RAMM PHARMA CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JANUARY 31, 2021 AND 2020

(EXPRESSED IN CANADIAN DOLLARS)

NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102 “Continuous Disclosure Obligations”, if an auditor has not performed a review of the interim financial statements, the financial statements must be accompanied by a notice indicating that they have not been reviewed by an auditor.

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

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by CPA (Chartered Professional Accountants) Canada for a review of interim financial statements by an entity’s auditor.

March 30, 2021

RAMM PHARMA CORP.

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RAMM PHARMA CORP.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	January 31, 2021	October 31, 2020
		$	$
Assets			
Current assets			
Cash and cash equivalents	5	15,468,013	28,005,581
Trade and other receivables	6	1,512,707	1,414,889
Inventories	7	1,607,895	1,790,612
Receivables from related parties	14.2	2,149,479	-
Current tax assets		5,875	4,771
Total current assets		**20,743,969**	**31,215,853**
Non-current assets			
Property, plant and equipment	8	2,061,668	2,199,972
Intangible assets	9	1,376,938	1,461,411
Right-of-use assets	12	67,565	94,788
Receivables from related parties	14.2	1,414,869	2,202,091
Interest receivable		16,215	-
Equity method investees	10	8,020,000	-
Financial assets at fair value through profit or loss	11	3,750,000	-
Total non-current assets		**16,707,255**	**5,958,262**
Total assets		**37,451,224**	**37,174,115**
Equity and liabilities			
Liabilities			
Current liabilities			
Trade and other payables	13	1,103,579	1,233,737
Lease liabilities	12	57,629	82,179
Provisions	10	2,000,000	-
Current tax liabilities		4,657	4,771
Total current liabilities		**3,165,865**	**1,320,687**
Non-current liabilities			
Lease liabilities	12	14,525	18,248
Total non-current liabilities		**14,525**	**18,248**
Total liabilities		**3,180,390**	**1,338,935**
Equity			
Share capital	19.1	41,263,292	41,373,236
Equity contribution	19.6	4,353,772	4,353,772
Option reserve	19.4	4,938,456	4,786,538
Warrants reserve	19.5	1,208,006	1,208,006
Reserve of exchange differences on translation		(711,649)	(532,251)
Accumulated deficit		(16,781,043)	(15,354,121)
Total equity		**34,270,834**	**35,835,180**
Total equity and liabilities		**37,451,224**	**37,174,115**

See accompanying notes to the condensed interim consolidated financial statements.

Commitment and contingencies – Note 21
Subsequent events – Note 24

Approved and authorized by the Board of Directors:

"Jackie P. Burnett"   *"Eric Klein"*

Jackie P. Burnett   Eric Klein

RAMM PHARMA CORP.
Condensed Interim Consolidated Statements of Loss and Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

	Note	For the three months ended January 31, 2021	For the three months ended January 31, 2020
		$	$
Revenue	15	1,007,166	1,303,723
Cost of sales	16	(871,173)	(1,028,108)
Gross profit		**135,993**	**275,615**
Selling, General and Administrative expenses, excluding share-based compensation		(1,254,560)	(1,308,948)
Share-based compensation		(48,364)	(1,146,998)
Total Selling, General and Administrative expenses	16	(1,302,924)	(2,455,946)
Net loss from operating activities before equity method investee and fair value changes		**(1,166,931)**	**(2,180,331)**
Share of loss from equity method investee	10	(140,000)	-
Net changes in fair value of financial assets at fair value through profit or loss	11	(90,000)	-
Net loss from operating activities		**(1,396,931)**	**(2,180,331)**
Interest income	17	84,727	93,678
Finance expense	18	(1,348)	(52,665)
Foreign exchange difference, net		(138,918)	(90,785)
		(55,539)	(49,772)
Net loss before tax		**(1,452,470)**	**(2,230,103)**
Income tax expense	20	-	(1,301)
Net loss for the period		**(1,452,470)**	**(2,231,404)**
Exchange differences on translation		(179,398)	20,752
Net comprehensive loss for the period		**(1,631,868)**	**(2,210,652)**
Net loss per share during the period			
Basic and diluted	19.3	(0.0146)	(0.0222)
Weighted average number of shares outstanding			
Basic and diluted	19.3	99,676,555	100,722,552

See accompanying notes to the condensed interim consolidated financial statements.

RAMM PHARMA CORP.
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Common Shares	Share Capital	Equity contribution	Option Reserve	Warrant Reserve	Reserve of exchange differences on translation	Accumulated Deficit	Total
	#	$	$	$	$	$	$	$
As of November 1, 2019	**100,722,552**	**41,788,119**	**3,062,332**	**37,405**	**1,208,006**	**(126,373)**	**(7,838,407)**	**38,131,082**
Equity contribution (Note 19.6)	-	-	1,291,440	-	-	-	-	**1,291,440**
Share-based compensation (Note 19.4)	-	-	-	1,146,998	-	-	-	**1,146,998**
Comprehensive loss for the period	-	-	-	-	-	20,752	-	**20,752**
Net loss for the period	-	-	-	-	-	-	(2,231,404)	**(2,231,404)**
As of January 31, 2020	**100,722,552**	**41,788,119**	**4,353,772**	**1,184,403**	**1,208,006**	**(105,621)**	**(10,069,811)**	**38,358,868**
As of November 1, 2020	**99,722,552**	**41,373,236**	**4,353,772**	**4,786,538**	**1,208,006**	**(532,251)**	**(15,354,121)**	**35,835,180**
Shares repurchased and cancelled under normal course issuer bid (Note 19.2)	(265,000)	(109,944)	-	-	-	-	17,194	**(92,750)**
Share-based compensation (Note 19.4)	-	-	-	151,918	-	-	8,354	**160,272**
Comprehensive loss for the period	-	-	-	-	-	(179,398)	-	**(179,398)**
Net loss for the period	-	-	-	-	-	-	(1,452,470)	**(1,452,470)**
As of January 31, 2021	**99,457,552**	**41,263,292**	**4,353,772**	**4,938,456**	**1,208,006**	**(711,649)**	**(16,781,043)**	**34,270,834**

See accompanying notes to the condensed interim consolidated financial statements.

RAMM PHARMA CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Note	For the three months ended January 31, 2021	January 31, 2020
		$	$
Net loss for the period		**(1,452,470)**	**(2,044,556)**
Adjustments for Items not affecting cash:			
Unrealized effect of foreign currency		174,824	(145,157)
Allowance for impairment of trade receivables	22.1 a)	65,949	-
Depreciation and amortization expense	8,9	173,565	46,235
Income tax expense	20	-	1,301
Share-based compensation		160,272	1,146,998
Interest expense	18	1,348	52,665
Loss on debt settlement		-	108,653
Interest income	17	(84,727)	(93,678)
Net changes in fair value of financial assets at fair value through profit or loss	11	90,000	-
Share of loss from equity method investees	10	140,000	-
		(731,239)	**(927,539)**
Net changes in non-cash working capital balances:			
Decrease (increase) in inventories		50,394	120,818
Decrease (increase) in trade and other receivables		(160,108)	273,661
Decrease (increase) in current tax assets		(1,104)	19,783
Increase (decrease) in trade and other payables		(130,158)	(402,256)
Increase (decrease) in current tax liabilities		(114)	(5,014)
Total net changes in non-cash working capital balances		(241,090)	6,992
Net cash flow from (used in) operating activities		**(972,329)**	**(920,547)**
Cash flows from (used in) investing activities			
Purchase of investments in equity method investees	10	(7,000,000)	-
Purchase of financial assets at fair value through profit or loss	11	(3,000,000)	-
Interest received		22,802	81,443
Purchase of property, plant and equipment		-	(24,819)
Acquisition of intangible assets		-	(48,667)
Cash advances made to related parties	14.2 a)	(1,464,980)	-
Net cash flows (used in) investing activities		**(11,442,178)**	**7,957**
Cash flows from (used in) financing activities			
Repurchase of shares under normal course issuer bid	19.2	(92,750)	-
Repayments of borrowing and other financial liabilities		-	(1,066,215)
Lease payments		(26,262)	(27,332)
Interest paid		-	(48,016)
Net cash flows from (used in) financing activities		**(119,012)**	**(1,141,563)**
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes		**(12,533,519)**	**(2,054,153)**
Effect of exchange rate changes on cash and cash equivalents		(4,049)	1,996
Net increase (decrease) in cash and cash equivalent		**(12,537,568)**	**(2,052,157)**
Cash and cash equivalent at beginning of the period	5	28,005,581	35,364,459
Cash and cash equivalent at end of the period	5	**15,468,013**	**33,312,302**

See accompanying notes to the condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS

RAMM Pharma Corp. (the "Company" or "RAMM") was incorporated under the laws of Canada by articles of incorporation dated July 21, 1987, as amended August 12, 1987 as MTC Growth Fund-I Inc. The registered office address of the Company is 82 Richmond St. E, Toronto, ON, M5C 1P1.

These condensed interim consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group") (See Note 2.4). The Group is primarily engaged in pharmaceutical and medical product business in Uruguay, including cannabinoid pharmacology and product formulation for cannabis-based pharmaceuticals and other cannabis-based products.

The Canadian Securities Exchange (CSE) approved the listing, effective November 8, 2019, of the common shares of the Company under the ticker symbol "RAMM".

2. BASIS OF PRESENTATION

2.1. Statement of compliance

These condensed interim consolidated financial statements (the "Interim Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These interim financial statements were approved for issuance by the Company's Board of Directors on March 30, 2021.

2.2. Basis of measurement

These interim financial statements have been prepared on a historical cost convention except for certain financial instruments and options and warrants reserves, which are measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for the goods purchased and services provided.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Please refer to Notes 22.2 for fair value considerations.

2.3. Basis of preparation

The Interim Financial Statements were prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting ("IAS 34") as issued by the IASB.

Except as discussed in Note 3, the same accounting policies and methods of computation were followed in the preparation of the Interim Financial Statements as were followed in the preparation of the audited annual consolidated financial statements as at and for the year ended October 31, 2020 (the "Annual Financial Statements"), prepared in accordance with IFRS as issued by the IASB.

The notes presented in the Interim Financial Statements include, in general, only significant changes and transactions occurring since October 31, 2020. As such, certain disclosures included in the Interim Financial Statements have been condensed or omitted. Accordingly, the Interim Financial Statements should be read in conjunction with the Annual Financial Statements.

The Interim Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

2.4. Principles of consolidation

The interim financial statements represent accounts of the Company and its subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The wholly owned subsidiaries of RAMM are as follows:

Name	Description
Medic Plast S.A. (Uruguay)	Incorporated pursuant to Law 16.060 under the Business Companies Act (Uruguay) on October 26, 1988, Medic Plast is a pharmaceutical and medical product business. Medic Plast developed medically registered and approved plant derived cannabinoid pharmaceutical products. Its registered office, pharmaceutical laboratory and main warehouse facility address is Belloni 3027, Montevideo, Uruguay, and its secondary warehouse facility address is Justo Alonso 3115, Montevideo, Uruguay. Medic Plast has an average team of 63 employees.
Yurelan S.A. (Uruguay)	Incorporated pursuant to Law 16.060 under the Business Companies Act (Uruguay) on May 3, 2018, Yurelan is a Uruguayan company established for the purpose of growing and cultivating hemp and cannabis for medicinal purposes at its cultivation facility. Yurelan owns agricultural land and greenhouses in the Province of Salto, Uruguay (See Note 8 "Agricultural Land and Greenhouses"). The Group is reassessing the development of its proposed agricultural operations in Uruguay, as of January 31, 2021, the subsidiary remains in a pre-operative stage.
RAMM Pharma Holdings Corp. (Canada)	RAMM Pharma Holdings Corp. was formed on March 1, 2019 pursuant to the OBCA for the sole purpose of entering into the Master Agreement, to complete the Convertible Debenture Offering and the Subscription Receipts Financing as described in Note 15 to the annual financial statements and the Business Combination to form the Issuer and effect the listing of the Issuer Shares on the CSE.
Glediser S.A. (Uruguay)	Incorporated pursuant to Law 16.060 under the Business Companies Act (Uruguay), Glediser is a Uruguayan company established for the purpose of formulating and producing animal nutrition and veterinary products which contain hemp and cannabis for medicinal purposes. Glediser is in a pre-operative stage.

The Group does not control its other investee Canapar Corp.

2.5. Functional and presentation currency

These interim financial statements are presented in Canadian dollars, which is RAMM Pharma Corp.'s functional currency. References to $ are to Canadian dollars, unless otherwise stated.

As of January 31, 2021, and October 31, 2020, the functional currency was determined to be the Uruguayan Peso for the Group's subsidiaries, Medic Plast and Glediser, the US Dollar for the Group's subsidiary Yurelan and the Canadian Dollar for the Group's subsidiary RAMM Pharma Holdings Corp.

The assets and liabilities of foreign operations are translated into Canadian dollars at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into Canadian dollars at the average exchange rates during the period. Foreign currency differences are recognized in other comprehensive income ("OCI") and accumulated in the Reserve of exchange differences on translation.

(Expressed in Canadian Dollars)

Exchange rates used are as follows:

	Period end rates		Average three months ended	
	January 31, 2021	October 31, 2020	January 31, 2021	January 31, 2020
	$	$	$	$
1 Uruguayan Peso	0.0302	0.0310	0.0303	0.0351
1 US Dollar	1.2780	1.3318	1.2867	1.3166

3. SIGNIFICANT ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICY

The significant accounting policies used in preparing these interim financial statements are unchanged from those disclosed in the Annual Financial Statements and have been applied consistently to all periods presented in these Interim Financial Statements (the policy for recognizing and measuring income taxes in the interim period is described in Note 20).

Certain new standards, amendments, and interpretations have been issued, but are not yet effective for the Company's consolidated financial statements for the periods presented. The Company has not early adopted any standards, amendments, or interpretations that are issued but not yet effective. These standards, amendments, and interpretations are not expected to have a material impact on the Company's consolidated financial statements.

In addition to the significant accounting policies disclosed in the annual financial statements and in relation to the investments completed during the three months ended January 31, 2021, described in Note 10 the following accounting policies have been applied:

3.1. Investments in associates

Associates are entities over which the Company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but without control or joint control over those policies. The Company accounts for its in-substance equity investments in associates using the equity method of accounting. Investments in associates, such as convertible debentures, that do not meet the criteria of in-substance equity instruments are accounted for in accordance with the nature of the instrument.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The condensed interim consolidated statement of loss and other comprehensive income (loss) reflects the Company's share of the results of operations of its associates. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Company's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate. The aggregate of the Company's share of profit or loss of an associate is shown on the face of the statement of loss and other comprehensive income (loss) and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

After application of the equity method, the Company determines whether it is necessary to recognize any impairment losses on its investments in its associates. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss in the condensed interim consolidated statement of loss and other comprehensive income (loss).

Upon loss of significant influence over an associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

(Expressed in Canadian Dollars)

4. USE OF JUDGMENTS AND ESTIMATES

In preparing these condensed interim consolidated financial statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

Information about assumptions made in measuring fair values is included in Note 22.2.

5. CASH AND CASH EQUIVALENTS

	January 31, 2021	October 31, 2020
	$	$
Cash in hand	3,664	2,761
Cash at banks	15,464,349	28,002,820
Cash and cash equivalents	**15,468,013**	**28,005,581**

6. TRADE AND OTHER RECEIVABLES

	January 31, 2021	October 31, 2020
	$	$
Trade account receivables	1,292,011	1,249,271
Allowance reserve for impairment of trade receivables (Note 22.1.(a))	(215,144)	(152,854)
Advances to suppliers	137,161	72,282
Other receivables	239,902	164,077
VAT credits	58,777	82,113
Total trade and other receivables	**1,512,707**	**1,414,889**

7. INVENTORIES

	January 31, 2021	October 31, 2020
	$	$
Finished goods and resale inventories	946,401	1,160,609
Raw materials	492,734	514,777
In-transit inventories	481,778	435,921
Reserve for excess and obsolete inventory	(313,018)	(320,695)
Total inventories	**1,607,895**	**1,790,612**

See Note 16 for the amount of inventories expensed in "Cost of Sales".

The movement in the allowance reserve for excess and obsolete inventory during the years was as follows:

	For the three months ended	
	January 31, 2021	January 31, 2020
	$	$
Opening balances	320,695	400,918
Net remeasurement of loss allowance	-	(59,949)
Effect of movements in exchange rates	(7,677)	709
Allowance reserve for excess and obsolete inventory	**313,018**	**341,678**

(Expressed in Canadian Dollars)

8. PROPERTY, PLANT AND EQUIPMENT

The following tables outline the changes in the Group's property, plant and equipment for the three months ended January 31, 2021:

	Land and buildings	Agricultural land and greenhouses	Plant and equipment	Vehicles	Fixtures and fittings	Assets under construction (Plant)	Total
Cost	$	$	$	$	$	$	$
Balance at 1 November 2020	740,931	1,478,581	1,376,758	231,712	201,963	32,488	4,062,433
Reclassifications	32,488	-	-	-	-	(32,488)	-
Effect of movements in exchange rates	(18,515)	(55,637)	(32,521)	(7,994)	(4,864)	-	(119,531)
Balance at 31 January 2021	754,904	1,422,944	1,344,237	223,718	197,099	-	3,942,902
Accumulated depreciation							
Balance at 1 November 2020	(176,552)	(210,182)	(1,228,994)	(81,320)	(165,413)	-	(1,862,461)
Depreciation	(2,847)	(48,710)	(4,960)	(7,476)	(2,245)	-	(66,238)
Effect of movements in exchange rates	4,213	7,909	29,433	2,142	3,768	-	47,465
Balance at 31 January 2021	(175,186)	(250,983)	(1,204,521)	(86,654)	(163,890)	-	(1,881,234)
Carrying amounts							
At 31 October 2020	564,379	1,268,399	147,764	150,392	36,550	32,488	2,199,972
At 31 January 2021	579,718	1,171,961	139,716	137,064	33,209	-	2,061,668

9. INTANGIBLE ASSETS

The following tables outline the changes in the Group's intangible assets for the three months ended January 31, 2021:

	Software	Animal nutrition formulas and authorizations	Total
Cost	$	$	$
Balance at 1 November 2020	55,873	1,552,941	1,608,814
Effect of movements in exchange rates	(1,338)	-	(1,338)
Balance at 31 January 2021	54,535	1,552,941	1,607,476
Accumulated amortization			
Balance at 1 November 2020	(18,624)	(128,779)	(147,403)
Amortization	(4,524)	(79,036)	(83,560)
Effect of movements in exchange rates	425	-	425
Balance at 31 January 2021	(22,723)	(207,815)	(230,538)
Carrying amounts			
At 31 October 2020	37,249	1,424,162	1,461,411
At 31 January 2021	31,812	1,345,126	1,376,938

10. INVESTMENTS IN ASSOCIATES

Associates are entities over which the Company exercises significant influence. The Company assesses each instrument underlying its investments in associates for appropriate accounting treatment.

Details of the Company's associate at the end of the reporting period are as follows:

Name	Intended principal activity	Place of principal business	Nature of investment	Method of accounting	Note	January 31, 2021 ownership interest (non-diluted)
Canapar	Hemp-derived CBD extraction	Italy	Common shares	Equity method	10.1	49.13%
			Call option	FVTPL	11.1	
			Convertible note	FVTPL	11.2	

The following tables outline changes in the Company's equity method investee for the three months ended January 31, 2021:

	Canapar
	$
Balance at November 1, 2020	-
Additions (Note 10.1)	8,160,000
Share of income / (loss)	(140,000)
Dividend / interest income	-
FX gain / (loss)	-
Balance at January 31, 2021	**8,020,000**

The summarized financial information set out below represents amounts shown in the associates' unaudited consolidated interim financial statement as of January 31, 2021 and for the period December 30, 2020 to January 31, 2021, prepared by the associate's management in accordance with IFRS (adjusted by the Company for accounting purposes).

	Canapar
	$ million
Current assets	12,445
Non-current assets	18,674
Current liabilities	(4,031)
Non-current liabilities	(6,265)
Net assets	**20,823**
Revenue	-
Income / (loss)	(285)

The Company assessed its investments in associates for indicators of impairment as of January 31, 2021, and, where indicators were present, conducted additional analysis to determine whether the carrying values of the relevant equity investments were greater than the corresponding recoverable amounts. The carrying value of an investment in an associate is assessed for impairment after first applying the equity method. No impairment indicators were identified for the Company's equity investment in Canapar as of January 31, 2021.

(Expressed in Canadian Dollars)

10.1. Investment in Canapar common shares

On December 30, 2020, the Company acquired 29,833,333 common shares of Canapar Corp. (“Canapar”) (the “Canapar Shares”) representing a 49.13% equity interest on a non-diluted basis. The Canapar Shares were acquired from Canopy Rivers Corporation (“Canopy Rivers”), a wholly owned subsidiary of Canopy Rivers Inc. (TSX: RIV) (OTC: CNPOF).

Canapar Corp. is a private company incorporated in Canada that owns 100% of the issued and outstanding common shares of Canapar SrL, an Italian company focused on hemp-derived cannabidiol (“CBD”) extraction in Italy.

The Canapar Shares were acquired for a total consideration up to $9,000,000 pursuant to the terms of a share purchase agreement (the “Agreement”), from which $7,000,000 was paid in cash and $2,000,000 is payable in cash or issuable in common shares of RAMM, at the sole discretion of RAMM, contingent on the achievement within a 5 year term, of certain production milestones at Canapar Italy’s production facility in Sicily, change in control, public offering, delisting or liquidation in respect of RAMM or Canapar (the “conditions”).

In accordance with the terms of the Agreement, RAMM was also assigned contractual rights under an investor rights agreement which includes: (i) the right to designate one nominee to Canapar’s current three person board of directors (or two nominees if the size of the board increases to six persons or more); (ii) the right of Ramm to maintain its pro rata ownership percentage of Canapar in connection with future financings; and (iii) a call option providing RAMM with the right to purchase 100% of Canapar’s interest in its investees companies for the greater value of $200,000,000 less Canapar’s liabilities, multiplied by the percentage of interest held by other Canapar shareholders, or eight times EBITDA less Canapar’s liabilities, multiplied by the multiplied by the percentage of interest held by other Canapar shareholders. The option is exercisable for as long as the Company is a shareholder of Canapar.

The call option represents a derivative financial instrument that was initially measured at fair value for $840,000, based on a simulation model using Black-Scholes option pricing model with the following key inputs: Canapar equity value per share of $0.30, Canapar equity expected volatility of 65%, Canapar EBITDA volatility of 30% and an expected life of 5 years.

The Company allocated $8,160,000 to the cost of the equity investment (see Note 10) included in “equity method investees” in the condensed interim consolidated statement of financial position and $840,000 to the call option received (see Note 11), included in “financial assets at fair value through profit or loss” in the condensed interim consolidated statement of financial position.

The Company recognized a provision for $2,000,000 related to the contingent consideration payable mentioned above, as management evaluates that the conditions are more likely than not to occur. The contingent consideration has been classified as current and is included in “provisions” in the condensed interim consolidated statement of financial position.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The following tables outline changes in financial assets measured at FVTPL for the three months ended January 31, 2021:

	Canapar call option (Note 11.1)	**Canapar convertible note (Note 11.2)**	**Total**
	$	$	$
As at November 1, 2020	-	-	-
Additions	840,000	3,000,000	3,840,000
Net change in fair value	(90,000)	-	(90,000)
Reclassification / derecognition	-	-	-
Balance as at January 31, 2021	**750,000**	**3,000,000**	**3,750,000**
Interest income for the three months ended January 31, 2021	-	16,215	16,215
Interest receivable as at January 31, 2021	-	16,215	16,215

11.1. Canapar call option

As described in 10.1, as part of the Company's investment in Canapar, the Company received a call option to purchase 100% of Canapar's interest in its investees.

The call option represents a derivative financial instrument that is initially measured at fair value and is subsequently measured at FVTPL. Please refer to Note 22.2 for additional details on valuation methodology and key inputs and assumptions.

11.2. Canapar convertible note

On January 4, 2021, the Company completed a $3.000.000 million investment in Canapar Corp. through its participation in Canapar's secured convertible note offering (the "Offering").

The Offering consisted of a private placement of an approximate aggregate $6,922,000 principal amount of secured convertible promissory notes (the "Notes"), maturing 18 months from the date of issuance, unless converted earlier as described below (the "Maturity Date"), and secured by a first ranking security interest in all personal property of Canapar. The principal amount of the Notes bear interest at a rate of 8% per annum for the period from the date of issuance up to and including the Maturity Date. If greater than 50% of the voting shares of Canapar are acquired by a special purpose acquisition company (an "Acquirer") prior to the Maturity Date ("SPAC Merger"), then the outstanding principal amount of the Notes (together with all interest accrued and unpaid thereon) shall be automatically converted into shares of the Acquirer ("Acquirer Shares"), which Acquirer Shares shall have an aggregate value equal to 1.5 times the principal amount of the Notes (plus interest accrued and unpaid thereon). The conversion price will be the greater of: (i) the price per common share of Canapar (a "Canapar Share") paid by the Acquirer pursuant to the SPAC Merger; and (ii) $0.47 per Canapar Share. If Canapar completes a liquidity event other than a SPAC Merger ("Liquidity Event") prior to the Maturity Date (including, for greater certainty, a public offering of equity securities or a business combination (or similar transaction) that results in the listing of the equity securities of Canapar on a recognized Canadian or US stock exchange exchange) then the outstanding principal amount of the Notes (along with all interest accrued and unpaid thereon) shall be automatically converted into Canapar Shares at a conversion price of $0.60 per Canapar Share. If Canapar does not complete the SPAC Merger or a Liquidity Event within 12 months from the date of the issuance of the Notes (the "Penalty Date"), the holders of the Notes shall each have the option to convert the outstanding principal amount of the Notes (along with all interest accrued thereon) after the Penalty Date into Canapar Shares at a discounted price of $0.45 per Canapar Share. The holders of the Notes will also have the option to convert the outstanding principal amount of the Notes (along with all interest accrued thereon) at any time prior to the Penalty Date into Canapar Shares at a price of $0.60 per Canapar Share.

The convertible promissory note represents a financial asset that is initially measured at fair value and is subsequently measured at FVTPL. Please refer to Note 22.2 for additional details on valuation methodology and key inputs and assumptions.

(Expressed in Canadian Dollars)

12. LEASES

The following tables outline the changes in the Group's leases for the three months ended January 31, 2021:

Right-of-use assets (land and buildings)	**Lease 1**	**Lease 2**	**Total**
	$	**$**	**$**
As of November 1, 2020	31,012	63,776	94,788
Depreciation charge for the period	(3,228)	(20,539)	(23,767)
Effect of movements in exchange rates	(1,007)	(2,449)	(3,456)
As of January 31, 2021	**26,777**	**40,788**	**67,565**

Lease liabilities	**Lease 1**	**Lease 2**	**Total**
	$	**$**	**$**
As of November 1, 2020	32,911	67,516	100,427
Interest expense	466	882	1,348
Lease payments	(3,970)	(22,292)	(26,262)
Effect of movements in exchange rates	(776)	(2,583)	(3,359)
As of January 31, 2021	**28,631**	**43,523**	**72,154**

13. TRADE AND OTHER PAYABLES

	January 31, 2021	**October 31, 2020**
	$	$
Trade accounts payable	386,296	503,730
Salaries and employees benefit payable	338,430	447,920
Other payables	378,853	282,087
Total current trade and other payables	**1,103,579**	**1,233,737**

14. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are defined as management, directors, and principal shareholders of the Group and/or members of their immediate family and/or other companies and/or entities in which a principal shareholder, director or senior officer is a principal owner or senior executive.

14.1. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board, who control approximately 27% of the Shares of the Company on a fully diluted basis as of January 31, 2021.

(Expressed in Canadian Dollars)

Compensation provided to key management personnel is as follows:

	For the three months ended	
	January 31, 2021	January 31, 2020
	$	$
Share-based compensation	160,272	1,142,771
Management fees	200,354	156,398
Salaries [1]	29,437	127,931
Director fees	15,000	-

[1] Note: Three months ended January 31, 2020 includes salaries for an amount of $127,931 provided to a former Director, considered to be key management personnel until April 1, 2020, in his capacity of Senior Management of Medic Plast (see note 14.2 c) below).

At January 31, 2021 and October 31, 2020, due to key management personnel amounted to $82,587 and $129,429, respectively, included in "trade and other payables".

14.2. Other transactions

a) On November 2, 2020, the Company entered into a secured loan arrangement with Mr. Jack Burnett (CEO, Director and a Shareholder of the Company who controls approximately 20% of the Shares of the Company on a fully diluted basis as of January 31, 2021) pursuant to which the Company has loaned to Mr. Burnett US$1,100,000, equivalent to $1,464,980, (the "Loan"). The Loan accrues at interest of 2.75% per annum, with a maturity date on November 2, 2022 that can be extended by one year at the option of Mr. Burnett. The Loan is secured by a pledge of securities, consisting of 3,000,000 RAMM common shares owned by Mr. Burnett. The terms of the agreement were negotiated between the Company and Mr. Burnett. The Company classified the promissory note as a financial asset at amortized cost, recognizing an initial fair value of $1,464,980.

On January 31, 2021, due from Mr. Burnett amounted to $1,414,869 and is included in "Receivables from related parties".

During the three months ended January 31, 2021, interest income recognized in relation to the promissory note under the effective interest method amounted to $9,127.

b) The Group's subsidiary, Medic Plast, since incorporation provided until December 2018 on demand cash advances to Mr. Blankleider, one of its former Director, and Shareholder. Advances granted were non-interest bearing with no specific terms of repayment.

On December 30, 2019, pursuant to the terms of a secured promissory note, Mr. Blankleider agreed to repay to the Group a total amount of US dollars $1,789,000 (equivalent to $2,286,342) secured over 4,674,069 Common Shares. The promissory note has a maturity date of December 30, 2021 and does not bear interest.

During the three months ended January 31, 2020, the Company classified the promissory note as a financial asset at amortized cost, recognizing an initial fair value of $2,040,197, a loss on debt settlement of $108,653 (included in "Other expenses", see note 16) and, pursuant to the terms of the promissory note, an equity contribution of $1,291,440.

On January 31, 2021 and October 31, 2020, due from Mr. Blankleider amounted to $2,149,479 and $2,202,091, respectively, and is included in "Receivables from related parties".

During the three months ended January 31, 2021 and 2020, interest income recognized in relation to the promissory note under the effective interest method amounted to $36,583 and $12,235, respectively.

c) During the three months ended January 31, 2021 and 2020, the Company provided salaries for an amount of $108,949 and $127,931, respectively, to Mr. Blankleider, a Shareholder of the Company who controls approximately 17% of the Shares of the Company on a fully diluted basis as of January 31, 2021, in his capacity of Senior Management of Medic Plast.

(Expressed in Canadian Dollars)

15. REVENUE

The Group generates revenue primarily from the sale of medical devices and consumables, sale of pharmaceutical products and sale of cosmetics. Other sources of revenue include immaterial amounts related medical devices sterilization services.

	For the three months ended	
	January 31, 2021	**January 31, 2020**
	$	$
Medical devices and consumables	521,841	532,121
Pharmaceutical formulations	413,206	679,139
Cosmetics products	57,275	83,035
Services	14,844	9,428
Total Revenue	**1,007,166**	**1,303,723**

16. EXPENSES BY NATURE

	For the three months ended January 31, 2021			For the three months ended January 31, 2020		
	Cost of sales	**SG&A**	**Total**	**Cost of sales**	**SG&A**	**Total**
	$	$	$	$	$	$
Raw materials, consumables and cost of resale inventories	529,859	-	529,859	742,596	-	742,596
Salaries and employees' benefits	186,505	333,958	520,463	199,258	380,314	579,572
Management fees	-	200,354	200,354	-	156,398	156,398
Share-based compensation	-	160,272	160,272	-	1,146,998	1,146,998
Directors fees	-	15,000	15,000	-	-	-
Professional fees	1,662	215,862	217,524	2,337	246,465	248,802
Depreciation and amortization (Note 8,9)	6,624	166,941	173,565	5,564	65,886	71,450
Allowance for obsolete inventory (Note 7)	-	-	-	(59,949)	-	(59,949)
Allowance for expected credit loss (Note 22.1 a)	-	65,949	65,949	-	-	-
Other taxes	16,250	2,694	18,944	-	39,887	39,887
Contracted services	27,450	15,082	42,532	38,832	55,776	94,608
Registrations and habilitations	64,439	-	64,439	70,304	-	70,304
Other expenses	38,384	126,812	165,196	29,166	364,222	393,388
Total	**871,173**	**1,302,924**	**2,174,097**	**1,028,108**	**2,455,946**	**3,484,054**

17. INTEREST INCOME

	For the three months ended	
	January 31, 2021	**January 31, 2020**
Interest income:	$	$
- On cash and cash equivalents	22,802	81,443
- Under the effective interest method on receivables from related parties	45,710	12,235
- On financial assets at fair value through profit or loss	16,215	-
	84,727	**93,678**

(Expressed in Canadian Dollars)

18. FINANCE EXPENSE

	For the three months ended	
	January 31, 2021	January 31, 2020
	$	$
Interest expense on bank loans and borrowings	-	48,016
Interest expense on lease liabilities	1,348	4,649
	1,348	**52,665**

19. EQUITY

19.1. Share capital

The Company is authorized to issue unlimited number of common shares. As of January 31, 2021, there were 99,457,552 common shares issued and outstanding.

19.2. Normal course issuer bid

During the three months ended January 31, 2021, the Company repurchased and cancelled 265,000 Common Shares pursuant to the NCIB program for $92,750 at a weighted average acquisition price of $0.35 per share (for the three months ended January 31, 2020 – not applicable). Total amount allocated to share capital on the cancellation date is $109,944 and the residual amount of $(17,194) has been allocated to accumulated deficit.

19.3. Loss per share

The calculation of basic Loss per share has been based on the loss attributable to common shareholders and weighted-average number of common shares outstanding.

The calculation of diluted Loss Per Share has been based on the loss attributable to common shareholders and weighted-average number of common shares outstanding after adjustment for the effects of all dilutive potential common shares. At January 31, 2021, all 5,110,000 options (January 31, 2020: 4,130,000) and all 2,409,786 warrants (January 31, 2020: 2,409,786) were excluded from the diluted weighted-average number of common shares calculation because their effect would have been anti-dilutive.

Weighted-average number of common shares (basic and diluted)

	#
Shares outstanding at November 1, 2020	99,722,552
Effect of shares repurchased during the year	(45,997)
Weighted-average number of common shares at January 31, 2021	**99,676,555**

	#
Shares outstanding at November 1, 2019	100,722,552
Weighted-average number of common shares at January 31, 2020	**100,722,552**

(Expressed in Canadian Dollars)

19.4. Stock Options

In October 2019, the Company adopted a stock option plan under which it is authorized to grant options to officers, directors, employees, or eligible contractors of the Group (all together "eligible grantees") enabling them to acquire common shares of the Company. The maximum number of common shares reserved for issuance of stock options that may be granted under the plan is 10% of the issued and outstanding common shares (on a non-diluted basis) of the Company. The options granted can be exercised and vest as determined by the Board of Directors. The exercise price of each option may not be less than the market price of the common shares on the date of grant.

In determining the amount of share-based compensation, the Company uses the Black-Scholes option pricing model to establish the fair value of options granted during the year, based on various assumptions and estimates. Expected life is estimated based upon the effects of non-transferability, exercise restrictions (including the probability of meeting market conditions attached to the options), and behavioral considerations. The risk-free rate is estimated based upon zero coupon Government of Canada bond yields with a term approximately equal to the expected life of the options. Volatility is estimated based upon the historical price volatility of comparable companies.

On October 28, 2019, 4,000,000 options to purchase Common Shares of RAMM Pharma Holdings Corp. issued on April 24, 2019 were replaced on a one-to-one basis to options to purchase RAMM Common Shares with the following terms:

- 3,000,000 options to purchase Common Shares at an exercise price of $0.16 per common share. The options shall vest in full on October 28, 2020 provide that the grantee remains a senior officer, director, employee, management company employee, or a person providing consulting services or investor relations activities to the Company on the relevant date.
- 1,000,000 options to purchase Common Shares at an exercise price of $0.16 per common share. The options shall vest as to one-third (⅓) of the number granted on October 28, 2020, as to one-third (⅓) of the number of options granted on October 28, 2021, and as to one-third (⅓) of the number of options granted on October 28, 2022, provided that the grantee remains an eligible grantee on the relevant date.

On October 28, 2019, the Company issued 130,000 options to purchase Common Shares to Officers and consultants of the Group at an exercise price of $1.35 per common share. The options shall vest as to one-third (⅓) of the number granted on October 28, 2020, as to one-third (⅓) of the number of options granted on October 28, 2021, and as to one-third (⅓) of the number of options granted on October 28, 2022, provided that the grantee remains an eligible grantee on the relevant date.

All options issued on October 28, 2019 shall expire on the earlier of: (i) October 28, 2024 and (ii) 90 days after the grantee is no longer an eligible grantee, unless the grantee is terminated by the Company for cause, in which case all unexercised options shall be cancelled on the date of termination of the grantee.

On August 27, 2020, the Company issued 1,000,000 options to purchase Common Shares to Directors and Officers of the Group at an exercise price of $0.65 per common share. The options shall vest as to one-third (⅓) of the number granted on August 27, 2020, as to one-third (⅓) of the number of options granted on August 27, 2021, and as to one-third (⅓) of the number of options granted on August 27, 2022, provided that the grantee remains an eligible grantee on the relevant date. All options shall expire on August 27, 2025.

The following assumptions were used in determining the fair value of the options at their dates of grant (the options are not subsequently remeasured):

	Initial recognition	
Issue date	28-Oct-2019	27-Aug-2020
Share price	$1.35	$0.65
Exercise price	$0.16 - $1.35	$0.65
Risk-free interest rate	1.66%	0.34%
Dividend yield	0%	0%
Volatility	87%	115%
Expected life	5.0 years	5.0 years
Forfeiture rate	0%	0%

(Expressed in Canadian Dollars)

The following tables summarize information about options outstanding as of January 31, 2021 and October 31, 2020:

	Options Outstanding				Options Exercisable		
January 31, 2021	Weighted-average exercise price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Fair Value per Share (1)	Weighted-average exercise price	Number of Options Exercisable	Weighted Average Fair Value per Share (1)
	$	#	# (years)	$	#	$	$
Officers and Directors	0.279	5,100,000	3.91	1.096	0.215	3,699,996	1.175
Consultants	1.350	10,000	3.74	0.922	1.350	10,000	0.922
	0.281	**5,110,000**	**3.91**	**1.095**	**0.218**	**3,709,996**	**1.174**

	Options Outstanding				Options Exercisable		
October 31, 2020	Weighted-average exercise price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Fair Value per Share (1)	Weighted-average exercise price	Number of Options Exercisable	Weighted Average Fair Value per Share (1)
	$	#	# (years)	$	#	$	$
Officers and Directors	0.279	5,100,000	4.16	1.096	0.215	3,700,000	1.175
Consultants	1.350	30,000	3.99	0.922	1.350	10,000	0.922
	0.285	**5,130,000**	**4.16**	**1.095**	**0.218**	**3,710,000**	**1.174**

(1) Note: Weighted average fair value per share is based on the estimated fair value of each option at the time of grant for options that are not remeasured each year.

The following table is a summary of the changes in the Company's outstanding options during the period:

	# of Options	Weighted-average exercise price
Balance as of November 1, 2020	5,130,000	0.285
Exercised	-	-
Forfeited (consultants' options)	(20,000)	1.350
Expired	-	-
Balance as of January 31, 2021	**5,110,000**	**0.281**

19.5. Warrants

On October 28, 2019, the Company issued 2,409,786 finder warrants in connection with the Going Public Transaction described in Note 15 to the annual financial statements. The fair value of the warrants was estimated using the Black-Scholes option pricing model with the following estimated assumptions:

Risk-free interest rate	1.66% - 1.71%
Dividend yield	0%
Volatility	85% - 86%
Expected life	2-3 years
Forfeiture rate	0%

(Expressed in Canadian Dollars)

The following table summarize information about warrants outstanding as of January 31, 2021 and October 31, 2020:

	Warrants Outstanding and Exercisable			
	Weighted-average exercise price	Number of Warrants	Weighted Average Remaining Contractual Life	Weighted Average Fair Value per Share (1)
	$	#	# (years)	$
January 31, 2021	1.054	2,409,786	1.09	0.501
October 31, 2020	1.054	2,409,786	1.34	0.501

(1) Note: Weighted average fair value per share is based on the estimated fair value of each warrant at the time of grant for warrants that are not remeasured each year.

During the three months ended January 31, 2021, no warrants were issued, exercised, forfeited, or expired.

19.6. Equity contributions

Prior to the completion of the Going Public Transaction described in Note 15 to the annual financial statements, the Group received a $3,062,332 cash contribution from a current Shareholder of the Company.

On December 30, 2019, as a result of the terms of a secured promissory note granted to the Company by a current shareholder, as described in Note 14.2 b) the Group recognized an equity contribution of $1,291,440.

The contributions are included in “Equity contribution” in the condensed interim consolidated statement of financial position.

20. INCOME TAX

Income tax expense is recognized at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management’s estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the interim period, if any. As such, the effective tax rate in the condensed interim consolidated financial statements may differ from management’s estimate of the effective tax rate for the annual consolidated financial statements.

The Company's combined Canadian federal and provincial statutory income tax rate is 26.5% for the three months ended January 31, 2021 (three months ended January 31, 2020 – 26.5%). The rate is expected to apply for the full year and is applied to the pre-tax income of the three-month periods.

Current income tax asset included in the condensed interim consolidated statement of financial position comprises Medicplast’ income tax advances and income tax recovery certificates.

Current income tax liability included in the condensed interim consolidated statement of financial position comprises Medicplast’ income tax advances payable.

During the three months ended January 31, 2021 and 2020, the Company has not recognized deferred tax assets or liabilities.

21. COMMITMENTS AND CONTINGENCIES

From time to time, the Group may be involved in litigation relating to claims arising out of operations in the normal course of business. At January 31, 2021, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Group's operations. There are also no proceedings in which any of the Group's directors, officers or affiliates is an adverse party or has a material interest adverse to the Group's interest.

(Expressed in Canadian Dollars)

See Note 10.1 for details of the provision for consideration payable contingent to certain conditions in connection to Canapar common shares acquisition.

22. FINANCIAL INSTRUMENTS

22.1. Financial risk management

The Group is exposed to credit, liquidity, and market risks (including foreign exchange risks, interest rates risks and price risks). The Group's management oversees the management of these risks.

22.1.(a) Credit Risk

The Company is moderately exposed to credit risk from its cash and cash equivalents, receivables from related parties and trade and other receivables. The risk exposure is limited to their carrying amounts reflected on the condensed interim consolidated statements of financial position. The risk for cash and cash equivalents is mitigated by holding these instruments with highly rated financial institutions. Trade and other receivables primarily consist of trade accounts receivable with State-owned Hospitals, Private Hospitals, Pharmacies, and other customers. The Company provides credit to customers in the normal course of business and the Management continually evaluates and monitors credit to customers to mitigate its credit risk.

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics – geographic region, age of customer relationship and type of product purchased.

The following table provides information about the exposure to credit risk and ECLs for trade receivables from customers as of January 31, 2021 and October 31, 2020:

	January 31, 2021			October 31, 2020		
	Weighted-average loss rate	**Gross Carrying amount**	**Loss allowance**	**Weighted-average loss rate**	**Gross Carrying amount**	**Loss allowance**
		$	**$**		**$**	**$**
Current (not past due)	0.9%	581,091	5,311	0.9%	878,524	8,029
1-30 days past due	4.3%	211,229	9,097	4.3%	77,088	3,320
31-60 days past due	8.4%	201,937	16,912	8.4%	90,939	7,616
61-90 days past due	16.9%	44,419	7,512	16.9%	19,325	3,268
More than 90 days past due	69.6%	253,335	176,312	71.2%	183,395	130,621
	16.7%	**1,292,011**	**215,144**	**12.2%**	**1,249,271**	**152,854**

The movement in the allowance for impairment in respect of trade receivables during the period was as follows:

	For the three months ended	
	January 31, 2021	**January 31, 2020**
	$	$
Opening balances	152,854	155,734
Net remeasurement of loss allowance	65,949	-
Effect of movements in exchange rates	(3,659)	384
Allowance reserve for impairment of trade receivables	**215,144**	**156,118**

22.1.(b) Liquidity Risk

The Group's cash is currently invested in business accounts with high-credit quality financial institutions which are available on demand by the Group.

The following are the remaining contractual maturities of financial instruments at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments:

January 31, 2020	**Under 1 year**	**Between 1-2 years**	**Between 2-3 years**	**Between 3-4 years**	**Over 5 years**
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	15,468,013	-	-	-	-
Trade and other receivables (i)	1,316,769	-	-	-	-
Receivables from related parties	2,286,342	-	1,520,217	-	-
Interest receivable	-	16,215	-	-	-
Financial assets at fair value through profit or loss (ii)	-	3,329,197	-	-	-
	19,071,124	**3,345,412**	**1,520,217**	**-**	**-**
Financial liabilities					
Trade and other payables	1,103,579	-	-	-	-
Lease liabilities	60,113	18,469	-	-	-
Provisions (Note 10.1)	2,000,000	-	-	-	-
	3,163,692	**18,469**	**-**	**-**	**-**

(i) Does not include VAT Credits and advances to suppliers.
(ii) Does not include Canapar call option, see Note 10.1.

22.1.(c) Foreign Currency Risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables, and payables are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the Uruguayan Peso (UYU) and the US Dollar (USD).

Currently, the Group does not use derivative instruments to reduce its exposure to foreign currency risk.

A 10% change in the value of the USD, UYU or the Euro (EUR) would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		**Equity**	
Effect in thousands of Canadian dollars	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
	$	**$**	**$**	**$**
January 31, 2021				
EUR (10% movement)	(1)	1	-	-
UYU (10% movement)	18	(18)	(518)	518
USD (10% movement)	378	(378)	20	(20)

22.1.(d) Other market risks

The Company is exposed to interest rate and price risks on certain financial instruments but has determined that the risk is not significant.

(Expressed in Canadian Dollars)

22.2. Fair Values

Financial instruments recorded at fair value on the condensed interim consolidated statement of financial position are classified using a fair value hierarchy that reflects the observability of significant inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs are observable inputs other than quoted prices included within Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability that reflect the reporting entity's own assumptions and are not based on observable market data.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The carrying amount of cash and cash equivalents, trade and other receivables, interest receivable, trade and other payable and provisions approximate their respective fair values due to their short-term nature. The carrying amounts of the receivables from related parties approximate their respective fair values due to consistency of current market rates and credit risk.

The following table provides information about how the fair values as of January 31, 2021, of the Company's other financial instruments are determined:

	Classifi-cation	Carrying values		Fair values		Fair value hierarchy and technique	Key inputs
		January 31, 2021	October 31, 2020	January 31, 2021	October 31, 2020		
Financial assets		$	$	$	$		
Canapar convertible note	FVTPL	3,000,000	n/a	3,000,000	n/a	Level 3 - Market approach - most recent financing: based upon principal amount advanced pursuant to the note and interest accrued	Observable: - Principal advanced - interest rate 8%
Canapar call option	FVTPL	750,000	n/a	750,000	n/a	Level 3 - Simulation model using Black-Scholes option pricing model	Unobservable: - Canapar equity value per share $0.30 - Canapar equity expected volatility 65% - EBITDA volatility 30% - Expected life 4.9 years
		3,750,000	**n/a**	**3,750,000**	**n/a**		

The Group has determined that there have been no transfers between levels in the hierarchy by re-assessing categorization at the reporting dates.

The Company has performed a sensitivity analyses over key inputs to Level 3 investments and has outlined the potential corresponding impact on total comprehensive income below. The change in fair value of the financial instrument has been determined based on changes to individual inputs independently, without consideration of the impact of such change on other variables that influence value. The realization of sensitivities outlined below would have affected the Company's net changes in fair value of financial assets at FVTPL and would not have had a material impact on cash flows from operations.

Instrument	Input	Assumption	Change	Impact
Canapar Call option	Company equity value volatility	65%	-5%	$ (250,000)

(Expressed in Canadian Dollars)

23. SUPPLEMENTAL CASH FLOWS INFORMATION

Reconciliation of movements of liabilities to cashflows arising from financing activities for the three-month period ended January 31, 2021 is as follows:

	Lease liabilities
	$
Opening balance as of November 1, 2020	100,427
Changes from financing cash flows	
Lease payments	(26,262)
Total changes from financing cash flows	**74,165**
The effect of changes in foreign exchange rates	(3,359)
Liability-related other changes	
Interest expense	1,348
Total liability-related other changes	1,348
Balance as of January 31, 2021	**72,154**

24. SUBSEQUENT EVENTS

During March 2021, the Company entered into a secured loan arrangement with Mr. Jack Burnett (CEO, Director and a Shareholder of the Company who controls approximately 20% of the Shares of the Company on a fully diluted basis as of January 31, 2021) pursuant to which the Company has loaned to Mr. Burnett $460,000 (the “Loan”). The Loan accrues at interest of 5% per annum, with a term of 90 days. The Loan is secured by a pledge of securities, consisting of 1,000,000 RAMM common shares owned by Mr. Burnett. The terms of the agreement were negotiated between the Company and Mr. Burnett.

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