

RMR SCIENCE TECHNOLOGIES INC.

Condensed interim Financial Statements

For the nine months ended June 30, 2020 and 2019

**(Unaudited – prepared by management)
(Expressed in Canadian Dollars)**

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

	<i>Notes</i>	June 30, 2020	September 30, 2019
		\$	\$
ASSETS			
Current			
Cash	4	123,695	133,757
GST receivable		1,183	3,349
Prepaid expenses	13	35,711	32,071
Total assets		160,589	169,177
LIABILITIES AND SHAREHOLDERS' EQUITY			
Accounts payable and accrued liabilities	5	184,137	161,116
SHAREHOLDERS' EQUITY			
Equity attributable to shareholders			
Share capital	6	537,236	519,848
Reserves	7/8	52,445	69,833
Deficit		(613,229)	(581,620)
Total shareholders' equity		(23,548)	8,061
Total liabilities and shareholders' equity		160,589	169,177

Nature of operations – Note 1
Proposed transaction – Note 12

Approved on behalf of the Board:

/s/ Robin Hutchison

Director

/s/ Ron Erickson

Director

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

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

	<i>Notes</i>	Nine Months Ended		Three Months Ended	
		June 30,		June 30,	
		2020	2019	2020	2019
		\$	\$		
General and administrative expenses					
Bank service charges		245	850	170	252
Foreign exchange		-	48	-	-
Marketing and promotion		-	1,412	-	1,412
Professional fees		23,093	175,180	-	14,251
Transfer agent, listing and filing fees		8,271	11,978	3,114	7,213
Net loss and comprehensive loss for the period		31,609	189,468	3,284	23,128
Basic and diluted loss per common share		0.01	0.04	-	-
Weighted average number of common shares outstanding		5,135,775	5,135,775	5,135,775	5,135,775

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

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

	Common Shares		Option Reserve	Deficit	Total Shareholders' Equity
	Number of Shares	Amount			
		\$	\$	\$	\$
Balance, September 30, 2018	7,735,775	519,848	69,833	(281,828)	307,853
Net loss for the period	-	-	-	(189,468)	(189,468)
Balance, June 30, 2019	7,735,775	519,848	69,833	(471,296)	118,385
Net loss for the period	-	-	-	(110,324)	(110,324)
Balance, September 30, 2019	7,735,775	519,848	69,833	(581,620)	8,061
Fair value of agent's options expired	-	17,388	(17,388)	-	-
Net loss for the period	-	-	-	(31,609)	(31,609)
Balance, June 30, 2020	7,735,775	537,236	52,445	(613,229)	(23,548)

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

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

	Nine Months Ended	
	June 30,	
	2020	2019
	\$	\$
Cash provided by (used in):		
Operating activities:		
Net loss for the period	(31,609)	(189,468)
Changes in non-cash working capital:		
Prepaid expenses	(3,640)	(48,124)
Accounts receivable	2,166	-
Accounts payable and accrued liabilities	23,021	(23,727)
	(10,062)	(261,319)
Net change in cash and cash equivalents	(10,062)	(261,319)
Cash and cash equivalents, beginning of period	133,757	408,647
Cash and cash equivalents, end of period	123,695	147,328

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

RMR Science Technologies Inc.
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended June 30, 2020
(Unaudited – prepared by management)
(Expressed in Canadian Dollars)

1. Nature of operations

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

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

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

On April 14, 2018, the Company signed a letter of intent (“LOI”) with cannÖgen Biosciences, Inc. (“cannÖgen”), a privately held corporation existing under the laws of the state of Nevada, with respect to a proposed business combination between the Company and cannÖgen (the “Qualifying Transaction”) by way of an amalgamation, arrangement, share purchase or other similar form of transaction which will result in cannÖgen becoming a wholly-owned subsidiary of the Company, or otherwise combining its corporate existence with that of the Company. As consideration, the Company will issue and deliver up to 7,500,000 class “A” common shares (“Common Shares”) of the Company. The final structure of the Transaction is subject to receipt of tax, corporate and securities laws advice for both the Company and cannÖgen. Upon completion of the Qualifying Transaction, the combined entity will continue to carry on the business of cannÖgen. During the period from October 17, 2017 (date of incorporation) to September 30, 2018, the Company advanced \$25,000 to cannÖgen as a non-refundable deposit to assist Qualifying Transaction costs.

On March 15, 2018, the Company completed its initial public offering of 5,000,000 class “A” common shares (“Common Shares”) at a price of \$0.10 per Common Share for gross proceeds of \$500,000.

On September 12, 2018, the Company announced that it engaged Canaccord Genuity Corp. (“Canaccord”) as lead agent and sole bookrunner in connection with a commercially reasonable private placement of up to 10,000,000 subscription receipts (the “Subscription Receipts”) at a price of \$0.50 per Subscription Receipt (the “Issue Price”) to raise gross proceeds of a minimum of \$3,000,000 up to a maximum of \$5,000,000 (the “Offering”). Upon completion of the Qualifying Transaction, each Subscription Receipt will automatically convert without any further action on the part of the holder into one Common Share and on-half Common Share purchase warrant (each a “Warrant”). Each Warrant shall entitle the holder to acquire one Common share at an exercise price of \$0.75 per Common Share for a period of two years from the date of issuance. The Warrants shall also contain an accelerated expiry provision wherein if the Common Shares trade over \$1.00 on the TSXV for a period of ten consecutive trading days, the Company may provide written notice to the holder that the Warrant shall expire 30 days from the date of that notice. The agents for the Offering will receive a cash commission equal to 7.0% of the gross proceeds raised and such number of broker warrants (“Broker Warrants”) that is equal to 7.0% of the number of Subscription Receipts sold by such broker. Each Broker Warrant shall be exercisable to acquire one Common Share at a price of \$0.50 for a period of two years from the date of issuance. The Subscription Receipts will be issued in accordance with the terms of a subscription receipt indenture that will provide that the gross proceeds for the Offering will be held in escrow pending completion of the Qualifying Transaction. During the period from October 17, 2017 (date of incorporation) to September 30, 2018, the Company advanced \$25,000 to cannÖgen Biosciences Inc. (“cannÖgen”) as a non-refundable deposit to assist with Qualifying Transaction costs.

RMR Science Technologies Inc.
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended June 30, 2020
(Unaudited – prepared by management)
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1. Nature of operations (continued)

On May 30, 2019, the Company received conditional approval from the TSXV for its Qualifying Transaction and entered a definitive agreement with cannÖgen (the “Definitive Agreement”) and the holders (“cannÖgen Shareholders”) of cannÖgen common shares (“cannÖgen Shares”). Pursuant to the Definitive Agreement, RMR will acquire all of the outstanding cannÖgen Shares from the cannÖgen Shareholders in exchange for issuing an aggregate of 7,500,000 Common Shares to the cannÖgen Shareholders on the basis of one Common Share for every one cannÖgen Share. The Definitive Agreement contains such covenants, conditions and indemnities as are customary in a transaction of this nature and having regard to the business of RMR and cannÖgen including, without limitation, receipt of all applicable regulatory approvals and completion of RMR’s previously announced private placement. In connection with this proposed transaction, the Company incurred \$41,053 (2018 - \$25,000) in transaction costs.

The Company’s continuing operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an interest in properties, assets or businesses. Such an acquisition will be subject to regulatory approval and may be subject to shareholder approval. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

2. Basis of presentation

(a) Statement of compliance

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

These condensed interim financial statements were authorized for issue by the Board of Directors on August 28, 2020.

(b) Basis of measurement

These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss (“FVTPL”), which are stated at their fair values. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

RMR Science Technologies Inc.
Notes to the Condensed Interim Financial Statements
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2. Basis of presentation (continued)

- (c) Functional and presentation currency

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

3. Summary of significant accounting policies

These condensed interim financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and in accordance with the International Accounting Standards (“IAS”) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). The accounting policies and methods of computation applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company’s annual financial statements as at and for the year ended September 30, 2019.

4. Cash

The Company’s cash is comprised of cash of \$123,695 (September 30, 2019: \$133,757).

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are comprised of:

	June 30, 2020	September 30, 2019
	\$	\$
Accounts payable	184,137	160,931
Accrued liabilities	-	185
	184,137	161,116

6. Share capital

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

- (b) Issued and outstanding:

As at June 30, 2020, the Company has 7,735,775 common shares outstanding, 2,600,000 of which will be held in escrow and contingently cancellable.

There were no share issuances during the nine-month period ended June 30, 2020.

7. Stock options

On January 4, 2018, the Company adopted an incentive stock option plan (the “Option Plan”) which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX-V

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7. Stock options (continued)

requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

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

On March 15, 2018, the Company granted 760,000 stock options to officers and directors exercisable at a price of \$0.10 per share expiring five years from the date of grant. The fair value of the stock options granted was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk free interest rate of 2.06%; expected dividend rate of 0%; expected volatility of 88%; expected life of five years; and forfeiture rate of 0%. The fair value of the options was calculated at \$52,445, which was recognized during the period from October 17, 2017 (date of incorporation) to September 30, 2018 as share-based payment expense.

The options outstanding and exercisable at June 30, 2020 and September 30, 2019 are as follows:

Number	Weighted Average	Weighted Average
Outstanding and Exercisable	Exercise Price (\$)	Remaining Contractual
		(Years)
760,000	0.10	2.71

8. Agent's Options

On March 15, 2018, the Company granted 500,000 non-transferable Agent's Options. Fair value of the Agent's options granted was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk free interest rate of 2.06%; expected dividend rate of 0%; expected volatility of 88%; expected life of two years; and forfeiture rate of 0%. The fair value of the options was calculated at \$23,805, which was recognized as Agent's Option Reserve.

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8. Agent's Options (continued)

The Agent's Options outstanding and exercisable at June 30, 2020 and September 30, 2019 are as follows:

	Quantity	Weighted Average Exercise Price (\$)	Weighted Average Remaining Contractual (Years) (\$)
Balance, October 17, 2017	-	-	-
Issued, March 15, 2018	500,000	0.10	0.46
Exercised, April 6, 2018	(135,775)	0.10	-
Balance, September 30, 2018 and 2019	364,225	0.10	0.46
Expired	(364,225)	0.10	-
Balance, June 30, 2020	-	-	-

9. Related party transactions

Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and directors. During the nine months ended June 30, 2020 and during the year ended September 30, 2019, there was no compensation paid to key management.

Included in accounts payable is \$28 due to officers and directors of the Company. These accounts are unsecured, non-interest bearing and due on demand.

10. Financial instruments and risk management

As at June 30, 2020, the Company's financial instruments comprise cash and accounts payable and accrued liabilities. The fair value of cash, accounts payable and accrued liabilities approximate its carrying value due to its short-term to maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

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

As at June 30, 2020, the fair value of cash held by the Company was classified as Level 1 of the fair value hierarchy.

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

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash. The Company limits exposure

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10. Financial instruments and risk management (continued)

to credit risk by maintaining its cash with large financial institutions. The Company does not have cash that is invested in asset-backed commercial paper.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and the Company's holdings of cash. The Company believes that further funding will be required to meet current and long-term requirements. As at June 30, 2020, the Company had a cash balance of \$123,695 (September 30, 2019: \$133,757) to settle current liabilities of \$184,137 (September 30, 2019: \$161,116). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and subject to normal trade terms.

Market risk

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

i. Interest rate risk

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

ii. Foreign currency risk

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

iii. Equity price risk

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

11. Capital management

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

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11. Capital management (continued)

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

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

12. Proposed Transaction

On May 30, 2019, the Company received conditional approval from the TSXV for its Qualifying Transaction and entered a definitive agreement with cannÖgen (the "Definitive Agreement") and the holders ("cannÖgen Shareholders") of cannÖgen common shares ("cannÖgen Shares"). Pursuant to the Definitive Agreement, RMR will acquire all of the outstanding cannÖgen Shares from the cannÖgen Shareholders in exchange for issuing an aggregate of 7,500,000 Common Shares to the cannÖgen Shareholders on the basis of one Common Share for every one cannÖgen Share. The Definitive Agreement contains such covenants, conditions and indemnities as are customary in a transaction of this nature and having regard to the business of RMR and cannÖgen including, without limitation, receipt of all applicable regulatory approvals and completion of RMR's private placement.

Prior to the completion of the Transaction, the Company will complete a brokered private placement of 10,000,000 subscription receipts ("Subscription Receipts") at a price of \$0.50 per Subscription Receipt, for aggregate gross

proceeds of \$5,000,000 (the "Offering"). Upon completion of the Qualifying Transaction, each Subscription Receipt will automatically convert without any further action on the part of the holder into one Common Share of the Company and one half of one Common Share purchase warrant of the Company. Each whole Common Share purchase warrant ("Warrant") will entitle the holder to acquire one Common Share at an exercise price of \$0.75 per Common Share for a period of two years from the date of issuance. The Warrants will also contain an accelerated expiry provision wherein if the Common Shares of the Company trade over \$1.00 on the TSXV, or on another recognized exchange, for a period of ten consecutive trading days, the Company may provide written notice to the holder that the Warrant will expire 30 days from the date of that notice. Subject to the terms of an agency agreement to be entered into in connection with the Offering, the agents for the Offering are expected to receive a cash commission equal to 7% of the gross proceeds raised by such agents and such number of broker warrants ("Broker Warrants"), that is equal to 7% of the number of Subscription Receipts sold by such broker. Each Broker Warrant will be exercisable to acquire one Common Share at a price of \$0.50 for a period of two years from the date of issuance. As at the year ended September 30, 2019, In connection with the Offering, the Company paid \$32,071 in deferred financing costs.

Upon completion of the Qualifying Transaction, it is the intention of the parties that the Resulting Issuer will continue to focus on the current business and affairs of cannÖgen and will be an industrial or Technology or Life Sciences Issuer listed on the TSXV.