed a private placement of 5,910,627 subscription receipts at a price of \$0.56 each for gross proceeds of \$3,309,951. Each subscription receipt [t is comprised on one common share and one half of a common share purchase warrant exercisable at \$0.75 per share for a period of 24 months. The Company paid cash commissions of \$129,984 and 229,649 agents’ compensation options. Each option entitles the holder to purchase one unit of the Company on before April 8, 2024. Each unit will consist of one Common Share and one-half of one share purchase warrant, each warrant entitling the holder to purchase one Common Share at a price of \$0.75 per Common Share on or before April 8, 2024. This financing is subject to completion of the Business Combination.

The Financial Statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the Financial Statements at March 31, 2022, TTGI has an accumulated deficit of \$14,688,890 (September 30, 2021:

\$12,147,929) and negative cash flow from operating activities of \$705,401 (March 31, 2021 – \$427,415). These factors, among others, indicate there are material uncertainties that may cast significant doubt as to the ability of the Company to continue as a going concern. Management believes that the proceeds from the subscription receipt financing, combined with revenue that the Company expects to generate in subsequent periods, will provide the Company with sufficient working capital to satisfy its liabilities and commitments as they become due for the foreseeable future. There can be no assurances that sufficient equity can be raised in the future on acceptable terms on a timely basis.

10. Related Party Transactions

The Company considers its directors and officers to be key management personnel, and the following table summarizes the compensation of the Company's key management:

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021	Six Months Ended March 31, 2022	Six Months Ended March 31, 2021
	\$	\$	\$	\$
Consulting*	198,273	165,500	458,913	351,000
Salaries and wages*	161,816	96,185	234,119	107,370
Share-based compensation	352,127	-	639,730	-

* Salaries and wages paid to key management personnel are included under general and administrative, sales and marketing and research and development expenses on the condensed interim consolidated statement of comprehensive loss.

- a) During the three and six months ended March 31, 2022, the Company incurred \$82,500 and \$165,000 respectively (2021 - \$152,500 and \$77,500 respectively) in consulting fees, reimbursed \$240,713 in expenses including rent, labour and data centre costs to companies controlled by the CEO of the Company.

During the six months ended March 31, 2022 the Company repaid \$82,915 of loans due to the company controlled by the CEO of the Company, reducing the outstanding balance as at March 31, 2022 to \$154,690 (September 30, 2021 - \$237,606). The amount is unsecured, non-interest bearing and due on the earlier of (i) August 31, 2025 (ii) upon completion of any financing in excess of \$2,000,000 or (iii) cash on hand in excess of \$500,000. In addition, the Company had trade payable of \$54,829 due to companies controlled by the CEO.

- b) During the three and six months ended March 31, 2022, the Company incurred \$45,000 and \$90,000 respectively (2021 - \$45,000 and \$90,000 respectively) in advisory fees to a Director of the Company. In December, 2021 the Company repaid \$52,750 of a \$139,000 amount owing to the Director, reducing the September 30, 2021 balance of \$139,000 to \$86,250. The amount is unsecured, non-interest bearing and due on the earlier of (i) February 1, 2025 (ii) upon completion of any financing in excess of \$2,000,000 or (iii) cash on hand in excess of \$500,000. In addition, the Company had trade payables of \$91,032 due to a company controlled by the director.
- c) At March 31, 2022 the Company the Company had a balance due to an officer of the Company in the amount of \$48,500 in respect of services provided (September 30, 2021 – Nil).
- d) During the six months ended March 31, 2021, the Company repaid \$65,000 to a company controlled by the former President of TNET. The amount which was outstanding at September 30, 2021 was unsecured, non-interest bearing and due on demand.

- e) During the six months ended March 31, 2021, the Company repaid \$65,000 to a company controlled by the CEO of the Company. The amount which was outstanding at September 30, 2021 was unsecured, non-interest bearing and due on demand.
- f) As at March 31, 2022, the Company owed \$300,000 under a Promissory Note (Note 11) to a company controlled by the former President of TNET and a company controlled by the CEO of the Company.
- g) As at March 31, 2021, the Company owed \$31,000 (September 30, 2021 - \$31,000) to the former CTO of the Company. The loan is unsecured, non-interest bearing and due on the earlier of (i) February 1, 2025 (ii) upon completion of any financing in excess of \$2,000,000 or (iii) cash on hand in excess of \$500,000.

11. Off-Balance Sheet Arrangements

As at the date of this MD&A, TTGI did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of TTGI, including, and without limitation, such considerations as liquidity and capital resources.

12. Significant Accounting Policies

Basis of Consolidation

The Financial Statements for the quarter include the accounts of TTGI and its wholly owned subsidiary, TNET. All inter-company accounts and transactions have been eliminated in preparing the Financial Statements.

On October 1, 2020, the Company was formed by the amalgamation of five companies under the Business Corporations Act (British Columbia). Business combinations involving entities under common control are outside the scope of IFRS 3, *Business Combinations*, and as a result, due to the common control of the predecessor companies, the accounting for amalgamation was outside the scope of IFRS 3. The amalgamation was accounted for as a transfer of the carrying amounts of assets and liabilities under the predecessor value method of accounting. Financial statement presentation under the predecessor value method of accounting as a result of a business combination between entities under common control requires the Company to restate the results of operations as if the combination had taken place at the beginning of the earliest comparative period presented. These condensed consolidated and combined financial statements restate the results of operations as if the amalgamation had taken place on October 1, 2019. The comparative operational results of the pre-amalgamated entities have been shown on a combined basis.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value, except deferred tax assets or liabilities, which are recognized and measured in accordance with IAS 12, *Income Taxes*. Subsequent changes in fair values are adjusted against the cost of acquisition if they qualify as measurement year adjustments. The measurement year is the year between the date of acquisition and the date where all significant information necessary to determine the fair values is available and cannot exceed 12 months. All other subsequent changes are recognized in the consolidated statements of comprehensive loss.

The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed including any contingently payable purchase price obligation due over time. The Company uses valuation techniques, which are generally based on forecasted future net cash flows discounted to present value. These

valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied. The determination of fair value involves making estimates relating to acquired intangibles assets, property and equipment and contingent consideration. In certain situations, goodwill or a bargain purchase gain may result from a business combination. Goodwill is measured as the excess of the consideration transferred over the net amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognized immediately in the consolidated statements of comprehensive loss as a bargain purchase gain. Acquisition related costs are recognized in the consolidated statements of comprehensive loss as incurred.

Revenue Recognition

The Company accounts for revenue under IFRS 15, *Revenue from Contracts with Customers*, which establishes a five-step model to account for revenue arising from contracts with customers.

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price, which is the total consideration provided by the customer;
- allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- recognize revenue when the relevant criteria are met for each performance obligation.

The Company's has several sources of revenue:

Revenue is earned from the grant of non-exclusive, non-transferrable licenses to service providers to use the Company's SD-WAN business platform (the "Platform"). Pursuant to the licensing agreements, the Company charges an initial start-up fee and a license fee for software license units that covers the licensing of all of the software comprised in the Platform. Revenue from license fees is generally earned over time and is recognized on a straight-line basis over the term of the contract. Revenue from initial start-up fees is recognized when the set-up process is complete and the customer has full access to the software.

Revenue is also earned through the sale of onsite and remote support, host/cloud services, and the resale of both hardware and software. Revenue from onsite and remote support are generally earned at a point in time and are recognized at the point in time when the support services have been completed. Certain onsite and remote support is sold on a block of hours basis and is recognized proportionately between the number of hours provided out of the pre-purchased block of hours. Revenue from host/cloud services are generally earned over time and are recognized using the output method based on time elapsed. Revenue from the resale of hardware and software are generally earned at a point in time and is recognized when the product has been delivered to the customer.

Revenue from the resale of software licenses is recognized at a point in time on a net amount basis, which is the amount billed to a customer less the amount paid to the software license provider. At March 31, 2022, the Company reported \$70,487 (September 30, 2021 - \$32,706) in deferred revenue. The increase in deferred revenue from the end of the prior year is due to a delayed supply of hardware for one-time charges. Deferred revenue as at the end of the prior year was from the unused portion of block hours.

Research and Development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in profit or loss as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development

expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. No development costs have been capitalized to date.

Leases

In January 2016, the IASB published a new standard, IFRS 16, *Leases*, replacing IAS 17, *Leases* (“IAS 17”) and related interpretations (IFRIC 4, *Determining Whether an Arrangement Contains a Lease* (“IFRIC 4”)). The new standard eliminated the prior dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. Effective October 1, 2019, the Company adopted this standard using the modified retrospective approach. Prior periods have not been restated for the impact of IFRS 16. There was no impact as a result of this change in accounting policy.

For contracts entered into before October 1, 2019, the Company determined whether the arrangement contained a lease under IAS 17. The Company only leases office space on a month to month basis. Prior to the adoption of IFRS 16, these leases were classified as operating or finance leases based on an assessment of whether the lease transferred significantly all the risks and rewards of ownership of the underlying asset.

On transition, the Company elected to apply the practical expedient to grandfather the determination of which contract is or contains a lease and applied IFRS 16 to those contracts that were previously identified as leases.

For contracts entered into subsequent to October 1, 2019 at inception of the contract, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36, *Impairment of Assets*. This replaced the previous requirement to recognize a provision for onerous lease contracts. The lease liability is initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any, if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be remeasured when there is a change in either the future lease payments or assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and interest on the obligation. Interest expense on the lease obligation is included in the consolidated statement of comprehensive loss.

On transition, the Company elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and for low value leases and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term, as permitted by IFRS 16. The adoption of IFRS 16 did not result in any adjustment to historical operations.

Refundable Tax Credits

The Government of Canada provides refundable tax credits to qualifying companies engaged in Scientific Research and Experimental Development (“SRED”) activities, as that term is defined in the Income Tax Act (Canada). The Company records 100% of its claim for such credits in profit or loss during the period in which the claim filed with the taxation authorities has been accepted and the tax credits have been received. Subsequent amendments or adjustments to such claims, if any, are recorded as they occur.

Accounting for Government Grants and Disclosure of Government Assistance

The Company classifies forgivable loans, or the forgivable portion thereof, from the government as government assistance when there is a reasonable assurance that the Company will meet the terms for forgiveness on the loan. If this threshold is not met, the Company classifies forgivable loans as loan payable, measured initially at fair value in accordance with IFRS 9, *Financial Instruments*.

The Company applied for COVID-19 financial relief in Canada under the Canada Emergency Wage Subsidy (“CEWS”) program. The CEWS program is a wage subsidy program launched by the Canadian federal government to qualifying employers to subsidize payroll costs during the COVID-19 pandemic. The qualified subsidy amounts received under the CEWS program are non-repayable. Government grants and assistance are recognized as a reduction in the related expense in the period in which there is reasonable assurance that the grant or assistance has become receivable and all conditions, if any, have been satisfied.

Share-Based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as a stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

The Company uses the Black-Scholes option pricing model to estimate fair value. As the Company is not publicly traded, volatility was estimated using publicly traded comparable companies.

All equity-settled share-based payments are reflected in share-based payment reserve until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

Derivative Liability

In connection with the Amalgamation, the Company issued 1,750,000 warrants to purchase common shares with an exercise price of \$0.30. On May 1, 2021, the Company amended the terms of the warrants to increase the number of warrants outstanding from 1,750,000 to 3,500,000 for a period which is the greater of: (i) five years following the listing of the Company’s shares; and (ii) September 14, 2028. The exercise

price is amended from \$0.15 per share to the lesser of: (i) \$0.25 per share; and (ii) a discount of 16.67% from the IPO or RTO/QT financing price, or the RTO/QT vend-in price. The amended warrants are fully vested. The modification of the warrants was valued using the Black Scholes pricing model as set out above in Share-based Payments. On February 14, 2022 the exercise price became fixed at \$0.25 per common share and the derivative warrant liability was extinguished, resulting in a gain of \$1,517,593.

On July 30, 2021, the Company issued 1,730,797 share purchase warrants in relation to the issuance of a loan. The fair value was determined to be \$706,841 using the Black Scholes pricing model and was recognized as debt financing costs, which will be amortized over the life of the related loan payable (Note 10(c)). The Company assumed a risk-free rate of 1.10%, volatility of 116% and a weighted average expected life of the warrants of 6 year, in calculating the fair value of the warrants.

On December 1, 2021 the Company entered into a convertible promissory note in the amount of \$1,000,000. The principal portion and any unpaid interest may be converted at the option of the holder into common shares of the Company at a price equal to the lesser of \$0.48 per share or 15% discount to the lowest equity issuance round up to and including the equity round of the qualifying transaction. As further consideration the Company issued 500,000 share purchase warrants, each entitling the holder to acquire one common share of the Company at a price equal to the lesser of \$0.48 per share or 15% discount to the lowest equity issuance round up to and including the equity round of the qualifying transaction for a period of 36 months. The warrants are subject to earlier accelerated exercise if the shares have traded and continue to trade on a public exchange at a 30-day volume-weighted average purchase price per share of \$1.25. The warrant holders shall have the right to pay all or a portion of the Purchase Price (exercise price multiplied by the number of shares being exercised) by making a cashless exercise.

The Company allocated \$112,535 to the embedded conversion feature of the Promissory Note, \$143,684 to the fair value of the share purchase warrants (Note 15) and \$743,781 to the liability component of the Promissory Note. Due to the variable number of shares that may be issued for the warrant and the conversion feature, the Company has recorded a derivative liability.

On April 4, 2022 the Company issued 2,083,334 common shares at a price of \$0.48 for conversion of the promissory note. (Note 18 (d)). Effective April 8, 2022 the Company completed the equity round of the qualifying transaction at a price of \$0.56 per share, resulting in the warrant exercise price being fixed at \$0.48 per share.

15. Accounting Standards and Amendments Issued but Not Yet Adopted

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

16. Share Capital

As at the date of this MD&A the company had the following outstanding securities:

- (i) 60,582,298 common shares issued and fully paid,
- (ii) 10,896,766 stock options with a weighted average exercise price of CAD \$0.40;
- (iii) 7,661,337 share purchase warrants: 1,930,540 expiring December 31, 2022 with an exercise price of \$0.72 per share, 1,730,797 expiring July 30, 2027 with an exercise price of \$0.48 per share; 3,500,000 expiring September 14, 2028 with an exercise price the lesser of \$0.25 per share; and 500,000 expiring November 30, 2024 with an exercise price of \$0.48 per share;
- (iv) 5,910,627 subscription receipts each which shall be converted into one common share and one half of a common share purchase warrant upon completing the Business Combination. Each whole warrant is convertible into one common share of the Company at a price of \$0.25 and expires on April 8, 2024; and
- (v) 229,649 agents' warrants, each convertible at a price of \$0.56 into one common share of the Company and one half of a common share purchase warrant exercisable at a price of \$0.75 per share until April 8, 2024.

17. Risk Factors

The Company reports the following risks in addition to the risks set out in the Company's filing statement to which this MD&A is attached.

Going Concern Assumption

The Financial Statements of TTGI have been prepared in accordance with IFRS on a going concern basis, which presumes that TTGI will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. TTGI's continuation as a "going concern" is uncertain and is dependent upon, amongst other things, attaining a satisfactory revenue level, the support of its customers, its ability to continue profitable operations, the generation of cash from operations, and its ability to obtain financing arrangements and capital in the future. These material uncertainties represent risks to TTGI's ability to continue as a going concern and realize its assets and pay its liabilities as they become due. If the "going concern" assumption was not appropriate for the consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

Access to Capital

From time to time, TTGI may need additional financing, including funding potential acquisitions. Its ability to obtain additional financing, if and when required, will depend on investor demand, TTGI's operating performance, the condition of the capital markets, and other factors. To the extent TTGI draws on its credit facilities, if any, to fund certain obligations, it may need to raise additional funds and TTGI cannot provide assurance that additional financing will be available to it on favorable terms when required, or at all. If TTGI raises additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences, or privileges senior to the rights of TTGI's common shares, and existing shareholders may experience dilution.

COVID-19

Since June, 2020 several measures have been implemented in response to the increased impact from novel coronavirus ("COVID-19"). We operate our Vancouver office in person and from remote work sites and are continuing software development and sales and marketing activities at this time. However, as the COVID-19 pandemic continues, the heightened economic uncertainty may have significant implications for the Company. We are taking actions to ensure the Company has adequate financing to mitigate the impact

on our business in the event that future economic conditions reduce our ability to secure financing in fiscal 2022.

Our business is subject to the effects of general global and regional economic conditions. If global and/or regional economic and market conditions, or economic conditions in key markets, remain uncertain or deteriorate, we may experience material adverse impacts on our business. Unfavorable and/or uncertain economic and market conditions may result in lower capital spending or delayed spending by our customers on cyber security and network monitoring, despite the higher incidence of cyber fraud, and adversely impact our revenue and increase credit risk.

Liquidity Risk

Liquidity risk is the risk that TTGI will not be able to meet its financial obligations as they fall due. TTGI's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to TTGI's reputation. TTGI manages liquidity risk by closely monitoring changing conditions in its investees, participating in the day to day management and by forecasting cash flows from operations and anticipated investing and financing activities. Excluding restricted cash and the corresponding liability, as at March 31, 2022 the Company had cash of \$467,633 (September 30, 2021 - \$432,346) to settle current liabilities of \$3,240,357 (September 30, 2021 - \$2,509,491). The Company is dependent on its ability to raise capital to meet its financial obligations.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and receivables. Cash is held with major banks in Canada and the United States, which are high credit quality financial institutions as determined by rating agencies.

The carrying amount of financial assets represents the maximum credit exposure. Amounts receivable consists of trade receivable of \$314,650 (September 30, 2021 - \$518,061). To reduce the credit risk of amounts receivable, the Company regularly reviews the collectability of the amounts receivable to ensure there is no indication that these amounts will not be fully recoverable.

During the six months ended March 31, 2022, one customer represented over 10% of total revenue.

Foreign Currency Risk

The Company's functional currency is the Canadian dollar. Currency risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company's head office and operating expenses are mainly denominated in Canadian dollars. A some of the Company's revenue is denominated in US dollars. If the US dollar depreciates compared to the Canadian dollar revenue would decrease in Canadian dollars. The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars:

	March 31, 2022	September 30, 2021
Balance in US dollars:		
Cash	\$ 148,436	\$ 58,581
Amounts receivable	72,400	150,537
Accounts payable	(53,889)	(19,014)
Net exposure	166,947	190,104
Balance in Canadian dollars:	\$ 208,618	\$ 241,167

A 10% change in the US dollar to the Canadian dollar exchange rate would impact the Company's net loss by approximately \$20,862 for the six months ended March 31, 2022 (September 30, 2021 - \$24,117).

18. Commitments

Premises Lease

During the quarter ended March 31, 2022 the Company entered into a five year lease agreement. Under the lease agreement the Company has payment of base rent plus operating costs of \$287,543, \$50,266 of which are payable in the first year. Under IFRS 16 the Company recorded a lease liability in the amount of \$104,287, representing the current value of future base rent payments. As at March 31, 2022 the lease liability is \$104,286, after adding lease interest expense of \$1,108 recognised in the quarter.

Turnium Technology Group, Inc.

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (this “**MD&A**”) is dated February 14, 2022 and is intended to assist the reader in understanding the results of operations and financial condition of Turnium Technology Group, Inc., (“**TTGI**”, or the “**Company**”). This MD&A should be read in conjunction with the following information that can be obtained from www.sedar.com:

- (i) The Company’s audited combined and consolidated financial statements for the years ended September 30, 2021 and 2020 and accompanying notes (the “Financial Statements”); and
- (ii) The Company’s filing statement dated February 14, 2022.

The Financial Statements of TTGI have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretation Committee (“IFRIC”).

TTGI’s reporting and functional currency is Canadian Dollars and the functional currency of its wholly owned operating subsidiary, Tenacious Networks Inc. (“TNET”), is Canadian Dollars. The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. Should we add “All dollar amounts reported herein are in CAD dollars unless otherwise Indicated.

CAUTION ON FORWARD-LOOKING INFORMATION

This MD&A contains certain “forward-looking information” and “forward-looking statements” (collectively “**forward-looking statements**”) within the meaning of applicable Canadian securities legislation. When we discuss our strategy, plans, outlook, future financial and operating performance, financing plans, growth in cash flow and other events and developments that have not yet happened, we are making forward-looking statements. All statements in this MD&A that address events or developments that we expect to occur in the future are forward-looking statements, including the following:

- the development and capabilities of TTGI (as defined herein) to provide the software and services;
- our plan to expand operations by adding additional customers;
- our expectations in relation to working capital;
- our expectations in relation to our future financial needs;

Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as “expect”, “plan”, “anticipate”, “project”, “target”, “potential”, “schedule”, “forecast”, “budget”, “estimate”, “intend” or “believe” and similar expressions or their negative connotations, or that events or conditions “will”, “would”, “may”, “could”, “should” or “might” occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond the Company’s control, including the following:

- our dependence on suppliers and customers;
- our ability to attract customers;
- the competitive nature of the SD-WAN market;
- our ability to manage our growth;
- expansion plans not being completed as expected;
- protection of intellectual property;

- exchange rate risks;
- regulatory risks;
- tax laws;
- our future operations and our ability to realize the anticipated benefit of acquisitions and dispositions;
- ability to raise capital;
- conflicts of interest;
- our dependence on key personnel;
- dilution to present and prospective shareholders;
- the lack of a market for our securities; and
- our share price.

The Company assumes no responsibility to revise forward looking statements to reflect new information, subsequent events or changes in circumstances, except as required by applicable securities laws.

1. History of the Business

The Company's registered and records office is located at 3200-650 West Georgia Street, Vancouver British Columbia, V6B 4P7. The Company's operations are located at 1127 15th St. West., North Vancouver, BC Canada, V7P 1M7.

Turnium Technology Group, Inc. is a private company formed under the Business Corporation Act of British Columbia ("BCBCA") on October 1, 2020 pursuant to the amalgamation of five companies:

Companies amalgamated	Date incorporated under the BCBCA	Principal activity
Multapplied Networks Inc. ("MNI")	April 2012	Develops and commercializes TTGI's SD-WAN product, with white label sales to channel partners
Turnium Technology, Ltd.	January 2017	Reseller of MNI's SD-WAN product to enterprises
Plait Networks Ltd.	July 2016	Reseller of MNI's SD-WAN product to small and medium sized businesses
M.N.I. Investment Holdings Ltd.	October 2012	Investment company that held an interest in MNI
Turnium Technology Group Inc.	February 2019	Corporation established for the amalgamation.

Further information on the amalgamation transaction is set out in Section 10 of this MD&A and Note 4 of the Company's Financial Statements.

TTGI acquired all of the issued and outstanding shares of TNET effective February 28, 2021. TNET was incorporated in June 2019 and operations started February 1, 2020. Further information on the acquisition of TNET is set out in Section 11 of this MD&A and Note 5 of the Company's Financial Statements.

On August 9, 2021 the Company entered into a letter of intent (the "Letter of Intent") with RMR Science Technologies Inc. ("RMR") whereby RMR will acquire all of the issued and outstanding securities of the Company (the "Business Combination"). On December 21, 2021 the Company and RMR

entered into a definitive amalgamation agreement, under which the Company will become a wholly-owned subsidiary of RMR and the business of RMR will be that of the business of the Company. On January 6, 2022 the amalgamation was approved by the Company's shareholders. The shares of RMR are listed on the TSX Venture Exchange ("TSXV"). The Business Combination is subject to a number of factors, including the approval of shareholders of the Company, the approval of the TSXV and is subject to raising funds in a concurrent financing.

2. Core Business

TTGI develops and commercializes a software platform, being a software-defined wide area networking ("SD-WAN") platform, used to build communication networks that connect a business' multiple branches or locations to each other as well as to multiple cloud-hosted applications, data, and storage. TTGI leverages the capabilities of white-box hardware (hardware not manufactured by a known brand or containing software), Linux, and open-source software to build a proprietary software platform that delivers business connectivity networks that are simpler, easier to deploy and more cost-effective than traditional telecom networks that rely on proprietary hardware.

3. Products and Services

TTGI's SD-WAN product can be hosted, managed, branded and sold by customers and a managed SD-WAN service that customers can buy and resell or use themselves. SD-WAN makes it easy to deploy and manage secure private networks using a combination of Internet, wireless, 4G/LTE, 5G and fiber connections and obtain features comparable to the dedicated networks and connections offered by traditional telecommunications providers. SD-WAN networks benefit from being faster to deploy and easier to manage and avoid the complexity and time-consuming processes entailed in working with telecom quote, provision, change and repair processes.

TTGI delivers two product solutions sets to customers. One is a wholesale white-label software platform originally branded 'Multapplied' that is now sold under the "Turnium Wholesale SD-WAN" brand, to channel partners that want to own, run, manage, and brand their own SD-WAN solution. The second is a turnkey managed SD-WAN service branded 'Turnium Managed SD-WAN' that is re-sold by channel partners who want to add a Turnium-branded offer to their sales portfolio without the expense or complication of running the platform themselves. In addition, TTGI delivers services through a wholly owned subsidiary, TNET, which provides channel partners with professional services, end-customer businesses with IT services and support services including managed desktop, managed LAN, hosted voice and computer hardware, network, and security sales. TNET contributes a revenue positive support structure to TTGI, offsetting what would otherwise be a cost center, while also enabling the range of services that TTGI can sell to its customers.

Turnium Wholesale SD-WAN

Turnium Wholesale SD-WAN is a wholesale software platform that is sold to channel partners who package, brand, price, and sell it to residential, home-business, SMB, government, and enterprise customers as their own offering. Our channel partners include System Integrators, MSPs (managed service providers), ISPs (Internet service providers), and telecommunication companies (including cable companies) that provide managed network, hosted voice, managed desktop, backup services, managed security and outsourced IT.

These channel partners install TTGI's software in their own data centers and host and manage it themselves. With Turnium software installed, a partner can sell and deliver a better end-user experience of the business applications they sell, such as telephone service and applications like data backup, security firewalls or managed computer desktop. Running Turnium Wholesale SD-

WAN allows a partner to replace expensive, inflexible legacy networks provided by traditional telecoms with similar functionality that is faster to setup and change, easier to manage and comes at a highly competitive price.

Turnium Managed SD-WAN

Turnium Managed SD-WAN is a turnkey, managed SD-WAN service that is sold through an indirect channel program to SMB and SME (small-medium enterprise). Turnium channel partners include system integrators, independent software vendors, IT value-added resellers, IT consultants and MSPs that provide managed network, hosted voice, managed desktop, backup services, managed security and outsourced IT.

TTGI hosts and delivers its managed service from its own data centres in Vancouver, Calgary, Toronto, New York, and Los Angeles. Turnium can add new regional instances of its software easily.

TTGI channel partners resell Turnium Managed SD-WAN on 12, 24 or 36-month contracts and receive a monthly commission stream. TTGI channel partners invest in pre-sales, sales and marketing activity.

As compared to its wholesale software, TTGI's Turnium Managed SD-WAN provides channel partners and end-customers with a fully packaged service that includes SD-WAN software that is hosted and managed by TTGI. The service comes packaged with hardware, customer service and support bundled into a monthly price. TTGI can also provide higher-touch services to design and deploy a managed solution to meet custom requirements.

This service gives TTGI's customers access to a complete solution for a monthly fee per site, with professional services being delivered on an hourly basis, without having to deploy, manage or support the core networking infrastructure themselves. TTGI can use any existing customer connectivity or provide last-mile circuits bundled into the solution.

TTGI earns revenue under each of its three brands, from a combination of upfront site license fees, set-up fees, support and maintenance fees and monthly per-site license fees. Further through TNET, TTGI resells computer hardware and licensing from brands such as Lenovo and Fortinet and provides professional services.

4. Market

TTGI is taking advantage of the rapid growth and adoption of SD-WAN. According to Gartner, between 2017 and 2022, the SD-WAN industry and associated services are forecast to grow rapidly while hardware sales will be flat and traditional Networking technologies will decline.

TTGI's channel partners enable it to leverage their existing trusted customer relationships, sales staff and delivery capabilities. This "pull-through" of TTGI's software is an efficient sales strategy, as TTGI sells once to channel partners who have multiple customers and can deliver TTGI's SD-WAN software as part of their existing customer relationships. This prevents TTGI from competing with potential channel partners for the attention and trust of their customers.

There are over 170,000 identified potential channel partners in the Wired & Wireless Telecommunications, Telecommunications Reseller, Data Processing and Computer Systems Design & Related Services industry segments in North America, comprising our total addressable market.

Since 2019, TTGI has focused on selling to Managed Service Providers (MSPs). SD-WAN delivers a strong value proposition to MSPs as it provides the MSP with a secure, reliable on-ramp to deliver their hosted, managed services. The MSP generates significant profit from their hosted services and uses TTGI's SD-WAN as a means-to-an-end. The MSP is much less price sensitive and typically bundles Multapplied or Turnium SD-WAN into their other services.

TTGI is also targeting large regional, national and international telecom companies. Although, sales cycles to these companies are lengthy, TTGI is approaching these potential partners due to the significant impact they could have on TTGI's business.

5. Overall Performance

During the year ended September 30, 2021 and to the date of this MD&A, TTGI was actively re-organizing to combine and consolidate its operating entities in order to create efficiencies and to prepare the Company to expand and grow its business. It also entered into a letter of intent to complete the Business Combination that would result in it becoming a publicly traded company on the TSXV. TTGI reported the following milestones:

Development of the Business

- **January 12, 2022**, TTGI opened its software development center in Halifax, Nova Scotia, Canada. The new development center puts TTGI in the heart of Nova Scotia's burgeoning \$2.5 billion technology industry. On Canada's East Coast, TTGI's Halifax center operates 4 hours ahead of the development team in British Columbia's Lower Mainland. TTGI's developers are skilled in C/C++ and other languages necessary to advance the features and functionality that telecom and managed service providers need from Turnium's disaggregated SD-WAN platform.
- **November 16, 2021**– TTGI participated in the ICT Virtual Trade Mission to Brazil organized by Global Affairs Canada and the Consulate General of Canada in São Paulo, Brazil. The virtual mission took place between November 3 and 17th, 2021, alongside the Futurecom Trade Show and Congress, the largest telecommunications event in Latin America. TTGI joined the delegation with the goal of continuing to expand its global reach to include the Brazilian market and customers across Latin America.
- **November 16, 2021**– TTGI engaged Haresh Kheskani as Chief Technology Officer (CTO)/VP of Engineering. Haresh joins the Turnium team having spent the last year as Turnium's VP Strategic Solutions, introducing Turnium's white-label SD-WAN platform to technology and managed services companies in Silicon Valley. Haresh brings over 35 years of technical experience in software development, network function virtualization and other core networking technologies to Turnium. In his prior roles, Haresh was VP Product Management for Cloud Platform at Loodse (currently known as Kubermatic). Haresh spent over 15 years at Cisco Systems leading software development programs including OpenStack, Network Function Virtualization Infrastructure (NFVI), Container Deployment, and Performance, Scale and Security. Prior to Cisco, Haresh held roles at ONStor, Silicon Graphics, Touch Communications, and Fairchild Semiconductor.
- **October 26, 2021**– TTGI attended Mobile World Congress Los Angeles and demoed at the IBM Booth where it announced a commitment from IBM's Technology Assurance Group (TAG) to bring their network of managed technology service providers (MTSPs) to IBM's Cloud for Telecommunications. TTGI joined IBM's (NYSE: [IBM](#)) ecosystem of partners earlier this summer. Along with leveraging TTGI's powerful SD-WAN, TAG benefits from IBM's highly reliable and scalable cloud environment

designed to accelerate business transformation with the power of edge and 5G, while addressing the unique requirements of operators, partner ecosystems and their enterprise clients.

Together TTGI and IBM Cloud for Telecommunications help Technology Assurance Group (TAG) extend the reach of their managed technology solutions and partner network to new customers across the United States. TAG is an organization of leading managed technology services providers in the United States and Canada representing \$700 million in products and services.

The combined TAG, IBM, and TTGI offering helps TAG's MTSP partners deliver reliable and scalable software-defined wide area networks that accelerate customer digital transformation and hybrid cloud adoption.

- **October 26, 2021** - TTGI launched an embedded multi-path site networking solution with Lanner Electronics at Mobile World Congress Los Angeles, October 26-28, 2021. The solution includes TTGI's off-the-shelf network bonding and failover software pre-installed on Lanner's uCPE L-1515 device. This bundle enables customers to deliver multi-path failover using diverse LTE and wireline paths quickly and simply. This solution will make it easier and faster for customers to provide site survivability, bond wireless and wireline circuits and get the business continuity benefits of fast failover in a single purchase from Lanner.

The combined solution will be available as a new SKU (Turnium SW Bonding Tool) in Lanner's product catalogue. The bundled price from Lanner allows customers to make a single purchase and receive the benefit of high-quality Lanner hardware pre-imaged with Turnium's multi-path bonding and failover technology to increase site bandwidth and survivability.

- **July 26, 2021**—TTGI today announced a collaboration with IBM to onboard its cloud-native SD-WAN edge solution to the IBM Cloud for Telecommunications. By onboarding its solution to the IBM Cloud for Telecommunications, TTGI can help service providers and enterprises deploy, manage and access Edge compute applications in secured, private, networks across the globe, using the public or private cloud, on-premises or edge environment of their choosing.

TTGI's SD-WAN edge solution on the IBM Cloud for Telecommunications can help service providers and enterprises to leverage IBM's open hybrid cloud platform from any site, branch office, vehicle, or IoT device cluster globally, to deploy connected edge cloud services in the cloud or IT environment they prefer. The IBM Cloud for Telecommunications, with IBM Cloud Satellite for on-premises deployments and leveraging Red Hat OpenShift, is also architected to help them address their industry-specific regulatory and security requirements.

TTGI's containerized SD-WAN edge solution is designed to simplify the process of adding and managing Edge devices, and Turnium's performance and scalability is designed to make it cost effective for enterprises to extend private SD-WAN networking to all sites using broadband, fixed wireless, LTE/4G, 5G, or fibre. Environments including bare metal, virtual machines, or container environments like RedHat OpenShift, OKD, nspawn, and various Linux(R) operating system distributions are available.

- **July 12, 2021** – TTGI was included on the Ready to Rocket list for 2021. Published for the last 19 years by Vancouver-based RocketBuilders, the list profiles British Columbia technology companies that are best positioned to capitalize on technology sector trends and experience faster growth than their peers.

- **July 15, 2021**—TTGI released version 6.6 of its SD-WAN platform, increasing speed to the network edge of between 12% and 17%. The new version is available to existing channel partners as of June 1, 2021.

The speed increases are available both when multiple circuits are aggregated or when a single circuit is used as a primary circuit. As a result, networks built using Turnium SD-WAN for site-to-site communications or site-to-data gateway usage will see increased speed upon adoption of version 6.6. These performance increases will improve results on existing hardware and extend the lifespan of Edge or customer premises equipment devices.

- **April 28, 2021** the Company announced its Turnium cloud-native managed SD-WAN service is now a certified cloud-native network function (“CNF”) for Red Hat OpenShift, the industry’s leading enterprise Kubernetes platform. Turnium’s SD-WAN enables carriers, service providers and enterprises to bring all their branches, offices, data centers and public or private clouds into a single, flexible network simply and easily. Organizations using Red Hat OpenShift can now benefit from Turnium’s CNF certified managed SD-WAN to power their transition to cloud-native operations and manage their network edge from a single platform.

Turnium’s CNF certified SD-WAN solution delivers zero touch provisioning on Red Hat OpenShift and provides customers with greater confidence in deploying Turnium’s solutions on this platform. As a CNF, telecommunications and other communications service providers can deploy Turnium cloud-native managed SD-WAN service directly from the Red Hat container catalog across their entire network.

- **February 28, 2021** the Company acquired 100% of the issued and outstanding shares of TNET for consideration of \$3,000,000. TNET provides hosted voice/telephony to businesses, remote desktop support, managed network and LAN support as well as data center colocation and hosting services. TNET also provides professional services, IT solution design, planning procurement and installation with a focus on computer networking and security hardware from Lenovo and Fortinet. TNET generates a blend of monthly recurring, on-demand hourly and hardware/software resale one-time revenues. TNET was acquired to form support structure for TTGI. Further details of this acquisition are set out in Section 11 of this MD&A.
- **December 17, 2020** the Company announced that its Turnium managed cloud-native SD-WAN offering has received Red Hat container certification, enabling customers on Red Hat OpenShift to rapidly deploy and scale Turnium’s SD-WAN solutions. Red Hat OpenShift is the industry’s leading enterprise Kubernetes platform and is used to more easily deploy and orchestrate applications at scale.

Turnium delivers a cloud native SD-WAN solution, now running and supported on Red Hat OpenShift, that can be deployed anywhere, connecting enterprise with branch offices, and public and private clouds over secure, highly resilient networks built using common internet connectivity. The solution creates an overlay – or Software-Defined-WAN that removes the complexity of the underlying networks to deliver a seamless virtual network.

Financing and Corporate

- **December 21, 2021** – TTGI entered into a definitive amalgamation agreement with RMR, a capital pool company, under which the Company will become a wholly-owned subsidiary of RMR and the business of RMR will be that of the business of the Company. The Agreement is subject to a number of conditions including approval of the Company’s shareholders, TSX Venture Exchange approval of

the transaction, listing the Company's security in the TSX Venture Exchange and raising funds in a concurrent financing.

- **December 1, 2021** – TTGI closed a two-year \$1 million convertible promissory note and issued 500,000 warrants as consideration. See note 23 to the Company's Financial Statements.
- **September 7, 2021** - TTGI closed a term debt facility with FirePower Capital. The funds will be used to support Turnium's talent acquisition, marketing, and technology platform growth objectives.
- **August 9, 2021** the Company entered into the Letter of Intent with RMR in respect of the Business Combination. Pursuant to the Business Combination RMR will acquire all of the issued and outstanding shares of the Company and will become a wholly-owned subsidiary of RMR. The business of RMR will be the business of the Company. The shares of RMR are listed on the TSXV. The transaction will constitute a qualifying transaction of RMR as defined in Policy 2.4 *Capital Pool Companies* of the TSXV. Pursuant to the Business Combination, RMR will consolidate its common shares on the basis of one post-consolidation share for every five pre-consolidation shares and the shareholders of the Company will receive one (1) common post-consolidation share of RMR for each common share of the Company. All existing stock options and share purchase warrants of the Company will be exchanged for stock options and share purchase warrants of RMR on the same basis as the common shares. As part of the transaction the Company plans to close a concurrent financing. Further information can be found on www.sedar.com under RMR Science Technologies Inc.
- **August, 2021** the Company issued 3,861,092 units at a price of \$0.48 per unit for total proceeds as follows:

Cash	\$ 623,239
Settlement of accounts payable	153,500
Settlement of loans payable	1,076,589
Total proceeds	\$ 1,853,328

Each unit is comprised on one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one common share of the Company at a price of \$0.72 per share on or before December 31, 2022, subject to early expiry. In the event that the common shares of the Company trade on the TSXV and the closing price per common share for a period of 10 consecutive trading days is \$0.90 or more, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof by way of a news release and in such case the warrants will expire on the 30th day after the date of dissemination of the news release. The cash proceeds of the financing are to be used for general working capital purposes.

- **July 30, 2021** the Company entered into a loan agreement in the amount of \$1,850,000 bearing interest at a rate of 12.75% per annum and maturing on July 30, 2024. Pursuant to the terms of the loan agreement, the company issued to the lenders 1,730,797 share purchase warrants. Each share purchase warrant is exercisable at \$0.48 per warrant on or before July 30, 2027, subject to early expiry. In the event that the common shares of the Company trade on a public exchange at a 30-day volume weighted average price of \$1.25 per share, the Company may accelerate the expiry date of the warrants by giving 30 days written notice to the Lenders. The loan is subject to an underwriting fee of \$37,000, certain prepayment fees, various financial covenants, and a general security agreement. The Company must make monthly interest payments, with a mandatory principal prepayment of \$850,000 on the 6-month anniversary of the closing date (January 31, 2022), which shall not be subject to prepayment fees.

Subsequent to September 30, 2021, the Lenders agreed to extend the mandatory principal prepayment to March 31, 2022. Proceeds of \$1,750,000 were used to repay loans payable.

- **July 2020**, the Company settled loans in the amount of \$2,826,589 for consideration of cash in the amount of \$1,750,000 and 2,242,885 units. Each unit is comprised of one common share and one-half of one share purchase warrant, each whole warrant entitling the holder to purchase one common share at a price of \$0.72 per share on or before December 31, 2022, subject to early expiry. In the event that the common shares of the Company trade on the TSXV and the closing price per common share for a period of 10 consecutive trading days is \$0.90 or more, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof by way of a news release and in such case the warrants will expire on the 30th day after the date of dissemination of the news release.

6. Future Plans and Outlook

Gartner forecasts the global SD-WAN market to reach \$34.9B USD by 2022 based on the cost-savings and performance increases companies gain by moving from traditional telecommunications-based MPLS services to Internet-based SD-WAN. TTGI provides the technology, infrastructure and services that Enterprise customers need to save money and increase performance.

Plans

TTGI reports the following progress on activities planned for the year ending September 30, 2021:

Plans for fiscal 2021	Progress to September 30, 2021
(a) Expand marketing TTGI products worldwide	TTGI has commenced marketing in Latin America, Asia, Europe and the Middle East.
(b) Increasing the number of enterprise-level partnerships, through technology certification and co-marketing to put TTGI's solutions in front of more, larger, end-customers.	TTGI has added enterprise level partnerships with corporations including IBM, RedHat, Lanner, Globenet and several others.
(c) Continuing to mature the core SD-WAN feature set, increasing speed and performance and adding greater flexibility in deployments.	TTGI released version 6.6 of its SD-WAN platform, increasing speed to the network edge of between 12% and 17%.

TTGI reports the following activities planned for the year ending September 30, 2022:

Plans for fiscal 2022
Continue to grow sales through execution of the business plan
Grow revenue and increase international reach and support capabilities by the acquisition of at least one company
Complete its Public listing on the TSX Venture exchange

The Company reported gross margin for the year of 82% compared with gross margin of 92% for the prior comparable year. Gross margin was 91% for recurring revenue and 58% for one-time charges. Direct costs are comprised of commissions, service and support labour and cost of goods sold. The Company expects it will maintain gross margin of over 90% for its SD-WAN recurring revenues.

Expenses

Expenses for the year ended September 30, 2021 increased by 84% over the prior year. This increase was due 83% to an increase in share-based compensation, 35% due to an increase in sales and marketing expense and 10% due to increased research and development expense, offset by 29% due to a decrease in general and administrative expense.

12% of the overall increase in expenses was due to the acquisition of TNET. The remaining increase in expenses is due to increased business activity, especially related to increased focus on sales and marketing.

During the year ended September 30, 2021 the Company adjusted its operations subsequent to the October 1, 2020 amalgamation and the February 28, 2021 acquisition of TNET.

The Company plans to increase expenses over the ensuing quarters, particularly for sales and marketing and research and development, in order to grow its business. Further, the Company expects an increase in general and administrative costs following completion of the planned Business Combination and resulting public listing.

Refundable Tax Credits

The Government of Canada provides refundable tax credits to qualifying companies engaged in Scientific Research and Experimental Development (“SRED”) activities, as that term is defined in the Income Tax Act (Canada). The Company records 100% of its claim for such credits in profit or loss during the period in which the claim filed with the taxation authorities has been accepted and the tax credits have been received. Subsequent amendments or adjustments to such claims, if any, are recorded as they occur.

During the most recent year the Company reported refundable tax credits of \$253,512 (2020 – \$372,152). Subsequent to the completion of the Company’s proposed Business Combination, SRED tax credits will no longer be refundable but may be carried forward for up to ten years to reduce future tax liability.

Interest Expense

Interest expense for the year ended September 30, 2021 increased by 35% over the prior year due to a higher balance of loans during the year. The Company entered into a loan agreement in the amount of \$1,850,000 in July 2021 and subsequent to the end of the year the Company issued a promissory note in the principal amount of \$1,000,000. It is anticipated that interest expense will increase over the first two quarters of the ensuing year and then decrease as loan balances are reduced.

8. Quarterly Highlights

	Sep 30, 2021 Consolidated	Jun 30, 2021 Consolidated	Mar 31, 2021 Consolidated	Dec 31, 2020 Consolidated	Sep 30, 2020 Combined	Jun 30, 2020 Combined
Revenue	\$1,193,308	\$ 1,043,290	\$ 799,367	\$ 913,835	\$ 771,657	\$ 715,718
Gross Margin	903,121	801,518	648,238	872,519	715,162	667,257
Total Expenses	2,316,176	2,605,817	1,051,155	951,219	1,497,099	876,191
Refundable tax credits	-	-	-	253,512	-	121,968
Other gain (loss)	(1,779,312)	(84,111)	(71,364)	(70,856)	(72,051)	(55,489)
Net comprehensive income (loss)	\$ (3,365,689)	\$ (1,888,410)	\$ (474,281)	\$ 103,956	\$ (853,988)	\$ (142,455)
Basic and diluted loss per common share	55,904,583	53,832,142	49,797,168	48,529,569	48,529,569	49,311,437
Weighted average number of common shares outstanding	(\$0.03)	(\$0.04)	(\$0.01)	\$ -	(\$0.02)	\$ -

Financial information for eight quarters for the amalgamated companies is unavailable.

It is anticipated that revenues and expenses may vary, perhaps materially, from quarter to quarter due to several factors, including changes in product mix, costs related to planned increase in market share, global expansion costs and ongoing corporate development initiatives. Although revenues may fluctuate from quarter to quarter, and such fluctuations may be material, management expects that revenues will increase year over year.

Revenue increased by 14% over the preceding quarter ended June 30, 2021 due 70% to growth in recurring revenue and 30% due to growth in one time charges. Revenue for the current quarter grew 48% over the same quarter last year, due 83% to the acquisition of TNET and 17% to revenue growth. The Company reported a combined profit margin of 76% for the quarter, compared to 77% in the preceding quarter. The Company expects its combined profit margin will increase to over 90% as it focusses on increasing recurring revenue.

Expenses in the two most recent quarters increased over the preceding quarters, due primarily to consulting fees paid in stock-based compensation for the quarter ended June 30, 2021 in the amount of \$1,406,469 and stock-based compensation in the current quarter in the amount of \$910,938. After removing stock-based expenses, expenses for the quarter ended June 30, 2021 increased by 17% over the preceding quarter ended March 31, 2021, primarily due to an increase in expenses due to the acquisition of TNET. It is expected that expenses will increase over the next four quarters due primarily to hiring additional personnel.

There are no known trends or seasonal impacts on the Company's business although seasonal trends may develop as the Company grows.

9. Summary of Financial Position

The Company's financial position as at September 30, 2021 compared with the Company's financial position as at September 30, 2020 is as follows:

Balance Sheet Data	September 30, 2021 (Consolidated)	September 30, 2020 ¹ (Combined)	September 30, 2019 ¹ (Combined) (Unaudited)
Current assets	\$ 987,275	\$ 779,531	\$992,375
Non-current assets	\$ 1,505,915	\$ 69,104	31,668
Current liabilities	\$ 2,509,491	\$ 3,778,571	2,852,025
Non-current liabilities	\$ 2,961,189	\$ 84,704	-

¹Balance sheet data at September 30, 2020 and September 30, 2019 includes the combined accounts of the amalgamated companies as if the amalgamation had taken place.

Assets as at September 30, 2021 doubled over assets as September 30, 2020 due mainly to the February 28, 2021 acquisition of TNET. At September 30, 2021 purchase goodwill and intangible assets comprised \$1,451,158, net of amortization and impairment, representing 58% of the Company's total assets. (See Note 5 to the Financial Statements.)

Current assets increased by 27% over the prior year due 88% to an increase in accounts receivable.

Current liabilities decreased by 34% from the end of the prior year, primarily due to the settlement of loans payable. This was partially offset by the increase in loans for related parties in the amount of \$250,657 and the issuance of a \$300,000 promissory note as part of the consideration for the acquisition of TNET.

Long-term debt increased by \$2,424,787 from the prior year due to derivative warrant liability of \$2,247,217, and a net increase in loans payable in the amount of \$177,570 (Note 10 to the Company's Financial Statements). In connection with consulting fees reported during the quarter, the Company issued 3,500,000 share purchase warrants with a variable pricing resulting in a derivative warrant liability. Further, in connection with debt settlement the Company issued 1,730,797 shares purchase warrants with variable pricing. Further information with respect to the derivative liabilities is set out in Note 13 to the Company's Financial Statements. Under the terms of the warrants, upon completing the Company's Business Combination, the terms of the warrants will become fixed and the warrants will be re-classified to equity.

Liquidity and Capital Resources

Until TTGI earns an operating surplus, it is reliant on its ability to raise capital in order to settle its debts as they come due. At September 30, 2021, TTGI had a working capital deficiency of \$1,522,216 (September 30, 2020 – \$2,999,040). During the year ended September 30, 2021, the Company incurred a net loss of \$5,704,614 (2020 - \$1,476,862).

A summary of the Company's obligations as at September 30, 2021 is as follows:

	Carrying amount	Contractual cash flows	Payable within one year	Payable in 1-5 years
Accounts payable and accrued liabilities	\$ 981,857	\$ 981,857	\$ 981,857	\$ -
Deferred revenue	32,706	-	32,706	-
Promissory note	300,000	300,000	300,000	-
Due to related parties	542,562	542,562	542,562	-
Loans payable ¹	1,281,558	2,110,844	1,004,594	1,106,250
	\$ 3,138,683	\$ 3,953,263	\$ 2,861,719	\$ 1,106,250

¹Included in working capital deficiency were the current portion of loans payable in the amount of \$652,366 (2020 - \$2,577,160) comprised of principal in the amount of \$869,756 net of accrued interest. During the year the Company settled the amounts owing under the loan agreements for consideration of \$1,750,000 and the issuance of 2,242,885 units at \$0.48 per unit (see Section 5 of this MD&A). On July 30, 2021, the Company entered into a new loan agreement in the principal amount of \$1,850,000, bearing interest at a rate of 12.75% per annum. \$850,000 of the loan is due on January 31, 2021 and the balance is due on July 30, 2024. Subsequent to September 30, 2021, the Lenders agreed to extend the mandatory principal prepayment to March 31, 2022. Further information on this loan is set out in section 5 of this MD&A.

On December 1, 2021, the Company issued a convertible promissory note (the "Promissory Note") with a principal amount of \$1 million. The Promissory Note bears simple interest at a rate of 1% per month, increasing by 0.10% every three months (resulting in first year interest rate of 13.8%; and second year interest rate of 18.6%), payable monthly and is due on November 30, 2023. The principal portion and any unpaid interest may be converted at the option of the holder into common shares of the Company at a price equal to the lesser of \$0.48 per share or 15% discount to the lowest equity issuance round up to and including the equity round of the qualifying transaction.

As further consideration for the Note the Company issued 500,000 share purchase warrants, each entitling the holder to acquire one common share of the Company at a price equal to the lesser of \$0.48 per share or 15% discount to the lowest equity issuance round up to and including the equity round of the qualifying transaction for a period of 36 months. This warrant will be recorded as a derivative liability until such time that the terms become fixed.

On August, 2021 the Company completed a non-brokered private placement of 3,861,092 units at a price of \$0.48 per unit for total proceeds of \$1,853,328 of which \$153,500 was used to settle accounts payable, \$1,076,589 was used to settle current loans payable and the remaining \$623,239 was available for working capital. Further information on the private placement is set out in Section 5 of this MD&A.

The Financial Statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the Financial Statements at September 30, 2021, TTGI has an accumulated deficit of \$12,147,929 (September 30, 2020: \$6,523,505) and negative cash flow from operating activities of \$964,859 (September 30, 2020 – cash generated by operating activities of \$354,739). These factors, among others, indicate there are material uncertainties that may cast significant doubt as to the ability of the Company to continue as a going concern. Management believes that the proceeds from additional equity financing activities that it is currently pursuing, combined with revenue that the Company expects to generate in subsequent periods, will provide the Company with sufficient working capital to satisfy its liabilities and commitments as they become due for the foreseeable future. There can be no assurances that sufficient equity can be raised on acceptable terms on a timely basis.

10. Amalgamation

Effective October 1, 2020 the Company completed an amalgamation agreement pursuant to which five companies were amalgamated under the name of Turnium Technology Group, Inc. All of the issued and outstanding common shares of the amalgamated companies were cancelled and 48,529,569 new common shares of TTGI were issued to the shareholders of the amalgamated companies as follows:

	Shares issued on Amalgamation
Multapplied Networks Inc. (“MNI”)	27,464,705
Turnium Technology, Ltd.	Nil
Plait Networks Ltd	Nil
M.N.I. Investment Holdings Ltd	7,772,964
Turnium Technology Group, Inc.	13,291,900

In addition, 4,436,000 outstanding options to purchase MNI common shares (“MNI Options”) were converted into 2,652,379 options to purchase common shares of the Company on a 0.59792308 to one basis with the same terms and conditions of the outstanding MNI Options including the exercise price and expiry date.

3,500,000 outstanding warrants exercisable into shares of MNI (“MNI Warrants”) were converted into 1,750,000 warrants to purchase common shares of the Company on a 0.5 to one basis with the same terms and conditions of the outstanding MNI Warrants except with an exercise price of \$0.30.

225,000 outstanding options to purchase 112,500 Turnium Technology Group Inc. common shares (“TTGI Options”) were converted into options to purchase common shares of the Company on a 0.5 to one basis with the same terms and conditions of the outstanding TTGI Options including the exercise price and expiry date.

The 2,261,617 outstanding warrants exercisable into shares of Turnium Technology Group Inc. were cancelled for no consideration.

11. Acquisition

Acquisition of Tenacious Networks Inc.

On February 28, 2021, the Company entered into a share purchase agreement (the “Share Purchase Agreement”) with the shareholders of Tenacious Networks Inc. (“TNET”), whereby the Company purchased 100% of the issued and outstanding common shares of TNET. In consideration, the Company issued 6,343,916 common shares of the Company to the shareholders of TNET with a fair value of \$2,700,000 and entered into a promissory note with the shareholders of TNET for a principal amount of \$300,000 (Note 11). The shareholders of TNET consisted of a company controlled by the former President of TNET and a company controlled by the CEO of the Company. As TNET meets the IFRS 3, *Business Combinations*, definition of a business the acquisition was accounted for as a business combination and measured at the fair value of consideration paid of \$3,000,000. TNET is engaged in the provision of professional IT services and support, hardware sales and resell of third-party services targeted at corporate clients.

In accordance with the acquisition method of accounting, the acquisition cost has been allocated on a preliminary basis to the identifiable underlying assets acquired and liabilities assumed, based upon their estimated fair values at the date of acquisition. As such the purchase price allocation at February 28, 2021 is preliminary and the determination of the final working capital adjustment, the identification of any

intangible assets and the finalization of the value of goodwill remains provisional. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

The preliminary purchase price allocation for the acquisition of TNET is summarized as follows:

Fair value of TNET's net assets acquired:

¹ Cash	\$	77,646
Amounts receivable		172,518
Other current assets		1,133
Intangible assets		611,000
Goodwill		2,582,027
Accounts payable and accrued liabilities		(37,615)
Due to related parties		(202,906)
Deferred revenue		(38,833)
Deferred tax liability		(164,970)
Total fair value of TNET's net assets acquired	\$	3,000,000

The resulting goodwill represents the sales and growth potential of TNET and will not be deductible for tax purposes. At September 30, 2021, the Company completed an impairment test and determined the fair value of goodwill to be \$1,137,158. As a result, the Company recognized impairment of goodwill of \$1,444,869.

Included in the consolidated statements of comprehensive loss for the year ended September 30, 2021, the Company recognized revenue of TNET of \$883,084 and net loss of \$74,275 since the business combination on February 28, 2021. Had the business combination occurred on October 1, 2020, management estimated that the revenue of the Company would have increased by approximately \$100,233 (unaudited) and the net loss of the Company would have increased by approximately \$223 (unaudited) for the year ended September 30, 2021.

12. Related Party Transactions

The Company considers its directors and officers to be key management personnel, and the following table summarizes the compensation of the Company's key management:

	Year Ended September 30, 2021 \$	Year Ended September 30, 2020 \$
Consulting*	885,740	260,000
Salaries and wages*	322,609	605,311
Share-based compensation	910,938	—

* Salaries and wages paid to key management personnel are included under general and administrative and research and development expenses on the Consolidated Statement of Comprehensive Loss.

- a) During the year ended September 30, 2021, the Company incurred \$195,000 (2020 - \$255,052) in advisory fees, made cash payments of \$1,143 (2020 - \$13,622), and settled \$139,180 (2020 - \$50,000) of amounts owing to a company controlled by the CEO of the Company. As at September

30, 2021, the Company owed \$237,606 (2020 - \$182,930) to the company controlled by the CEO of the Company. The amount is unsecured, non-interest bearing and due on the earlier of (i) August 31, 2025 (ii) upon completion of any financing in excess of \$2,000,000 or (iii) cash on hand in excess of \$500,000.

- b) During the year ended September 30, 2021, the Company incurred \$76,500 (2020 - \$76,500) in advisory fees and settled \$50,000 (2020 - \$nil) of amounts owing to a Director of the Company. As at September 30, 2021, the Company owed \$139,000 (2020 - \$76,500) to the Director of the Company. The amount is unsecured, non-interest bearing and due on the earlier of (i) February 1, 2025 (ii) upon completion of any financing in excess of \$2,000,000 or (iii) cash on hand in excess of \$500,000.
- c) As at September 30, 2021, the Company was owed \$14 from the CEO of the Company (2020 – the Company owed \$620) relating to accounts receivable received on behalf of the Company and expenses paid on behalf of the Company. The amount is unsecured, non-interest bearing and due on demand.
- d) As at September 30, 2021, the Company owed \$65,000 (2020 - \$nil) to a company controlled by the former President of TNET. The amount is unsecured, non-interest bearing and due on demand.
- e) As at September 30, 2021, the Company owed \$68,464 (2020 - \$855) to two companies controlled by the CEO of the Company. The amounts are unsecured, non-interest bearing and due on demand.
- f) As at September 30, 2021, the Company owed \$300,000 under a Promissory Note (Note 11) to a company controlled by the former President of TNET and a company controlled by the CEO of the Company.
- g) As at September 30, 2021, the Company owed \$31,000 (2020 - \$31,000) to the CTO of the Company. The loan is unsecured, non-interest bearing and due on the earlier of (i) February 1, 2025 (ii) upon completion of any financing in excess of \$2,000,000 or (iii) cash on hand in excess of \$500,000.
- h) As at September 30, 2021, the Company owed \$1,506 (2020 - \$nil) to the former President of TNET relating to expenses paid on behalf of TNET. The amount is unsecured, non-interest bearing and due on demand.

13. Off-Balance Sheet Arrangements

As at the date of this MD&A, TTGI did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of TTGI, including, and without limitation, such considerations as liquidity and capital resources.

14. Significant Accounting Policies

Basis of Consolidation

The Financial Statements include the accounts of TTGI and its wholly owned subsidiary, TNET. All inter-company accounts and transactions have been eliminated in preparing the Financial Statements.

On October 1, 2020, the Company was formed by the amalgamation of five companies under the Business Corporations Act (British Columbia). The amalgamation effected a business combination under which each company agreed to the amalgamation under the provisions of the Business Corporations Act (British Columbia) and to continue as one company under the name of Turnium Technology Group, Inc.

Business combinations involving entities under common control are outside the scope of IFRS 3, *Business Combinations*, and as a result, due to the common control of the predecessor companies, the accounting for amalgamation was outside the scope of IFRS 3. The amalgamation was accounted for as a transfer of the carrying amounts of assets and liabilities under the predecessor value method of accounting. Financial statement presentation under the predecessor value method of accounting as a result of a business combination between entities under common control requires the Company to restate the results of operations as if the combination had taken place at the beginning of the earliest comparative period presented. These condensed consolidated and combined financial statements restate the results of operations as if the amalgamation had taken place on October 1, 2019. The comparative operational results of the pre-amalgamated entities have been shown on a combined basis.

Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value, except deferred tax assets or liabilities, which are recognized and measured in accordance with IAS 12, *Income Taxes*. Subsequent changes in fair values are adjusted against the cost of acquisition if they qualify as measurement year adjustments. The measurement year is the year between the date of acquisition and the date where all significant information necessary to determine the fair values is available and cannot exceed 12 months. All other subsequent changes are recognized in the consolidated statements of comprehensive loss.

The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed including any contingently payable purchase price obligation due over time. The Company uses valuation techniques, which are generally based on forecasted future net cash flows discounted to present value. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied. The determination of fair value involves making estimates relating to acquired intangibles assets, property and equipment and contingent consideration. In certain situations, goodwill or a bargain purchase gain may result from a business combination. Goodwill is measured as the excess of the consideration transferred over the net amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the excess is recognized immediately in the consolidated statements of comprehensive loss as a bargain purchase gain. Acquisition related costs are recognized in the consolidated statements of comprehensive loss as incurred.

Revenue Recognition

The Company accounts for revenue under IFRS 15, *Revenue from Contracts with Customers*, which establishes a five-step model to account for revenue arising from contracts with customers.

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price, which is the total consideration provided by the customer;
- allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
- recognize revenue when the relevant criteria are met for each performance obligation.

The Company's has several sources of revenue:

Revenue is earned from the grant of non-exclusive, non-transferrable licenses to service providers to use the Company's SD-WAN business platform (the "Platform"). Pursuant to the licensing agreements, the Company charges an initial start-up fee and a license fee for software license units that covers the licensing

of all of the software comprised in the Platform. Revenue from license fees is generally earned over time and is recognized on a straight-line basis over the term of the contract. Revenue from initial start-up fees is recognized when the set-up process is complete and the customer has full access to the software.

Revenue is also earned through the sale of onsite and remote support, host/cloud services, and the resale of both hardware and software. Revenue from onsite and remote support are generally earned at a point in time and are recognized at the point in time when the support services have been completed. Certain onsite and remote support is sold on a block of hours basis and is recognized proportionately between the number of hours provided out of the pre-purchased block of hours. Revenue from host/cloud services are generally earned over time and are recognized using the output method based on time elapsed. Revenue from the resale of hardware and software are generally earned at a point in time and is recognized when the product has been delivered to the customer.

Revenue from the resale of software licenses is recognized at a point in time on a net amount basis, which is the amount billed to a customer less the amount paid to the software license provider. At September 30, 2021, the Company recognized \$32,706 (2020 - \$nil) in deferred revenue represented by the pre-purchase of block hours for onsite and remote support not utilized by the end of the period.

Research and Development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in profit or loss as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. No development costs have been capitalized to date.

Leases

In January 2016, the IASB published a new standard, IFRS 16, *Leases*, replacing IAS 17, *Leases* (“IAS 17”) and related interpretations (IFRIC 4, *Determining Whether an Arrangement Contains a Lease* (“IFRIC 4”)). The new standard eliminated the prior dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. Effective October 1, 2019, the Company adopted this standard using the modified retrospective approach. Prior periods have not been restated for the impact of IFRS 16. There was no impact as a result of this change in accounting policy.

For contracts entered into before October 1, 2019, the Company determined whether the arrangement contained a lease under IAS 17. The Company only leases office space on a month to month basis. Prior to the adoption of IFRS 16, these leases were classified as operating or finance leases based on an assessment of whether the lease transferred significantly all the risks and rewards of ownership of the underlying asset.

On transition, the Company elected to apply the practical expedient to grandfather the determination of which contract is or contains a lease and applied IFRS 16 to those contracts that were previously identified as leases.

For contracts entered into subsequent to October 1, 2019 at inception of the contract, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a

lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36, *Impairment of Assets*. This replaced the previous requirement to recognize a provision for onerous lease contracts. The lease liability is initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any, if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be remeasured when there is a change in either the future lease payments or assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and interest on the obligation. Interest expense on the lease obligation is included in the consolidated statement of comprehensive loss.

On transition, the Company elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and for low value leases and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term, as permitted by IFRS 16. The adoption of IFRS 16 did not result in any adjustment to historical operations.

Refundable Tax Credits

The Government of Canada provides refundable tax credits to qualifying companies engaged in Scientific Research and Experimental Development ("SRED") activities, as that term is defined in the Income Tax Act (Canada). The Company records 100% of its claim for such credits in profit or loss during the period in which the claim filed with the taxation authorities has been accepted and the tax credits have been received. Subsequent amendments or adjustments to such claims, if any, are recorded as they occur.

Accounting for Government Grants and Disclosure of Government Assistance

The Company classifies forgivable loans, or the forgivable portion thereof, from the government as government assistance when there is a reasonable assurance that the Company will meet the terms for forgiveness on the loan. If this threshold is not met, the Company classifies forgivable loans as loan payable, measured initially at fair value in accordance with IFRS 9, *Financial Instruments*.

The Company applied for COVID-19 financial relief in Canada under the Canada Emergency Wage Subsidy ("CEWS") program. The CEWS program is a wage subsidy program launched by the Canadian federal government to qualifying employers to subsidize payroll costs during the COVID-19 pandemic. The qualified subsidy amounts received under the CEWS program are non-repayable. Government grants and assistance are recognized as a reduction in the related expense in the period in which there is reasonable assurance that the grant or assistance has become receivable and all conditions, if any, have been satisfied.

Share-Based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as a stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be

met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received.

The Company uses the Black-Scholes option pricing model to estimate fair value. As the Company is not publicly traded, volatility was estimated using publicly traded comparable companies.

During the year the Company recorded 3,500,000 compensation warrants (See note 15 to the Financial Statements). The risk-free interest rate for the life of the Warrants was based on the yield available on government benchmark bonds with an approximate equivalent remaining term at the time of issue. The life of warrant is based on the contractual term. As at September 30, 2021, the Company revalued the derivative warrants to an estimated fair value of \$1,403,878 (2020 - \$nil), recording a decrease in the estimated fair value of the derivative warrant liability of \$2,591 for the year ended September 30, 2021 (2020 - \$nil). The Company reported a consulting expense in the amount of \$1,406,469.

All equity-settled share-based payments are reflected in share-based payment reserve until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

Derivative Warrant Liability

In connection with the Amalgamation, the Company issued 1,750,000 warrants to purchase common shares with an exercise price of \$0.30. On May 1, 2021, the Company amended the terms of the warrants to increase the number of warrants outstanding from 1,750,000 to 3,500,000 for a period which is the greater of: (i) five years following the listing of the Company's shares; and (ii) September 14, 2028. The exercise price is amended from \$0.15 per share to the lesser of: (i) \$0.25 per share; and (ii) a discount of 16.67% from the IPO or RTO/QT financing price, or the RTO/QT vend-in price. The amended warrants are fully vested. The modification of the warrants was valued using the Black Scholes pricing model as set out above in Share-based Payments. (See note 15. To the Company's Financial Statements.

On July 30, 2021, the Company issued 1,730,797 share purchase warrants in relation to the issuance of a loan. The fair value was determined to be \$706,841 using the Black Scholes pricing model and was recognized as debt financing costs, which will be amortized over the life of the related loan payable (Note 10(c)). The Company assumed a risk-free rate of 1.10%, volatility of 116% and a weighted average expected life of the warrants of 6 year, in calculating the fair value of the warrants.

On December 1, 2021, as consideration for the Promissory \$1,000,000 Promissory Note the Company issued 500,000 share purchase warrants, each entitling the holder to acquire one common share of the Company at a price equal to the lesser of \$0.48 per share or 15% discount to the lowest equity issuance round up to and including the equity round of the qualifying transaction for a period of 36 months. The warrants are subject to earlier accelerated exercise if the shares have traded and continue to trade on a public exchange at a 30-day volume-weighted average purchase price per share of \$1.25.

Upon completing the Business Combination, it is anticipated that the warrant terms will become fixed and the warrants will be reclassified as equity.

15. Accounting Standards and Amendments Issued but Not Yet Adopted

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

16. Share Capital

As at the date of this MD&A the company had the following outstanding securities:

- (i) 58,498,965 common shares issued and fully paid,
- (ii) 10,896,766 stock options with a weighted average exercise price of CAD \$0.40; and
- (iii) 7,161,337 share purchase warrants: 3,661,337 expiring December 31, 2022 with an exercise price of \$0.72 per share, and 3,500,000 expiring September 14, 2028 with an exercise price the lesser of: (i) \$0.25 per share; and (ii) a discount of 16.67% from the price of the Business Combination and concurrent financing price.
- (iv) Convertible promissory note due on November 30, 2024 in the principal amount of \$1,000,000 convertible into common shares at a price equal to the lesser of: (i) \$0.48 per share; and (ii) a discount of 16.67% from the price of the Business Combination described in Section I of this MD&A.

17. Risk Factors

The Company reports the following risks in addition to the risks set out in the Company's filing statement to which this MD&A is attached.

Going Concern Assumption

The Financial Statements of TTGI have been prepared in accordance with IFRS on a going concern basis, which presumes that TTGI will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. TTGI's continuation as a "going concern" is uncertain and is dependent upon, amongst other things, attaining a satisfactory revenue level, the support of its customers, its ability to continue profitable operations, the generation of cash from operations, and its ability to obtain financing arrangements and capital in the future. These material uncertainties represent risks to TTGI's ability to continue as a going concern and realize its assets and pay its liabilities as they become due. If the "going concern" assumption was not appropriate for the consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

Access to Capital

From time to time, TTGI may need additional financing, including funding potential acquisitions. Its ability to obtain additional financing, if and when required, will depend on investor demand, TTGI's operating performance, the condition of the capital markets, and other factors. To the extent TTGI draws on its credit facilities, if any, to fund certain obligations, it may need to raise additional funds and TTGI cannot provide assurance that additional financing will be available to it on favorable terms when required, or at all. If TTGI raises additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences, or privileges senior to the rights of TTGI's common shares, and existing shareholders may experience dilution.

COVID-19

Since June, 2020 several measures have been implemented in response to the increased impact from novel coronavirus (“COVID-19”). We operate our Vancouver office in person and from remote work sites and are continuing software development and sales and marketing activities at this time. However, as the COVID-19 pandemic continues, the heightened economic uncertainty may have significant implications for the Company. We are taking actions to ensure the Company has adequate financing to mitigate the impact on our business in the event that future economic conditions reduce our ability to secure financing in fiscal 2022.

Our business is subject to the effects of general global and regional economic conditions. If global and/or regional economic and market conditions, or economic conditions in key markets, remain uncertain or deteriorate, we may experience material adverse impacts on our business. Unfavorable and/or uncertain economic and market conditions may result in lower capital spending or delayed spending by our customers on cyber security and network monitoring, despite the higher incidence of cyber fraud, and adversely impact our revenue and increase credit risk.

Liquidity Risk

Liquidity risk is the risk that TTGI will not be able to meet its financial obligations as they fall due. TTGI’s approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to TTGI’s reputation. TTGI manages liquidity risk by closely monitoring changing conditions in its investees, participating in the day to day management and by forecasting cash flows from operations and anticipated investing and financing activities. As at September 30, 2021 the Company had cash of \$432,346 (September 30, 2020 - \$437,474) to settle current liabilities of \$2,509,491 (September 30, 2020 - \$3,778,571). The Company is dependent on its ability to raise capital to meet its financial obligations.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company’s exposure to credit risk is in its cash and receivables. Cash is held with major banks in Canada and the United States, which are high credit quality financial institutions as determined by rating agencies.

The carrying amount of financial assets represents the maximum credit exposure. Amounts receivable consists of trade receivable of \$518,061 (September 30, 2020 - \$335,426). To reduce the credit risk of amounts receivable, the Company regularly reviews the collectability of the amounts receivable to ensure there is no indication that these amounts will not be fully recoverable.

As at September 30, 2021, the Company recognized a provision for bad debts of \$24,568 (2020 - \$9,836) in accordance with IFRS 9, *Financial Instruments*. During the year ended September 30, 2021, the Company recognized bad debts of \$14,732 (2020 - \$1,541), which are included under general and administrative expenses on the consolidated statement of comprehensive loss.

During the years ended September 30, 2021 and 2020, two customers each represented over 10% of total revenue. For the year ended September 30, 2021 two customers represented 15% and 10% of revenues respectively. For the year ended September 30, 2020 two customers represented 14% and 11% of revenues respectively.

Foreign Currency Risk

The Company's functional currency is the Canadian dollar. Currency risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company's head office and operating expenses are mainly denominated in Canadian dollars. A some of the Company's revenue is denominated in US dollars. If the US dollar depreciates compared to the Canadian dollar revenue would decrease in Canadian dollars. The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars:

	September 30, 2021	September 30, 2020
Balance in US dollars:		
Cash	\$ 58,581	\$ 94,591
Amounts receivable	150,537	81,333
Accounts payable	(19,014)	—
Net exposure	190,104	175,924
Balance in Canadian dollars:	\$ 241,167	\$ 234,358

A 10% change in the US dollar to the Canadian dollar exchange rate would impact the Company's net loss by approximately \$24,117 for the period ended September 30, 2021 (September 30, 2020 – \$23,436).

18. Commitments

Premises Lease

Subsequent to the adoption of IFRS 16 as set out in Note 3(j) the Company's Financial, the Company does not report a premises lease commitment. At September 30, 2020 the Company reported a lease liability of \$48,357 using a discount rate of 12.68%. The lease was terminated in July 2021.

The Company has entered into a short term and long term lease agreement for the periods October 2021 – February 2022 (short term) and March 2022 – February 2027 (long term) representing minimum lease payments of \$26,100.66 (short term) and \$33,507.25 (long term) for the year ending September 30, 2022, and \$57,441.00, \$59,833, \$61,541, \$61,541 and \$25,642 (long term) for the years ending September 30, 2023, 2024, 2025, 2026, and 2027 respectively.

Appendix E

Financial Statements of Tenacious Networks Inc.

TENACIOUS NETWORKS INC.

Financial Statements

January 31, 2021

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors of Tenacious Networks Inc.

Opinion

We have audited the financial statements of Tenacious Networks Inc. (the "Company") which comprise the statement of financial position as at January 31, 2021, and the statements of comprehensive loss, changes in equity and cash flows for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Emphasis of Matter – Material Uncertainty Related to Going Concern

We draw attention to Note 2(c) of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

We were not engaged to report on the comparative financial information in these financial statements, including the statement of financial position as at January 31, 2020 and June 28, 2019, and the statements of comprehensive loss, changes in deficit and cash flows for the period ended January 31, 2020 and related disclosures. As such, the comparative information is unaudited and no opinion has been expressed thereon.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
February 14, 2022

TENACIOUS NETWORKS INC.

Statements of Financial Position

(Expressed in Canadian dollars)

	January 31, 2021 \$	January 31, 2020 \$	June 28, 2019 (Date of Incorporation) \$
		(Unaudited)	(Unaudited) (Note 2(a))
Assets			
Current assets			
Cash	59,555	500	—
Amounts receivable	169,397	—	—
Total assets	228,952	500	—
Liabilities and Equity (Deficit)			
Current liabilities			
Accounts payable and accrued liabilities	27,076	—	—
Due to related parties (Note 4)	202,907	400	—
Deferred revenue	26,803	—	—
Total liabilities	256,786	400	—
Equity (Deficit)			
Share capital (Note 5)	12	12	12
Subscriptions receivable	—	—	(100)
Contributed surplus	88	88	88
Deficit	(27,934)	—	—
Total equity (deficit)	(27,834)	100	—
Total liabilities and equity (deficit)	228,952	500	—
Going concern (Note 2(c))			
Subsequent events (Note 11)			

Approved and authorized for issuance by the Board of Directors on February 14, 2022:

"Johan Arnet""Derek Spratt"

(The accompanying notes are an integral part of these financial statements)

TENACIOUS NETWORKS INC.

Statements of Comprehensive Loss

(Expressed in Canadian dollars)

	Year Ended January 31, 2021 \$	Period from June 28, 2019 (date of Incorporation) to January 31, 2020 \$ (Unaudited)
Sales	1,512,135	—
Cost of sales	(914,344)	—
Gross profit	597,791	—
Expenses		
General and administrative	58,808	—
Management fees	400,820	—
Professional fees	13,243	—
Wages and benefits	160,807	—
Total operating expenses	633,678	—
Loss before other income	(35,887)	—
Other income		
Government assistance (Note 3(j))	7,953	—
Net loss and comprehensive loss for the period	(27,934)	—
Basic and diluted loss per Class A common share	(46.56)	—
Weighted average number of Class A common shares outstanding	600	600

(The accompanying notes are an integral part of these financial statements)

TENACIOUS NETWORKS INC.

Statements of Changes in Equity (Deficit)
(Expressed in Canadian dollars)

	<u>Class A</u>		<u>Class B</u>		<u>Class C</u>		Contributed	Deficit	Total Equity
	Number	Amount \$	Number	Amount \$	Number	Amount \$	Surplus \$	\$	(Deficit) \$
Issuance of Class A common shares on June 28, 2019 (date of incorporation)	600	6	–	–	–	–	44	–	50
Issuance of Class B common shares on June 28, 2019 (date of incorporation)	–	–	300	3	–	–	22	–	25
Issuance of Class C common shares on June 28, 2019 (date of incorporation)	–	–	–	–	300	3	22	–	25
Net loss and comprehensive loss	–	–	–	–	–	–	–	–	–
Balance, January 31, 2020 (Unaudited)	600	6	300	3	300	3	88	–	100
Net loss and comprehensive loss	–	–	–	–	–	–	–	(27,934)	(27,934)
Balance, January 31, 2021	600	6	300	3	300	3	88	(27,934)	(27,834)

(The accompanying notes are an integral part of these financial statements)

TENACIOUS NETWORKS INC.

Statements of Cash Flows
(Expressed in Canadian dollars)

	Year Ended January 31, 2021 \$	Period from June 28, 2019 (date of incorporation) to January 31, 2020 \$ (Unaudited)
Operating activities:		
Net loss	(27,934)	—
Changes in non-cash operating working capital:		
Amounts receivable	(169,397)	—
Accounts payable and accrued liabilities	27,076	—
Deferred revenue	26,803	—
Net cash used in operating activities	(143,452)	—
Financing activities:		
Issuance of common shares	—	100
Proceeds from related parties	202,507	400
Net cash provided by financing activities	202,507	500
Increase in cash	59,055	500
Cash beginning of the period	500	—
Cash end of the period	59,555	500
Supplemental cash flow information		
Interest paid	—	—
Income taxes paid	—	—

(The accompanying notes are an integral part of these financial statements)

TENACIOUS NETWORKS INC.

Notes to the Financial Statements

For the year ended January 31, 2021 with

unaudited comparative information for the period ended January 31, 2020

(Expressed in Canadian dollars)

1. Corporate Information

Tenacious Networks Inc. (the “Company”) was incorporated on June 28, 2019 under the Business Corporations Act (British Columbia). The Company is engaged in the provision of professional IT services and support, hardware sales and the resale of third party services targeted at corporate clients. The Company’s registered office is located at 1127 West 15th Street, North Vancouver, British Colombia, V7P 1M7.

2. Basis of Presentation

(a) Statement of Compliance

These are the Company’s first financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) on a going concern basis. As the Company has not previously issued financial statements, IFRS has been applied in these financial statements since incorporation on June 28, 2019.

The financial statements were approved by the Board of Directors and authorized for issue on February 14, 2022.

(b) Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments, and are presented in Canadian dollars, which is also the functional currency of the Company.

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period.

These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities include the following:

i) Allowance for credit losses:

The Company provides for doubtful debts by analyzing the historical default experience and current information available about a customer’s credit worthiness on an account by account basis. Uncertainty relates to the actual collectability of customer balances that can vary from the Company’s estimation.

TENACIOUS NETWORKS INC.

Notes to the Financial Statements

For the year ended January 31, 2021 with

unaudited comparative information for the period ended January 31, 2020

(Expressed in Canadian dollars)

2. Basis of Presentation (continued)

(b) Basis of Measurement (continued)

Significant areas of judgment include:

i) Application of the going concern assumption:

The assessment of whether the going concern assumption is appropriate requires management to consider all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

ii) Leases:

The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create economic incentive to exercise renewal options.

iii) Deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company generating future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in classifying transactions and assessing probable outcomes of tax positions taken, and in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

iv) Allowance for uncollectible trade receivables:

The valuation of allowances for uncollectible trade receivables requires judgement involving estimated credit losses based on customer, industry concentrations and the Company's knowledge of the financial conditions of its customers. Uncertainty relates to the actual collectability of customer balances that can vary from management's estimates and judgment.

(c) Going Concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended January 31, 2021, the Company has incurred a net loss of \$27,934 and as at January 31, 2021, had a working capital deficit of \$27,834 and an accumulated deficit of \$27,934. The Company realized revenues for the first time during the year ended January 31, 2021. These factors, among others, may cast significant doubt as to the ability of the Company to continue as a going concern. Management believes that the revenue that the Company expects to generate in subsequent periods will provide the Company with sufficient working capital to satisfy its liabilities and commitments as they become due for the foreseeable future. There can be no assurances that sufficient revenue can be generated on a timely basis.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements. Such adjustments could be material.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The impact on the Company has not been significant, and while the Company does not anticipate any long-term impact, it is not possible to reliably estimate the immediate impact on the financial results and condition of the Company. The Company will continue to monitor and assess risks associated with COVID-19.

TENACIOUS NETWORKS INC.

Notes to the Financial Statements

For the year ended January 31, 2021 with

unaudited comparative information for the period ended January 31, 2020

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value, to be cash equivalents.

(b) Foreign Currency Translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss. The Company's functional currency is the Canadian dollar.

(c) Financial Instruments

(i) Recognition and initial measurement

The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, and due to related parties.

Account receivables are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI - equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Company does not have any financial assets classified as FVTPL or FVOCI, only those classified at amortized cost.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of comprehensive loss. Any gain or loss on derecognition is recognized in the statement of comprehensive loss.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of comprehensive loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of comprehensive loss. Any gain or loss on derecognition is also recognized in the statement of comprehensive loss.

TENACIOUS NETWORKS INC.

Notes to the Financial Statements

For the year ended January 31, 2021 with

unaudited comparative information for the period ended January 31, 2020

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies (continued)

(c) Financial Instruments (continued)

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the statement of comprehensive loss.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(d) Impairment of Financial Assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the 12-month expected credit losses.

The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

TENACIOUS NETWORKS INC.

Notes to the Financial Statements

For the year ended January 31, 2021 with

unaudited comparative information for the period ended January 31, 2020

(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies (continued)

(e) Revenue

The Company follows IFRS 15, "Revenue from Contracts with Customers" ("IFRS 15"), in recognizing revenue. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. The Company's revenue is primarily earned through the sale of onsite and remote support, host/cloud services, and the resale of both hardware and software. Revenue from onsite and remote support are generally earned at a point in time and are recognized at the point in time when the support services have been completed. Certain onsite and remote support is sold on a block of hours basis and is recognized as the services are provided. Revenue from host/cloud services are generally earned over time and are recognized using the output method based on time elapsed. Revenue from the resale of hardware and software are generally earned at a point in time and is recognized when the product has been delivered to the customer. Revenue from the resale of software licenses are recognized at a point in time on a net amount basis, which is the amount billed to a customer less the amount paid to the software license provider. At January 31, 2021, the Company recognized \$26,803 (2020 - \$nil) in deferred revenue represented by the pre-purchase of block hours for onsite and remote support not utilized by the end of the period.

(f) Leases

IFRS 16, *Leases* introduced a single lease accounting model for lessees which requires a right-of-use asset and liability to be recognized on the balance sheet for contracts that are, or contain, a lease.

At the inception of contracts entered into, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36, "Impairment of Assets". This replaced the previous requirement to recognize a provision for onerous lease contracts.

The lease liability is initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any, if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be remeasured when there is a change in either the future lease payments or assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and interest on the obligation. Interest expense on the lease obligation is included in the statement of comprehensive loss.

The Company does not recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and for low value leases and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term, as permitted by IFRS 16.

TENACIOUS NETWORKS INC.

Notes to the Financial Statements

For the year ended January 31, 2021 with

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(Expressed in Canadian dollars)

3. Summary of Significant Accounting Policies (continued)

(g) Income Taxes

Income tax comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in the other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amounts of an asset or liability differs from its tax base, except for the taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company re-assesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

(h) Loss per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all "in the money" stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, the exercise of stock options and share purchase warrants is considered to be anti-dilutive and basic and diluted loss per share are the same. As at January 31, 2021, the Company has no potentially dilutive shares which were anti-dilutive.

(i) Accounting for Government Grants and Disclosure of Government Assistance

The Company classifies forgivable loans, or the forgivable portion thereof, from the government as government assistance when there is a reasonable assurance that the Company will meet the terms for forgiveness on the loan. If this threshold is not met, the Company classifies forgivable loans as loan payable, measured initially at fair value in accordance with IFRS 9, "Financial Instruments".

The Company applied for COVID-19 financial relief in Canada under the Canada Emergency Wage Subsidy ("CEWS") program. The CEWS program is a wage subsidy program launched by the Canadian federal government to qualifying employers to subsidize payroll costs during the COVID-19 pandemic. The qualified subsidy amounts received under the CEWS program are non-repayable. Government grants and assistance are recognized as a reduction in the related expense in the period in which there is reasonable assurance that the grant or assistance has become receivable and all conditions, if any, have been satisfied. During the year ended January 31, 2021, the Company received \$7,953 (2020 - \$Nil) under the CEWS program.

TENACIOUS NETWORKS INC.

Notes to the Financial Statements

For the year ended January 31, 2021 with

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(Expressed in Canadian dollars)

4. Related Party Transactions

- a) During the year ended January 31, 2021, the Company incurred \$175,382 (2020 - \$nil) in management fees and \$70,056 (2020 - \$nil) in other expenses to two companies controlled by a Director of the Company and earned \$1,026 (2020 - \$nil) of revenue and incurred \$30,000 of rent to a company controlled by the Director of the Company.
- b) During the year ended January 31, 2021, the Company earned \$62,502 (2020 - \$nil) of revenue, incurred \$232,542 (2020 - \$nil) in management fees and incurred \$216,363 (2020 - \$nil) in other expenses to a company controlled by a Director of the Company.
- c) During the year ended January 31, 2021, the Company earned \$26,392 (2020 - \$nil) of revenue and incurred \$8,711 (2020 - \$nil) in other expenses to a company that subsequently purchased all of the issued and outstanding common shares of the Company (Note 11).
- d) At January 31, 2021, the Company owed \$100,278 (2020 - \$450) to a Director of the Company, which includes amounts owing to two companies controlled by the Director of the Company, of which, \$1,175 (2020 - \$nil) is recognized in accounts receivable, and \$101,453 (2020 - \$450) is recognized as due from related parties.
- e) At January 31, 2021, the Company owed \$99,251 to (2020 - was owed \$50 from) a Director of the Company, which includes amounts owing to a company controlled by the Director of the Company, of which, \$2,202 (2020 - \$nil) is recognized in accounts receivable, and \$101,453 (2020 - \$50) is recognized as due from related parties.
- f) At January 31, 2021, the Company was owed \$2,008 (2020 - \$nil) from a company that subsequently purchased all of the issued and outstanding common shares of the Company (Note 11).

5. Share Capital

Authorized Share Capital

1,000,000 Class "A" Voting Common shares with a par value of \$0.01 each;
1,000,000 Class "B" Non-voting Common shares with a par value of \$0.01 each;
1,000,000 Class "C" Non-voting Common shares with a par value of \$0.01 each;
1,000,000 Class "D" Non-voting Common shares with a par value of \$0.01 each;
1,000,000 Class "E" Non-voting Preferred shares with a par value of \$0.01 each;
1,000,000 Class "F" Non-voting Preferred shares with a par value of \$0.01 each;
1,000,000 Class "G" Non-voting Preferred shares with a par value of \$0.01 each; and
1,000,000 Class "H" Non-voting Preferred shares with a par value of \$100.00 each

Issued and Outstanding

As at January 31, 2021 and 2020, the following shares were issued and outstanding:

600 Class "A" Voting Common shares;
300 Class "B" Non-voting Common shares; and
300 Class "C" Non-voting Common shares

Share transactions

On June 28, 2019, the Company issued 600 Class "A" Voting Common shares, 300 Class "B" Non-voting Common shares and 300 Class "C" Non-voting Common shares for net proceeds of \$100.

6. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital, share-based payment reserve, common stock subscribed and deficit.

TENACIOUS NETWORKS INC.

Notes to the Financial Statements

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(Expressed in Canadian dollars)

6. Capital Management (continued)

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its board of directors, will balance its overall capital structure through new equity issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the period ended January 31, 2020.

7. Commitments and Contingencies

The Company had no significant commitments or contractual obligations with any parties respecting executive compensation, consulting arrangements, or other matters. Management services and office space provided are on a month-to-month basis.

8. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

The fair values of financial instruments, which include cash, accounts receivable, and accounts payable, and due to related parties approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and receivables. Cash is held with a major bank in Canada, which is a high credit quality financial institution as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

Amounts Receivable

Amounts receivable consists of trade receivable of \$169,129 (2020 - \$Nil), and non-financial instruments of \$268 (2020 - \$Nil). To reduce the credit risk of amounts receivable, the Company regularly reviews the collectability of the amounts receivable to ensure there is no indication that these amounts will not be fully recoverable. During the year ended January 31, 2021, the Company recognized a provision for bad debts of \$Nil (2020 - \$Nil) in accordance with IFRS 9, "*Financial Instruments*".

The Company had one customer that represented 10% or more of total revenue. The following table represents the top three customers as a percentage of total revenue:

	Year ended January 31, 2021	Period from June 28, 2019 (date of Incorporation) to January 31, 2020 (Unaudited)
Customer A	17%	—%
Customer B	11%	—%
Customer C	11%	—%

TENACIOUS NETWORKS INC.

Notes to the Financial Statements

For the year ended January 31, 2021 with

unaudited comparative information for the period ended January 31, 2020

(Expressed in Canadian dollars)

8. Financial Instruments and Risk Management (continued)

(c) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and its short-term term deposits at prescribed market rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank accounts and short-term term deposits is subject to movements in interest rates.

(d) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

9. Segmented Information

Operating segments are components of an entity that engage in business activities from which they earn revenues and incur expenses (including revenues and expenses related to transactions with the other component(s)), the operations of which can be clearly distinguished and for which the operating results are regularly reviewed by a chief operating decision-maker to make resource allocation decisions and to assess performance. The Company's operations consist of one operating and reportable segment, being the provision of network services in Canada. The Company's net assets are geographically located in Canada.

10. Income Taxes

The Company is subject to statutory income tax rates of 27%. The actual income tax provisions differ from the expected amounts calculated by applying the Canadian combined federal and provincial corporate income tax rates to the loss before income taxes. A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	2021	2020 (Unaudited)
Net income before income taxes	\$ (27,934)	\$ –
Statutory income tax rate	27%	27%
Expected income tax recovery at statutory rate	(7,542)	–
Permanent differences	6	–
Change in unrecognized deferred income tax assets	7,536	–
Income tax recovery	\$ –	\$ –

The significant components of deferred income tax assets and liabilities are as follows:

	2021	2020 (Unaudited)
Non-capital losses carried forward	\$ 7,536	\$ –
Unrecognized deferred income tax assets	(7,536)	–
Deferred income tax assets (liabilities)	\$ –	\$ –

As of January 31, 2021, the Company has non-capital tax losses of approximately \$27,934 that may be offset against future Canadian taxable income. These losses expire commencing in 2041.

TENACIOUS NETWORKS INC.

Notes to the Financial Statements

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(Expressed in Canadian dollars)

11. Subsequent Events

On February 28, 2021, the Company's shareholders entered into a share purchase agreement ("Agreement") with Turnium Technologies Group, Inc. ("Turnium"), whereby Turnium purchased all of the issued and outstanding common shares of the Company ("Purchased Shares"). In consideration for the sale of all of the issued and outstanding common shares of the Company, Turnium paid \$3,000,000 ("Purchase Price") through the issuance of 6,343,916 shares of common stock of Turnium ("Consideration Shares"), and issuance of a secured Promissory Note of \$300,000.

Appendix F

MD&A of Tenacious Networks Inc.

Tenacious Networks Inc.

MANAGEMENT DISCUSSION AND ANALYSIS

This Management Discussion and Analysis (this “**MD&A**”) is dated February 14, 2022 and is intended to assist the reader in understanding the results of operations and financial condition of Tenacious Networks Inc. (“**Tenacious**”, or the “**Company**”). This MD&A should be read in conjunction with the Company’s audited financial statements for the year ended January 31, 2021, which include the unaudited prior year period from June 28, 2020 to January 31, 2020, and accompanying notes.

The annual financial statements for the year ended January 31, 2021 and the unaudited prior year period have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) on a going concern basis. This MD&A does not provide discussion of quarterly results as no quarterly information is available. Tenacious Networks Inc.’s reporting and functional currency is Canadian Dollars.

CAUTION ON FORWARD-LOOKING INFORMATION

This MD&A contains certain “forward-looking information” and “forward-looking statements” (collectively “**forward-looking statements**”) within the meaning of applicable Canadian securities legislation. When we discuss our strategy, plans, outlook, future financial and operating performance, financing plans, growth in cash flow and other events and developments that have not yet happened, we are making forward-looking statements. All statements in this MD&A that address events or developments that we expect to occur in the future are forward-looking statements, including the following:

- the development and capabilities of Tenacious (as defined herein) to provide the software and services;
- our expectations in relation to working capital;
- our expectations in relation to our future financial needs;

Forward-looking statements are statements that are not historical facts and are generally, although not always, identified by words such as “expect”, “plan”, “anticipate”, “project”, “target”, “potential”, “schedule”, “forecast”, “budget”, “estimate”, “intend” or “believe” and similar expressions or their negative connotations, or that events or conditions “will”, “would”, “may”, “could”, “should” or “might” occur. All such forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Forward-looking statements necessarily involve assumptions, risks and uncertainties, certain of which are beyond the Company’s control, including the following:

- our dependence on suppliers and customers;
- our ability to attract customers;
- the competitive nature of outsourced IT professional services and managed services market;
- our ability to manage our growth;
- protection of intellectual property;
- exchange rate risks;
- regulatory risks;
- tax laws;
- conflicts of interest; and
- our dependence on key personnel.

The Company assumes no responsibility to revise forward looking statements to reflect new information, subsequent events or changes in circumstances, except as required by applicable securities laws.

1. History of the Business

The Company's registered office and business address is located at 1127 West 15th Street, North Vancouver, British Columbia, V7P 1M7.

Tenacious is a private company formed under the Business Corporation Act of British Columbia ("BCBCA") on June 28, 2018.

Effective February 1, 2021, Turnium Technology Group Inc. ("TTGI") acquired 100% of the common shares of Tenacious.

2. Core Business

Tenacious provides SMB and SME businesses with outsourced IT Professional Services and Managed Services to help them build, manage and secure their computer systems at their offices. Tenacious provides SMB and SME customers with a range of IT services, hardware, professional services and managed services to help them optimize their business performance by complementing in-house IT staff. Tenacious also leverages its customer base to sell Turnium SD-WAN, when required and TTGI can use Tenacious Professional Services to help new channel partners with setting up or configuring their core networks to support TTGI SD-WAN.

Products and Services

Tenacious resells computer hardware from brand names such as Lenovo and Fortinet to generate one-time revenues and also generates project-based revenue from providing professional services to design, plan, install and support hardware required to operate and secure customer computer networks.

Monthly recurring revenue is generated through the managed services that Tenacious offers, including hosted, managed voice, managed networks, data backup, colocation and hosting services as well as through software license sales from Microsoft products and other software packages. Tenacious staff hold Microsoft, VMware, Fortinet and other certifications.

Tenacious provides full IT support and advisory partner for its customers. Its typical solutions include:

- Service Desk & Procurement Services
- PC, Printer, & Voice Deployment & Lifecycle Management
- Server, Backup, & Disaster Recovery Management
- Network & Security Management
- Monthly Reporting & Service Management
- Annual IT Assessments & Consulting Services

3. Market

Tenacious acts as a sales channel for TTGI's SD-WAN services and can also provide TTGI channel partners with Professional Services to assist with configuring their networks to support TTGI SD-WAN. Tenacious is also targeting large regional, national and international telecom companies. Although, sales cycles to these companies are lengthy, Tenacious is approaching these potential partners due to the significant impact they could have on Tenacious' business.

4. Overall Performance

Overall performance of the Company for the year ended January 31, 2021 and up to the date of this MD&A:

Although Tenacious was incorporated on June 28, 2019, it commenced operations on February 1, 2020, and during the year ended January 31, 2021 generated revenue of \$1,512,135 and a gross profit margin of \$597,791. During the year the company added technology partners including Dell, Datto, SonicWALL and Microsoft.

During the year Tenacious implemented its mission of reducing electronic waste through computer recycling, laptop recycling and computer donating services. The Company recycles electronic equipment safely and securely.

On February 28, 2021, the Company's shareholders entered into a share purchase agreement with TTGI whereby TTGI purchased all of the issued and outstanding common shares of the Company. In consideration for the sale of all of the issued and outstanding common shares of the Company, TTGI paid a purchase price of \$3,000,000 through the issuance of 6,343,916 shares of common stock of TTGI and issuance of a secured promissory note of \$300,000.

5. Future Plans and Outlook

TTGI provides an SD-WAN Wholesale platform and SD-WAN Managed services. It is anticipated that Tenacious will continue to grow its business as a wholly owned subsidiary of TTGI.

Gartner forecasts the global SD-WAN market to reach \$34.9B USD by 2022 based on the cost-savings and performance increases companies gain by moving from traditional telecommunications-based MPLS services to Internet-based SD-WAN. Tenacious provides the technology, infrastructure and services that Enterprise customers need to save money and increase performance.

6. Summary of Annual Results

Results for the twelve and seven months ended January 31, 2021 and 2020 are as follows:

Selected Financial Information	Period from June 28, 2019 (date of Incorporation) To January 31, 2020 (unaudited)	
	Year ended January 31, 2021	
Revenue	\$ 1,512,135	-
Cost of sales	\$ 914,344	-
Expenses	\$ 663,678	-
Government assistance	\$ 7,953	-
Net comprehensive loss for the period	\$ (27,934)	-
Basic and diluted loss per Class A common share	\$ (46.56)	-
Weighted average number of Class A common shares outstanding	600	600
Total Assets	\$ 228,952	\$ 500
Total liabilities	\$ 256,786	\$ 400

Revenue and Gross Margin

Tenacious revenues are a mix of one-time and recurring revenues.

One-time revenues are generated by reselling computer hardware and licensing from brand such as Lenovo and Fortinet as well as from sales of project-based Professional Services. During the year Tenacious reported one-time revenues of \$922,132 and a gross profit margin of \$245,279, or 27%.

Recurring revenues are generated when Tenacious sells its Managed Services (voice, file storage, network), by selling colocation or data center hosting or by selling software licensing. Tenacious also supports sales of TTGI SD-WAN through to its end-customers. During the year Tenacious reported recurring revenues of \$590,003 and a gross profit margin of \$352,512, or 60%.

Cost of sales included direct labour costs of \$324,846.

The Company has not produced quarterly financial results. At present, no known trends have presented.

Expenses

Expenses were comprised 60% of management fees, 28% of personnel costs, 9% of operating costs and 3% of general and administrative expenses. 66% of management fees were paid to shareholders of the Company.

The Company anticipates increasing its personnel costs as it adds new customers and to support the SD-WAN business of TTGI.

Quarterly Financial Information

An analysis of quarterly financial information is not provided as there is no quarterly financial information available.

7. Summary of Financial Position

The Company's financial position as at January 31, 2021 is as follows:

Balance Sheet Data	January 31, 2021	January 31, 2020 (unaudited)
Current assets	\$ 228,952	\$ -
Current liabilities	\$ 256,786	\$ -
Total equity (deficit)	\$ (27,934)	\$ 100

Assets as at January 31, 2021 were comprised of cash in the amount of \$59,555 and accounts receivable in the amount of \$169,397. Liabilities included deferred revenue of \$26,803, accounts payable and accrued liabilities of \$27,077 and amounts due to related parties of \$202,906.

Liquidity and Capital Resources

For the year ended January 31, 2021 Tenacious reported a loss from operations of \$35,887 and reported a working capital deficiency of \$27,834. Until Tenacious earns an operating surplus, it will be reliant on TTGI to fund operations, or on raising debt or equity financing.

The January 31, 2021 audited financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the financial statements, at January 31, 2021, Tenacious has an accumulated deficit of \$27,934 and used cash of \$143,452 for operating activities. These factors, among others, indicate there are material uncertainties that may cast significant doubt as to the ability of the Company to continue as a going concern. Management believes that the acquisition of the Company by TTGI combined with revenue that the Company expects to generate in subsequent periods, will provide the Company with sufficient working capital to satisfy its liabilities and commitments as they become due for the foreseeable future.

8. Related Party Transactions

- a) During the year ended January 31, 2021, the Company earned \$1,026 (2020 - \$nil) of revenue, incurred \$175,382 (2020 - \$nil) in management fees, \$70,056 (2020 - \$nil) in other expenses, and \$30,000 (2020 - \$nil) in rent fees to two companies controlled by a Director of the Company.
- b) During the year ended January 31, 2021, the Company earned \$62,502 (2020 - \$nil) of revenue, incurred \$232,542 (2020 - \$nil) in management fees, and \$216,363 (2020 - \$nil) in other expenses to a company controlled by a Director of the Company.
- c) During the year ended January 31, 2021, the Company earned \$26,392 (2020 - \$nil) of revenue and incurred \$8,711 (2020 - \$nil) in other expenses to TTGI.
- d) At January 31, 2021, the Company owed \$100,279 (2020 - \$450) to a Director of the Company, which includes amounts owing to two companies controlled by the Director of the Company, of which, \$1,175 (2020 - \$nil) is recognized in accounts receivable, and \$101,453 (2020 - \$450) is recognized as due to related parties.
- e) At January 31, 2021, the Company owed \$99,252 to (2020 – was owed \$50 from) a Director of the Company, which includes amounts owing to a company controlled by the Director of the Company, of which, \$2,202 (2020 - \$nil) is recognized in accounts receivable, and \$101,453 is recognized as due to related parties (2020 - \$50 was recognized as due from related parties).
- f) At January 31, 2021, the Company was owed \$2,008 (2020 - \$nil) from TTGI.

9. Off-Balance Sheet Arrangements

As at November 10, 2021, Tenacious did not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of Tenacious, including, and without limitation, such considerations as liquidity and capital resources.

10. Significant Accounting Policies

Revenue Recognition

The Company follows IFRS 15, *Revenue from Contracts with Customers* (“IFRS 15”), in recognizing revenue. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. The Company’s revenue is primarily earned through the sale of onsite and remote support, host/cloud services, and the resale of both hardware and software. Revenue from onsite and remote support is generally earned at a point in time and are recognized at the point in time when the support services have been completed. Certain onsite and remote support is sold on a block of hours basis and is recognized as the services are provided. Revenue from host/cloud services are generally earned over time and are recognized using the output method based on time elapsed. Revenue from the resale of hardware and software are generally earned at a point in time and is recognized when the product has been delivered to the customer. Revenue from the resale of software licenses is recognized at a point in time on a net amount basis, which is the amount billed to a customer less the amount paid to the software license provider. At January 31, 2021, the Company recognized \$26,803 (2020 - \$nil) in deferred revenue represented by the pre-purchase of block hours for onsite and remote support not utilized by the end of the period.

Accounting for Government Grants and Disclosure of Government Assistance

The Company classifies forgivable loans, or the forgivable portion thereof, from the government as government assistance when there is a reasonable assurance that the Company will meet the terms for forgiveness on the loan. If this threshold is not met, the Company classifies forgivable loans as loan payable, measured initially at fair value in accordance with IFRS 9, “Financial Instruments”.

The Company applied for COVID-19 financial relief in Canada under the Canada Emergency Wage Subsidy (“CEWS”) program. The CEWS program is a wage subsidy program launched by the Canadian federal government to qualifying employers to subsidize payroll costs during the COVID-19 pandemic. The qualified subsidy amounts received under the CEWS program are non-repayable. Government grants and assistance are recognized as a reduction in the related expense in the period in which there is reasonable assurance that the grant or assistance has become receivable and all conditions, if any, have been satisfied. During the year ended January 31, 2021, the Company received \$7,953 (2020 - \$Nil) under the CEWS program.

Foreign Currency Translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss.

11. Accounting Standards and Amendments Issued but Not Yet Adopted

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

12. Share Capital

As at the date of this MD&A 100% of the Company's issued and outstanding shares were owned by TTGI:

- (a) 600 Class "A" Voting Common shares;
- (b) 300 Class "B" Non-voting Common shares; and
- (c) 300 Class "C" Non-voting Common shares issued and outstanding

13. Risk Factors

The Company reports the following risks.

Going Concern Assumption

The condensed consolidated interim financial statements of Tenacious have been prepared in accordance with IFRS on a going concern basis, which presumes that Tenacious will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Tenacious' continuation as a "going concern" is uncertain and is dependent upon, amongst other things, attaining a satisfactory revenue level, the support of its customers, its ability to continue profitable operations, the generation of cash from operations, and the ability of TTGI to finance Tenacious. These material uncertainties represent risks to Tenacious' ability to continue as a going concern and realize its assets and pay its liabilities as they become due. If the "going concern" assumption was not appropriate for the consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported expenses and the balance sheet classifications used. Such adjustments could be material.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The Company has exercised reasonable diligence, the filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the filings.

The Company has exercised reasonable diligence, the financial statements together with the other financial information included in the filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date of and for the periods presented in the filings.

Access to Capital

From time to time, Tenacious may need additional financing. Its ability to obtain additional financing, if and when required, will depend on Tenacious' operating performance, the financial condition of TTGI, and other factors.

COVID-19

Since June, 2020 several measures have been implemented in response to the increased impact from novel coronavirus ("COVID-19"). We operate our Vancouver office in person and from remote work sites and are continuing operations at this time. However, as the COVID-19 pandemic continues, the heightened economic uncertainty may have significant implications for the Turnium and TTGI and TTGI's ability to raise the necessary capital to support its businesses including Tenacious.

Our business is subject to the effects of general global and regional economic conditions. If global and/or regional economic and market conditions, or economic conditions in key markets, remain uncertain or deteriorate, we may experience material adverse impacts on our business.

Liquidity Risk

Liquidity risk is the risk that Tenacious will not be able to meet its financial obligations as they fall due. Tenacious' approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Tenacious' reputation. Tenacious manages liquidity risk by participating in the day-to-day management and by forecasting cash flows from operations. As at January 31, 2021 the Company had cash of \$59,555 (January 31, 2020 - \$500) to settle current liabilities of \$256,786 (January 31, 2020 - \$400).

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and receivables. Cash is held with a major bank in Canada, which is a high credit quality financial institution as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

Amounts Receivable

Amounts receivable consists of trade receivable of \$169,129 (2020 - \$Nil), and non-financial instruments of \$268 (2020 - \$Nil). To reduce the credit risk of amounts receivable, the Company regularly reviews the collectability of the amounts receivable to ensure there is no indication that these amounts will not be fully recoverable. During the year ended January 31, 2021, the Company recognized a provision for bad debts of \$Nil (2020 - \$Nil) in accordance with IFRS 9, *Financial Instruments*.

The Company had three customers that each represented 10% or more of total revenue for a combined 39% of revenue.

Appendix G

Financial Statements of Multapplied Networks Inc.

MULTAPPLIED NETWORKS INC.

Financial Statements

September 30, 2020

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders and the Board of Directors of Multapplied Networks Inc.

Opinion

We have audited the accompanying financial statements of Multapplied Networks Inc. (the "Company"), which comprise the statement of financial position as at September 30, 2020, the statements of comprehensive loss, changes in deficit and cash flows for the year ended September 30, 2020, and the related notes comprising a summary of significant accounting policies and other explanatory information (collectively referred to as the "financial statements").

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2(c) of the accompanying financial statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

We were not engaged to report on the comparative financial information in these financial statements, including the statement of financial position as at September 30, 2019, and the statements of comprehensive loss, changes in deficit and cash flows for the year ended September 30, 2019 and related disclosures. As such, the comparative information is unaudited and no opinion has been expressed thereon.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, British Columbia
February 14, 2022

MULTAPPLIED NETWORKS INC.

Statements of Financial Position

(Expressed in Canadian dollars)

	September 30, 2020 \$	September 30, 2019 \$ (Unaudited)
Assets		
Current assets		
Cash	305,079	57,392
Amounts receivable (Note 15(b))	295,857	197,832
Prepaid expenses	6,631	581,631
Total current assets	607,567	836,855
Non-current assets		
Right-of-use assets (Note 4)	45,096	–
Property and equipment (Note 5)	24,008	31,668
Due from related party (Note 9)	–	45,500
Total non-current assets	69,104	77,168
Total assets	676,671	914,023
Liabilities and Deficiency		
Current liabilities		
Accounts payable	113,651	75,755
Accrued liabilities	412,512	69,267
Deferred revenue	–	19,369
Due to related party (Note 9)	855	–
Loans payable (Note 7)	2,558,874	2,309,894
Lease liabilities (Notes 6)	24,988	–
Total current liabilities	3,110,880	2,474,285
Lease liabilities (Notes 6)	23,370	–
Total liabilities	3,134,250	2,474,285
Deficiency		
Common shares (Note 10)	1,183,933	1,646,818
Common shares subscribed	(100)	(1,253)
Share-based payment reserve (Notes 11 and 12)	779,852	528,245
Deficit	(4,421,264)	(3,734,072)
Total deficiency	(2,457,579)	(1,560,262)
Total liabilities and deficiency	676,671	914,023
Going concern (Note 2(c))		
Commitments and contingencies (Note 14)		
Subsequent events (Note 17)		

Approved and authorized for issuance by the Board of Directors on February 14, 2022:

"Johan Arnet""Derek Spratt"

(The accompanying notes are an integral part of these financial statements)

MULTAPPLIED NETWORKS INC.

Statements of Comprehensive Loss

(Expressed in Canadian dollars except share amounts)

	Year Ended September 30, 2020 \$	Year Ended September 30, 2019 \$ (Unaudited)
Revenue (Note 9(e))	2,229,061	2,119,897
Expenses		
Advertising and marketing	100,983	83,892
Allowance for bad debts	9,836	—
Amortization	9,010	4,455
Amortization of right-of-use assets (Note 4)	24,598	—
Consulting (Note 11)	774,386	522,062
General and administrative	176,963	250,202
Interest (Note 9)	290,343	253,058
Professional fees	477,787	81,569
Stock-based compensation (Notes 9,10 and 12)	—	34,902
Travel	58,905	64,071
Wages and benefits (Note 9)	998,720	1,300,165
Total operating expenses	2,921,531	2,594,376
Loss before other income (loss)	(692,470)	(474,479)
Other income (loss)		
Impairment of leasehold improvements (Note 5)	(11,583)	—
Other income	16,861	—
Net loss and comprehensive loss for the year	(687,192)	(474,479)
Basic and diluted loss per common share	(0.01)	(0.01)
Weighted average number of common shares outstanding	58,933,772	56,734,352

(The accompanying notes are an integral part of these financial statements)

MULTAPPLIED NETWORKS INC.

Statements of Changes in Deficiency
(Expressed in Canadian dollars except share amounts)

	<u>Common Shares</u>		Share-based Payment Reserve	Common Shares Subscribed	Deficit	Total Deficiency
	Number	Amount \$	\$	\$	\$	\$
Balance, September 30, 2018 (Unaudited)	51,046,63	251,253	195,526	(1,253)	(3,259,593)	(2,814,067)
Issuance of common shares upon the conversion of notes	4,875,363	877,565	—	—	—	877,565
Issuance of common shares for future services (Note 10(a))	2,777,777	500,000	—	—	—	500,000
Issuance of common shares upon the exercise of options Note 10(e))	234,000	18,000	—	—	—	18,000
Stock-based compensation	—	—	332,719	—	—	332,719
Net loss and comprehensive loss	—	—	—	—	(474,479)	(474,479)
Balance, September 30, 2019 (Unaudited)	58,933,772	1,646,818	528,245	(1,253)	(3,734,072)	(1,560,262)
Repurchase of common shares for future services (Note 10(a))	—	(462,885)	—	—	—	(462,885)
Stock-based compensation	—	—	251,607	—	—	251,607
Write-off of subscriptions receivable	—	—	—	1,153	—	1,153
Net loss and comprehensive loss	—	—	—	—	(687,192)	(687,192)
Balance, September 30, 2020	58,933,772	1,183,933	779,852	(100)	(4,421,264)	(2,457,579)

(The accompanying notes are an integral part of these financial statements)

MULTAPPLIED NETWORKS INC.

Statements of Cash Flows

(Expressed in Canadian dollars)

	Year Ended September 30, 2020 \$	Year Ended September 30, 2019 \$
		(Unaudited)
Operating activities		
Net loss	(687,192)	(474,479)
Items not affecting cash:		
Amortization	9,010	4,455
Amortization of right-of-use assets	24,598	—
Interest on lease liabilities	6,863	—
Impairment of leasehold improvements	11,583	—
Stock-based compensation	251,607	332,719
Changes in non-cash operating working capital:		
Amounts receivable	(98,025)	(17,873)
Prepaid expenses	112,115	(75,000)
Accounts payable	37,896	63,807
Accrued liabilities	343,245	24,166
Deferred revenue	(19,369)	19,369
Net cash (used in) operating activities	(7,669)	(18,324)
Investing activities		
Purchase of property and equipment	(12,932)	(1,396)
Net cash (used in) investing activities	(12,932)	(1,396)
Financing activities		
Due from/to related parties	46,355	(148,546)
Proceeds from loans payable	288,980	253,058
Proceeds from notes payable	—	40,000
Repayment of notes payable	(40,000)	—
Repayment of principal portion of the lease liability	(28,200)	—
Write-off of subscriptions receivable	1,153	—
Proceeds from exercise of stock options	—	18,000
Net cash provided by (used in) financing activities	268,288	162,512
Increase in cash	247,687	38,280
Cash beginning of the year	57,392	19,112
Cash end of the year	305,079	57,392
Supplemental cash flow information:		
Common shares for future services	—	500,000
Common shares issued upon the conversion of notes	—	877,565
Interest paid	—	—
Income taxes paid	—	—

(The accompanying notes are an integral part of these financial statements)

MULTAPPLIED NETWORKS INC.

Notes to the Financial Statements

For the year ended September 30, 2020 with

Unaudited comparative information for the year ended September 30, 2019

(Expressed in Canadian dollars)

1. Corporate Information

Multapplied Networks Inc. (the “Company”; “Multapplied”) was incorporated on April 5, 2012 under the Business Corporations Act (British Columbia). The Company is engaged in the licensing of its white label, white box SD-WAN business platform to service providers allowing them to brand and build their businesses by delivering network and cloud-based services more effectively. The Company's registered office is located at Suite 3200, 650 West Georgia Street Vancouver, British Colombia, V6B 4P7.

2. Basis of Presentation

(a) Statement of Compliance and Principles of Consolidation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) on a going concern basis.

The financial statements were approved by the Board of Directors and authorized for issue on February 14, 2022.

Effective October 1, 2019, the Company adopted IFRS 16, *Leases* (“IFRS 16”). IFRS 16 was adopted retrospectively with no restatement of comparative periods, as permitted by the transition provisions of the standard.

(b) Basis of Measurement

These financial statements have been prepared on a historical cost basis, except for certain financial instruments (Note 3(c)), and are presented in Canadian dollars, which is also the functional currency of the Company.

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. These estimates are, by their nature, uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities include the following:

i) The useful life and recoverability of long-lived assets:

Management estimates the useful life of long-lived assets based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for depreciation are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of technical or commercial obsolescence, and legal or other limits to use. It is possible that changes in these factors may cause significant changes in the estimated useful lives of the Company's long-lived assets in the future.

The assessment of impairment of long-lived assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions, timing of cash flows, the useful lives of assets, and their related salvage values.

MULTAPPLIED NETWORKS INC.

Notes to the Financial Statements

For the year ended September 30, 2020 with

Unaudited comparative information for the year ended September 30, 2019
(Expressed in Canadian dollars)

2. Basis of Presentation (continued)

(b) Basis of Measurement (continued)

ii) The inputs used in the valuation of stock-based compensation:

The fair value of stock options granted is measured using the Black-Scholes option pricing model. Measurement inputs include share price on measure date, exercise price of the option, expected volatility, actual and expected life of the option, expected dividends based on the dividend yield at the date of the grant, anticipated forfeiture rate, and the risk-free interest rate. The expected life of the options is based on historical experience and general option holder behavior. The Company also makes an estimate of the number of options that will be forfeited and the rate is adjusted to reflect the actual number of options that vest. Consequently, the actual stock-based compensation expense may vary from the amount estimated.

iii) Revenue recognition for special contracts and projects:

The Company has projects with multiple performance obligations that generally include subscriptions for software and services. Estimates are required to determine the status of a project at the end of each reporting period. The Company's revenue recognition policy is described in Note 3(f).

iv) Incremental borrowing rate:

The Company uses estimation in determining the incremental borrowing rate used to measure the lease liabilities. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in similar economic environment.

v) Allowance for credit losses:

The Company provides for doubtful debts by analyzing the historical default experience and current information available about a customer's credit worthiness on an account by account basis. Uncertainty relates to the actual collectability of customer balances that can vary from the Company's estimation. At September 30, 2020, the Company has an allowance for doubtful accounts of \$9,836 (2019 - \$Nil).

Significant areas of judgment include:

i) Application of the going concern assumption:

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but is not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.

ii) Application of IFRS 16:

The Company applies judgment in determining whether the contract contains an identified asset, whether the Company has the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create economic incentive to exercise renewal options.

iii) Deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company generating future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in classifying transactions and assessing probable outcomes of tax positions taken, and in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

MULTAPPLIED NETWORKS INC.

Notes to the Financial Statements

For the year ended September 30, 2020 with

Unaudited comparative information for the year ended September 30, 2019

(Expressed in Canadian dollars)

2. Basis of Presentation (continued)

(b) Basis of Measurement (continued)

- iv) The valuation of allowances for uncollectible trade receivables requires judgement involving estimated credit losses based on customer, industry concentrations and the Company's knowledge of the financial conditions of its customers. Uncertainty relates to the actual collectability of customer balances that can vary from management's estimates and judgment.

(c) Going Concern

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the year ended September 30, 2020, the Company has incurred a net loss of \$687,192 and as of September 30, 2020, had an accumulated deficit of \$4,421,264 and a working capital deficiency of \$2,503,313. These factors, among others, may cast significant doubt as to the ability of the Company to continue as a going concern. Management believes that the proceeds from additional equity financing activities that it is currently pursuing, combined with revenue that the Company expects to generate in subsequent periods, will provide the Company with sufficient working capital to satisfy its liabilities and commitments as they become due for the foreseeable future. There can be no assurances that sufficient equity can be raised on acceptable terms on a timely basis.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements. Such adjustments could be material.

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The impact on the Company has not been significant, and while the Company does not anticipate any long-term impact, it is not possible to reliably estimate the immediate impact on the financial results and condition of the Company. The Company will continue to monitor and assess risks associated with COVID-19.

3. Summary of Significant Accounting Policies

(a) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value, to be cash equivalents.

(b) Foreign Currency Translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss. The Company's functional currency is the Canadian dollar.

MULTAPPLIED NETWORKS INC.

Notes to the Financial Statements

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3. Summary of Significant Accounting Policies (continued)

(c) Financial Instruments

(i) Recognition and initial measurement

The Company's financial instruments consist of cash, amounts receivable, due from/to related parties, accounts payable, convertible notes, loans payable, and lease liabilities.

Accounts receivable are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI - equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. The Company does not have any financial assets classified as FVTPL or FVOCI, only those classified at amortized cost.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in the statement of comprehensive loss. Any gain or loss on derecognition is recognized in the statement of comprehensive loss.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of comprehensive loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of comprehensive loss. Any gain or loss on derecognition is also recognized in the statement of comprehensive loss.

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3. Summary of Significant Accounting Policies (continued)

(c) Financial Instruments (continued)

(iii) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the statement of comprehensive loss.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(d) Impairment of Financial Assets

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

(e) Property and Equipment

Property and equipment consists of furniture, leasehold improvements, and computer equipment and is recorded at cost and amortized annually at the following rates calculated to amortize the assets over their estimated useful lives.

Computer equipment	30% declining balance
Furniture and fixtures	20% declining balance
Leasehold improvements	Over lesser of useful life and lease term

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3. Summary of Significant Accounting Policies (continued)

(f) Revenue

The Company's revenue is primarily earned from the grant of non-exclusive, non-transferrable licenses to service providers to use the Company's SD-WAN business platform (the "Platform"). Pursuant to the licensing agreements, the Company charges an initial start-up fee and a license fee for software license units that covers the licensing of all of the software comprised in the Platform.

Revenue from license fees is generally earned over time and is recognized on a straight-line basis over the term of the contract. Revenue from initial start-up fees is recognized when the set-up process is complete and the customer has full access to the software.

(g) Impairment of Non-financial Assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If indicators exist, then the asset's recoverable amount is estimated. The recoverable amounts of the following types of intangible assets are measured annually whether or not there is any indication that they may be impaired.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of assets other than intangible assets that have indefinite useful lives, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(h) Leases

In January 2016, the IASB published a new standard, IFRS 16, replacing IAS 17, *Leases* ("IAS 17") and related interpretations (IFRIC 4, *Determining Whether an Arrangement Contains a Lease* ("IFRIC 4")). The new standard eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant.

Effective October 1, 2019, the Company adopted this standard using the modified retrospective approach. Prior periods have not been restated for the impact of IFRS 16. Comparative information is still reported under IAS 17 and IFRIC 4. There was no material impact as a result of this change in accounting policy.

MULTAPPLIED NETWORKS INC.

Notes to the Financial Statements

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3. Summary of Significant Accounting Policies (continued)

(h) Leases (continued)

For contracts entered into before October 1, 2019, the Company determined whether the arrangement contained a lease under IAS 17. The Company only leases office space. Prior to the adoption of IFRS 16, these leases were classified as operating or finance leases based on an assessment of whether the lease transferred significantly all the risks and rewards of ownership of the underlying asset.

On transition, the Company elected to apply the practical expedient to grandfather the determination of which contract is or contains a lease and applied IFRS 16 to those contracts that were previously identified as leases. Upon transition to the new standard, right-of-use assets and lease liabilities were measured at the present value of the remaining lease payments discounted by the Company's incremental borrowing rate as at September 1, 2019. The weighted average incremental borrowing rate applied to lease liabilities recognized under IFRS 16 was 12.68%.

For contracts entered into subsequent to October 1, 2019 at inception of the contract, the Company assesses whether a contract is, or contains, a lease by evaluating if the contract conveys the right to control the use of an identified asset. For contracts that contain a lease, the Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted by any initial direct costs, and costs to dismantle and remove the underlying asset less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the underlying asset or the end of the lease term.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36, "Impairment of Assets". This replaced the previous requirement to recognize a provision for onerous lease contracts.

The lease liability is initially measured at the present value of lease payments to be paid subsequent to the commencement date of the lease, discounted either at the interest rate implicit in the lease or the Company's incremental borrowing rate. The lease payments measured in the initial lease liability include payments for an optional renewal period, if any, if the Company is reasonably certain that it will exercise a renewal extension option. The liability is measured at amortized cost using the effective interest method and will be remeasured when there is a change in either the future lease payments or assessment of whether an extension or other option will be exercised. The lease liability is subsequently adjusted for lease payments and interest on the obligation. Interest expense on the lease obligation is included in the statement of comprehensive loss.

On transition, the Company elected not to recognize right-of-use assets and lease liabilities for leases with a lease term of less than 12 months and for low value leases and recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term, as permitted by IFRS 16.

See Note 4 for a continuity schedule of the right-of-use assets. See Note 6 for a continuity schedule of the lease liabilities. The adoption of IFRS 16 did not result in any material adjustment to historical operations.

MULTAPPLIED NETWORKS INC.

Notes to the Financial Statements

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3. Summary of Significant Accounting Policies (continued)

(i) Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as a stock-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credit to share capital, adjusted for any consideration paid.

(j) Research and Development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in profit or loss as incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. No development costs have been capitalized to date.

(k) Income Taxes

Income tax comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to a business combination, or items recognized directly in equity or in the other comprehensive loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustments to income tax payable in respect of previous years. Current income taxes are determined using tax rates and laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amounts of an asset or liability differs from its tax base, except for the taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company re-assesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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Notes to the Financial Statements

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3. Summary of Significant Accounting Policies (continued)

(l) Loss per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share, whereby all “in the money” stock options and share purchase warrants are assumed to have been exercised at the beginning of the period and the proceeds from their exercise are assumed to have been used to purchase common shares at the average market price during the period. When a loss is incurred during the period, the exercise of stock options and share purchase warrants is considered to be anti-dilutive and basic and diluted loss per share are the same. As at September 30, 2020, the Company has 7,936,000 (2019 – 8,152,684) potentially dilutive shares which were anti-dilutive.

(m) Refundable tax credits

The Government of Canada provides refundable tax credits to qualifying companies engaged in Scientific Research and Experimental Development (“SR&ED”) activities, as that term is defined in the Income Tax Act (Canada). The Company records 100% of its claim for such credits in profit or loss during the period in which the claim filed with the taxation authorities has been accepted and the tax credits have been received. Subsequent amendments or adjustments to such claims, if any, are recorded as they occur.

4. Right-of-use Assets

	Right-of-Use Building * \$
Cost:	
Balance, September 30, 2019 (Unaudited)	—
IFRS 16 transition adjustment	69,694
Balance, September 30, 2020	69,694
Accumulated amortization:	
Balance, September 30, 2019 (Unaudited)	—
Additions	24,598
Balance, September 30, 2020	24,598
Carrying amounts:	
Balance, September 30, 2019 (Unaudited)	—
Balance, September 30, 2020	45,096

* Right-of-use building is being amortized using the straight-line basis until its lease expiration in July 2022.

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Notes to the Financial Statements

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5. Property and Equipment

	Furniture \$	Leasehold Improvements \$	Computer Equipment \$	Total \$
Cost:				
Balance, September 30, 2018 (Unaudited)	28,530	17,041	–	45,571
Additions	1,396	–	–	1,396
Balance, September 30, 2019 (Unaudited)	29,926	17,041	–	46,967
Additions	–	–	12,933	12,933
Impairment	–	(17,041)	–	(17,041)
Balance, September 30, 2020	29,926	–	12,933	42,859
Accumulated amortization:				
Balance, September 30, 2018 (Unaudited)	7,263	3,581	–	10,844
Additions	2,578	1,877	–	4,455
Balance, September 30, 2019 (Unaudited)	9,841	5,458	–	15,299
Additions	3,190	–	5,820	9,010
Impairment	–	(5,458)	–	(5,458)
Balance, September 30, 2020	13,031	–	5,820	18,851
Carrying amounts:				
Balance, September 30, 2019 (Unaudited)	20,085	11,583	–	31,668
Balance, September 30, 2020	16,895	–	7,113	24,008

6. Lease Liabilities

The leases liabilities consist of leases of office space and vehicle. The leases have been discounted using a 12.68% interest rate.

	\$
Balance at September 30, 2019 (Unaudited)	–
Additions	69,695
Interest expense	6,863
Lease payments	(28,200)
Balance at September 30, 2020	48,358
Less: current portion	(24,988)
Long-term portion	23,370

The following is a schedule of future minimum lease payments as of September 30, 2020:

Fiscal year ending September 30:	Total \$
2021	29,700
2022	24,751
Net minimum lease payments	54,451
Less: amount representing interest payments	(6,093)
Present value of net minimum lease payments	48,358
Less: current portion	(24,988)
Long-term portion	23,370

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7. Loans Payable

- a) During the year ended September 30, 2019, the Company received a \$40,000 advance from a related party. The loan was unsecured, non-interest bearing and due on demand. During the year ended September 30, 2020, the loan was repaid.
- b) On October 10, 2012 and July 2, 2014, the Company entered into loan agreements with a lender, whereby the Company was loaned a total of \$1,250,000. As consideration for committing to lend the funds, the Company issued 250,000 common shares of the Company to the lender. The loans were repayable in full by the balance due date of October 1, 2014. The loans were not repaid on October 1, 2014. The loans were interest free until October 1, 2014, after which time they began to bear interest at 1% per month to be paid monthly, until paid in full.

The loans are secured by a general security agreement and the source code of Company's software technology. The Company can pay out 80% of after tax profits to its shareholders by way of dividends only after full payment of the loans plus interest and after \$1,250,000 has been paid to each of the CEO and the director (the "Individuals"), their holding companies or their assignees. Payment to these Individuals will be paid by bonus and/or dividend in a manner agreed to by the parties. If the Company requires the after tax profits to expand its business it may, subject to a unanimous vote of the board of directors, reduce the 80% dividend payout to an amount that is not less than 50% of after tax profits.

These Individuals will be paid executive salaries in an amount appropriate for the services provided only after the Company has achieved a positive cash flow and the loans have been repaid in full. Until that time, they will provide their time and services to the Company at no charge.

Consulting services provided to the Company by any company in which these Individuals hold a majority beneficial interest (being related companies) will be provided to the Company at cost until the loans have been repaid in full. After the loans have been repaid in full, compensation for consulting services rendered by these companies or persons related to these Individuals will be determined by a committee of directors excluding these Individuals.

These Individuals are jointly and severally liable to the lender if they are in breach of any of their obligations in respective of executive compensation, consulting services rendered by related companies and the transfer of shares.

Until the loans have been repaid in full, these Individuals agree not to sell, transfer, pledge or hypothecate more than 20% of the Company's common shares owned by them without written consent of two executives.

8. Convertible Notes

- a) On September 25, 2018, the Company repaid three loans payable and issued three convertible notes equal to the accrued interest on these loans with principal amounts of \$292,592, \$46,681 and \$42,792.

The principal amount of the convertible notes matures 12 months after closing and immediately become due and payable without notice in the event of default. The convertible notes bear interest at 8% per annum, which will begin to accrue monthly in arrears eight months after closing. At any time, the noteholders have the right to require the Company to convert all of the principal and unpaid interest into common shares of the Company at a conversion price of \$0.18 per common shares. The Company has the right, at any time, to require the noteholders to convert all outstanding principal and any unpaid interest into common shares of the Company at the conversion price.

On May 23, 2019, the Company converted the three notes into 1,625,511 common shares, 259,339 common shares and 237,733 common shares.

- b) At September 30 2018, the Company had convertible promissory notes outstanding with principal amounts of \$495,000. At any time, the noteholders had the right to require the Company to convert all of the principal and unpaid interest into common shares of the Company at a conversion price of \$0.18 per common share. On October 15, 2018, the Company converted the principal of \$395,500 into 2,197,224 common shares and on August 31, 2019, the Company converted the remaining \$100,000 into 555,556 common shares.

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9. Related Party Transactions

The Company considers its directors and officers to be key management personnel, and the following table summarizes the compensation of the Company's key management:

	2020	(Unaudited) 2019
	\$	\$
Salaries and wages	779,910	606,454
Stock-based compensation to key management	—	34,902

- a) At September 30, 2020, the Company owed \$855 to a company controlled by the CEO. At September 30, 2019, the Company was owed \$45,500 from the Company controlled by the CEO.
- b) At September 30, 2019, the Company owed \$40,000 to a company related by common shareholders as described in Note 7(a). The note was repaid during the year ended September 30, 2020.
- c) At September 30, 2020, the Company had accounts receivable of \$158,554 (2019 - \$71,622) from companies who were shareholders of the Company.
- d) At September 30, 2020, the \$1,250,000 loan described in Note 7(b) and \$1,308,874 (2019 - \$1,019,894) of accrued interest on the loan was owed to a company that is a shareholder of the Company.
- e) During the year ended September 30, 2020, the Company earned revenue of \$563,405 (2019 - \$515,953), expenses incurred of \$433,902 (2019 - \$352,067) and paid interest of \$288,980 (2019 - \$253,058) in transactions with the related parties.

10. Share Capital

Common Shares

The Company is authorized to issue an unlimited number of Class A voting shares without par value.

- a) On October 1, 2018, the Company entered into a consulting agreement with a third-party corporation (the "consultant"). Pursuant to the agreement, the consultant was to provide operational business development and introductory services in consideration for the issuance of 2,777,777 common shares of the Company. The fair value of the common shares was \$500,000 which was recorded in prepaid expenses for future services, and was to be recognized in profit and loss as the services were provided by the consultant. As of September 30, 2020, services had been provided pursuant to the agreement to earn 206,193 of the shares issued, and as a result the Company recognized the \$37,115 fair value of these shares as an expense. In addition, the Company and the consultant agreed that no further services would be provided, and subsequent to September 30, 2020, the remaining 2,571,584 shares would be returned to the Company's treasury for cancellation. As a result, the Company removed the remaining \$462,885 for future services from prepaid expenses and share capital. Refer to Note 17(b) for the subsequent cancellation of the shares.
- b) On October 15, 2018, \$395,500 of principal of a convertible note payable was converted into 2,197,224 shares of the Company's common stock as further described in Note 8(b).
- c) On May 23, 2019, \$382,065 of principal of a convertible note payable was converted into 2,122,583 shares of the Company's common stock as further described in Note 8(a).
- d) On August 31, 2019, \$100,000 of principal of a convertible note payable was converted into 555,556 shares of the Company's common stock as further described in Note 8(b).
- e) During the year ended September 30, 2019, the Company issued a total of 234,000 common shares pursuant to the exercise of stock options at \$0.30 per share for gross proceeds of \$18,000.

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11. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:	Number of Warrants	Weighted Average Exercise Price
		\$
Balance, September 30, 2020 and 2019 (unaudited)	3,500,000	0.15

The following table summarizes information about warrants outstanding and exercisable at September 30, 2020:

Warrants Outstanding	Exercise Price \$	Expiry Date
3,500,000	0.15	September 14, 2028
3,500,000		

On September 15, 2018, the Company granted 3,500,000 warrants to an advisor for corporate advisory services which has been recorded within consulting expenses on the statement of comprehensive loss. The warrants vested as to 525,000 on October 31, 2018, with the remaining 2,975,000 to vest 4,343 per day until September 15, 2020. The warrants had a fair value of \$577,680 of which \$251,607 (2019 - \$297,817) was expensed relating to warrants that vested during the year.

The Company did not grant any warrants during the years ended September 30, 2020 or 2019. Weighted average assumptions used in calculating the fair value of stock-based compensation expense for the warrants granted on September 15, 2018 are as follows:

Risk-free rate	2.32%
Dividend yield	—
Volatility*	103%
Expected forfeitures	—
Weighted average expected life of the options (year)	10.00

*As the Company is not publicly traded, volatility has been estimated using publicly traded comparable companies.

12. Stock Options

The following table summarizes information about the stock options.

	2020		(Unaudited) 2019	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Outstanding – beginning of year	4,652,684	0.11	5,546,684	0.10
Granted	—	—	250,000	0.12
Forfeited/Expired	(216,684)	0.29	(910,000)	0.08
Exercised	—	—	(234,000)	0.08
Outstanding – end of year	4,436,000	0.10	4,652,684	0.11
Exercisable – end of year	4,436,000	0.10	4,132,684	0.11

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12. Stock Options (continued)

The following table summarizes information about stock options outstanding and exercisable as at September 30, 2020.

Exercise Price \$	Expiry Date	Number of Options Outstanding	Number of Options Exercisable	Weighted Average Remaining Contracted Life (Years)
0.0769	October 1, 2020	312,000	312,000	0.00
0.0769	July 16, 2021	104,000	104,000	0.79
0.0769	November 17, 2021	1,040,000	1,040,000	1.13
0.1154	November 24, 2022	2,980,000	2,980,000	2.15
		4,436,000	4,436,000	1.73

The fair value of stock options granted was determined using the Black-Scholes option pricing model.

During the year ended September 30, 2020, the Company granted no (2019 - 520,000) stock options with a fair value of \$Nil (2019 - \$34,902), of which \$Nil (2019 - \$34,902) was expensed relating to stock options that vested during the period.

The weighted average fair value of the options granted during the year ended September 30, 2019 was \$0.14 per option. There were no stock options exercised during the year ended September 30, 2020. During the year ended September 30, 2019, 234,000 stock options were exercised. The weighted average share price for options exercised during the year ended September 30, 2019 was \$0.08

Weighted average assumptions used in calculating the fair value of stock-based compensation expense are as follows:

	2020	(Unaudited) 2019
Risk-free rate	—	1.66%
Dividend yield	—	—
Volatility*	—	111%
Expected forfeitures	—	—
Weighted average expected life of the options (year)	—	3.61

*As the Company is not publicly traded, volatility has been estimated using publicly traded comparable companies.

13. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of issued share capital, share-based payment reserve, common stock subscribed and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its board of directors, will balance its overall capital structure through new equity issuances or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remains unchanged from the year ended September 30, 2019.

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(Expressed in Canadian dollars)

14. Commitments and Contingencies

The Company had no significant commitments or contractual obligations with any parties respecting executive compensation, consulting arrangements, or other matters. Management services provided are on a month-to-month basis. The Company no longer has any significant commitments with respect to the premises lease as a result of adopting IFRS 16 (Note 3(h)). See Note 6 for minimum lease payments.

15. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument and related risks. Those risks and management's approach to mitigating those risks are as follows:

(a) Fair Values

The fair values of financial instruments, which include cash, amounts receivable, due from/to related parties, accounts payable, loans payable, convertible notes, and lease liabilities approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is in its cash and receivables. Cash is held with major banks in Canada and the United States, which are high credit quality financial institutions as determined by rating agencies. The carrying amount of financial assets represents the maximum credit exposure.

Amounts Receivable

Amounts receivable consists of trade receivable of \$295,857 (2019 - \$197,832), and GST refunds of \$Nil (2019 - \$110). To reduce the credit risk of amounts receivable, the Company regularly reviews the collectability of the amounts receivable to ensure there is no indication that these amounts will not be fully recoverable. During the year ended September 30, 2020, the Company recognized a provision for bad debts of \$9,836 (2019 - \$nil) in accordance with IFRS 9, *Financial Instruments*.

The following table represents the customers that represented 10% or more of total revenue:

Year Ended September 30,	(Unaudited)	
	2020	2019
Customer A	18%	19%
Customer B	14%	15%
Customer C	9%	10%

(c) Currency Risk

The Company's functional currency is the Canadian dollar. Currency risk is the risk that the fair value of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company's head office and operating expenses are mainly denominated in Canadian dollars. A some of the Company's revenue is denominated in US dollars. If the US dollar depreciates compared to the Canadian dollar revenue would decrease in Canadian dollars. The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in US dollars:

	(Unaudited)	
	September 30, 2020	September 30, 2019
Balance in US dollars:		
Cash	\$ 76,698	\$ 8,147
Accounts receivable	80,721	72,092
Net exposure	157,419	80,239
Balance in Canadian dollars:	\$ 209,980	\$ 109,430

MULTAPPLIED NETWORKS INC.

Notes to the Financial Statements

For the year ended September 30, 2020 with

Unaudited comparative information for the year ended September 30, 2019

(Expressed in Canadian dollars)

15. Financial Instruments and Risk Management (continued)

A 10% change in the US dollar to the Canadian dollar exchange rate would impact the Company's net loss by approximately \$15,742 for the year ended September 30, 2020 (September 30, 2019 – \$8,024).

(d) Interest Rate Risk

The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates and its short-term term deposits at prescribed market rates. The fair value of the Company's cash is not significantly affected by changes in short-term interest rates. The income earned from the bank accounts and short-term term deposits is subject to movements in interest rates.

(e) Liquidity and Funding Risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available capital in order to meet its liquidity requirements. Management maintains sufficient cash to satisfy short-term liabilities in highly liquid investments.

Funding risk is the risk that market conditions will impact the Company's ability to raise capital through equity markets under acceptable terms and conditions. A summary of the Company's obligations is as follows:

As at September 30, 2020	Carrying amount \$	Contractual cash flows \$	1 year or less \$	1 -5 Years \$
Account payables	113,651	113,651	113,651	–
Accrued liabilities	412,512	412,512	412,512	–
Due to related party	855	855	855	–
Loans payable	2,558,874	2,558,874	2,558,874	–
Lease liabilities	48,358	54,450	29,700	24,750
	3,134,250	3,140,342	3,115,592	24,750

16. Income Taxes

The Company is subject to statutory income tax rates of 27%. The income tax provision differs from the amounts that would be obtained by applying the Canadian statutory income tax rate to net income (loss) before taxes as follows:

	2020 \$	(Unaudited) 2019 \$
Net loss for the year	(687,192)	(474,479)
Statutory income tax rate	27.00%	27.00%
Expected income tax recovery at statutory tax rate	(185,542)	(128,109)
Tax effect of:		
Permanent differences and other	137,729	88,276
Change in tax benefits not recognized	49,813	39,833
Income tax provision	–	–

MULTAPPLIED NETWORKS INC.

Notes to the Financial Statements

For the year ended September 30, 2020 with

Unaudited comparative information for the year ended September 30, 2019

(Expressed in Canadian dollars)

16. Income Taxes (continued)

The significant components of deferred tax assets and liabilities as at September 30, 2020 and 2019 are as follows:

	2020 \$	(Unaudited) 2019 \$
Non-capital losses carried forward	637,163	616,683
Property and equipment	—	1,203
SR&ED pool carried forward to future years	100,762	58,050
Other	(12,176)	—
Total deferred tax assets	725,749	675,936
Unrecognized deductible temporary differences	(725,749)	(675,936)
Total deferred tax assets	—	—

As at September 30, 2020, the Company has non-capital losses carried forward of \$2,359,862 in Canada which are available to offset future years' taxable income. These losses expire as follows:

	Total \$
2033	709,979
2034	584,005
2035	666,321
2036	306,339
2037	15,089
2038	2,278
2039	—
2040	75,851
	<u>2,359,862</u>

17. Subsequent Events

- a) Effective October 1, 2020, the Company completed an amalgamation agreement (the "Amalgamation Agreement"), pursuant to which it amalgamated with Turnium Technology, Ltd. ("Turnium"), Plait Networks Ltd. ("Plait"), Turnium Technology Group, Inc. ("TTGI"), and M.N.I. Investment Holdings Ltd. ("MNIH"), and together with the Company and Turnium, Plait, and TTGI, the "Amalgamating Companies") continued operations under the name of Turnium Technology Group, Inc. ("Amalco").
- b) On October 1, 2020, the remaining 2,571,584 unearned shares described in Note 10(a) were replaced by 1,537,602 Amalco common shares and on January 4, 2021 the 1,537,602 Amalco common shares were returned to Amalco's treasury for cancellation.

Appendix H

Pro Forma Financial Statements of the Resulting Issuer

Unaudited Pro Forma Consolidated Statement of Financial Position

TURNIUM TECHNOLOGY GROUP, INC.

March 31, 2022

(Expressed in Canadian Dollars)

(Prepared by Management)

TURNIUM TECHNOLOGY GROUP, INC.

Unaudited Pro Forma Consolidated Statement of Financial Position

(Expressed in Canadian Dollars)

	TTGI As at March 31, 2022 (unaudited)	RMR As at March 31, 2022 (unaudited)	Pro forma adjustments	Note	Pro forma consolidated
	\$	\$	\$		\$
ASSETS					
Current assets					
Cash	467,633	32,273	(37,893)	3(c)	3,266,474
			3,309,951	3(d)	
			(505,490)	3(f)	
Restricted cash	1,296,687		(1,296,687)	3(h)	-
Amounts receivable	314,650	9,599	-		324,249
Prepaid expenses and deposits	311,554	4,095	-		315,649
Total current assets	2,390,524	45,967	1,469,881		3,906,372
Investment in RMR Science Technologies Inc.	-	-	1,146,407	3(g)	-
			(1,146,407)	3(g)	
Property and equipment	59,440	-	-		59,440
Right-of-use assets	102,908				102,908
Intangible assets	303,405	-	-		303,405
Goodwill	1,137,158	-	-		1,137,158
Total assets	3,993,435	45,967	1,469,881		5,509,283
LIABILITIES AND EQUITY (DEFICIENCY)					
Current Liabilities					
Accounts payable and accrued liabilities	1,422,124	59,992	-		1,482,116
Deferred revenue	70,487	-	-		70,487
Due to related parties	271,940	-	-		271,940
Promissory note	300,000	-	-		300,000
Loans payable	1,167,595	-	(54,877)	3(b)	295,172
			(850,000)	3(c)	
			32,454	3(c)	
Lease liability	8,211	-	-		8,211
Subscription receipts	1,296,687		(1,296,687)	3(h)	-
Total current liabilities	4,537,044	59,992	(2,169,110)		2,427,926
Loans payable	1,125,647	-	(724,369)	3(b)	1,180,931
			779,653	3(c)	
Lease liability	97,184	-	-		97,184
Derivative warrant liabilities	963,521	-	(124,434)	3(b)	839,087
Deferred tax liability	84,780	-	-		84,780
Total liabilities	6,808,176	59,992	(2,238,260)		4,629,908
Share capital	6,595,598	737,236	(737,236)	3(g)	11,771,466
			1,000,000	3(b)	
			1,146,407	3(a)	
			3,309,951	3(d)	
			(280,490)	3(f)	
Subscriptions receivable	(100)	-	-		(100)
Other reserves	590,743	-	-		590,743
Share-based payment reserves	3,170,315	52,445	(52,445)	3(g)	3,170,315
Warrant reserve	1,517,593	-	-		1,517,593
Deficit	(14,688,890)	(803,483)	(225,000)	3(f)	(16,170,642)
			(220,754)	3(b)	
			(803,483)	3(g)	
	-	-	(1,160,209)	3(g)	
	-	-	124,434	3(b)	
Total equity (deficiency)	(2,814,741)	(14,025)	3,708,141		879,375
Total liabilities and equity (deficiency)	3,993,435	45,967	1,469,881		5,509,283

(See accompanying notes to the unaudited pro forma consolidated statement of financial position)

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Unaudited Pro Forma Consolidated Statement of Financial Position

March 31, 2022

(Expressed in Canadian dollars)

1. Basis of Presentation

The unaudited pro forma consolidated statement of financial position ("Pro Forma Financial Position") has been prepared by Turnium Technology Group, Inc. ("TTGI" or the "Company") and gives effect to the proposed acquisition of all of the issued and outstanding common shares of the Company by RMR Science Technologies Inc. ("RMR"), a company incorporated under the laws of British Columbia (the "Transaction").

The pro forma financial position is not intended to reflect the financial position that will exist following the Transaction described in Note 2. Actual amounts recorded when the Transaction closes will likely differ from those recorded in the Pro Forma Financial Position. Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the Transaction have been excluded from the Pro Forma Financial Position.

The Company determined that the acquisition of the Company will result in a reverse-takeover transaction with the Company deemed the accounting acquirer and RMR deemed the accounting acquiree under the acquisition method of accounting. The Pro Forma Financial Position represents the continuation of the financial statements of the Company (the accounting acquirer/legal subsidiary) except for its capital structure, and the pro forma financial position reflects the assets and liabilities of the Company recognized and measured at their carrying value before the combination and the assets and liabilities of RMR (the legal acquiree/legal parent). The equity structure reflects the equity structure of RMR, the legal parent, and the equity structure of the Company, the accounting acquirer, as restated to reflect the number of shares of the legal parent.

The Pro Forma Financial Position is presented in Canadian dollars and has been compiled from and includes the following financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and with reference to the accounting policies disclosed therein:

- an unaudited pro forma consolidated statement of financial position as at March 31, 2022, combining the following giving effect to the Transaction as if it occurred on March 31, 2022:
 - o the unaudited condensed interim consolidated statement of financial position of the Company as at March 31, 2022, with
 - o the unaudited condensed interim consolidated statement of financial position of RMR as at March 31, 2022.

This Pro Forma Financial Position does not contain all of the information required for annual financial statements. Accordingly, it should be read in conjunction with the most recent annual and interim financial statements of both the Company and RMR. Based on the review of the accounting policies of RMR, it is the Company's management's opinion that there are no material accounting differences between the accounting policies of the Company and RMR.

The pro forma adjustments and allocations of the purchase price of RMR by the Company are based on the fair value of the common shares of TTGI. The unaudited Pro Forma Financial Position is not intended to reflect the financial position of the Company which would have actually resulted had the proposed transaction been effected on the date indicated. The actual adjustments will depend on a number of factors and could result in a change to the unaudited Pro Forma Financial Position.

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Unaudited Pro Forma Consolidated Statement of Financial Position

March 31, 2022

(Expressed in Canadian dollars)

2. Proposed Reverse Takeover Transaction

On December 23, 2021, TTGI entered into a Definitive Amalgamation Agreement ("Amalgamation Agreement") with RMR, whereby RMR agreed to acquire 100% of the issued and outstanding securities of TTGI (the "Transaction"). The Amalgamation Agreement was approved by TTGI Shareholders on January 6, 2022. The Transaction will constitute a Qualifying Transaction ("QT") of RMR as defined in Policy 2.4 Capital Pool Companies ("Policy 2.4") of the TSX Venture Exchange (the "Exchange" or "TSXV"). In consideration, RMR will issue the shareholders of TTGI one (1) common shares of RMR for each one (1) share of TTGI outstanding, which will result in a reverse-takeover transaction. After the Transaction, the former shareholders of TTGI will own greater than 50% of the RMR common shares. The outstanding warrants and options of TTGI will be exchanged into warrants and options of RMR on the same basis as noted above. The completion of the Transaction is subject to the satisfaction of various conditions, including but not limited to the completion of certain financings and all requisite regulatory authorization and approvals. There can be no assurance that the Transaction will be completed on the terms described in the Amalgamation Agreement or at all.

Concurrent with the closing of the Transaction the Company completed a financing of 5,910,627 subscription receipts for gross proceeds of \$3,309,951 (the "Offering"). Each subscription receipt is comprised of one common share and one-half of a common share purchase warrant.

The Transaction will result in the shareholders of the TTGI obtaining control of the combined entity by obtaining control of the voting rights, governance, and management decision making processes, and the resulting power to govern the financial and operating policies of the combined entity.

The Transaction constitutes a reverse takeover of RMR by the Company and has been accounted for as a reverse acquisition transaction in accordance with the guidance provided in IFRS 2, *Share-based Payment* and IFRS 3, *Business Combinations*.

For accounting purposes, the Company was treated as the accounting parent company (legal subsidiary) and RMR has been treated as the accounting subsidiary (legal parent) in the Pro Forma Financial Position. As the Company was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these financial statements at their historical carrying values.

The preliminary purchase price allocation of estimated consideration transferred is subject to change and is summarized as follows:

<u>Purchase price:</u>	
Consideration paid in shares	\$ 1,146,407
	<u>\$ 1,146,407</u>
<u>Fair value of RMR's net assets acquired:</u>	
Cash	\$ 32,273
Amounts receivable	9,599
Prepaid expenses	4,095
Accounts payable and accrued liabilities	(59,992)
Excess of acquisition cost over net assets acquired	1,160,432
	<u>\$ 1,146,407</u>

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Unaudited Pro Forma Consolidated Statement of Financial Position

March 31, 2022

(Expressed in Canadian dollars)

2. Proposed Reverse Takeover Transaction (continued)

The Transaction was measured at the fair value of the shares that the Company would have had to issue to the shareholders of the RMR, to give the shareholders of RMR the same percentage equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of the Company acquiring RMR.

The pro forma adjustments and allocations of the estimated consideration transferred are based in part on estimates of the fair value of assets to be acquired and liabilities to be assumed. The final determination of the consideration transferred and the related allocation of the fair value of RMR net assets to be acquired pursuant to the Transaction is ultimately to be determined after the closing of the transaction. It is likely that the final determination of the consideration transferred and the related allocation of the fair value of the assets acquired and liabilities assumed will vary from the amounts presented in the Pro Forma Financial Position and that those differences may be material.

3. Pro Forma Adjustments and Assumptions

This unaudited Pro Forma Financial Position is based on the Offering and incorporates the following pro forma assumptions:

- (a) The issuance of 58,498,965 common shares, 10,896,766 stock options and 7,661,337 share purchase warrants of RMR to existing shareholders, option holders and warrant holders of the Company in exchange for 100% of the issued and outstanding shares, options and warrants of the Company recognized at a fair value of \$1,146,407 with reference to the share price of the Transaction financing.
- (b) On December 1, 2021, TTGI issued a subordinate, convertible promissory note (the "Promissory Note") in the amount of \$1,000,000. On April 4, 2022, the promissory note converted into 2,083,334 common shares at a conversion price of \$0.48 per share. Upon conversion the Company recorded a reduction in current and non-current loan liability of \$54,877 and \$724,369 respectively, extinguished the derivative liability in the amount of \$124,434 and reported a loss on settlement of \$96,320.
- (c) On April 8, 2022, the Company entered into an agreement to extend the \$850,000 principal amount of its \$1,850,000 term loan from March 31, 2022 to May 31, 2023 upon the Company's payment of a finance fee of \$35,000. On May 13, 2022, the Company paid the finance fee and recorded additional finance costs of \$2,893. The Company increased non current loans to \$779,653, being the \$850,000 extension net of debt discount of \$37,893 and the current portion of \$32,454.
- (d) The issuance of 5,910,627 units of the Company for cash at a price of \$0.56 per unit prior to closing of the Transaction (the "Transaction financing"). Each unit consists of one common share and one-half of one share purchase warrant, each whole warrant entitling the holder to purchase one common share at \$0.75 per share for a period of two years from closing of the Transaction.
- (e) Effective prior to the closing of the Transaction, the RMR common shares are consolidated on a 1:5 basis.
- (f) An estimate of the cash transaction costs which are expected to be incurred for the Transaction amounts to \$505,490 comprised of share issue costs of \$280,490 and costs related to the RTO of \$225,000. Costs include commission, legal and filing fees.
- (g) The elimination of the investment and equity in RMR.
- (h) Proceeds from the sale of Subscription Receipts received directly by the Company. On April 8, 2022 the proceeds were paid to the escrow agent pending closing of the Transaction.

TURNIUM TECHNOLOGY GROUP, INC.

Notes to the Unaudited Pro Forma Consolidated Statement of Financial Position

March 31, 2022

(Expressed in Canadian dollars)

4. Pro Forma Share Capital

As a result of the Transaction, the share capital in the Pro Forma Consolidated Statement of Financial Position is comprised of the following:

Authorized

Unlimited common shares, without par value

Issued

	Number of shares	Share capital \$	Share capital reserves \$
RMR's equity balance at March 31, 2022	10,235,775	737,236	52,445
RMR share consolidation on 1:5 basis	(8,188,620)	-	-
TTGI's equity balance at March 31, 2022	58,498,965	6,595,598	5,278,651
Conversion of promissory note on April 4, 2022	2,083,334	1,000,000	-
TTGI shares issued on conversion of Subscription receipts	5,910,627	3,309,951	-
Shares issued upon reverse takeover transaction	66,492,926	1,146,407	-
Less share issuance costs	-	(280,490)	-
Elimination of pre-acquisition share capital amounts upon reverse takeover transaction	(66,492,926)	(737,236)	(52,445)
Pro forma balance	68,540,081	11,771,466	5,278,651

5. Pro Forma Statutory Income Tax Rate

The pro forma effective statutory income tax rate of the combined companies will be 27%.