



**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE THREE MONTHS ENDED MARCH 31, 2022  
AND APRIL 30, 2021**

**(Expressed in Canadian Dollars)**

**Notice of No Auditor Review of Condensed Interim Financial Statements**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying condensed interim financial statements of Ocumetics Technology Corp. (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 condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**OCUMETICS TECHNOLOGY CORP.**  
**Interim Statements of Financial Position**  
(Expressed in Canadian dollars)

As at	March 31 2022 \$	December 31 2021 \$
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	1,467,742	1,843,116
Goods and Services Tax receivable	59,585	51,839
Prepaid expenses and deposits	23,981	22,785
Total current assets	1,551,308	1,917,740
Non current assets		
Intangible assets (Note 5)	607,606	628,411
Other assets	108,991	107,849
Total assets	2,267,905	2,654,000
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	140,059	184,472
Due to related parties (Note 6)	76,754	76,754
Total current liabilities	216,813	261,226
Non current liabilities		
Due to related parties (Note 6)	500,000	500,000
Total liabilities	716,813	761,226
<b>EQUITY (DEFICIENCY)</b>		
Share capital (Note 7)	4,968,888	4,914,570
Warrants reserve (Note 7)	19,206	19,206
Stock options reserve (Note 7)	372,916	250,623
Deficit	(3,809,918)	(3,291,625)
Total equity (deficiency)	1,551,092	1,892,774
Total liabilities and equity (deficiency)	2,267,905	2,654,000

Nature of operations and going concern (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on May 18, 2022:

/s/ Garth Webb  
Garth Webb, Director

/s/ Roger Jewett  
Roger Jewett, Director

(The accompanying notes are an integral part of these financial statements)

**OCUMETICS TECHNOLOGY CORP.****Interim Statements of Loss and Comprehensive Loss**

(Expressed in Canadian dollars)

<b>For the three months ended</b>	<b>March 31, 2022</b>	<b>April 30, 2021</b>
	\$	\$
<b>EXPENSES</b>		
Consulting fees (Note 6)	154,164	-
Share-based compensation (Notes 6 and 7)	145,361	-
Research and development	125,856	-
Amortization	24,998	21,646
Sales and marketing	24,614	-
Office and general	14,110	3,772
Professional fees (Note 6)	14,008	119,951
Patent fees	12,715	4,545
Foreign exchange loss	2,467	-
<b>Total expenses</b>	<b>518,293</b>	<b>149,914</b>
<b>Net loss and comprehensive loss for the period</b>	<b>(518,293)</b>	<b>(149,914)</b>
Loss per share, basic and diluted	-	-
Weighted average number of common shares outstanding	108,629,969	80,918,502

(The accompanying notes are an integral part of these financial statements)

**OCUMETICS TECHNOLOGY CORP.****Interim Statements of Changes in Equity (Deficiency)**

(Expressed in Canadian dollars)

	Number of Shares	Share Capital \$	Warrants Reserve \$	Stock Options Reserve \$	Deficit \$	Total Equity (Deficiency) \$
Balance, July 31, 2020	76,650,006	1,121,083			(1,180,505)	(59,422)
Shares issued from private placement	4,268,496	387,112				387,112
Net loss and comprehensive loss		-		-	(646,620)	(646,620)
Balance, July 31, 2021 (Restated - Note 11)	80,918,502	1,508,195	-	-	(1,827,125)	(318,930)
Shares issued from concurrent private placement	21,604,800	2,700,600	-	-	-	2,700,600
Share issuance costs	-	(54,706)	19,206	-	-	(35,500)
Shares issued for services	200,000	25,000	-	-	-	25,000
Shares deemed to be issued on RTO	5,540,000	692,500	-	-	-	692,500
Fair value of options on RTO	-	-	-	26,971	-	26,971
Exercise of options	250,000	42,981	-	(17,981)	-	25,000
Share-based compensation	-	-	-	241,633	-	241,633
Net loss and comprehensive loss	-	-	-	-	(1,464,500)	(1,464,500)
Balance, December 31, 2021	108,513,302	4,914,570	19,206	250,623	(3,291,625)	1,892,774
Exercise of options	250,000	54,318	-	(23,068)	-	31,250
Share-based compensation	-	-	-	145,361	-	145,361
Net loss and comprehensive loss	-	-	-	-	(518,293)	(518,293)
<b>Balance, March 31, 2022</b>	<b>108,763,302</b>	<b>4,968,888</b>	<b>19,206</b>	<b>372,916</b>	<b>(3,809,918)</b>	<b>1,551,092</b>

(The accompanying notes are an integral part of these financial statements)

# OCUMETICS TECHNOLOGY CORP.

## Interim Statements of Cash Flows

(Expressed in Canadian dollars)

For the three months ended	March 31, 2022	April 30, 2021
	\$	\$
<b>Cash flows provided by (used in):</b>		
<b>Operating activities</b>		
Net loss for the period	(518,293)	(149,914)
Items not affecting cash:		
Amortization	24,998	21,646
Share-based compensation	145,361	-
Amounts receivable	-	(5,000)
Goods and Services Tax receivable	(7,746)	(10,670)
Prepaid expenses	(1,196)	(36,990)
Accounts payable and accrued liabilities	(44,413)	75,396
Due to related parties	-	137,625
Net cash used in operating activities	(401,289)	32,093
<b>Investing activities</b>		
Intangible assets	(4,193)	(139,173)
Other assets	(1,142)	-
Net cash provided by (used in) investing activities	(5,335)	(139,173)
<b>Financing activities</b>		
Proceeds from options exercised	31,250	-
Net cash provided by financing activities	31,250	-
Increase (decrease) in cash during the period	(375,374)	(107,080)
Cash and cash equivalents, beginning of period	1,843,116	237,205
Cash and cash equivalents, end of period	1,467,742	130,125
<b>Supplemental Cash Flow Disclosure</b>		
Cash and cash equivalents consist of:		
Bank deposits	1,435,515	61,034
Held in trust	32,227	69,091
	1,467,742	130,125

(The accompanying notes are an integral part of these financial statements)

# OCUMETICS TECHNOLOGY CORP.

Notes to the Interim Financial Statements  
For the Three Months Ended March 31, 2022 and April 30, 2021  
(Expressed in Canadian dollars)

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## 1. Nature of Operations and Going Concern

Ocumetics Technology Corp. (formerly Quantum Blockchain Technologies Ltd.) (the “Company”) was incorporated on February 5, 2018 under the Business Corporations Act of Alberta. Its current focus is to develop an accommodating intraocular lens to eliminate the need for corrective lenses, especially for people over 45 years of age. The Company’s registered office is located at 1250, 639-5<sup>th</sup> Avenue SW, Calgary, Alberta T2P 0M9. The Company changed its name from Quantum Blockchain Technologies Ltd. (“Quantum”) to Ocumetics Technology Corp. on August 27, 2021 and is listed on the TSX Venture Exchange (the “Exchange”) under the symbol “OTC”.

As described in Note 4, the Company completed its amalgamation transaction (the “Transaction”) with Ocumetics Technology Corp. (“Ocumetics”) pursuant to an amended and restated amalgamation agreement dated July 23, 2021 (the “Amalgamation Agreement”). The Transaction was completed by way of a share exchange between the shareholders of Quantum and Ocumetics. In exchange for 100% of the issued and outstanding shares of Ocumetics, the shareholders of Ocumetics received an aggregate of 80,918,496 common shares of the Company. The Transaction was completed on August 27, 2021 and constituted a reverse take-over acquisition (“RTO”). Ocumetics has been identified for accounting purposes as the acquirer, and accordingly, the Company is considered to be a continuation of Ocumetics, and the net assets of Quantum at the date of the RTO are deemed to have been acquired by Ocumetics (Note 4). The comparative figures are those of Ocumetics prior to the RTO.

These interim financial statements have been prepared on the 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 at March 31, 2022, the Company has not generated any revenues from operations and has an accumulated deficit of \$3,809,918. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability to raise equity or debt financing, and the attainment of profitable operations from the Company’s future business. These factors indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. These interim financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

## 2. Basis of Presentation

### (a) Statement of compliance

The interim 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”).

These interim financial statements were authorized for issue by the Board of Directors on May 18, 2022.

### (b) Basis of measurement

The interim financial statements of the Company have been prepared on an accrual basis and are based on historical costs, except for certain financial assets and liabilities measured at fair value. The functional and presentation currency of the Company is the Canadian dollar.

### (a) Significant accounting estimates and judgments

The preparation of these interim financial statements in conformity with IFRS requires the Company’s management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenues, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

## OCUMETICS TECHNOLOGY CORP.

Notes to the Interim Financial Statements  
For the Three Months Ended March 31, 2022 and April 30, 2021  
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### 3. Significant Accounting Policies

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the interim financial statements are as follows:

#### Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

#### Going concern

The assessment of the Company's ability to continue as a going concern involves management judgement about the Company's resources and future prospects.

#### Impairment of intangible assets

The application of the Company's accounting policy for intangible assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

Information about assumptions and estimation uncertainties that have a risk of resulting in significant adjustments are as follows:

#### Share-based payment transactions

The Company uses the Black-Scholes Option Pricing Model to determine the fair value of stock options and standalone share purchase warrants issued. This model requires the input of subjective assumptions including expected share price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings (loss) and equity reserves.

#### Useful lives of intangible assets

Following initial recognition, the Company carries the value of intangible assets at cost less accumulated amortization and any accumulated impairment losses. Amortization is recorded on a straight-line basis based upon management's estimate of the useful life and residual value. As at March 31, 2022, the estimated remaining useful life of the intangible assets was approximately 6.4 years. The estimates are reviewed at least annually and are updated if expectations change as a result of technical obsolescence or legal and other limits to use.

#### (b) Intangible assets

Intangible assets including intellectual property (see Note 5) are measured at cost less accumulated amortization and accumulated impairment losses. Initial costs and subsequent costs that increase the expected future economic benefits incurred under the license agreement and intellectual property are capitalized and amortized from the date of capitalization on a straight-line basis over their estimated useful lives determined based on the expiry of the key patents underlying the intellectual property. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. If, after expenditures are capitalized, events or changes in circumstances indicate that the carrying amount may not be recoverable, the amount capitalized is written off in profit or loss in the period the new information becomes available. Upon retirement or disposal, the cost of the asset disposed of and the related accumulated amortization are removed from the accounts and any gain or loss is reflected in profit or loss.

## OCUMETICS TECHNOLOGY CORP.

Notes to the Interim Financial Statements

For the Three Months Ended March 31, 2022 and April 30, 2021

(Expressed in Canadian dollars)

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### 3. Significant Accounting Policies (continued)

#### (c) 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 such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized the statement of loss and comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

#### (d) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the respective instrument. At initial recognition, the Company measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability.

##### Financial assets

The Company will classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss, based on its business model for managing the financial asset and the financial asset's contractual cash flow characteristics. The three categories are defined as follows:

*Amortized cost* - a financial asset is measured at amortized cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any financial assets measured at amortized cost.

*Fair value through other comprehensive income ("FVTOCI")* - financial assets are classified and measured at FVTOCI if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. The Company does not have any financial assets classified as FVTOCI.

*Fair value through profit or loss ("FVTPL")* - any financial assets that are not held in one of the two business models mentioned are measured at FVTPL. The Company's cash and cash equivalents are classified as FVTPL.

## OCUMETICS TECHNOLOGY CORP.

Notes to the Interim Financial Statements  
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### 3. Significant Accounting Policies (continued)

#### (d) Financial Instruments (continued)

When, and only when, the Company changes its business model for managing financial assets it must reclassify all affected financial assets.

##### Impairment

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.

For the periods presented, the Company did not record any expected credit loss.

##### Financial liabilities

The Company's financial liabilities include accounts payable and due to related parties. The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

*FVTPL* – This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are carried in the statements of financial position at fair value with changes in fair value recognized in the statements of loss and comprehensive loss. The Company does not have any financial liabilities measured at FVTPL.

*Amortized cost* – Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The Company's accounts payable and due to related parties are classified at amortized cost.

After initial recognition, an entity cannot reclassify any financial liability.

#### (e) Foreign currency translation

The functional and reporting currency is the Canadian dollar. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Revenue and expenses are translated at average rates for the periods. Foreign exchange gains and losses are included in the statements of loss and comprehensive loss.

#### (f) Income taxes

##### *Current income tax*

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in other comprehensive income or equity

## OCUMETICS TECHNOLOGY CORP.

Notes to the Interim Financial Statements

For the Three Months Ended March 31, 2022 and April 30, 2021

(Expressed in Canadian dollars)

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### 3. Significant Accounting Policies (continued)

#### (e) Income taxes (continued)

is recognized in other comprehensive income or equity and not in the statement of loss and comprehensive loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### *Deferred income tax*

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

#### (g) Share-based payments

The grant date fair value of share-based payment awards granted to employees is recognized as 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 do 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, unless 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.

#### (h) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (i) 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, basic and diluted loss per share is the same as the exercise of stock options and share purchase warrants is considered to be anti-dilutive.

## **OCUMETICS TECHNOLOGY CORP.**

Notes to the Interim Financial Statements  
For the Three Months Ended March 31, 2022 and April 30, 2021  
(Expressed in Canadian dollars)

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### **3. Significant Accounting Policies (continued)**

#### **(j) Leases**

The Company has adopted all of the requirements of IFRS 16 *Leases* (“IFRS 16”) as of August 1, 2019. This standard sets out a new model for lease accounting. The main provision of IFRS 16 is the recognition of lease assets and lease liabilities on the balance sheet by lessees for those leases that were previously classified as operating leases. Under IFRS 16, a lessee is required to do the following: (i) recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, on the balance sheet; and (ii) recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant, as the right-of-use asset is depreciated, and the lease liability is accreted using the effective interest method. The new standard also requires qualitative disclosures along with specific quantitative disclosures.

The Company adopted IFRS 16 using the modified retrospective approach and did not restate comparative amounts for the year prior to first adoption. The Company has elected not to recognize right-of-use assets and lease liabilities for short-term lease that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases are expensed on a straight-line basis over the lease term.

During the periods presented, the Company did not have any short-term leases.

#### **(k) Accounting standards issued but not yet effective**

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2022, and have not been early adopted in preparing these interim financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company’s financial statements.

### **4. Reverse Take-Over**

On August 27, 2021, the Company and Ocumetics completed the Transaction, which constituted an RTO. The RTO was completed by way of a share exchange between 100% of the shareholders of Ocumetics and the Company. Each outstanding common share and preferred share of Ocumetics was exchanged for three shares of the Company resulting in the issuance of 80,918,496 common shares. In addition, each of 711,416 share purchase warrants, that were convertible into an Ocumetics common share, were exchanged for three common share purchase warrants of the Company, resulting in the issuance of 2,134,248 Common Share purchase warrants. As the common shares and share purchase warrants of Ocumetics were exchanged on a three-for-one basis with the Company, historical share information of Ocumetics has been adjusted accordingly throughout these financial statements, unless noted otherwise.

The Transaction resulted in Ocumetics obtaining control of the combined entity by obtaining control of governance and management decision-making processes, and the resulting authority to govern the financial and operating policies of the combined entity. The Transaction has been accounted for as a reverse acquisition transaction in accordance with IFRS 2, *Share-based Payments*. The Company did not meet the definition of a business in accordance with IFRS 3, *Business Combinations*, as such, the Transaction does not constitute a business combination.

For accounting purposes, Ocumetics is treated as the accounting parent (legal subsidiary) and the Company as the accounting subsidiary (legal parent). The fair value of the consideration paid by Ocumetics, net of transaction costs, less the fair value of net assets of the Company acquired by Ocumetics, constitutes non-cash listing expense and has been recorded in the statement of loss and comprehensive loss. These financial statements reflect the assets, liabilities and operations of Ocumetics since its incorporation and of the Company from August 27, 2021.

## OCUMETICS TECHNOLOGY CORP.

Notes to the Interim Financial Statements

For the Three Months Ended March 31, 2022 and April 30, 2021

(Expressed in Canadian dollars)

### 4. Reverse Take-Over (continued)

The Transaction was measured at the fair value of the shares that Ocumetics would have had to issue to the shareholders of the Company, being 5,540,000 common shares, to give the shareholders of the Company the same percentage of equity interest in the combined entity that results from the reverse acquisition had it taken the legal form of Ocumetics acquiring the Company.

	August 27, 2021
	\$
Consideration paid on RTO:	
5,540,000 common shares	692,500
Fair value of 375,000 options deemed issued upon completion of RTO	26,971
<b>Total consideration</b>	<b>719,471</b>
Less fair value of net assets acquired:	
Cash	154,710
Prepaid expenses	4,400
Amounts receivable	1,230
Accounts payable	(10,894)
<b>Net identifiable assets acquired</b>	<b>149,446</b>
<b>Non-cash listing expense</b>	<b>570,025</b>

### 5. Intangible Assets

On April 12, 2012, Ocumetics entered into an Amended and Restated License Agreement (“License Agreement”) with Ventura Holding Ltd. (“Ventura”), a related party with certain common shareholders (Note 6), for the worldwide and exclusive right to utilize novel technologies, comprising intuitive suspension systems for accommodating and fixed focus lenses and related patents and improvements (the “Intellectual Property”). The License Agreement set out the consideration as follows:

- an initial lump sum payment of \$500,000 which amount shall be paid within 12 months from the achievement of commercialization. Under the License Agreement, commercialization is achieved when Ocumetics has sold at least 1,000 units per month to paying third-party customers for at least nine consecutive months, or at least 6,000 units, in the aggregate, over a nine-month period. (Note 6);
- 1,900,000 Class A Voting common shares of Ocumetics (5,700,000 post-RTO) plus accumulated legal fees and other fees and expenses relating to the development, registration and maintenance of the Intellectual Property prior to April 12, 2012;
- from time to time as accrued by Ventura, the total amount of all accumulated legal fees and other fees and expenses of relating to the development, registration and maintenance of any Intellectual Property; and
- an annual royalty of 1% of the Ocumetics net income derived from the rights granted under the License Agreement to the Intellectual Property, calculated based on the fiscal year of Ocumetics and payable within two months after the end of each fiscal year in immediately available funds.

On January 28, 2021, Ocumetics purchased the Intellectual Property from Ventura pursuant to the Amended and Restated Intellectual Property Transfer Agreement between Ventura and Ocumetics dated January 28, 2021 (the “IP Transfer Agreement”) for a purchase price of \$500,000 that was paid through the issuance of a non-interest-bearing promissory note secured against the Intellectual Property (the “Promissory Note”) repayable 12 months after the achievement of commercialization. Under the Promissory Note, commercialization is achieved when Ocumetics has sold at least 1,000 units per month to paying third-party customers for at least nine consecutive months, or at least 6,000 units, in the aggregate, over a nine-month period. Upon the occurrence of an event of default under the Promissory Note, the Principal Amount shall be immediately due and payable in full and Ventura shall be entitled to enforce its security. Ocumetics and Ventura also entered into royalty agreement for

## OCUMETICS TECHNOLOGY CORP.

Notes to the Interim Financial Statements

For the Three Months Ended March 31, 2022 and April 30, 2021

(Expressed in Canadian dollars)

### 5. Intangible assets (continued)

the payment to Ventura of royalties of 2% of net sales derived from the Intellectual Property (the "Royalty Agreement"). The License Agreement was terminated upon the transfer of the Intellectual Property under the IP Transfer Agreement. The \$500,000 that was due under the License Agreement was replaced by the Promissory Note and the 1% royalty that was due under the License Agreement was replaced by the 2% royalty payable under the Royalty Agreement.

The following is a continuity schedule of intangible assets:

	Intellectual Property \$
<b>Cost:</b>	
Balance, July 31, 2021	1,163,943
Additions	46,299
Balance, December 31, 2021	1,210,242
Additions	4,193
Balance, March 31, 2022	1,214,435
<b>Accumulated amortization:</b>	
Balance, July 31, 2021	541,757
Additions	40,074
Balance, December 31, 2021	581,831
Additions	24,998
Balance, March 31, 2022	606,829
<b>Net book value:</b>	
Balance, July 31, 2021	622,186
Balance, December 31, 2021	628,411
Balance, March 31, 2022	607,606

### 6. Related Party Transactions and Balances

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

#### Key management compensation

The Company has identified its directors and certain senior officers of the Company, who have the authority and responsibility for planning, directing and controlling the activities of the Company, as key management personnel. All related party transactions were measured at the amount of consideration established and agreed to by the related parties.

For the three months ended	March 31, 2022 \$	April 30, 2021 \$
Consulting fees, Chief Executive Officer	18,000	-
Consulting fees, Chief Scientific Officer	18,000	-
Consulting fees, Chief Financial Officer	29,790	-
Consulting fees, Chief Medical Officer	37,975	-
Consulting fees, Director	21,000	-
Professional fees	-	25,015
Share-based compensation	145,361	-
	270,126	25,015

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### 6. Related Party Transactions and Balances (continued)

In addition to the transactions above, the Company incurred legal fees in the amount of \$6,507 for the three months ended March 31, 2022 (three months ended April 30, 2021 - \$Nil) with a legal firm, one of whose partners is the spouse of the CFO of the Company.

#### Summary of related party balances:

All related party transactions were measured at the amount of consideration established and agreed to by the related parties. Other than the promissory note (Note 5), all amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

	March 31, 2022	December 31, 2021
	\$	\$
Due to Ventura (Note 5)	576,754	588,754
Due to Chief Scientific Officer *	12,600	-
Due to Chief Financial Officer *	9,206	22,246
Due to a Director *	22,050	-
Due to Chief Medical Officer *	-	37,867
	620,610	648,867

\* Included in accounts payable and accrued liabilities.

As at March 31, 2022, apart from the balance stated above, \$5,430 (December 31, 2021 - \$26,368) is payable to a legal firm, one of whose partners is the spouse of the Chief Financial Officer of the Company. This amount is included in accounts payable and accrued liabilities.

As at March 31, 2022, \$500,000 of the amount due to Ventura has been presented as non-current (December 31, 2021 - \$500,000) as management does not expect the liability will be settled within 12 months after the reporting period.

### 7. Share Capital

#### (a) Authorized Share Capital

At March 31, 2022, the Company had the following authorized capital:

- Unlimited number of voting common shares

#### (b) Issued Share Capital

During the year ended July 31, 2021, Ocumetics issued the following shares:

- On September 25, 2020, Ocumetics issued 1,768,500 units (589,500 pre-RTO) at a price of \$0.092 per unit (\$0.275 pre-RTO) for proceeds of \$162,112. Each unit consisted of one common share of Ocumetics and one-half of one warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of \$0.092 (\$0.275 pre-RTO) for a period of two years. There was no value allocated to the warrants based on the residual method.
- On January 7, 2021, Ocumetics issued 2,499,996 units (833,332 pre-RTO) at a price of \$0.10 per unit (\$0.30 pre-RTO) for proceeds of \$250,000. Each unit consisted of one common share of Ocumetics and one-half of one warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of \$0.20 (\$0.60 pre-RTO) for a period of 18 months. There was no value allocated to the warrants based on the residual method.

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### 7. Share Capital (continued)

#### (b) Issued Share Capital (continued)

During the five month period ended December 31, 2021, Ocumetics issued the following shares:

- (iii) On August 27, 2021, concurrent with the RTO transaction, the Company completed a private placement of an aggregate of 21,604,800 common shares at a price of \$0.125 per share for total gross proceeds of \$2,700,600 and issued 200,000 common shares to Haywood Securities Inc. in exchange for its services as the sponsor. The Company paid finders fees consisting of cash commissions of \$36,750 and warrants to purchase 294,000 common shares of the Company at a price of \$0.125 per common share for 24 months.
- (iv) During the period ended December 31, 2021, 250,000 stock options were exercised at a price of \$0.10 for proceeds of \$25,000.

During the three month period ended March 31, 2022, Ocumetics issued the following shares:

- (v) During the period ended March 31, 2022, 250,000 stock options were exercised at a price of \$0.125 for proceeds of \$31,250.

#### (c) Escrowed

The Company is subject to the Exchange escrow requirements. In conjunction with completion of the RTO on August 27, 2021, the Company had the following securities escrowed and released:

Description	Officers and directors	Seed share restrictions	Quantum shares	Total shares escrowed
Escrowed August 27, 2021	56,250,000	17,400,000	2,500,000	76,150,000
Released August 27/31, 2021	(5,625,000)	(1,740,003)	(625,000)	(7,990,003)
Balance, December 31, 2021	50,625,000	15,659,997	1,875,000	68,159,997
Released Feb 27/28, 2022	(8,437,500)	(2,610,003)	(625,000)	(11,672,503)
Balance, March 31, 2022	42,187,500	13,049,994	1,250,000)	56,487,494

The escrowed officer, director and seed shares are releasable from escrow as follows:

- 10% - upon receipt of Exchange Bulletin (released August 27, 2021 / August 31, 2021)
- 15% - February 27/February 28, 2022 (released)
- 15% - August 27/August 31, 2022
- 15% - February 27/February 28, 2023
- 15% - August 27/August 31, 2023
- 15% - February 27/February 29, 2024
- 15% - August 27/August 31, 2024

The escrowed Quantum shares are releasable from escrow as follows:

- 25% - upon receipt of Exchange Bulletin (released August 27, 2021)
- 25% - February 27, 2022 (released)
- 25% - August 27, 2022
- 25% - February 27, 2023

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### 7. Share Capital (continued)

#### (d) Warrants

A continuity schedule of share purchase warrants outstanding is as follows:

	Number	Weighted Average Exercise Price (\$)
Balance, July 31, 2021	2,134,248	0.155
Issued as finders fee	294,000	0.125
Balance, December 31, 2021	2,428,248	0.152
Balance, March 31, 2022	2,428,248	0.152

The Company calculated the fair value of the 294,000 share purchase warrants granted on August 27, 2021 using the Black-Scholes pricing model using the following assumptions:

	Five Months Ended December 31, 2021
Share-price	\$0.125
Risk-free interest rate	0.44%
Expected volatility	100%
Dividend yield	0%
Expected life of each warrant granted	2 years
Estimated forfeiture rate	0%
Fair value per warrant	\$0.07

The fair value of the 294,000 share purchase warrants granted on August 27, 2021 was \$19,206.

As of March 31, 2022, the Company had share purchase warrants outstanding and exercisable to acquire common shares of the Company as follows:

Expiry Date	Number	Weighted Average Exercise Price \$	Weighted Average Remaining Life (Years)
July 7, 2022	1,249,998	0.200	0.27
September 25, 2022	884,250	0.092	0.49
August 27, 2023	294,000	0.125	1.27
	2,428,248	0.152	0.47

#### (e) Options

The Company has adopted an incentive stock option plan in accordance with the policies of the Exchange (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Company non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares. The Stock Option Plan provides that options shall be exercisable for the duration set out in the individual option agreements, which in no event shall exceed ten (10) years from the date such options are granted. In addition, the number of common shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding common shares. The Board of Directors determines the price per common share and the number of common

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### 7. Share Capital (continued)

#### (e) Options (continued)

shares which may be allocated to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of the Exchange.

A continuity schedule of share purchase options outstanding is as follows:

Description	Number of Options	Weighted Average Exercise Price \$
Balance, July 31, 2021	-	-
Quantum options on RTO (Note 4)	375,000	0.100
Granted	9,412,117	0.152
Exercised	(250,000)	0.100
Balance, December 31, 2021	9,537,117	0.152
Exercised	(250,000)	0.125
Balance, March 31, 2022	9,287,117	0.152
Exercisable, March 31, 2022	1,399,370	0.123

As at March 31, 2022, the Company had the following outstanding share purchase options.

Number of Options Outstanding	Number of Options Exercisable	Weighted Average Exercise Price (\$)	Expiry date
125,000	125,000	0.100	August 29, 2023
8,620,800	1,274,370	0.125	August 27, 2026
541,317	-	0.600	November 24, 2026
9,287,117	1,399,370	0.152	

On August 29, 2018, Quantum issued 375,000 incentive stock options under its stock option plan to directors and officers of Quantum. The options, which vested immediately, may be exercised at a price of \$0.10 per common share for a period of five years from the date of the agreement. On August 27, 2021, the Company was deemed to issue these options for accounting purposes and recognized the estimated fair value of \$26,971 on that date as consideration upon completion of the RTO (Note 4).

On August 27, 2021, the Company issued 8,870,800 incentive stock options to directors, officers and consultants pursuant to the terms of the stock option plan of the Company. Each option entitles the holder thereof to purchase one common share in the capital of the Company, at an exercise price per common share of \$0.125 for a period of five years. 125,000 of the stock options vested immediately, 250,000 will vest 50% in 6 months and 50% in 12 months, and the balance will vest over a period of three years, with 15% of the options vesting 6 months after the date of issuance, another 15% vesting after 12 months, another 35% after 24 months and the remaining 35% after 36 months.

The Company estimated the fair value of the 8,870,800 incentive stock options granted on August 27, 2021 using the Black-Scholes pricing model using the following assumptions:

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### 7. Share Capital (continued)

#### (e) Options (continued)

	Five Months Ended December 31, 2021
Share-price	\$0.125
Risk-free interest rate	0.85%
Expected volatility	99%
Dividend yield	0%
Expected life of each warrant granted	5 years
Estimated forfeiture rate	0%
Estimated fair value per option	\$0.09

On November 24, 2021, the Company issued 541,347 incentive stock options to directors, officers and consultants pursuant to the terms of the stock option plan of the Company. Each option entitles the holder thereof to purchase one common share in the capital of the Company, at an exercise price per common share of \$0.60 for a period of five years. The stock options will vest over a period of three years, with 15% of the options vesting 6 months after the date of issuance, another 15% vesting after 12 months, another 35% after 24 months and the remaining 35% after 36 months.

The Company estimated the fair value of the 541,347 incentive stock options granted on November 24, 2021 using the Black-Scholes pricing model using the following assumptions:

	Five Months Ended December 31, 2021
Share-price	\$0.60
Risk-free interest rate	1.55%
Expected volatility	99%
Dividend yield	0%
Expected life of each warrant granted	5 years
Estimated forfeiture rate	0%
Fair value per warrant	\$0.45

The Company recognized \$145,361 of stock-based compensation expense during the three months ended March 31, 2022 (three months ended April 30, 2021 - \$Nil).

At March 31, 2022, the weighted average remaining contractual life of the outstanding options is 4.38 years (December 31, 2021 – 4.67 years).

### 8. Capital Management

The capital structure of the Company consists of all components of shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to provide an adequate return to shareholders, to meet external capital requirements on the Company's debt and credit facilities and preserve financial flexibility in order to benefit from potential opportunities that may arise.

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 share 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 December 31, 2021.

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### 9. Financial Instruments and Risk Management

#### Fair values and classification

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

- i. Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- ii. Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- iii. Level 3 – Unobservable inputs that are supported by little or no market activity, therefore requiring an entity to develop its own assumptions about the assumption that market participants would use in pricing.

The Company's financial instruments consist of cash and cash equivalents, accounts payable and due to related parties. The fair values of accounts payable and due to related parties approximates their carrying values due to the relatively short-term maturity of these instruments. Cash and cash equivalents is measured at fair value on a recurring basis using level 1 inputs. The following table summarizes the carrying values of the Company's financial instruments as at March 31, 2022 and December 31, 2021:

	March 31, 2022	December 31, 2021
	\$	\$
FVTPL (i)	1,467,742	1,843,116
Amortized cost (ii)	716,813	761,226

(i) Cash and cash equivalents

(ii) Accounts payable and due to related parties

#### Financial instrument risk exposure

The Company's financial instruments are exposed to certain financial risks, including credit risk, currency risk, interest risk and liquidity risk.

##### (a) Credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk. The Company's maximum credit risk is equal to the carrying value of cash and cash equivalents at March 31, 2022 and April 30, 2021.

##### (b) Currency risk

The Company's assets, liabilities, and expenses are denominated primarily in Canadian dollars. The Company's corporate office is based in Canada and current exposure to rate fluctuations is minimal. The Company does not have significant foreign currency denominated monetary liabilities.

##### (c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages its interest rate risk by maximizing the interest earned on excess funds while maintaining the liquidity necessary to fund daily operations. The Company is not exposed to significant interest rate risk.

## OCUMETICS TECHNOLOGY CORP.

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### 9. Financial Instruments and Risk Management (continued)

#### (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 currently settles its financial obligations out of cash and cash equivalents. The ability to do this relies on the Company raising debt or equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's accounts payable, and due to related parties have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

### 10. Income Taxes

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

	Five Months Ended December 31, 2021	Year Ended July 31, 2021
	\$	\$
Net loss before income taxes	(1,464,500)	(646,620)
Canadian statutory income tax rate	27.00%	27.00%
Expected income tax recovery at statutory rate	(395,415)	(174,474)
Tax effect of:		
Permanent differences and others	201,886	-
Change in unrecognized deferred income tax assets	193,529	174,474
Income tax recovery	-	-

The significant components of deferred income tax assets and liabilities are as follows:

	December 31, 2021	July 31, 2021
	\$	\$
Deferred income tax assets:		
Non-capital losses carried forward	427,751	247,311
Intangible assets	157,095	146,274
Share issuance costs	7,668	5,400
Total gross deferred income tax assets	592,514	398,985
Unrecognized deferred income tax assets	(592,514)	(398,985)
Net deferred income tax assets	-	-

At December 31, 2021, the Company had, for Canadian tax purposes, non-capital losses aggregating approximately \$1,584,000. These losses are available to reduce taxable income earned by the Canadian operations of future years and expire between 2033 and 2041.