

**QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.**

**FILING STATEMENT**

**Dated July 23, 2021**

**PROPOSED QUALIFYING TRANSACTION WITH  
OCUMETICS TECHNOLOGY INC.  
(FORMERLY OCUMETICS TECHNOLOGY CORP.)**

*Neither the TSX Venture Exchange Inc. nor any securities regulatory authority has in any way passed upon the merits of the Qualifying Transaction described in this Filing Statement.*

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## GLOSSARY OF GENERAL TERMS

*In this Filing Statement, the following terms shall have the meaning ascribed thereto as set out below:*

“Affiliate” means a corporation that is affiliated with another corporation as follows:

- (a) a corporation is an “Affiliate” of another corporation if:
  - (i) one of them is the subsidiary of the other; or
  - (ii) each of them is controlled by the same Person.
- (b) a corporation is “controlled” by a Person if:
  - (i) voting securities of a corporation are held, other than by way of security only, by or for the benefit of that Person; and
  - (ii) the voting securities, if voted, entitle the Person to elect a majority of the directors of the corporation.
- (c) a Person beneficially owns securities that are beneficially owned by:
  - (i) a corporation controlled by that Person; or
  - (ii) an Affiliate of that Person or an Affiliate of any corporation controlled by that Person.

“Amalco” means the amalgamated corporation following the Amalgamation.

“Amalgamation” means the amalgamation of Ocumetics and Quantum SubCo pursuant to the Amalgamation Agreement and in accordance with the *Business Corporations Act* (Alberta), and the issuance of securities of the Resulting Issuer by Quantum.

“Amalgamation Agreement” means the Amended and Restated Amalgamation Agreement dated April 15, 2021, as amended, which amends and restates the Amalgamation Agreement dated February 26, 2021, entered into by Quantum, Quantum SubCo and Ocumetics, pursuant to which Quantum SubCo and Ocumetics will amalgamate and Quantum will issue securities of the Resulting Issuer to the holders of all of the issued and outstanding securities of Ocumetics upon completion of the Amalgamation.

“Associate” when used to indicate a relationship with a Person, means:

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

but

- (e) where the Exchange determines that two individuals shall, or shall not, be deemed to be Associates with respect to a Member firm, Member corporation or holding corporation of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D.1.00 of the Exchange Rule Book and Policies with respect to that Member firm, Member corporation or holding Corporation.

“Control Person” means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

“CPC” means a corporation:

- (a) that has filed and obtained a receipt for a CPC prospectus from one or more securities commissions in compliance with the CPC Policy; and
- (b) in regard to which a Final Exchange Bulletin has not yet been issued.

“CPC Escrow Agreement” means an escrow agreement dated March 10, 2021 among Quantum, Alliance Trust Company and the founding shareholders of Quantum, in the form of Exchange Form 2F – *CPC Escrow Agreement adopted by the TSXV on January 1, 2021*, which amends, supersedes and replaces the escrow agreement dated June 15, 2018 among Quantum, Alliance Trust Company and the founding shareholders of Quantum.

“CPC Policy” means Policy 2.4 of the Exchange Corporate Finance Manual entitled “*Capital Pool Companies*” as amended January 1, 2021.

“Escrow Agent” means Alliance Trust Company.

“Exchange” or “TSXV” means the TSX Venture Exchange.

“Exchange Requirements” means and includes the articles, by-laws, policies, circulars, rules, guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of a Regulation Service Provider or the Exchange (including those of any committee of the Exchange as appointed from time to time), the *Securities Act* (Alberta) and rules and regulations thereunder as amended, the *Securities Act* (British Columbia) and rules and regulations thereunder as amended, the *Securities Act* (Ontario) and rules and regulations thereunder as amended, and any policies, rules, orders, rulings, forms or regulations from time to time enacted by the Alberta Securities Commission, British Columbia Securities Commission or Ontario Securities Commission and all applicable provisions of the securities laws of any other jurisdiction.

“Filing Statement” means this filing statement of Quantum dated July 23, 2021, filed with the Exchange pursuant to the Exchange Requirements.

“Final Exchange Bulletin” means the bulletin issued by the TSXV following completion of a Qualifying Transaction and the submission of all required documentation which evidences the final Exchange acceptance of the Proposed Transaction.

“Initial Public Offering” or “IPO” means the offering of 3,000,000 Quantum Shares pursuant to the final prospectus of Quantum dated June 15, 2018.

“Insider” if used in relation to an issuer, means:

- (a) a director or senior officer of the issuer;
- (b) a director or senior officer of Quantum that is an Insider or subsidiary of the issuer;

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

“Member” means a Person who has executed the Members’ Agreement as set out in Rule A1.00 of the Exchange, as amended from time to time, and is accepted as and becomes a member of the Exchange under the Exchange Requirements.

“Non-Arm’s Length Qualifying Transaction” means a proposed Qualifying Transaction where the same party or parties or their respective Associates or Affiliates are Control Persons in both the CPC and in relation to the Significant Assets which are to be the subject of the proposed Qualifying Transaction.

“Option Plan” means the incentive stock option plan adopted by Quantum, which provides that the board of directors of Quantum may from time to time, in its discretion, and in accordance with the Exchange Requirements, grant to directors, officers, employees, and technical consultants to Quantum, non-transferable options to purchase Quantum Shares, provided that the number of Quantum Shares reserved for issuance will not exceed 10% of the issued and outstanding Quantum Shares.

“Person” means a corporation or an individual.

“Ocumetics” means Ocumetics Technology Inc., a corporation continued under the laws of the Province of Alberta.

“Ocumetics 1 Warrant” means a common share purchase warrant in the capital of Ocumetics, each of which entitles the holder thereof to purchase one Ocumetics Class A Share at a price of \$0.275 until September 25, 2022.

“Ocumetics 2 Warrant” means a common share purchase warrant in the capital of Ocumetics, each of which entitles the holder thereof to purchase one Ocumetics Class A Share at a price of \$0.60 until July 7, 2022.

“Ocumetics Share” means a fully paid and non-assessable share in the capital of Ocumetics regardless of class.

“Ocumetics Shareholder” means a holder of Ocumetics Shares.

“Ocumetics Warrant” means, collectively, the Ocumetics 1 Warrants and the Ocumetics 2 Warrants and “Ocumetics Warrant” means either an Ocumetics 1 Warrant or an Ocumetics 2 Warrant, as the context requires.

“Post-Transaction Amalgamation” means the amalgamation of Quantum and Amalco in accordance with Section 184 of the *Business Corporations Act* (Alberta).

“Private Placement” means the private placement by the Resulting Issuer of up to 21,604,800 Resulting Issuer Shares at a price of \$0.125 per share for total gross proceeds of up to \$ 2,700,600, which financing will close immediately after the completion of the Amalgamation.

“Proposed Transaction” means the proposed acquisition by Quantum of all of the issued and outstanding securities of Ocumetics, directly and indirectly, upon the terms and subject to the conditions set forth in the Amalgamation Agreement and as described herein, including the completion of the Amalgamation and completion of the Private Placement, such acquisition intended to constitute Quantum’s Qualifying Transaction.

“Qualifying Transaction” means a transaction where a CPC acquires Significant Assets, other than cash, by way of purchase, amalgamation, merger or arrangement with another corporation or by other means.

“Quantum” means Quantum Blockchain Technologies Ltd., a corporation formed under the laws of the Province of Alberta.

“Quantum Options” means incentive stock options granted to the directors and officers of Quantum pursuant to the Option Plan, each of which entitles the holder thereof to acquire one Quantum Share on or before August 29, 2023 at a price of \$0.10 per share.

“Quantum Shares” means common shares in the capital of Quantum.

“Quantum SubCo” means 2321205 Alberta Ltd., a corporation formed under the laws of the Province of Alberta, which is a wholly owned subsidiary of Quantum.

“Resulting Issuer” means Quantum (which shall then be named “Ocumetics Technology Corp.”) as it exists after completion of the Proposed Transaction.

“Resulting Issuer Share” means a common share in the capital of Quantum after giving effect to the Proposed Transaction.

“Resulting Issuer 1 Warrants” means share purchase warrants of Quantum issued under the Amalgamation in exchange for the Ocumetics 1 Warrants. Each Resulting Issuer Warrant entitles the holder thereof to purchase one Resulting Issuer Share at a price of \$0.092 per share until September 25, 2022.

“Resulting Issuer 2 Warrants” means share purchase warrants of Quantum issued under the Amalgamation in exchange for the Ocumetics 1 Warrants. Each Resulting Issuer Warrant entitles the holder thereof to purchase one Resulting Issuer Share at a price of \$0.20 per share until July 7, 2022.

“Resulting Issuer Warrants” means, collectively, the Resulting Issuer 1 Warrants and the Resulting Issuer 2 Warrants and “Resulting Issuer Warrant” means either a Resulting Issuer 1 Warrant or a Resulting Issuer 2 Warrant, as the context requires.

“Significant Assets” means one or more assets or businesses which, when purchased, optioned or otherwise acquired by the CPC, together with any other concurrent transactions, would result in the CPC meeting the minimum listing requirements of the Exchange.

“Sponsor” means Haywood Securities Inc.

“Value Security Escrow Agreement” means an agreement to be entered into concurrent with the completion of the Proposed Transaction between the Resulting Issuer and certain Insiders of the Resulting Issuer, which shall be in the form of Exchange Form 5D – *Escrow Agreement (Value Security Escrow)*.

“Ventura” means Ventura Holdings Ltd., a corporation formed under the laws of the Province of British Columbia, which is wholly-owned directly and indirectly by Dr. Garth Webb.

#### **CURRENCY**

Unless otherwise stated, all references to “dollars” or “\$” or other references to currency shall be references to dollars of the lawful currency of Canada.

## QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.

### SUMMARY OF FILING STATEMENT

*The following is a summary of information relating to Quantum, Ocumetics Technology Inc. and the Resulting Issuer (assuming completion of the Proposed Transaction) and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement.*

#### **Quantum Blockchain Technologies Ltd.**

Quantum is a CPC subject to Policy 2.4 and was formed under the *Business Corporations Act* (Alberta). To date, Quantum has not carried on any business other than to identify and evaluate corporations, businesses or assets for acquisition with a view to completing a Qualifying Transaction and to enter into the Amalgamation Agreement with Ocumetics pursuant to which Quantum SubCo will agree to amalgamate with Ocumetics to form Amalco. For a detailed description of Quantum, see Part II of this Filing Statement, “*Information Concerning Quantum*”.

#### **Ocumetics Technology Inc.**

Ocumetics is a privately held Canadian research and product development company that specializes in adaptive lens designs that was incorporated on April 12, 2012 under the *Business Corporations Act* (British Columbia) under the name “Isys Adaptive Optics Inc.” Ocumetics’ name was changed to “Ocumetics Technology Corp.” on November 13, 2014. Prior to the completion of the Amalgamation, Ocumetics will be continued under the *Business Corporations Act* (Alberta) under the name, “Ocumetics Technology Inc.” Ocumetics is not listed on any stock exchange and is not a reporting issuer in any jurisdiction. For a detailed description of Ocumetics, see Part III of this Filing Statement, “*Information Concerning Ocumetics*” and Part I, “*The Qualifying Transaction*”.

#### **Proposed Transaction**

Ocumetics and Quantum have agreed to the terms of the Proposed Transaction (see “*Glossary of General Terms*”) which includes an arm’s length amalgamation transaction (the “**Amalgamation**”), which Amalgamation is to be completed pursuant to the provisions of the *Business Corporations Act* (Alberta) and effected in accordance with the Amalgamation Agreement, a copy of which is attached as Appendix “D” to this Filing Statement. The parties have agreed to complete the Proposed Transaction on the terms set out in the Amalgamation Agreement. The Proposed Transaction is not a Non-Arm’s Length Transaction. Approval for the Proposed Transaction from the shareholders of Quantum is not required and will not be sought.

Following completion of the Proposed Transaction, Quantum and Amalco will amalgamate (the “**Post-Transaction Amalgamation**”) pursuant to the provisions of the *Business Corporations Act* (Alberta). The Post-Transaction Amalgamation may be approved by the directors of Quantum and Amalco under corporate law without shareholder approval.

In this Filing Statement, the term “**Resulting Issuer**” will be used to refer to Quantum after Quantum has completed the Proposed Transaction.

#### *Amalgamation*

The authorized capital of Quantum consists of an unlimited number of Quantum Shares without nominal or par value and an unlimited number of preferred shares, issuable in series, without nominal or par value. As of the date of this Filing Statement, 5,540,000 Quantum Shares were issued and outstanding as fully paid and non-assessable shares, 375,000 Quantum Shares had been reserved for issuance pursuant to the exercise of Quantum Options that have been granted to current Insiders of Quantum. No preferred shares are issued or outstanding.

The authorized capital of Ocumetics consists of an unlimited number of Class A Voting Common shares without nominal or par value, an unlimited number of Class B Non-Voting Common shares without nominal or par value and an unlimited number of Preferred shares without nominal or par value. As of the date of this Filing Statement,

22,972,834 Class A Voting Common shares, 800,000 Class B Non-Voting Common shares, and 3,200,000 Preferred Shares are issued and outstanding. Ocumetics has also issued and has outstanding the Ocumetics 1 Warrants, which entitle the holders thereof to purchase up to an aggregate of 294,750 Class A Voting Common shares at a price of \$0.275 until September 25, 2022, and the Ocumetics 2 Warrants, which entitle the holders thereof to purchase up to an aggregate of 416,666 Class A Voting Common shares at a price of \$0.60 until July 7, 2022. Other than the Ocumetics 1 Warrants and the Ocumetics 2 Warrants, there are no securities issued and outstanding that carry the right to be converted into securities of Ocumetics.

Pursuant to the Amalgamation Agreement, Ocumetics and Quantum SubCo will amalgamate under the *Business Corporations Act* (Alberta) and continue as a new corporation (“**Amalco**”). The Amalgamation will become effective on the date the Certificate of Amalgamation is issued in respect of the Amalgamation by the Registrar under the *Business Corporations Act* (Alberta). In accordance with the Amalgamation Agreement, rather than receiving securities of Amalco pursuant to the Amalgamation, the security holders of Ocumetics will each receive securities of the Resulting Issuer.

In this regard, pursuant to the Amalgamation, Quantum will issue to the holders of securities of Ocumetics three Resulting Issuer Shares in exchange for each Ocumetics Share issued and outstanding at the time of the Amalgamation and three Resulting Issuer Warrants for each Ocumetics Warrant issued and outstanding at the time of the Amalgamation, for an aggregate of 80,918,502 Resulting Issuer Shares at a deemed price of \$0.125 per share and an aggregate of 2,134,248 Resulting Issuer Warrants at a deemed price of \$nil, for a total deemed purchase price of \$10,114,813.

#### *Name Change*

At the annual and special meeting of the shareholders of Quantum held on February 26, 2021, the shareholders of Quantum passed a resolution which authorizes the Board of Directors of Quantum to change of the name of Quantum to “Ocumetics Technology Corp.” in connection with the Proposed Transaction. It is proposed that the name change be effected immediately prior to the completion of the Amalgamation.

#### *Private Placement*

Quantum intends to complete the Private Placement immediately following the Amalgamation. Under the Private Placement, Quantum (then the Resulting Issuer) will offer for sale pursuant to exemptions from prospectus requirements, after completion of the Amalgamation, 21,604,800 Resulting Issuer Shares at a price of \$0.125 per Resulting Issuer Share for total gross proceeds of \$2,700,600. A minimum of 4,000,000 and a maximum of 4,800,000 common shares will be offered under the Private Placement pursuant to an offering memorandum for which Quantum will pay to finders who assist it in finding subscribers under the offering memorandum cash commissions of 7% of the aggregate gross proceeds from the sale of shares placed by such finders and warrants to purchase such number of shares equal to 7% of the shares placed by such finders at a price of \$0.125 per share for 24 months.

The Resulting Issuer intends to use the net proceeds from the Private Placement to fund clinical trials and general working capital. See “*Estimated Available Funds and Proposed Principal Uses Thereof*” below and in “*Proposed Use of Funds*” in Part IV of this Filing Statement.

#### *Post-Transaction Amalgamation*

Immediately after the completion of the Amalgamation and Private Placement, Amalco and Quantum will amalgamate to form a new corporation that will be identical in all corporate respects to Quantum, and that will be named “Ocumetics Technology Corp.” Under the *Business Corporations Act* (Alberta), this amalgamation will require the approval of the directors of Quantum and Amalco only and will not require the approval of the shareholders of either company, or the approval of the Exchange.

### Interests of Insiders or Control Persons of Quantum

Except as otherwise stated herein, none of the Insiders or Control Persons of Quantum nor any of their respective Associates and Affiliates (before and after giving effect to the Proposed Transaction) has any interest in the Proposed Transaction.

### Not a Non-Arm's Length Qualifying Transaction

The Proposed Transaction is not a Non-Arm's Length Qualifying Transaction.

### Estimated Available Funds and Proposed Principal Uses Thereof

The following table sets forth the estimated available funds (based upon total current assets less total current liabilities) plus the amounts and sources of other funds available to Quantum and Ocumetics after giving effect to the Proposed Transaction and Private Placement.

	Working Capital (\$)	Private Placement (\$)	TOTAL (\$)
Quantum <sup>(1)</sup>	150,000	2,700,600	2,850,600
Ocumetics <sup>(2)</sup>	(195,434)	Nil	70,000
Less Legal Expenses <sup>(3)</sup>	(50,000)	(15,000)	(65,000)
Less Audit Expenses	(15,000)	Nil	(15,000)
Less Sponsor's Expenses <sup>(4)</sup>	(15,000)	Nil	(15,000)
Less Private Placement Finders' Fees	Nil	(42,000) <sup>(5)</sup>	(42,000)
Less TSXV Transaction Fees	(41,881)	(14,253)	(56,135)
<b>TOTAL</b>	<b>(167,315)</b>	<b>2,629,347</b>	<b>2,462,031</b>

#### Notes:

- (1) Unaudited - Based on estimates from Quantum.
- (2) Unaudited - Based on estimates from Ocumetics.
- (3) Includes legal expenses from Quantum counsel and Ocumetics counsel with respect to the Proposed Transaction.
- (4) Includes Sponsor's sponsorship fee and reimbursement of Sponsor's expenses, including legal expenses.
- (5) Assumes 4,800,000 Resulting Issuer Shares are sold under the offering memorandum portion of the Private Placement.

It is expected that the Resulting Issuer will have an aggregate of \$2,462,031 available to it over the following 18 months, consisting of the \$2,462,031 available to the Resulting Issuer after giving effect to the Proposed Transaction (see "*Funds Available*", above). The following table sets out the principal uses of the funds available over the following 18 months. See also "*Narrative Description of the Business*", above, in this Part IV of the Filing Statement.

Expenditure	Amount (\$)
Patent applications and renewals	\$200,000
Research and development	\$400,000
General and administrative <sup>(1)</sup>	\$645,000
Sales and marketing	\$20,000

Expenditure	Amount (\$)
Pre-clinical expenses and regulatory <sup>(2)</sup>	\$1,000,000
Unallocated working capital	\$197,031
<b>TOTAL:</b>	<b>\$2,462,031</b>

**Notes:**

(1) General and administrative expenses are expected to consist of the following:

Executive salaries	\$ 360,000
Administrative salaries	\$ 20,000
Consulting fees for clinical trials	\$ 90,000
Insurance expense	\$ 40,000
Legal fees	\$ 117,000
Miscellaneous	\$ 18,000
Total:	<u>\$ 645,000</u>

(2) Includes costs for animal studies, proof of concept, clinical trial design and related expenses.

The above uses of available funds are estimates only. Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult at this time to definitively project the total funds necessary to execute the planned undertakings of the Resulting Issuer. For these reasons, management considers it to be in the best interests of the Resulting Issuer and its shareholders to permit management a reasonable degree of flexibility as to how the Resulting Issuer's funds are employed among the above uses or for other purposes, as the need may arise.

Ocumetics intends to complete a financing of \$12,000,000 within a year following the Proposed Transaction in order to fund clinical trials.

### **Selected Pro Forma Consolidated Financial Information**

The following table sets forth a summary of the unaudited pro forma consolidated statement of financial position of the Resulting Issuer. Such information is derived from the unaudited pro forma consolidated statement of financial position of Quantum as at March 31, 2021 that is attached hereto as Appendix "C" and should be read in conjunction with such financial statement. The unaudited pro forma consolidated statement of financial position has been prepared from the unaudited statement of financial position of Quantum as at March 31, 2021 and the unaudited interim statement of financial position of Ocumetics as at April 30, 2021 and gives pro forma effect to the successful completion of the Amalgamation and related transactions as if the transactions occurred on March 31, 2021.

The unaudited pro forma consolidated statement of financial position is not intended to reflect the financial position of Quantum which would have actually resulted had the transactions been effected on the dates indicated and not necessarily indicative of the financial position that may be obtained in the future.

	Quantum March 31, 2021	Ocumetics April 30, 2021	Pro Forma Adjustments <sup>(1)</sup>	Quantum Pro Forma (unaudited)
<b>ASSETS</b>				
Current assets				
Cash	202,671	108,846	2,700,600	3,012,117
Amounts receivable	787	19,662	-	20,449
Prepaid	4,575	61,276	(25,000)	40,851
Total current assets	<u>208,033</u>	<u>189,784</u>	<u>2,675,600</u>	<u>3,073,417</u>
Non-current assets				
Intangible assets	-	699,374	-	699,374
Total assets	<u>208,033</u>	<u>889,158</u>	<u>2,675,600</u>	<u>3,772,791</u>

LIABILITIES				
Current liabilities				
Accounts Payable and Accrued Liabilities	40,429	235,526	223,135	499,090
Due to Related Parties	-	149,692	-	149,692
<b>Total current liabilities</b>	<b>40,429</b>	<b>385,218</b>	<b>223,135</b>	<b>648,782</b>
Non-current liabilities				
Due to Related Parties	-	500,000	-	500,000
<b>Total liabilities</b>	<b>40,429</b>	<b>885,218</b>	<b>223,135</b>	<b>1,148,782</b>
SHAREHOLDERS' EQUITY (DEFICIENCY)				
Share capital	323,557	1,533,195	2,700,600	4,926,295
			368,943	
Reserve	45,350	-	(45,350)	
Deficit	(201,303)	(1,529,255)	(571,728)	(2,302,286)
<b>Total shareholder's equity (deficiency)</b>	<b>167,604</b>	<b>3,940</b>	<b>2,452,465</b>	<b>2,624,009</b>
<b>Total liabilities and shareholder's equity (deficiency)</b>	<b>208,033</b>	<b>889,158</b>	<b>2,675,600</b>	<b>3,772,791</b>

**Note:**

- (1) Gives effect to the completion of the Amalgamation and other transactions either completed or expected to be completed. See Appendix C – Pro Forma Consolidated Statement of Financial Position of Quantum Following Completion of Arrangement” for detailed pro forma adjustments and assumptions.

**Listing on the Exchange**

The Quantum Shares were listed and posted for trading on the Exchange on September 4, 2018 and are currently trading on the Exchange under the trading symbol “QBC.P”. Upon the completion of the Proposed Transaction, the Resulting Issuer Shares will be listed on the Exchange under the name, “Ocumetics Technology Corp.” As approved by the Exchange, the shares of the Resulting Issuer will trade under the trading symbol, “OTC”. No public market exists for the Ocumetics Shares.

**Market Price of Quantum Shares**

On July 27, 2020, the last trading day prior to the date of this Filing Statement, the closing price of the Quantum Shares on the Exchange was \$0.025. See “*Information Concerning Quantum – General Description of the Business – History*” in Part II of this Filing Statement.

**Sponsorship and Agent Relationship**

Quantum and Ocumetics have entered into a Sponsorship Agreement dated July 2, 2021 among Quantum, Ocumetics and the Sponsor pursuant to which the Sponsor has agreed, subject to satisfactory due diligence, to act as the sponsor for the Transaction pursuant to TSXV Policy 2.2 – “*Sponsorship and Sponsorship Requirements*”. In consideration for the Sponsor’s services under the Sponsorship Agreement, the Resulting Issuer will pay Haywood a sponsorship fee of \$50,000 (plus GST), \$25,000 of which will be payable in cash and the remainder to be paid in Resulting Issuer Shares at a deemed price of \$0.125 per Resulting Issuer Share for a total of 200,000 Resulting Issuer Shares. The Resulting Issuer will also pay Haywood’s legal fees and other reasonable expenses.

An agreement to sponsor should not be construed as any assurance with respect to the merits of the Transaction or likelihood of completion.

**Interests of Experts**

As at the date hereof, partners and associates of MNP LLP, Quantum’s current auditors, who were directly involved in services provided to Quantum own, respectively, directly or indirectly, in the aggregate, less than one percent of any of the securities of either Quantum or Ocumetics. No partner or associate of MNP LLP is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer.

At the date hereof, lawyers with Tingle Merrett LLP, counsel to Quantum and securities counsel to Ocumetics, own, directly or indirectly, in the aggregate, less than one percent of any of the securities of either Quantum or Ocumetics. No lawyer with Tingle Merrett LLP is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer.

As at the date hereof, partners and associates of Manning Elliott LLP, the current auditors of Ocumetics, who were directly involved in services provided to Ocumetics own, respectively, directly or indirectly, in the aggregate, less than one percent of any of the securities of either Quantum or Ocumetics. No partner or associate of Manning Elliott LLP is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer.

### **Conflicts of Interest**

Certain of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon completion of the Proposed Transaction are also directors, officers and/or promoters of other reporting and non-reporting issuers. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the provisions of the *Business Corporations Act (Alberta)* to act at all times in good faith in the interests of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. To the best of their respective knowledge, neither Quantum nor Ocumetics is aware of the existence of any conflicts of interest between Quantum or Ocumetics and any of the individuals proposed for appointment as directors or officers of the Resulting Issuer upon completion of the Proposed Transaction, as of the date of this Filing Statement.

### **Risk Factors**

Due to the nature of the proposed operations, the legal and economic climate in which the Resulting Issuer will operate and the present stage of development of the proposed operations, the Resulting Issuer may be subject to significant risks. The Resulting Issuer's future development and actual operating results may be very different from those expected as at the date of this Filing Statement. Accordingly, readers should carefully consider all such risks, which include but are not limited to:

Risks Related to Ocumetics' Business:

- Single Product
- Applicability of Technology
- Competition
- Intellectual Property Risks
- Clinical Trials and Regulatory Approval
- Inability to Maintain Regulatory Standards
- Difficulty to Forecast Sales
- Inability to Meet Demand
- Insurance Risks

Liquidity and Financial Resources

- Speculative Nature of Investment Risk

- Limited Operating History
- Negative Cash Flow for the Foreseeable Future
- Insufficient Capital to Accomplish Business Objectives
- Access to Further Funding
- Market Price
- Dilution

#### General Market and Economic Risks

- Economic Environment
- Global Economy Risk
- Currency Risk

#### Transaction Risks

- Inability to Complete Proposed Transaction
- Arbitrary Determination of Stock Price

For a complete discussion of the risks associated with the Resulting Issuer and the completion of the Proposed Transaction, see “*The Qualifying Transaction - Risk Factors*” in Part I of this Filing Statement.

#### **Forward Looking Statements**

This Filing Statement and the documents incorporated by reference herein contain forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Quantum, Ocumetics, or the Resulting Issuer to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Filing Statement and the documents incorporated by reference herein. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect.

Forward-looking statements and information in this Filing Statement include, but are not limited to, statements with respect to:

- the use of proceeds of the Private Placement;
- the Resulting Issuer’s intention to fulfil the activities set out in its business plan;
- the Resulting Issuer’s future exploration, capital and operating costs;
- general business and economic conditions;
- growth expectations within the Resulting Issuer;

- capital expenditure programs and the timing and funding thereof;
- expectations regarding the Resulting Issuer's ability to raise capital; and
- realization of the anticipated benefits of acquisitions and dispositions.

Various assumptions are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions are based on information currently available to Quantum, including information obtained by Quantum from third-party sources. In some instances, material assumptions are presented or discussed elsewhere in this Filing Statement and the documents incorporated by reference herein in connection with the forward-looking information. Quantum cautions you that the following list of material assumptions is not exhaustive. The assumptions include, but are not limited to:

- the ability of the Resulting Issuer to obtain necessary financing;
- the ability of Quantum to satisfy the requirements of the Exchange with respect to the Proposed Transaction;
- assumptions relating to the economy generally;
- assumptions relating to competition; and
- assumptions relating to the anticipated and unanticipated costs of the Offering, the Proposed Transaction and the business of the Resulting Issuer.

Although Quantum believes that the expectations reflected in the forward-looking statements and information are reasonable, there can be no assurance that such expectations will prove to be correct. Neither Quantum nor Ocumetics nor the Resulting Issuer can guarantee future results, levels of activity, performance or achievements. Consequently, there is no representation by Quantum that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements and information. Some of the risks and other factors, some of which are beyond the control of Quantum, Ocumetics or the Resulting Issuer, which could cause results to differ materially from those expressed in the forward-looking statements and information contained in this Filing Statement include, but are not limited to:

- general economic conditions in Canada, the United States of America and globally;
- financing for the Resulting Issuer's research and development activities will be available when needed and on terms satisfactory to the Resulting Issuer;
- the ability of the Resulting Issuer to attract and retain skilled staff, and to maintain good relations with its staff;
- the execution of the Resulting Issuer's research and development activities in accordance with Ocumetics and the Resulting Issuer's current timetables;
- the availability of certain consumables and services to the Resulting Issuer when needed and on terms satisfactory to the Resulting Issuer;
- the accuracy of Ocumetics and the Resulting Issuer's business and marketing estimates and operational and price assumptions on which such estimates are based;
- failure to obtain third party consents and approvals, when required;
- stock market volatility and market valuations;
- the availability of capital on acceptable terms;

- the need to obtain required approvals from regulatory authorities; and
- the other factors disclosed under “Risk Factors” in this Filing Statement.

Actual results, performance or achievement could differ materially from those expressed herein. While Quantum anticipates that subsequent events and developments may cause its views to change, Quantum specifically disclaims any obligation to update these forward-looking statements except as required by applicable securities laws. These forward-looking statements should not be relied upon as representing Quantum’s views as of any date subsequent to the date of this Filing Statement. Although Quantum has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect Quantum or the Resulting Issuer.

The forward-looking statements contained in this Filing Statement and the documents incorporated by reference herein are expressly qualified by this cautionary statement. Forward-looking statements are made based on management’s beliefs, estimates and opinions on the date the statements are made and, except as required by law, Quantum undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. Readers are cautioned against attributing undue certainty to, and placing undue reliance on, forward-looking statements.

#### **Note on Information Concerning Ocumetics**

The information contained or referred to in this Filing Statement relating to Ocumetics has been furnished by the management of Ocumetics. In preparing this Filing Statement, the Issuer has relied upon such information provided by the management of Ocumetics to ensure that this Filing Statement contains full, true and plain disclosure of all material facts relating to Ocumetics. Although Quantum has no knowledge that would indicate that any statements contained herein concerning Ocumetics are untrue or incomplete, neither Quantum nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information or for any failure by either Ocumetics and management of Ocumetics to ensure disclosure of events or facts that may have occurred which may affect the significance or accuracy of any such information.

## **PART I - THE QUALIFYING TRANSACTION**

### **The Proposed Transaction**

Ocumetics and Quantum have agreed on the terms of an arm's length amalgamation transaction which is to be completed pursuant to the provisions of the *Business Corporations Act* (Alberta) and effected in accordance with the Amalgamation Agreement. The parties have agreed to complete the Proposed Transaction on the terms set out in the Amalgamation Agreement. The Proposed Transaction is not a Non-Arm's Length Transaction. Approval for the Proposed Transaction from the shareholders of Quantum is not required and will not be sought.

The full text of the Amalgamation Agreement has been attached to this Filing Statement as Appendix "D". Please refer to the full Amalgamation Agreement for complete terms.

A summary of the Proposed Transaction and collateral transactions has been set out in the foregoing Summary of Filing Statement.

Immediately after the completion of the Proposed Transaction, Amalco and Quantum will amalgamate under the Post-Transaction Amalgamation to form a new corporation that will be identical in all corporate respects to Quantum, and that will be named "Ocumetics Technology Corp."

### **Background to and Reasons for the Proposed Transaction**

Since its initial listing on the Exchange, management of Quantum has selectively reviewed certain opportunities to complete a Qualifying Transaction, including a merger or business combination with other corporations with assets or business activities which would meet the initial listing requirements of the Exchange. To this end, Quantum and Ocumetics began to exchange and review certain confidential information in July 2020. After the consideration of a number of factors and the review of various documents relating to the business, assets and liabilities of Ocumetics, the parties have agreed to enter into the Amalgamation Agreement which contemplates the amalgamation of Quantum SubCo with Ocumetics.

Quantum believes that the Proposed Transaction will be of benefit to Quantum Shareholders, as Quantum, to date, has not carried on any active business operations other than to identify and evaluate corporations, businesses or assets for acquisition with a view to completing a Qualifying Transaction. Quantum and Ocumetics believe that a business combination of Quantum and Ocumetics will benefit all shareholders by creating a company which will have:

- a management team capable of implementing the business strategy of the Resulting Issuer;
- sufficient capital to undertake the initial deployment of the Resulting Issuer's business;
- increased access to capital markets; and
- enhanced liquidity for the current shareholders of Quantum and Ocumetics as the Resulting Issuer, after giving effect to the Amalgamation, will have a larger market capitalization.

### **Conditions to the Amalgamation**

The respective obligations of Quantum and Ocumetics to complete the transactions contemplated by the Amalgamation Agreement are subject to a number of conditions which must be satisfied or waived in order for the Amalgamation to become effective. There is no assurance that these conditions will be satisfied or waived on a timely basis. Unless all of the conditions are satisfied or waived, the Proposed Transaction will not proceed. The following is a summary of the significant conditions contained in the Amalgamation Agreement:

- the requisite approval of the Amalgamation by the shareholders of each of Ocumetics and Quantum SubCo;
- the continuation of Ocumetics under the *Business Corporations Act* (Alberta);
- that Quantum shall have received subscriptions under the Private Placement for not less than \$2,700,600, or such other amount as may be necessary to satisfy the initial listing requirements of the TSXV;
- all necessary board approvals and requisite approval of third parties (as required) to the Proposed Transaction;
- all consents, orders and approvals, including regulatory approvals, required or necessary or desirable for the completion of the Proposed Transaction shall have been obtained including, without limitation, the Exchange approval of the Proposed Transaction as Quantum's Qualifying Transaction in accordance with Policy 2.4 and the acceptance of the Resulting Issuer Shares for listing on the Exchange;
- Ocumetics and Quantum shall have complied in all material respects with the Amalgamation Agreement;
- the Amalgamation Agreement shall not have been terminated; and
- there shall be no material adverse changes in the business affairs or financial condition of Quantum or Ocumetics except as may result from the transactions contemplated by the Amalgamation Agreement.

Please refer to the full Amalgamation Agreement set out in Appendix "D" to review all of the conditions to the Proposed Transaction.

#### **Termination of the Amalgamation Agreement**

The Amalgamation Agreement also provides that the Amalgamation may be mutually terminated by the parties or may be terminated by the directors of Ocumetics or Quantum if the conditions contained in the Amalgamation Agreement have not been fulfilled or performed prior the dates provided for therein. See Appendix "D" hereto for all the circumstances whereby the Amalgamation may be terminated.

#### **Procedure for the Amalgamation to Become Effective**

The Amalgamation is proposed to be carried out pursuant to Sections 181 and 182 of the *Business Corporations Act* (Alberta). In order for the Amalgamation to become effective, all conditions precedent to the Amalgamation set forth in the Amalgamation Agreement must be satisfied or waived by the appropriate party and the Articles of Amalgamation in the form prescribed by the *Business Corporations Act* (Alberta) must be filed with the Registrar under the *Business Corporations Act* (Alberta).

#### **Timing**

The Amalgamation will become effective upon the issuance by the Registrar under the *Business Corporations Act* (Alberta) of a Certificate of Amalgamation.

#### **Exchange of Securities Certificates**

Upon completion of the Amalgamation, shareholders of each of Ocumetics and Quantum will be deemed to be holders of Resulting Issuer Shares as of the Effective Date and former registered shareholders of Ocumetics and Quantum will be entered into the register of holders of Resulting Issuer Shares without further act or formality. A letter of

transmittal will be used for the purpose of exchanging certificates of Quantum Shares for certificates representing Resulting Issuer Shares. The letter of transmittal will contain complete instructions on how Quantum Shareholders are to exchange their Quantum Share certificates. Registered shareholders of Quantum should read and follow these instructions. The letter of transmittal, when properly completed, executed and returned together with a certificate or certificates representing Quantum Shares and all other required documents, will enable each registered shareholder of Quantum to obtain the certificates representing the number of Resulting Issuer Shares to which it is entitled under the terms of the Proposed Transaction. The Ocumetics Shareholders will not be required to complete a letter of transmittal. The Ocumetics Shares will simply be cancelled and each Ocumetics Shareholder will receive a certificate representing the number of Resulting Issuer Shares to which it is entitled under the Amalgamation.

### **Post-Transaction Amalgamation**

The Post-Transaction Amalgamation is proposed to be carried out pursuant to Section 184 of the *Business Corporations Act* (Alberta) after the completion of the Amalgamation. Under the Post-Transaction Amalgamation, Quantum and Amalco will be amalgamated and the resulting company, which will be named, “Ocumetics Technology Corp.”, will have the same officers, directors and constating documents as Quantum. Following the Post-Transaction Amalgamation, all securityholders of Quantum will continue to hold the same number and class of securities that they held immediately prior to the Post-Transaction Amalgamation. The Post-Transaction Amalgamation will require the approval of the directors of Quantum and Amalco only and will not require the approval of the shareholders of either company, or the approval of the Exchange. The Post-Transaction Amalgamation will become effective upon the issuance by the Registrar under the *Business Corporations Act* (Alberta) of a Certificate of Amalgamation.

### **Additional Information Concerning Quantum and Ocumetics**

For additional information concerning Quantum and Ocumetics, see Part II of this Filing Statement, “*Information Concerning Quantum*” and Part III, “*Information Concerning Ocumetics*”.

### **Risk Factors**

Upon completion of the Proposed Transaction, the Resulting Issuer will proceed to continue the business currently conducted by Ocumetics. Due to the nature of that business, the legal and economic climate in which the Resulting Issuer will be operating and the present stage of development of the proposed operations, the Resulting Issuer will be subject to significant risks. The Resulting Issuer’s future development and actual operating results may be very different from those expected as at the date of this Filing Statement. There can be no certainty that the Resulting Issuer will be able to implement successfully the strategy set out in this Filing Statement. No representation is or can be made as to the future performance of the Resulting Issuer and there can be no assurance that the Resulting Issuer will achieve its objectives. Accordingly, readers should carefully consider the following discussion of risks that pertain to Ocumetics, and to the Resulting Issuer (the text below summarizes some of these risks and is not intended to be complete or exhaustive).

#### ***Risks Related to Ocumetics’ Business***

*Single Product* – While Ocumetics has several products in its development pipeline, including the industrial application of the Bionic Lens technology, currently Ocumetics’ sole technology that is ready for clinical trial is the Bionic Lens. Therefore, the Resulting Issuer’s current commercialization, financial and stock value projections are based on the success of that single product. If the Bionic Lens is not commercially successful, there is a risk that the Resulting Issuer will be unable to meet its estimates and deliver value to shareholders.

*Applicability of Technology* – Ocumetics’ technology, even if it is successfully commercialized, will not be suitable for treatment of every vision problem. In particular, it cannot resolve, alone, vision problems such as cloudy corneas, eyes that have already had the natural lens removed (such as in cataract surgery), severe macular degeneration, severe genetic retinal diseases, torn or damaged optic nerves, or brain damage affecting any part of the visual system.

*Competition* – While Ocumetics believes that the Bionic Lens offers greater promise than competing technology, Ocumetics is aware that its competitors are constantly striving to improve their products. There is a risk that one or

more of Ocumetics' competitors could introduce a product that is more effective than, or comes to market earlier than, the Bionic Lens and therefore disrupts the Resulting Issuer's projections as to marketability and product demand. The business of Ocumetics is subject to rapid technological changes. Failure to keep up with such changes may adversely affect the business of Resulting Issuer. Resulting Issuer will be subject to the risks of companies operating in the medical and healthcare business. The market in which Resulting Issuer will compete is characterized by rapidly changing technology, evolving industry standards, frequent new service and product announcements, introductions and enhancements and changing customer demands.

*Intellectual Property Risks* – The Resulting Issuer could be adversely affected if it does not adequately protect its intellectual property rights. Ocumetics regards its marks, rights, and trade secrets and other intellectual property rights as critical to its success. To protect its investments and the Resulting Issuer's rights in these various intellectual properties, it may rely on a combination of patents, trademark and copyright law, trade secret protection and confidentiality agreements and other contractual arrangements with its employees, clients, strategic partners, acquisition targets and others to protect proprietary rights. There can be no assurance that the steps taken by the Resulting Issuer to protect proprietary rights will be adequate or that third parties will not infringe or misappropriate the Resulting Issuer's copyrights, trademarks and similar proprietary rights, or that the Resulting Issuer will be able to detect unauthorized use and take appropriate steps to enforce rights. In addition, although Ocumetics believes that its proprietary rights do not infringe on the intellectual property rights of others, there can be no assurance that other parties will not assert infringement claims against the Resulting Issuer. Such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources.

Commercial success of the Resulting Issuer will depend in part on not infringing upon the patents and proprietary rights of other parties and enforcing its own patents and proprietary rights against others. The research and development programs will be in highly competitive fields in which numerous third parties have issued patents and pending patent applications with claims closely related to the subject matter of Ocumetics' programs. Ocumetics is not currently aware of any litigation or other proceedings or claims by third parties that its technologies or methods infringe on their intellectual property.

While it is the practice of Ocumetics to undertake pre-filing searches and analyses of developing technologies, it cannot guarantee that it has identified every patent or patent application that may be relevant to the research, development, or commercialization of its products. Moreover, it cannot assure that third parties will not assert valid, erroneous, or frivolous patent infringement claims.

The Resulting Issuer will rely on trade secrets to protect technology where it does not believe patent protection is appropriate or obtainable. Trade secrets are difficult to protect. While commercially reasonable efforts to protect trade secrets will be used, strategic partners, employees, consultants, contractors or scientific and other advisors may unintentionally or willfully disclose information to competitors.

If the Resulting Issuer is not able to defend patents or trade secrets, then it will not be able to exclude competitors from developing or marketing competing products, and the Resulting Issuer may not generate enough revenue from product sales to justify the cost of development of products and to achieve or maintain profitability.

*Clinical Trials and Regulatory Approval* – The Resulting Issuer's ability to commercialize its technology is dependent upon receipt of regulatory approvals from each jurisdiction in which it intends to sell the technology. Regulatory approval is contingent upon the completion of successful clinical trials.

Ocumetics has not conducted any clinical trials and has not applied for, nor received, any regulatory approvals to date. Ocumetics intends to conduct its clinical trials in the Dominican Republic and in Singapore, concurrently, wherein 200 patients in the Dominican Trial and 200 patients in the Singapore trial will have the Bionic Lens inserted. It is expected that the clinical trials will take six to nine months to complete. Clinical trials will be preceded by animal trials and a proof-of-concept study.

Clinical trials for potential candidates will be expensive, difficult to design and implement, time consuming, and their outcomes are uncertain. The timing and completion of clinical trials may be subject to significant delays relating to various causes, including but not limited to: inability to manufacture or obtain sufficient quantities of materials for use in clinical trials; delays arising from collaborative partnerships; delays in obtaining regulatory approvals to commence

a study, or government intervention to suspend or terminate a study; delays, suspensions or termination of clinical trials by the applicable institutional review board or independent ethics board responsible for overseeing the study to protect research subjects; delays in identifying and reaching agreement on acceptable terms with prospective clinical trial sites; slow rates of patient recruitment and enrollment; uncertain dosing issues; inability or unwillingness of medical investigators to follow clinical protocols; variability in the number and types of subjects available for each study and resulting difficulties in identifying and enrolling subjects who meet trial eligibility criteria; scheduling conflicts; difficulty in maintaining contact with subjects after treatment, resulting in incomplete data; unforeseen safety issues or side effects; lack of efficacy during clinical trials; reliance on clinical research organizations to conduct clinical trials, which may not conduct such trials with good laboratory practices; or other regulatory delays.

While Ocumetics believes that its clinical trials will be successful, there is no assurance that that will be the case. There can also be no assurance, regardless of the success of clinical trials, that regulatory approval will be forthcoming in any jurisdiction in which the Resulting Issuer applies for such approval.

*Management and Key Personnel* – The success of the Resulting Issuer depends on the continued ability to attract, retain, and motivate highly qualified management, clinical, and scientific personnel and to develop and maintain important relationships with leading academic institutions, companies, and thought leaders. Dr. Mark Lee, the proposed Chief Executive Officer of the Resulting Issuer, and Dr. Garth Webb, the proposed Chief Scientific Officer of the Resulting Issuer and inventor of the Bionic Lens and related technology, will exercise significant control over the day-to-day affairs of the Resulting Issuer. The Resulting Issuer will depend on Drs. Lee and Webb to engage with third parties and contractors to operate the business. If either Dr. Lee or Dr. Webb were to leave the Resulting Issuer or were otherwise unable to perform their respective duties, the Resulting Issuer's business could fail and shareholders could lose their investment. Ocumetics does not hold key man insurance for either Dr. Lee or Dr. Webb and the Resulting Issuer does not intend to obtain such insurance.

*Inability to Maintain Regulatory Standards* – Ocumetics has no track record that indicates its ability to meet and maintain stringent regulatory standards if so required. Failure to maintain a high level of regulatory approval could lead to failure of the Resulting Issuer's business.

*Difficulty to Forecast* – Ocumetics must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Resulting Issuer.

*Inability to Meet Demand* – If the Bionic Lens achieves or exceeds the levels of success the Resulting Issuer has projected, there is a risk that the Resulting Issuer will be unable to meet that demand in a timely fashion. The Resulting Issuer's ability to do so depends upon the development of a strong production platform. If the Resulting Issuer does not do so, it could affect its market reputation and return to investors.

*Insurance Risks* – The business of the Resulting Issuer may not be insurable or the insurance may not be purchased due to high cost. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Resulting Issuer.

### ***Liquidity and Financial Resources***

*Speculative Nature of Investment Risk* – An investment in the securities of the Resulting Issuer carries a high degree of risk and should be considered as a speculative investment by purchasers. The Resulting Issuer will have limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. Ocumetics is in the development stage. Operations are not yet sufficiently established such that Ocumetics can mitigate the risks associated with planned activities.

*Limited Operating History* – The Resulting Issuer has no present prospect of generating revenue from the sale of products. The Resulting Issuer is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of

revenues. There is no assurance that the Resulting Issuer will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

*Negative Cash Flow for the Foreseeable Future* – Ocumetics has a no history of earnings or cash flow from operations and the Resulting Issuer does not expect to generate material revenue or achieve self-sustaining operations for several years, if at all. To the extent that the Resulting Issuer has negative cash flow in future periods, the Resulting Issuer may need to allocate a portion of its cash reserves to fund such negative cash flow.

*Insufficient Capital to Accomplish Business Objectives* – The Resulting Issuer will require significant capital to accomplish its business objectives in the next several years. Following completion of the Proposed Transaction, even if the Private Placement is fully subscribed, the Resulting Issuer will have insufficient capital to accomplish its business objectives and there can be no assurances that sufficient capital will become available to complete the Resulting Issuer's business objectives on schedule or at all.

*Access to Further Funding* – The Resulting Issuer will need to continue to rely upon capital raising activities, such as private placements, debt and equity financings to fund its future operations, and the ability of the Resulting Issuer to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business and continue with, or expand upon its development programs is contingent upon securing additional financing. The Resulting Issuer's ability to access the debt and equity markets when required will depend upon factors beyond its control, such as economic and political conditions that may affect the capital markets generally. Although Ocumetics has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future. Should Management be unable to raise sufficient capital to fund its operations and growth there would be a material adverse effect on the Resulting Issuer's business, financial condition, results of operations, and its ability to continue as a going concern. Ocumetics' financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets, liabilities and reported expenses should Ocumetics be unable to continue as a going concern. These adjustments could be material.

*Market Price* – The market price of the Resulting Issuer's common shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Resulting Issuer, divergence in financial results from analysts' expectations, changes in the business prospects for the Resulting Issuer, general economic conditions, legislative changes, and other events and factors outside of the Resulting Issuer's control. In addition, stock markets have from time-to-time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Resulting Issuer Shares.

*Dilution* – The financial risk of the Resulting Issuer's future activities will be borne to a significant degree by purchasers of the common shares. If the Resulting Issuer issues common shares from its treasury for financing purposes, control of the Resulting Issuer may change and purchasers may suffer additional dilution.

### ***General Market and Economic Risks***

*Economic Environment* – The Resulting Issuer operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Resulting Issuer's future sales and profitability.

*Global Economy Risk* – The ongoing economic problems and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Resulting Issuer will be subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Resulting Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Resulting Issuer. If uncertain market conditions persist, the Resulting Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Resulting Issuer's operations and the trading price of the Resulting Issuer Shares on the stock exchange.

*Currency Risk* – The Resulting Issuer may have financial risk exposure to varying degrees relating to the currency of each of the countries where it will operate and may have financial risk exposure towards digital currencies. The level

of the financial risk exposure related to a currency and exchange rate fluctuations will depend on the Resulting Issuer's ability to hedge such risk or use another protection mechanism.

***Transaction Risks***

*Inability to Complete Proposed Transaction* – The Proposed Transaction is subject to a number of conditions. There can be no assurance that the Proposed Transaction will be completed as expected or at all.

*Arbitrary Determination of Stock Price* – Ocumetics is a start-up developmental stage company. The valuation of Ocumetics' shares for purposes of the Proposed Transaction has been arbitrary, and there can be no assurances that the value of the stock will be maintained at, or exceed, the current arbitrary determination.

## **PART II - INFORMATION CONCERNING QUANTUM**

### **Corporate Structure**

#### ***Name and Incorporation***

The full corporate name of Quantum is “Quantum Blockchain Technologies Ltd.” Quantum was incorporated pursuant to the *Business Corporations Act* (Alberta) on February 5, 2018 under the name “Quantum Blockchain Technologies Ltd”. On March 19, 2018, Quantum amended its articles to remove the restrictions against the transfer of securities.

The head office and registered office address of Quantum is 1250, 639 - 5<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 0M9.

At the annual and special meeting of the shareholders of Quantum held on February 26, 2021, the shareholders of Quantum passed a resolution which authorizes the Board of Directors of Quantum to change of the name of Quantum to “Ocumetics Technology Corp.” in connection with the Proposed Transaction. The name change will only be effected if the Proposed Transaction proceeds, in which case, the name change will be effected immediately prior to the completion of the Amalgamation.

#### ***Intercorporate Relationships***

Quantum has one wholly-owned subsidiary, Quantum SubCo, which has been incorporated for the purpose of completing the Amalgamation.

### **General Development of the Business**

#### ***History***

Quantum is a CPC created pursuant to the CPC Policy, which completed its Initial Public Offering on August 29, 2018. Quantum issued 3,000,000 Quantum Shares at a price of \$0.10 per share pursuant to its IPO prospectus, raising gross proceeds of \$300,000. The Quantum Shares became listed and posted for trading on the Exchange on September 4, 2018. The outstanding Quantum Shares were listed on the Exchange under the trading symbol “QBC.P”.

On July 25, 2019, Quantum entered into a letter of intent with Ocumetics with respect to the completion of the Proposed Transaction. The letter of intent was amended on December 15, 2020 to extend the termination date for the letter of intent and to amend terms of the Concurrent Private Placement.

On July 27, 2020, Quantum issued a press release announcing the Proposed Transaction. Subsequent press releases dated December 18, 2020 and December 29, 2020 have also been issued with respect to the Proposed Transaction.

On February 26, 2021, Quantum and Ocumetics entered into an Amalgamation Agreement with respect to the Proposed Transaction. The Amalgamation Agreement was amended and restated on April 15, 2021 to update the agreement to reflect changes that had occurred with Ocumetics, specifically the acquisition by Ocumetics of the intellectual property for the Bionic Lens from Ventura Holdings Ltd., among other things and was further amended on July 22, 2021 to extend the termination date of the agreement to August 31, 2021.

On March 10, 2021, Quantum issued 40,000 Quantum Shares, at a price of \$0.125 per share for total gross proceeds of \$5,000, to Robert Quinn, who was elected a director of Quantum at Quantum’s annual general and special meeting of shareholders held on February 26, 2021.

The principal business of Quantum is to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction and, once identified and evaluated, to negotiate an acquisition or participation in such assets or businesses. Until the completion of the Proposed Transaction, Quantum will not carry on business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction. The Proposed Transaction is intended to be Quantum’s Qualifying Transaction.

Quantum previously entered into a letter of intent dated July 9, 2019 with Ordotek Incorporation with respect to the completion of a Qualifying Transaction. The letter of intent expired on November 22, 2019 and therefore terminated.

**Private Placement**

As part of the Proposed Transaction, after completion of the Amalgamation, pursuant to the Private Placement, Quantum (then the Resulting Issuer) will offer for sale pursuant to exemptions from prospectus requirements, of 21,604,800 Resulting Issuer Shares at a price of \$0.125 per Resulting Issuer Share for total gross proceeds of \$2,700,600. A minimum of 4,000,000 and a maximum of 4,800,000 common shares will be offered under the Private Placement pursuant to an offering memorandum for which Quantum will pay to finders who assist it in finding subscribers under the offering memorandum cash commissions of 7% of the aggregate gross proceeds from the sale of shares placed by such finders and warrants to purchase such number of shares equal to 7% of the shares placed by such finders at a price of \$0.125 per share for 24 months. No agent has been engaged to complete the Private Placement, consequently, the Private Placement is not brokered.

The Resulting Issuer intends to use the net proceeds from the Private Placement to fund clinical trials and general working capital. See “*Estimated Available Funds and Proposed Principal Uses Thereof*” below and in “*Proposed Use of Funds*” in Part IV of this Filing Statement.

**Selected Consolidated Financial Information**

Since incorporation, Quantum has incurred costs in carrying out its Initial Public Offering, in seeking, evaluating and negotiating potential Qualifying Transactions, and in meeting the disclosure obligations imposed upon it as a reporting issuer listed for trading on the Exchange. The following table sets forth selected historical financial information for Quantum for the period from incorporation to December 31, 2018, for the years ended December 31, 2019 and 2020 and selected balance sheet data as at December 31, 2020 and 2019, respectively and for the three months ended March 31, 2021. Such information is derived from the audited financial statements of Quantum for the period from incorporation to December 31, 2018 and for the years ended December 31, 2020 and 2019, respectively, and for the unaudited interim financial statements of Quantum for the three months ended March 31, 2021 that are attached hereto in Appendix “A” and should be read in conjunction with such financial statements.

	<b>Three Months Ended March 31, 2021</b>	<b>Year Ended December 31, 2020</b>	<b>Year Ended December 31, 2019</b>	<b>Period from Incorporation to December 31, 2018</b>
Total Revenue	-	-	-	-
Total Expenses	42,348	44,839	35,732	75,958
Net income (Loss)	(42,348)	(44,839)	(35,732)	(75,958)
Per share (basic)	(0.01)	(0.01)	(0.01)	(0.07)
Per share (diluted)	(0.01)	(0.01)	(0.01)	(0.07)
Total Assets	210,459	225,321	261,846	301,376
Total Current Liabilities	(40,429)	(17,943)	(9,629)	(13,427)
Total Long-Term Liabilities	-	-	-	-
Share Capital	323,557	318,557	318,557	318,557
Deficit	(198,877)	(156,529)	(111,690)	(75,958)

## **Management's Discussion and Analysis**

Management of Quantum has prepared a discussion and analysis dated April 23, 2020 for the year ended December 31, 2019, a discussion and analysis dated January 15, 2021 for the year ended December 31, 2020 and a discussion and analysis filed May 31 2021 for the three months ended March 31, 2021, which can be found following the financial statements of Quantum in Appendix "A" hereto. Please refer to Appendix "A" for management's discussion on the financial results of Quantum for the relevant periods.

### **Description of the Securities**

The authorized capital of Quantum consists of an unlimited number of Quantum Shares without nominal or par value and an unlimited number of preferred shares without nominal or par value. As of the date of this Filing Statement, 5,540,000 Quantum Shares were issued and outstanding as fully paid and non-assessable shares, and 375,000 Quantum Shares had been reserved for issuance pursuant to the exercise of Quantum Options that have been granted to current Insiders of Quantum. No preferred shares are issued or outstanding.

The holders of Quantum Shares are entitled to vote at all meetings of shareholders of Quantum, to receive dividends if, as and when declared by the directors and to participate ratably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of Quantum.

The Preferred Shares may be issued from time to time in one or more series, each series consisting of the number of shares and having the designation, rights, privileges, restrictions and conditions which the board of directors of the Corporation determines prior to the issue thereof. The Preferred Shares rank prior to the Quantum Shares with respect to the payment of dividends and distribution in the event of liquidation, dissolution or winding-up of Quantum.

As at the date of this Filing Statement, Quantum has no outstanding loans or other debt obligations and there has been no material change in the Quantum Share and loan capital of Quantum since the date of its most recent balance sheet attached hereto.

### **Stock Option Plan**

Quantum has adopted a Stock Option Plan (the "**Option Plan**"), which provides that the board of directors of Quantum may, from time to time, in its discretion and in accordance with the Exchange Requirements, grant to directors, officers, employees and consultants to Quantum, non-transferable options to purchase Quantum Shares, provided that the number of Quantum Shares reserved for issuance will not exceed 10% of the issued and outstanding Quantum Shares. Such Quantum Options will be exercisable for a period of up to ten years from the date of grant. The number of Quantum Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Quantum Shares, the number of Quantum Shares reserved for issuance to any one consultant will not exceed two percent (2%) of the issued and outstanding Quantum Shares and the number of Quantum Shares reserved for issuance to persons employed to provide investor relations services will not exceed two percent (2%) of the issued and outstanding Quantum Shares.

Pursuant to the Option Plan, 375,000 Quantum Options have been granted to the directors and officers of Quantum. The exercise price of such Quantum Options is \$0.10, which the directors determined was a fair price at the time of the grant. All Quantum Options that have been granted to the directors and officers of Quantum are fully vested and exercisable.

All of the 375,000 Quantum Options were granted to Quantum's directors and officers in accordance with Exchange Requirements, as set forth below. The exercise price for those Quantum Options must be paid in full upon exercise of Quantum Option. All Quantum Shares acquired by Non-Arm's Length Parties pursuant to the exercise of Quantum Options prior to the completion of the Proposed Transaction must be deposited in escrow and may only be released in accordance with the escrow provisions of the CPC Policy (see "Escrowed Securities" in Part IV of this Filing Statement).

	Number of Quantum Shares Under Option	Exercise Price Per Quantum Share	Expiry Date <sup>(1)</sup>
Keith Erickson	125,000	\$0.10	August 29, 2023
Johannes Kingma	125,000	\$0.10	August 29, 2023
Roger Jewett	125,000	\$0.10	August 29, 2023
TOTAL	375,000		

### Prior Sales

Currently, 5,540,000 Quantum Shares have been issued as follows:

Date	Number of Quantum Shares	Issue Price Per Quantum Shares	Aggregate Issue Price	Nature of Consideration Received
February 5, 2018	2,000,000 <sup>(1)(3)</sup>	\$0.050	\$100,000	Cash
June 7, 2018	500,000 <sup>(1)</sup>	\$0.050	\$25,000	Cash
August 29, 2018	3,000,000 <sup>(2)</sup>	\$0.100	\$300,000	Cash
March 10, 2021	40,000 <sup>(3)</sup>	\$0.125	\$5,000	Cash
TOTAL	5,540,000			

#### Notes:

- (1) Seed capital shares issued prior to Quantum's IPO.
- (2) Represents common shares issued under Quantum's IPO.
- (3) All of these shares were issued to persons who were at the time of issuance Non-Arm's Length Parties of Quantum.

On August 29, 2021, 375,000 Quantum Options were issued to Non-Arm's Length Parties of Quantum. As stated above, each Quantum Option is exercisable into one Quantum Share at a price of \$0.10 per share on or before August 29, 2023.

### Stock Exchange Price

The outstanding Quantum Shares are listed on the Exchange under the trading symbol "QBC.P". The Quantum Shares became eligible to commence trading on the Exchange on September 4, 2018. The following table sets forth the high and low sales prices and trading volumes of board lots of Common Shares on a monthly basis for each month or part month, as applicable, for the twelve months preceding the date of this Filing Statement, as reported by the Exchange. The Quantum Shares have been subject to a halt and have not traded since July 27, 2020.

	High (\$)	Low (\$)	Volume (Shares)
<b>2020</b>			
June	0.085	0.025	37,300
July	0.025	0.025	1,000
August	No trades	No trades	No trades
September	No trades	No trades	No trades
October	No trades	No trades	No trades

	<b>High (\$)</b>	<b>Low (\$)</b>	<b>Volume (Shares)</b>
November	No trades	No trades	No trades
December	No trades	No trades	No trades
<b>2021</b>			
January	No trades	No trades	No trades
February	No trades	No trades	No trades
March	No trades	No trades	No trades
April	No trades	No trades	No trades
May	No trades	No trades	No trades
June	No trades	No trades	No trades

### **Arm’s Length Transaction**

The Proposed Transaction is not a Non-Arm’s Length Qualifying Transaction.

### **Legal Proceedings**

Quantum has not been, and is not presently involved in, any legal proceedings material to it and insofar as it is aware, no such proceedings are contemplated.

### **Auditor, Transfer Agent and Registrar**

#### *Auditor*

Quantum’s current auditors are MNP LLP, whose principal office is located at 330 – 5<sup>th</sup> Avenue SW, Suite 2000, Calgary, Alberta, T2P 0L4.

#### *Transfer Agent and Registrar*

The transfer agent and registrar for the Quantum Shares is Alliance Trust Company at its Calgary office located at 530 – 8<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 3S8.

### **Material Contracts**

Quantum has not entered into any material contracts, outside of the ordinary course of business, prior to the date hereof, other than:

1. Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated June 15, 2018, between Quantum and Alliance Trust Company;
2. Option Plan dated February 26, 2021;
3. Amalgamation Agreement dated April 15, 2021, as amended, among Quantum, Ocumetics and Quantum SubCo pursuant to which the Amalgamation will be completed (see “*The Proposed Transaction*” in Part I of this Filing Statement);

4. CPC Escrow Agreement dated March 10, 2021 among the Corporation, the Alliance Trust Company and certain shareholders of the Corporation, which amends, supersedes and replaces the previous escrow agreement among the Corporation, the Alliance Trust Company and certain shareholders of the Corporation dated June 15, 2018; and
5. Sponsorship Agreement dated July 2, 2021 among Quantum, Ocumetics and the Sponsor pursuant to which the Sponsor has agreed to act as the sponsor for the Transaction (see "*Sponsorship and Agent Relationship*" in Part V of this Filing Statement).

Copies of these material contracts will be available for inspection without charge at the registered office of Quantum at 1250, 639 - 5<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 0M9 during ordinary business hours from the date hereof until the completion of the Proposed Transaction and for a period of 30 days thereafter.

## **PART III - INFORMATION CONCERNING OCUMETICS**

### **Corporate Structure**

#### ***Name and Incorporation***

Ocumetics is a private technology company incorporated on April 12, 2012 under the *Business Corporations Act* (British Columbia), under the name “Isys Adaptive Optics Inc.” On November 13, 2014, Ocumetics changed its name to “Ocumetics Technology Corp.” Ocumetics will be continued under the *Business Corporations Act* (Alberta) under the name, “Ocumetics Technology Inc.” prior to the completion of the Amalgamation. Its registered office is located at Suite 1750 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3 and its head office is located at 23544 20<sup>th</sup> Avenue, Langley, British Columbia, V2Z 2Z7.

#### ***Intercorporate Relationships***

Ocumetics has no subsidiaries; however, Ocumetics is affiliated with Ventura, a company wholly owned directly and indirectly by Dr. Garth Webb, which holds 14,400,000 Class “A” Shares in the share capital of Ocumetics (53.4%). Ventura is a corporation formed under the laws of the *Business Corporations Act* (British Columbia).

### **General Development of the Business**

#### ***History***

Ocumetics is a research and product development company specializing in medical optics and refractive technologies. It was formed in 2012 to develop and commercialize certain refractive technologies invented and developed by Dr. Garth Webb over the previous five years, with a focus primarily on the development of an intra-ocular lens known as the “Bionic Lens”.

Dr. Webb developed the Bionic Lens to address many of the shortcomings of lens replacement options he observed in his professional practice with patients who had undergone cataract and similar procedures. While existing lens replacement products have improved over the years, the technologies currently in use remain somewhat limited. Ocumetics believes that the Bionic Lens could eliminate the need for corrective lenses for people of all ages without many of the liabilities associated with laser surgery.

The patent portfolio with respect to the Bionic Lens includes five registered patents and twelve patent applications.

The principal patent for Bionic Lens technology is in respect of the process for inflating a lens retainer to apply pressure upon the posterior lens capsule of the eye to focus upon distant objects. This process is essential for bio-mimetic intraocular lens function and is the missing element in accommodating lens designs of Ocumetics’ competitors.

#### ***Significant Acquisitions and Dispositions***

Previously, the patents for the Bionic Lens technology were held by Ventura Holdings Ltd. (“Ventura”), which is wholly owned by Dr. Garth Webb. Ventura had, in turn, licensed the technology to Ocumetics on an exclusive basis pursuant to the Amended and Restated License Agreement dated April 12, 2021 (the “License Agreement”). Ventura also held the registered wordmarks, “Bionic Lens” and “Ocumetics”, which were licensed to Ocumetics under the License Agreement.

On January 28, 2021, the Company purchased all the intellectual property previously licensed by it from Ventura pursuant to an agreement (the “Acquisition Agreement”) in exchange for a promissory note in the amount of \$500,000 repayable within 12 months from the achievement of commercialization. Like the License Agreement, commercialization under the promissory note will be achieved when Ocumetics has sold at least 1,000 units per month to paying third-party customers for at least six consecutive months, or at least 6,000 units, in the aggregate, over a six-month period. The promissory note is secured against the intellectual property. Concurrently with the completion of the intellectual property transfer, Ventura and Ocumetics entered into a royalty agreement whereby Ocumetics will

pay royalties of two percent of net sales from products that incorporate the intellectual property. The License Agreement was terminated upon the transfer of the Intellectual Property under the Acquisition Agreement.

### **Narrative Description of the Business**

Ocumetix believes that uncompromised vision is a privilege tantamount to a basic human right. Ocumetix is committed to empowering and mobilizing the eye care community with the tools to actualize this belief.

#### ***Bionic Lens***

Ocumetix' principal product, and the current focus of its commercialization efforts, is the Bionic Lens, an intraocular lens that self-regulates to restore a natural geometric configuration to the lens capsule of the eye so that radial tension exerted by ligaments can actuate curvature change. The Bionic Lens consists of proprietary self-adapting suspension systems that modulate curvature change.

Optical elements incorporated within the Bionic Lens typically possess negative or nominal partial pressure. At least one wall of these optical elements comprises a flexible optical interface that is fashioned to alter shape in a cohesive manner, generating high-resolution optical images throughout its entire range of motion. Similar to the diaphragm of a stethoscope, the optical interface responds immediately to miniscule changes of external force.

Ocumetix suspension systems are comprised of cushions that conform to unique parameters of each recipient eye. When ciliary muscles relax, during sleep or when the eye focuses upon distant objects, the optical interface is compressed into its high energy state by expansion of the suspension system. When zonular tension relaxes, the optical interface immediately converts to a lower energy state, focusing the eye upon near objects. Kinetic energy transfer occurs almost exclusively within the optical interface as the suspension systems characteristically respond slowly to changes of external force. The result is an immediate response to accommodation without lag.

The proprietary suspension systems can be configured to induce variable prismatic effect in conjunction with curvature change. As the Bionic Lens shifts focus from distance to near, base-in prism increases progressively. The resultant effect of this unique capability is unparalleled ease for near-point focus.

Normal cycles of ciliary muscle contraction and relaxation tone these interactions so that comfortable binocular vision may engage immediately with minimal effort in unison with the contralateral eye. Aggregation of fibrotic matter within the suspension system actually improves the kinesis. Thus, Bionic Lenses initially self-customize to fit within each lens capsule and then proceed to auto-adapt for improved performance over time.

Components of the Bionic Lens are comprised of durable, pre-approved materials that demonstrate exceptional stability. Supple membranes are polymerized together to produce a composite lens that compresses through a 2.6mm incision, thereby minimizing surgically induced astigmatism. Prototypes have been dimensioned for a 12-diopter accommodation range in conjunction with 6-prism diopters of base-in prism. A replaceable anterior optical element provides easy access for lens updates.

#### ***Medical Context***

##### ***Understanding Lens Replacement***

The natural crystalline lens is an elegant physiological component of the human eye. It, however, is fraught with one fundamental design flaw. It consists of cells that multiply throughout life within a confined space. The ramification of this reality is that lens fibrils, which form the substance of the crystalline lens, are exposed to a number of stresses that progress as age ensues.

In an otherwise normally functioning eye, the crystalline lens is the usual source for optical errors. Laser refractive surgery and corrective lenses are used to compensate for these optical errors but invariably, continued maturational changes of the crystalline lens prevail causing it to harden and change curvature thus reducing the efficacy of eyeglasses and corneal refractive surgery.

The crystalline lens often becomes sclerotic by age 43 years, necessitating the use of reading glasses. As it continues to mature and eventually decay, it begins to release toxic substances that have been implicated with a variety of degenerative changes within the eye.

Lens extraction is most often performed when cataracts mature; however, the crystalline lens is easily removed before cataracts appear. Modern surgical techniques have refined to the point where the crystalline lens may be removed easily, through laser-assisted surgery, without pain or discomfort.

### *Understanding Laser Refractive Surgery*

Laser refractive surgery has evolved over the past three decades to become a commonly accepted alternative for eyeglass correction. The science has refined over this time; however, there remain at least three persistent concerns. The first of these is the fact that laser sculpting of the cornea cannot compensate for maturational/degenerative changes of the natural lens within the eye located behind the pupil. As time progresses, the shape, texture and color of this lens alters. The ramification of this progression is that even excellent post-operative results from laser surgery are degraded. Patients once again find themselves dependent upon eyeglasses and eventually in need of cataract surgery.

The second and more worrisome liability is the fact that up to 10% of the essential cell population on the back surface of the laser sculpted tissue is eradicated during each surgical procedure. These delicate cells are thought to be non-regenerative and are essential for maintaining a clear and healthy cornea. These cells are known to “wear out” for certain individuals who have no history of laser disruption. The concern is that early cell loss could accelerate with age.

The last issue is the arrival of a rising statistic for early cataract development among people who have opted for laser refractive surgery.

Another major disadvantage of conventional intraocular lens replacement surgery is that it is primarily designed for distance vision correction. Although patients no longer experience clouding from cataracts, they cannot shift focus from distance to near. Management believes the Bionic Lens provides excellent vision at all distances (distance, intermediate, near and very near).

### ***Regulatory Approvals***

The initial design of the Bionic Lens has been finalized, with prototypes now being prepared for animal testing and the proof of concept.

Before Ocumetics can begin the commercialization of the Bionic Lens, it must seek regulatory approval from the various countries and jurisdictions around the world in which it intends to sell the lens. This process begins with the undertaking of comprehensive clinical trials, which will proceed initially in four phases: 1) the animal studies, 2) the proof-of-concept study, 3) the clinical trials in the Dominican Republic, and 4) the clinical trials in Singapore.

Ocumetics intends to first seek regulatory approval from the Dominican Republic and from Singapore, with the Dominican and Singapore results forming the foundation for the regulatory approvals in other countries around the world.

### *Animal Studies:*

The animal studies for the Bionic Lens will be conducted by the University of Utah. The animal studies consist of testing the biocompatibility of the Bionic Lens in the eye of five rabbits, which closely replicates the functioning of a human eye. A Bionic Lens will be inserted into the right eye of each rabbit, and the left eye will receive the Alcon SA60AT AcrySof lens as the control lens, which is an industry standard lens used in cataract surgery. The surgical procedure will be performed by the same surgeon, and all surgeries will be recorded on a video system.

This rabbit study will analyze: 1) the stability and character of anterior capsular opacification; 2) the amount and character of anterior capsular opacification (ACO), posterior capsular (PCO), and capsular fibrosis; 3) corneal edema;

and 4) inflammation, as measured by the presence and amount of cell and flare in the anterior chamber. The results of the Bionic Lens will be compared to the control lens from the rabbits, and historical data from the control lens.

The animal studies will take approximately three months; although it is not unusual for the animal studies to go through two rounds before the desired results are achieved, which at times can include the redesign of the medical device.

Once the animal studies are successfully completed, the researchers will write a report containing the results of all the parameters investigated, as well as an interpretive summary of the study results. If the report indicates that the Bionic Lens performed well in the four areas mentioned above, then the report will be used as support to gain permission to begin the proof-of-concept studies.

*Proof of Concept Studies:*

Ocumetics will conduct its proof-of-concept studies in the Dominican Republic. The proof-of-concept studies will entail the surgical implantation of the Bionic Lens into one of the eyes of 10 patients, and then observing the patients over a four-month period to ensure the Bionic Lens is performing as expected.

The success of the Bionic Lens will be determined using the four criteria used in the animal studies described above, plus determining if the Bionic Lens allows the patient to focus at a distance and up close as easily as the natural human eye.

At the end of the study, if successful, the surgeon/researcher will write a report that confirms that the Bionic Lens works as designed. Ocumetics will then submit that report to the government of the Dominican Republic to request permission to commence clinical trials in the Dominican Republic.

Concurrently with the submission of the report to the Dominican Republic, Ocumetics will submit the report to the government of Singapore to request permission to commence clinical trials in Singapore.

*Dominican Republic Clinical Trials:*

The clinical trials in the Dominican Republic will consist of inserting the Bionic Lens into the eyes of 200 patients and observing the patients over a four-month period to ensure the Bionic Lens is functioning as intended.

Once the clinical trials have been successfully completed, the surgeon/researcher will write another report that confirms the results of the clinical trials, which will be submitted by Ocumetics to the government of the Dominican Republic for regulatory approval.

Upon receipt of regulatory approval, the government of the Dominican Republic will grant its permission to Ocumetics for the commercial distribution of the Bionic Lens in the Dominican Republic.

*Singapore Clinical Trials:*

Clinical trials in Singapore will happen concurrently with the Dominican clinical trials and will follow a similar process.

The clinical trials in Singapore will consist of inserting the Bionic Lens into the eyes of 200 patients and observing the patients over a 4-month period to ensure the Bionic Lens is functioning as intended.

Once the clinical trials have been successfully completed the surgeon/researcher will write another report that confirms the results of the clinical trials, which will be submitted by Ocumetics to the government of Singapore for regulatory approval.

Upon receipt of regulatory approval, the government of Singapore will grant its permission to Ocumetics for the commercial distribution of the Bionic Lens in Singapore.

As stated above, Ocumetics intends to use the Dominican and Singapore results as the foundational basis for seeking regulatory approvals in other countries around the world. For some countries, such as Indonesia, the Philippines, and Caribbean countries, the results from the Dominican Republic and Singapore clinical trials may be sufficient to gain regulatory approval.

In other countries and regions, such as Canada and the European Union, additional clinical trials of an additional 200 patients will be required in both jurisdictions in order to receive regulatory approval. It is expected that the regulatory approval process in both of those areas will take 24 to 36 months. Receipt of regulatory approval from each of Canada and the European Union is usually sufficient proof for a number of other countries, such as Australia, New Zealand, Japan, South Korea, and South Africa to grant regulatory approval at the same time.

The United States and China will require that clinical trials involving upwards of 800 to 1,000 patients be completed in each of those countries separately, using their citizens in the clinical trials over a period of four or more months, followed by the report that is submitted to the respective government departments (the Food and Drug Administration (FDA) in the USA, and the Chinese Food and Drug Administration (CFDA) in China). It is expected that the regulatory approval process in China will take 24 to 36 months and that the FDA approval process in the United States will take between three and seven years.

### ***Manufacturing and Production***

Ocular Technology, Inc., a custom plastics fabrication company located in California, will be the primary manufacturer of the Bionic Lens for Ocumetics and has offered to serve as the beta facility for the preparation of prototypes for clinical trials.

Once the clinical trials have been completed and regulatory approval has been received, Management hopes to establish a scalable manufacturing facility. The manufacturing facility will utilize state of the art assembly technologies and will fabricate the lenses under 6-Sigma quality standards. Alternatively, Ocumetics is considering the possibility of outsourcing the manufacturing of the Bionic Lens to Ocular Technology, Inc. on a continuing basis.

Given that the capacity of each production line is in excess of 10,000+ units per day, the scalability of the manufacturing process is both straightforward and affordable. Construction of dedicated Class 4 manufacturing facilities, costing approximately \$70 million, will be contemplated as the business case justifies. The costs of the expansion of the manufacturing capacity, including the construction of manufacturing facilities, if required or advisable, will be funded through cash flow.

### ***Production Plan***

There are four stages in Ocumetics' proposed manufacturing plan for the Bionic Lens. In the first stage, the process of fabricating the Bionic Lens will be defined and plans made for their manufacture. This process commenced during the development of the Bionic Lens, when Dr. Garth Webb worked with expert engineers and fabricators to determine how each product can be efficiently manufactured and what technologies are required.

The second stage of the manufacturing process entails extensive research and development as the prototype is developed, built, and clinical trials worked through. Given the capacity of the beta facility, the timeline for its use should extend throughout the first 4-5 years of operation. Animal testing, followed by clinical trials, is expected to commence in the second calendar quarter of 2021.

Stage three of the manufacturing process will consist of adding additional production lines to meet demand, with the beta facility being able to accommodate a minimum of 10 production lines, or about 100,000 units per day. This third stage will enable the company to generate sufficient cash flow to fund the fourth stage of production.

The fourth stage of the production process will see the build out to full commercialization. As mentioned previously, Ocumetics is considering the construction of dedicated manufacturing facilities, or may continue to outsource the manufacturing to Ocular Technology, Inc.

### *Quality Control*

Ocular Technology, Inc. will be the initial fabricator of the Bionic Lens. Ocular Technology Inc. was founded in January 2002 and has vast experience in research and development of ocular devices and manufacturing techniques for the eye care industry. Ocular Technology Inc. has put in place and maintains a quality system in compliance with current Code of Federal Regulations Title 21, Part 820, FDA Quality System Regulation.

### *Labour Force*

The fabrication process for both lens type will be highly automated, with a small core of technicians overseeing the assembly process at each workstation. The production process is not expected to be labor intensive, and Management believes that skilled technicians will be readily available.

### *Market Analysis*

The target market for the Bionic Lens comprises anyone over 45 years of age requiring lens replacement due to cataract development, or anyone over the age of 25 who simply wants refractive surgery to replace their eyeglasses.

It is important to note that the Bionic Lens is not suitable for treatment of all vision problems. In particular, it cannot resolve, alone, vision problems such as cloudy corneas, eyes that have already had the natural lens removed (such as in cataract surgery), severe macular degeneration, severe genetic retinal diseases, torn or damaged optic nerves, or brain damage affecting any part of the visual system.

That said, in North America alone, the number of people needing intraocular lens replacement surgery is expected to grow rapidly over the next 10 years with the “baby boomer” generation (those born between 1946-1965) heading into their retirement years. This group accounts for approximately 29% of Canada’s population<sup>1</sup>, and in the United States, the number of baby boomers is estimated at 71.2 million<sup>2</sup>, most of whom are prime candidates for Bionic Lens treatment.

In 2016, approximately 76.1% of the United States population required some form of corrective eyewear to address a variety of vision problems<sup>3</sup>. The Vision Council of America claims that over 4 billion adults in the world use vision correction products, which represents 75% of the adult population<sup>4</sup>. The World Health Organization estimates that at least 2.2 billion people have a vision impairment or blindness, with at least 1 billion of that number being preventable<sup>5</sup>.

Currently, over 3.7 million cataract lens replacement procedures are performed in the North America annually<sup>6</sup>. In addition, there were 5 million cataract surgeries in the European Union<sup>7</sup> and nearly 28 million procedures are performed world-wide per year<sup>8</sup>. Approximately 60,000 cataract procedures are performed every day around the world<sup>9</sup>. At an average unit price of \$1,000 per Bionic Lens, the current annual North American market potential exceeds \$3.7 billion for cataract surgery, \$5 billion for the EU, and about \$28 billion for cataract surgery worldwide.

In addition, there were 843,000 laser vision correction procedures (LASIK, PRK and SMILE) done in the United States in 2018<sup>10</sup>. Global demand for refractive surgical procedures (laser refractive surgery, presbyopia-correcting

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<sup>1</sup> Statistics Canada (2011) Generations in Canada.

<sup>2</sup> Pew Research Center (2020). U.S. Living adult generations in 2019.

<sup>3</sup> Sabanoglu, Tugba (Nov. 30, 2020) Vision correction usage by adults in the United States 2013-2016. Statista.com

<sup>4</sup> Reference.com (April 3, 2020) How many people in the world wear glasses.

<sup>5</sup> World report on vision. Geneva: World Health Organization; 2019. Licence: CC BY-NC-SA 3.0 IGO

<sup>6</sup> iData Research (April 6, 2018) Over 3.8 Million Cataract Surgeries Performed Each Year.

<sup>7</sup> Euorstat (04/12/2019) Almost 5 million cataract surgeries in the EU in 2017.

<sup>8</sup> Lindstrom, R.L. (February 10, 2021) Future of Cataract Surgery Seems Promising. Ocular Surgery News.

<sup>9</sup> Lingstrom, R.L. (February 10, 2021) Future of Cataract Surgery Seems Promising, Ocular Surgery News.

<sup>10</sup> Ocular Surgery News (April 10, 2019) Laser refractive surgery gradually regains ground since peaking in the early 2000s.

surgery, Refractive Lens Exchange (RLE) surgery, and phakic intraocular lens (IOL) implantation) is expected to grow at a compound annual growth rate of 9.6% from 2020 to 2025, with annual surgical volume increasing from 3.6 million to 5.8 million procedures.<sup>11</sup> When these refractive surgery figures are added to the 64% of 4 billion adults who wear glasses<sup>12</sup>, one can make a compelling argument for the potential market for the Bionic Lens.

### *Bionic Lens Advantages*

Often, those who are initially introduced to the Ocumetics technologies have a notion that there has been a breakthrough in materials design or stem-cell technology. The concepts that Ocumetics utilizes are independent from these complex and often problematic sciences. Simply put, the physical characteristics of time tested, inert bio-compatible materials are modified using laser energy to re-engage the full visual potential of the human eye upon insertion.

The practice of filling a lens capsule with gelatinous substances or incubating a cloned lens for months or even years within an adult human eye with the intent to re-establish normal visual function is for many reasons is physiologically, logistically and economically impractical.

To this end, Ocumetics offers the following:

#### Function:

1. The Bionic Lens offers optical performance throughout the full range of its focus translation.
2. Pupil size and optical resolution are controllable variables that can be optimized with both technologies to achieve visual performance with very rapid recovery times.

#### Safety:

1. The Bionic Lens can be safely injected into the eye through a self-sealing micro-incision.
2. Intra-capsular tension re-established by the Bionic Lens re-engages the natural tonus of the internal limiting membrane of the retina thereby reducing the risk of damage commonly encountered with contemporary intraocular lens designs.
3. All components of the Bionic Lens are constructed with inert and highly reputed materials that are projected to last many decades, if not centuries.

#### Economy:

1. Customized components for the Bionic Lens have been limited to one simple refractive element.
2. The technology lends itself very well to automated production as the lens consist of two components that are readily fused together.

### *Major Competitors*

There are several competitors to Ocumetics who are developing accommodating lenses, with varying degrees of success.

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<sup>11</sup> Eyewire.news (January 19, 2021) Market Scope: Refractive Surgery to Grow 9.5% a Year Through 2025, Despite COVID-19.

<sup>12</sup> Reference.com (April 3, 2020) How many people in the world wear glasses.

- Bausch & Lomb's accommodating intraocular replacement lens is called "Crystalens HD". Currently, Crystalens is the only FDA-approved accommodating lens on the market. The lens is approved for use in North America and Europe. While the lens presents an advance from previous attempts to restore functional accommodation, there remain some design issues; inadequate focus range (about one meter) being the greatest limitation.
- Abbot Labs has invested heavily in developing premium intraocular lenses over the years; however, they have yet to introduce an accommodating intraocular lens. Abbot is a major supplier of surgical equipment/supplies and is potentially an important strategic partner for Ocumetics.
- Power Vision has initiated stage 2 clinical trials of an accommodating intraocular lens. Power Vision has acquired a plethora of patents relating to accommodating intraocular lenses; however, none of these appear to provide the auto-adaptive capabilities required to satisfy essential performance characteristics required to meet contemporary market expectations.
- Lens Gen is a two-piece accommodating intraocular lens. Evidence suggests that the producers of this device will encounter limiting factors, similar to Power Vision as they too lack the control systems required to provide controllable outcomes.
- Elenza is an accommodating intraocular lens that requires electrical current to alter its refractive properties. Presently, the device must be charged daily with the use of an electromagnetic induction apparatus. The refractive power of the lens alters in response to changes of pupil size, a feature that will very likely create intolerable functional issues. At this time, the IP platform possessed by Ocumetics contains the only known control systems that can efficiently link electrical impulses with the natural mechanisms for accommodation within the human eye.

### ***Business Plan***

Over the next ten years, Ocumetics aims to capture 50% of the intraocular lens market worldwide and to dominate the anterior chamber lens market as the preferred alternative for corneal refractive surgery.

In the short-term, Ocumetics will focus upon the continued refinement of the Bionic Lens, clinical trials and the refinement of the production process. Ocumetics will also actively invest in the development of new medical/optical devices and will work with industry to develop cutting-edge solutions for new and expanding opportunities.

Ocumetics' specific business plans for the upcoming five years are expected to be as follows:

#### Year 1 – Fiscal year 2020/21

- Fabrication of Bionic Lens prototypes.
- Conduct animal studies and begin proof of concept study.
- Begin government approval processes.
- Investigate manufacturing equipment and facility options.
- Investigate packaging and shipping options.
- Develop marketing channels and materials.

#### Year 2 – Fiscal year 2021/22

- Complete proof of concept study

- Receive government approval to begin clinical trials
- Initiate human clinical trials in Dominican Republic and Singapore

Year 3 – Fiscal year 2022/23

- Complete clinical trials in Dominican Republic and Singapore and receive regulatory approval for commercialization
- Begin commercialization of Bionic Lens in Dominican Republic and Singapore
- Finalize clinical trials and government approval processes in Europe, Canada, the United States, and Asia.
- Finalize manufacturing equipment and facilities selections.
- Finalize packaging and shipping selections.
- Streamline marketing and operations software.
- Hire production staff, as required, and continue to train and development of existing staff.

Year 4 & 5 – Fiscal years 2023/24 & 2024/25

- Inaugurate manufacturing/fabrication facility for both products.
- Initiate production and marketing plans for both products.
- Integrate fabrication process with supply-chain management systems
- Expand fabrication workstations
- Hire and train staff in preparation for full build out of production capacity.
- Continue clinical trial and regulatory approval processes
- Continue to refine the fabrication process and supply-chain management systems.
- Continue to refine the marketing and operations systems.
- Continue to add production and systems capacity as market demand increases, to maximize operational efficiencies.

**Selected Consolidated Financial Information**

The following table sets forth selected historical financial information for Ocumetics for the years ended July 31, 2018, 2019 and 2020 and for the nine-month period ended April 30, 2021 and selected balance sheet data as at July 31, 2018, 2019 and 2020 and April 30, 2021, respectively. Such information is derived from the audited financial statements of Ocumetics for the years ended July 31, 2018, 2019 and 2020, and the unaudited interim financial statements as at April 30, 2021, respectively, that are attached hereto in Appendix “B” and should be read in conjunction with such financial statements.

	Nine-Month Period Ended April 30, 2021	Year Ended July 31, 2020	Year Ended July 31, 2019	Year Ended July 31, 2018
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	Nine-Month Period Ended April 30, 2021	Year Ended July 31, 2020	Year Ended July 31, 2019	Year Ended July 31, 2018
Total Revenue	-	-	-	-
Total Expenses	348,750	172,485	78,644	97,708
Net income (Loss)	(348,750)	(172,485)	(78,644)	(97,708)
Per share (basic)	0.02	0.01	0.00	0.00
Per share (diluted)	0.02	0.01	0.00	0.00
Total Assets	889,158	582,588	631,754	613,321
Total Long-Term Liabilities	500,000	500,000	-	-
Share Capital	1,533,195	1,121,083	1,079,833	1,079,833
Deficit	1,529,255	1,180,505	1,008,020	929,376

### Management's Discussion and Analysis

Management of Ocumetics has prepared a discussion and analysis dated July 22, 2021 for the year ended July 31, 2020 and a discussion and analysis dated June 14, 2021 for the nine-month period ended April 30, 2021, which can be found following the financial statements of Ocumetics in Appendix "B" hereto. Please refer to Appendix "B" for management's discussion on the financial results of Ocumetics for the relevant periods.

### Description of the Securities

The authorized capital of Ocumetics consists of an unlimited number of Class A Voting Common shares without nominal or par value, an unlimited number of Class B Non-Voting Common shares without nominal or par value and an unlimited number of Preferred shares without nominal or par value. As of the date of this Filing Statement, 22,972,834 Class A Voting Common shares, 800,000 Class B Non-Voting Common shares, and 3,200,000 Preferred shares are issued and outstanding. Other than the Ocumetics 1 Warrants, which entitle the holders thereof to purchase up to an aggregate of 294,750 Class A Voting Common shares at a price of \$0.275 until September 25, 2022, and the Ocumetics 2 Warrants, which entitle the holders thereof to purchase up to an aggregate of 416,666 Class A Voting Common shares at a price of \$0.60 until July 7, 2022, there are no securities issued and outstanding that carry the right to be converted into securities of Ocumetics.

The holders of Ocumetics Class A Voting Common shares are entitled to vote at all meetings of shareholders of Ocumetics, to receive dividends if, as and when declared by the directors and to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of Ocumetics.

The holders of Ocumetics Class B Non-Voting Common shares are not entitled to vote at meetings of shareholders, but otherwise are entitled to receive dividends and to participate rateably in the distribution of property or assets, both on a *pari passu* basis with holders of Class A Voting Common shares.

The holders of Preferred shares do not have the right to vote at meetings of shareholders, other than at meetings at which only holders of the Preferred shares are entitled to vote. The Preferred shares carry the right to receive dividends if, as and when declared by the directors in priority to the Class A Voting Common and Class B Non-Voting Common shares, and to participate rateably in any distribution of property or assets upon the liquidation, winding-up or other dissolution of Ocumetics, also in priority to Class A Voting Common and Class B Non-Voting Common shares. The Preferred shares carry redemption and retraction rights and shall be automatically converted into fully paid and non-assessable Class A Voting Common shares on the occurrence of an initial public offering or another transaction where the resulting entity is a reporting issuer under applicable securities laws.

## Consolidated Capitalization

The following table sets forth Ocumetics' share and loan capital for and as of the end of the periods indicated. This information is derived from Ocumetics' financial statements as at and for the six-month period ended January 31, 2020, which are included in this Filing Statement.

Designation of Security	Amount Authorized	Amount outstanding as at April 30, 2021 (prior to giving effect to the Proposed Transaction)	Amount outstanding as at June 30, 2021 (prior to giving effect to the Proposed Transaction)
Class A Voting Common Shares	Unlimited	22,972,834 (\$1,173,924)	22,972,834 (\$1,173,924)
Class B Non-Voting Common Shares	Unlimited	800,000 (\$71,854)	800,000 (\$71,854)
Preferred Shares	Unlimited	3,200,000 (\$287,417)	3,200,000 (\$287,417)
Ocumetics 1 Warrants	N/A	294,750 (\$81,056)	294,750 (\$81,056)
Ocumetics 2 Warrants	N/A	416,666 (\$250,000)	416,666 (\$250,000)
Long Term Debt	Nil	Nil (\$500,000)	Nil (\$500,000)
Retained Earnings (Deficit)	N/A	(\$1,390,747)	(\$1,390,747)

## Prior Sales

In the twelve-month period preceding the date of this Filing Statement, an aggregate of 1,572,834 Class A Voting Common shares were issued as follows:

Date	Number of Ocumetics Shares	Issue Price Per Ocumetics Share	Aggregate Issue Price	Nature of Consideration Received
January 7, 2021	833,334	\$0.300	\$250,000	Cash
September 25, 2020	589,500 <sup>(1)</sup>	\$0.275	\$162,113	Cash
June 26, 2020	150,000 <sup>(2)</sup>	\$0.0001	\$15	Cash

### Note:

- (1) Of these shares, 100,000 were issued to Non-Arm's Length Parties of Ocumetics.
- (2) All of these shares were issued to Non-Arm's Length Parties of Ocumetics.

No Class B Non-Voting Common shares, and no Preferred shares, have been issued in the twelve-month period preceding the date of this Filing Statement.

## **Stock Exchange Price**

Unless and until the Proposed Transaction is completed, there is no public market for any securities of Ocumetics.

## **Statement of Director and Executive Officer Compensation**

The purpose of the following is to provide information about Ocumetics' philosophy, objectives and processes regarding compensation of Ocumetics' directors and for the following executive officers of Ocumetics (referred to herein as "**Named Executive Officers**"):

- (a) each individual who, in respect of Ocumetics, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of Ocumetics, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of Ocumetics and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of Ocumetics, and was not acting in a similar capacity, at the end of that financial year.

The Named Executive Officers of Ocumetics during the last completed fiscal year of Ocumetics commencing August 1, 2019 and ending on July 31, 2020 ("**Fiscal 2020**") were Dr. Garth Webb, the Chairman and Chief Executive Officer (until April 2, 2020) and Mark Lee, the Chief Executive Officer (from and after April 2, 2020). There were no other Named Executive Officers during Fiscal 2020. On August 19, 2020, Sandey Wang was appointed as Chief Financial Officer.

The following individuals served as directors of Ocumetics during Fiscal 2020: Dr. Garth Webb, Elaine Webb, Mark Lee and Dayton Marks (commencing June 26, 2020).

The description of Ocumetics' compensation philosophy and objectives and the elements of such compensation during Fiscal 2020 are set forth below.

### *Director and Named Executive Officer Compensation, Excluding Stock Options and Other Compensation Securities*

The following table sets forth information concerning the total compensation (other than the compensation disclosed in Item 2.3 hereof) paid to all persons who were Named Executive Officers or directors during the past two fiscal years.

**TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES**

<u>Name and Position</u>	<u>Fiscal Year Ended July 31</u>	<u>Salary, Consulting Fee, Retainer or Commission (\$)</u>	<u>Bonus (\$)</u>	<u>Committee or Meeting Fees (\$)</u>	<u>Value of Perquisites (\$)</u>	<u>Value of all Other Compensation (\$)</u>	<u>Total Compensation (\$)</u>
Dr. Garth Webb	2019	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director, Chairman and Chief Executive Officer</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
Mark Lee	2019	Nil <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil
<i>Director and Chief Executive Officer</i>	2020	Nil <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil
Elaine Webb	2019	Nil	Nil	Nil	Nil	Nil	Nil
<i>Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
Dayton Marks	2019	-	-	-	-	-	-
<i>Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil

*External Management Companies*

Dr. Webb and Dr. Lee are not employees of Ocumetics. Dr. Webb provides executive management services through Ventura and Dr. Lee provides executive management services through Providential Holdings Inc; however, neither individual has been compensated (directly or indirectly) for their services to Ocumetics other than the issuance of Class A Voting Common shares to both of them on the incorporation of Ocumetics in April 2012.

Ms. Sandey Wang, the current Chief Financial Officer of Ocumetics, provides services to Ocumetics through S. Wang & Associates Ltd. pursuant to a consulting agreement dated effective August 19, 2020.

*Stock Options and Other Compensation Securities*

Ocumetics issued no stock options or other compensation securities during Fiscal 2020.

No stock options or other compensation securities were exercised during Fiscal 2020.

Ocumetics has no stock options outstanding as at the end of Fiscal 2020 and Ocumetics has no other compensation securities issued or outstanding as at the end of Fiscal 2020.

*Stock Option Plans and Other Incentive or Equity Compensation Plans*

Ocumetics has no formal stock option plan or other incentive plan and it has issued no stock options or other incentive options. Ocumetics has no compensation plans under which equity securities of Ocumetics are authorized for issuance

*Employment, Consulting and Management Agreements*

There are no management functions of Ocumetics that are to any substantial degree performed by a person or corporation other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of Ocumetics other than those referred to in the notes to the Table of Compensation Excluding Compensation Securities and under the heading entitled "External Management Companies", above.

### *Oversight and Description of Directors and Named Executive Officers Compensation*

To date, Ocumetics has not compensated its Named Executive Officers or its directors, given its early stage of development. Consequently, no compensation was paid to the Named Executive Officers or directors of Ocumetics during Fiscal 2020.

### *Pension Disclosure*

Ocumetics does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

### **Non-Arm's Length Party Transactions**

Except as with respect to the transactions related to the acquisition and licensing of Ocumetics' technology, in which Dr. Garth Webb had a material interest (see "*Significant Acquisitions and Dispositions*" in this Part III of the Filing Statement) and except for transactions involving the issuances of shares to the directors and officers (see "*Prior Sales*" in this Part III of the Filing Statement), the directors and senior officers of Ocumetics and Associates and Affiliates thereof have not had any direct or indirect material interest in any transaction or proposed transaction since its date of incorporation to the date of this Filing Statement that has materially affected or will materially affect Ocumetics or the Resulting Issuer.

### **Legal Proceedings**

Ocumetics has not been and nor is it presently involved in any legal proceedings material to it and no such proceedings are, to the best of its knowledge, contemplated.

### **Material Contracts**

Ocumetics has not entered into any material contracts outside of the ordinary course of business prior to the date hereof, other than the following:

1. Acquisition Agreement dated January 28, 2021 between Ocumetics and Ventura pursuant to which Ocumetics acquired ownership of the technology (see "*Significant Acquisitions and Dispositions*" in this Part III of the Filing Statement);
2. Amalgamation Agreement dated April 15, 2021, as amended, among Ocumetics, Quantum and Quantum SubCo pursuant to which the Amalgamation will be completed (see "*The Proposed Transaction*" in Part I of this Filing Statement); and
3. Sponsorship Agreement dated July 2, 2021 among Quantum, Ocumetics and the Sponsor pursuant to which the Sponsor has agreed to act as the sponsor for the Transaction (see "*Sponsorship and Agent Relationship*" in Part V of this Filing Statement).

Copies of these material contracts will be available for inspection without charge at the registered office of Ocumetics at 1250, 639 – 5<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 0M9, during ordinary business hours from the date hereof until the completion of the Proposed Transaction and for a period of 30 days thereafter.

## PART IV - INFORMATION CONCERNING THE RESULTING ISSUER

### Corporate Structure

#### *Name and Incorporation*

Following the completion of the Proposed Transaction and the Post-Transaction Amalgamation, the Resulting Issuer will exist under the *Business Corporations Act (Alberta)*, under the name “Ocumetics Technology Corp.” The Resulting Issuer intends to conduct the business currently carried on by Ocumetics.

It is expected that, following the completion of the Proposed Transaction, the registered office of the Resulting Issuer will be located at Suite 1250, 639 – 5<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 0M9, and that the head office of the Resulting Issuer will be located at 23544 – 20<sup>th</sup> Avenue, Langley, British Columbia V2Z 2Z7.

#### **Narrative Description of the Business**

Following completion of the Proposed Transaction and the Post-Transaction Amalgamation, the Resulting Issuer will carry on the business of Ocumetics (see “*Information Concerning Ocumetics – Narrative Description of the Business*” in Part III of this Filing Statement).

The Resulting Issuer’s overall business objective will be to develop, commercialize and produce the Bionic Lens and other refractive technologies.

Over the next 18 months, the Resulting Issuer intends to focus upon the continued refinement of the Bionic Lens, commencement of clinical trials and the refinement of the production process.

The following outlines the significant milestones associated with the Final Issuer’s 18-month development plan:

<b>Milestones</b>	<b>Target Commencement Date<sup>(1)</sup></b>	<b>Target Completion Date<sup>(1)</sup></b>	<b>Related Costs<sup>(2)</sup></b>
Fabrication of Bionic Lens prototypes	August 2021	October 2021	\$200,000
Conduct animal studies	October 2021	January 2022	\$100,000
Government approval to begin proof of concept study (Dominican Republic)	January 2022	March 2022	\$100,000
Proof of concept study (Dominican Republic)	March 2022	August 2022	\$500,000
Government approval to begin clinical trials (Dominican Republic and Singapore)	August 2022	October 2022	\$100,000
Human clinical trials in Dominican Republic and Singapore <sup>(3)</sup>	December 2022	June 2023	\$12,000,000 <sup>(3)</sup>

**Notes:**

- (1) The target dates are estimates only. The milestones listed above are to occur sequentially, with the next milestone commencing after the previous milestone has been completed. Actual commencement dates will depend upon the successful completion of the preceding milestone.
- (2) Costs are estimates only and will be dictated by contracts to be entered into with specific providers.
- (3) Commencement of human clinical trials will be dependent upon the Resulting Issuer raising adequate funding for the trials. The Resulting Issuer expects that it will have adequate funding to complete prototype fabrication, to conduct animal studies and to complete the proof of concept study.

See also “*Available Funds and Principal Purposes – Proposed Use of Funds*”, below, in this Part IV of the Filing Statement.

### Description of the Securities

The authorized capital of the Resulting Issuer will consist of an unlimited number of common shares without nominal or par value and an unlimited number of preferred shares issuable in series.

Upon completion of the Proposed Transaction, assuming the completion of the Private Placement, it is expected that there will be 108,263,302 Resulting Issuer Shares issued and outstanding as well as Resulting Issuer 1 Warrants to acquire 884,250 Resulting Issuer Shares and Resulting Issuer 2 Warrants to acquire 1,249,998 Resulting Issuer Shares.

The holders of the Resulting Issuer Shares are entitled to receive notice of and attend any meeting of the Resulting Issuer’s shareholders and are entitled to cast one vote for each Resulting Issuer Share held. The holders of the Resulting Issuer Shares are entitled to receive dividends, if, as and when declared by the Board of Directors of the Resulting Issuer and to receive a proportionate share, on a per share basis, of the assets of the Resulting Issuer available for distribution in the event of a liquidation, dissolution or winding-up of the Resulting Issuer.

### Pro Forma Consolidated Capitalization

#### *Pro Forma Consolidated Capitalization Table*

The following table sets forth the *pro forma* share and loan capital of the Resulting Issuer as at June 30, 2021 on a consolidated basis, based on the *pro forma* consolidated financial statements contained in this Filing Statement, after giving effect to the completion of the Proposed Transaction and all matters ancillary thereto.

Designation of Security	Amount authorized or to be authorized <sup>(1)</sup>	Amount outstanding after giving effect to the Proposed Transaction (Including Private Placement)
Common Shares	Unlimited	108,263,302 <sup>(1)</sup> (\$4,906,295)
Preferred Shares	Unlimited	Nil (\$Nil)
Options	N/A	375,000 <sup>(2)</sup> (\$0)
Warrants	N/A	2,134,248 <sup>(3)</sup> (\$0)
Retained Earnings (Deficit)	N/A	(\$2,159,737)

#### Notes:

- (1) Assumes that the maximum of Resulting Issuer Shares are issued under the Private Placement. Does not include the Resulting Issuer Shares that are issuable upon exercise of the Resulting Issuer Warrants nor that may be issued pursuant to the exercise of warrants that may be issued to finders pursuant to the Private Placement.
- (2) Represents Quantum Options. Additionally, upon completion of the Proposed Transaction, the Resulting Issuer will be entitled to grant additional incentive stock options under the Option Plan entitling the holders thereof to purchase up to a maximum of 10,451,330 Resulting Issuer Shares. It is intended that the granting and allocation of all incentive stock options will be decided by the Board of Directors of the Resulting Issuer after completion of the Proposed Transaction. The amount and terms of the options that may be granted has not yet been determined.
- (3) Represents 884,250 Resulting Issuer 1 Warrants and 1,249,998 Resulting Issuer 2 Warrants.

***Fully Diluted Share Capital***

The following table summarizes the securities of Quantum currently issued and outstanding and the securities of the Resulting Issuer to be issued and outstanding following completion of the Proposed Transaction:

	Number of Securities	Percentage of Total Number of Resulting Issuer Shares to be Issued and Outstanding Following completion of the Proposed Transaction on an Un-Diluted Basis	Percentage of Total Number of Resulting Issuer Shares to be Issued and Outstanding Following completion of the Proposed Transaction on a Fully Diluted Basis <sup>(3)</sup>
Quantum Shares outstanding as of the date of this Filing Statement ( <i>i.e.</i> : those held by current shareholders of Quantum)	5,540,000	5.12%	4.57%
Resulting Issuer Shares to be issued as consideration for all issued and outstanding Ocumetics Shares	80,918,502	74.74%	66.75%
Resulting Issuer Shares to be issued pursuant to the Private Placement <sup>(1)</sup>	21,604,800	19.96%	17.82%
Resulting Issuer Shares to be issued to the Sponsor	200,000	0.18%	0.16%
<b>Total Resulting Issuer Shares (un-diluted):</b>	108,263,302	100.00%	89.31%
Resulting Issuer Shares issuable upon exercise of the Resulting Issuer 1 Warrants	884,250	N/A	0.73%
Resulting Issuer Shares issuable upon exercise of the Resulting Issuer 2 Warrants	1,249,998	N/A	1.03%
Resulting Issuer Shares issuable upon exercise of issued and outstanding incentive stock options	375,000	N/A	0.31%
Resulting Issuer Shares issuable upon exercise of incentive stock options that may be granted after completion of the Proposed Transaction <sup>(2)</sup>	10,451,330	N/A	8.62%
<b>Total Resulting Issuer Shares (fully diluted)<sup>(3)</sup></b>	121,223,880	N/A	100.00%

**Note:**

- (1) Assumes that the maximum number of Resulting Issuer Shares is issued under the Private Placement.
- (2) Indicates maximum number of incentive stock options that may be granted under the Option Plan upon completion of the Proposed Transaction. It is intended that the granting and allocation of all incentive stock options will be decided by the Board of Directors of the Resulting Issuer after completion of the Proposed Transaction. The amount and terms of the options that may be granted has not yet been determined.
- (3) Does not include Resulting Issuer Shares that may be issued pursuant to the exercise of warrants that may be issued to finders under the Private Placement.

## Available Funds and Principal Purposes

### *Funds Available*

The following table sets forth the estimated available funds based upon total current assets less total current liabilities as at June 30, 2021 plus the amounts and sources of other funds available to Quantum and Ocumetics prior to, or concurrently with, the completion of the Proposed Transaction, after giving effect to the Proposed Transaction.

	<b>Working Capital (\$)</b>	<b>Private Placement (\$)</b>	<b>TOTAL (\$)</b>
Quantum <sup>(1)</sup>	150,000	2,700,600	2,850,600
Ocumetics <sup>(2)</sup>	(195,434)	Nil	70,000
Less Legal Expenses <sup>(3)</sup>	(50,000)	(15,000)	(65,000)
Less Audit Expenses	(15,000)	Nil	(15,000)
Less Sponsor's Expenses <sup>(4)</sup>	(15,000)	Nil	(15,000)
Less Private Placement Finders' Fees	Nil	(42,000) <sup>(5)</sup>	(42,000)
Less TSXV Transaction Fees	(41,881)	(14,253)	(56,135)
<b>TOTAL</b>	<b>(167,315)</b>	<b>2,629,347</b>	<b>2,462,031</b>

#### **Notes:**

- (1) Unaudited - Based on estimates from Quantum.
- (2) Unaudited - Based on estimates from Ocumetics.
- (3) Includes legal expenses from Quantum counsel and Ocumetics counsel with respect to the Proposed Transaction.
- (4) Includes Sponsor's sponsorship fee and reimbursement of Sponsor's expenses, including legal expenses.
- (5) Assumes 4,800,000 Resulting Issuer Shares are sold under the offering memorandum portion of the Private Placement.

### *Dividends*

There are no restrictions in Quantum's articles or elsewhere which could prevent the Resulting Issuer from paying dividends subsequent to the completion of the Proposed Transaction. Quantum does not contemplate paying any dividends on any shares of the Resulting Issuer in the immediate future subsequent to the completion of the Proposed Transaction, as it anticipates investing all available funds to finance the growth of the Resulting Issuer's business. The directors of the Resulting Issuer will determine if, and when, to declare and pay dividends in the future from funds properly applicable to the payment of dividends based on the Resulting Issuer's financial position at the relevant time. All of the common shares of the Resulting Issuer will be entitled to an equal share in any dividends declared and paid on a per share basis.

### *Proposed Use of Funds*

It is expected that the Resulting Issuer will have an aggregate of \$2,462,031 available to it over the following 18 months, consisting of the \$2,462,031 available to the Resulting Issuer after giving effect to the Proposed Transaction (see "*Funds Available*", above). The following table sets out the principal uses of the funds available over the following 18 months. See also "*Narrative Description of the Business*", above, in this Part IV of the Filing Statement.

<b>Expenditure</b>	<b>Amount (\$)</b>
Patent applications and renewals	\$200,000
Research and development	\$400,000
General and administrative <sup>(1)</sup>	\$645,000
Sales and marketing	\$20,000
Pre-clinical expenses and regulatory <sup>(2)</sup>	\$1,000,000
Unallocated working capital	\$197,031
<b>TOTAL:</b>	<b>\$2,462,031</b>

**Notes:**

(1) General and administrative expenses are expected to consist of the following:

Executive salaries	\$ 360,000
Administrative salaries	\$ 20,000
Consulting fees for clinical trials	\$ 90,000
Insurance expense	\$ 40,000
Legal fees	\$ 117,000
Miscellaneous	\$ 18,000
Total:	<u>\$ 645,000</u>

(2) Includes costs for animal studies, proof of concept, clinical trial design and related expenses.

The above uses of available funds are estimates only. Notwithstanding the proposed uses of available funds as discussed above, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. It is difficult at this time to definitively project the total funds necessary to execute the planned undertakings of the Resulting Issuer. For these reasons, management considers it to be in the best interests of the Resulting Issuer and its shareholders to permit management a reasonable degree of flexibility as to how the Resulting Issuer's funds are employed among the above uses or for other purposes, as the need may arise.

Ocumetics intends to complete a financing of \$12,000,000 within a year following the Proposed Transaction in order to fund clinical trials.

**Principal Securityholders**

To the best of the knowledge of management of Quantum and Ocumetics, no Person will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the voting rights attached to all of the outstanding shares of the Resulting Issuer after completion of the Proposed Transaction, including completion of the Private Placement, other than the following:

<b>Name of Shareholder and Municipality of Residence</b>	<b>Nature of Shareholding</b>	<b>Number of Resulting Issuer Shares</b>	<b>Percentage of Resulting Issuer Shares (undiluted)</b>	<b>Percentage of Resulting Issuer Shares (fully diluted)</b>
Ventura Holdings Ltd. <sup>(1)</sup> <i>Langley, British Columbia</i>	Shareholder of Record and Beneficially	43,200,000 <sup>(3)</sup>	39.90%	35.64%

**Notes:**

(1) Ventura is wholly-owned and controlled by Dr. Garth Webb.

(2) These Resulting Issuer Shares will be held in escrow under the Value Security Escrow Agreement. See "Escrowed Securities" in this Part IV of the Filing Statement.

## Directors, Officers and Promoters

### *Name, Municipality of Residence, Occupation and Security Holdings*

It is expected that upon completion of the Proposed Transaction, the individuals disclosed in the table below will be the directors and officers of the Resulting Issuer, with the term of office of the directors to expire on the date of the next annual general meeting of the shareholders of the Resulting Issuer. It should be noted that, pursuant to the Amalgamation Agreement, it is a condition to the completion of the Proposed Transaction that Elaine Webb as a director and officer of Ocumetics, and the directors of Quantum other than Roger Jewett, tender their respective resignations as directors and/or officers, as applicable, effective upon completion of the Proposed Transaction.

The following table lists the name, municipality of residence, proposed office, principal occupation and anticipated shareholdings of each proposed director and officer of the Resulting Issuer.

<b>Name and Municipality of Residence</b>	<b>Positions and Offices to be Held</b>	<b>Principal Occupation During the Past Five Years<sup>(1)</sup></b>	<b>Number of Resulting Issuer Shares Owned, Beneficially Held or Controlled upon completion of the Proposed Transaction and % of Resulting Issuer Shares Held or Controlled<sup>(2)(3)</sup></b>	<b>Director or Officer of Quantum or Ocumetics Since</b>
Mark A. Lee <i>Abbotsford, BC</i>	President, Chief Executive Officer and Corporate Secretary	Chief Executive Officer of Ocumetics from 2020 to present and from 2017 to 2019; Chief Financial Officer of Ocumetics from 2014 to 2019; Professor, Trinity Western University School of Business from 2005 to present	6,300,000 5.82%	April 2020 and from September 2012 to May 2019
Garth T. Webb <i>Surrey, BC</i>	Chief Scientific Officer and Director	Self employed as an optometrist since 1977	43,200,000 39.90%	April 2012
Dayton R. Marks <sup>(4)</sup> <i>Toronto, ON</i>	Director	Director of Bonanza Mining Corporation since June 2020; Sessional Instructional Assistant with the Rotman School of Management since January 2020; consultant with Hans Management from September 2018 to December 2019; prior to September 2018, student	450,000 0.42%	June 2020
Robert J. Quinn <sup>(4)</sup> <i>Kingwood, Texas, USA</i>	Director	Independent businessman	40,000 0.04%	February 2021
Johannes J. Kingma <sup>(4)</sup> <i>Calgary, Alberta</i>	Director	Independent businessman	1,433,000 1.32%	February 2018
Roger M. Jewett <i>Calgary, Alberta</i>	Director	Chief Executive Officer and owner of A Fresh Approach Inc., a private corporation providing contract Chief Financial Officer services to private and public companies	500,000 0.46%	February 2018

Name and Municipality of Residence	Positions and Offices to be Held	Principal Occupation During the Past Five Years <sup>(1)</sup>	Number of Resulting Issuer Shares Owned, Beneficially Held or Controlled upon completion of the Proposed Transaction and % of Resulting Issuer Shares Held or Controlled <sup>(2)(3)</sup>	Director or Officer of Quantum or Ocumetics Since
Xin Hui (Sandey) Wang <i>Vancouver, BC</i>	Chief Financial Officer	President of S Wang and Associates, a private professional corporation providing financial services, since 2005	Nil 0.00%	August 2020
<b>TOTAL:</b>			51,923,000 47.96%	

**Notes:**

- (1) For a complete description of the proposed directors, officers and other management personnel of the Resulting Issuer see “*Information Concerning the Resulting Issuer - Directors, Officers and Promoters - Management*” in this Part IV of the Filing Statement.
- (2) Un-diluted.
- (3) After giving effect to the completion of the Private Placement.
- (4) Proposed member of the audit committee.

Following the completion of the Proposed Transaction, the board of directors of the Resulting Issuer will establish an audit committee and such other committees of the board as it determines to be appropriate. Proposed members of the audit committee are noted in the above table.

***Management***

The following are summaries of the proposed directors and principal management of the Resulting Issuer, including their respective proposed positions with the Resulting Issuer and relevant work and educational background. None of the directors or officers has entered into non-competition or non-disclosure agreements with Quantum, although it is intended that such agreements will be entered into by the other directors prior to completion of the Proposed Transaction.

*Mark Lee, Proposed Chief Executive Officer and Corporate Secretary (Age 63)* – Dr. Lee brings years of business leadership experience in a variety of organizations from the service sector, mining, manufacturing, and academia, as a President/CEO, COO, CFO, consultant, and full professor in business.

Dr. Lee holds a Doctor of Business Administration degree from the Nova Southeastern University (1995), a Master of Business Administration degree from Liberty University (1991) and a Bachelor of Science degree from York University (1984).

In his capacities as the Chief Executive Officer and Corporate Secretary of the Resulting Issuer, Dr. Lee will be charged with leading the management team in all aspects of the Resulting Issuer’s business for which he intends to devote 75% of his time initially, increasing to 100% as the business of the Resulting Issuer progresses. It is expected that the Resulting Issuer will enter into a consulting agreement with Dr. Lee to formalize the delivery of his services.

*Sandey Wang, Proposed Chief Financial Officer (Age 54)* – Ms. Wang has years of public and private company accounting experience and is proficient in all levels of accounting, financial management and reporting. She received her Bachelor of Engineering in 1988, financial management diploma from BCIT in 1994 and CPA designation in 2000. Areas of focus for Ms. Wang include regulatory reporting, capital management, business process improvements, system optimization, internal controls, and management reporting.

As Chief Financial Officer, Ms. Wang will be responsible for the Resulting Issuer's financial planning and record-keeping, as well as for the Resulting Issuer's financial reporting obligations. Ms. Wang intends to devote approximately 40% of her time to the business of the Resulting Issuer. Ms. Wang currently provides services to Ocumetics through the Consulting Agreement. After the completion of the Proposed Transaction, it is expected that Ms. Wang will enter into a new consulting agreement with the Resulting Issuer upon terms agreeable to the parties.

*Dr. Garth Webb, Proposed Chief Scientific Officer and Director (Age 66)* – Dr. Webb brings years of clinical experience to the company. Dr. Webb co-founded a large group practice of optometry in Canada called Complete Eye Care Optometry Clinic. Dr. Webb is a perennial innovator. He has invented and commercialized several technologies pertaining to the ophthalmic and other healthcare industries and is the sole innovator behind the Bionic Lens.

Dr. Webb holds a Doctor of Optometry degree from the University of Waterloo (1977).

In his capacity as the Chief Scientific Officer of the Resulting Issuer, Dr. Webb will lead the scientific and technological aspects of the Resulting Issuer's business for which he intends to devote 75% of his time. It is expected that the Resulting Issuer will enter into a consulting agreement with Ventura to formalize the delivery of Dr. Webb's services.

*Dayton R. Marks, Proposed Director (Age 28)* – Mr. Marks is a Sessional Instructional Assistant with the Rotman School of Management. He is also a director of Bonanza Mining Corporation since June 2020. From September 2018 to December 2019, Mr. Marks was a consultant for Hans Management Inc., a private company that was involved in the formation and funding of Hanstone Capital Corp. which later became Hanstone Gold Corporation a gold and mineral exploration company in the Golden Triangle in British Columbia.

Mr. Marks holds a Master's degree of Financial Risk Management from the Rotman School of Management (2018), a Bachelor's degree of Business Administration from the University of the Fraser Valley (2017) and a Bachelor of Arts degree from the University of the Fraser Valley (2017).

*Robert J. Quinn, Current Director of Quantum (Age 65)* – Mr. Quinn is an independent businessman with years of diverse board, management, and legal international mining industry experience. He has extensive corporate governance, environmental, transactional, M&A, financing, contract, development, compliance and litigation experience with companies developing and operating numerous mines and conducting exploration programs internationally.

Mr. Quinn holds a Juris Doctor degree from the University of Denver School of Law (1981) and a Bachelor's degree of Business Administration from the University of Denver (1978).

*Johannes J. Kingma, Current Director of Quantum (Age 57)* - Mr. Kingma has been self-employed since 2006. He is currently the Chief Executive Officer and President of Asia Green Biotechnology Corp., a public agri-technology company moving toward the planting, growing, and harvesting of new and valuable strains of hemp and related crops in commercial quantities in Asia, and Chief Executive Officer, President and Chairman of Synstream Energy Corp., a public oil and gas exploration and development corporation. Mr. Kingma served as the President of Primera Energy Resources Ltd., which was a public oil and gas exploration and development corporation, from October 2009 to July 2010 and as a director of Primera from March 2005 to January 2012. Mr. Kingma was also the Chief Executive Officer and Director of Pan Western Energy Inc. (now Valeura Energy Inc.), a Canada-based public company engaged in the exploration, development, and production of petroleum and natural gas, from February 2004 to June 2010. Prior thereto, he was the branch manager, IPO Calgary, and a registered investment advisor with IPO Capital Corp., Canadian Western Capital Limited and its predecessor Charlton Securities Ltd. Mr. Kingma has also been involved with other publicly traded oil and gas exploration and development corporations including Powermax Energy Inc., for which he served as President, CEO and director, and Explorator Resources Inc., for which he served as a director.

*Roger M. Jewett, Current Director of Quantum, Proposed Director of Resulting Issuer (Age 57)* - Mr. Jewett is a Chartered Accountant and the Chief Executive Officer and owner of A Fresh Approach Inc., a corporation through which Mr. Jewett provides contract Chief Financial Officer services to private and public companies.

Mr. Jewett is currently the Chief Financial Officer of the following companies: Guardian Exploration Inc. (since 2017), a public oil and gas exploration and development corporation; Guardian Helicopters Inc. (since 2018), a private helicopter charter company; Elixir Technology Inc. (since 2019), a private FinTech company that utilizes proprietary software to automate a portfolio manager's trading activities; and PsyGen Industries Ltd. (since 2020), a private company engaged in the study and manufacture of psilocybin.

Mr. Jewett is the past Chief Financial Officer of NewLeaf Travel Company (2016-2017), a private low cost scheduled airline; Enerjet (2010-2015), a Boeing 737 charter operator; and Resorts of the Canadian Rockies (1993-2000), a private Canadian ski hill operator and resort developer, and past director (2000-2007) and President (2002-2007) of Rare Method, which was then a TSXV listed interactive marketing firm.

Mr. Jewett holds a Bachelor of Business Administration degree from the University of New Brunswick (1986) and obtained his Chartered Accountant designation in 1989.

### ***Promoters***

Johannes Kingma is considered to be the Promoter of Quantum in that he took the initiative in founding and organizing Quantum. See Part III – “Information Concerning Quantum”, “Prior Sales” and “Stock Option Plan” and Part IV – “Information Concerning the Resulting Issuer”, “Name, Municipality of Residence, Occupation and Security Holdings” and “Escrowed Securities”.

Garth Webb is considered to be the Promoter of Ocumetics in that he took the initiative in founding and organizing Ocumetics. See Part IV – “Information Concerning the Resulting Issuer”, “Principal Securityholders”, “Name, Municipality of Residence, Occupation and Security Holdings” and “Escrowed Securities”.

Mark Lee and Dayton Marks would be considered to be the Promoters of the Resulting Issuer as they took the initiative in the business combination that will result in the formation of the Resulting Issuer. See Part IV – “Information Concerning the Resulting Issuer”, “Name, Municipality of Residence, Occupation and Security Holdings” and “Escrowed Securities”.

### ***Cease Trade Orders or Bankruptcies***

Robert Quinn was a director of Mercator Minerals Inc. (“Mercator”). On August 26, 2014, Mercator filed a Notice of intention to make a proposal under the Bankruptcy and insolvency Act (Canada) (the “BIA”). Mr. Quinn ceased to be a director on September 4, 2014. Pursuant to section 50.4(8) of the BIA, Mercator was deemed to have filed an assignment in bankruptcy on September 5, 2014 as a result of allowing the ten-day period within which Mercator was required to submit a cash flow forecast to the Official Receiver to lapse.

Mr. Quinn was a director of Great Western Minerals Group Ltd. (“GWMG”). On April 30, 2015, GWMG was granted protection from its creditors under the Companies’ Creditors Arrangement Act (Canada) (the “CCAA”) upon receiving an initial order from the Court. On May 11, 2015, an order was issued by the Financial and Consumer Affairs Authority of the Province of Saskatchewan that all trading in the securities of GWMG be ceased due to its failure to file financial statements for the year ended December 31, 2014.

Mr. Quinn was a director of North American Palladium Ltd. (“NAP”) prior to the completion of the recapitalization transaction that was completed on August 6, 2015 and approved at a meeting of the convertible debentureholders of NAP and at an annual and special meeting of shareholders of NAP on July 30, 2015. The recapitalization was accomplished by way of a plan of arrangement and resulted in the issuance of shares in exchange for debt, among other things.

Johannes Kingma is a director and officer of Synstream Energy Corp. and Roger Jewett was a director of Synstream until June 12, 2020. Synstream was cease traded by the Alberta Securities Commission on June 22, 2020 for failure to file annual audited financial statements, annual management’s discussion and analysis and certification of the annual filings for the year ended December 31, 2019. The cease trade order remains outstanding.

Other than the foregoing, none of the individuals proposed for appointment as a director, officer, promoter or other member of management of the Resulting Issuer upon completion of the Proposed Transaction, nor any promoter of the Resulting Issuer or security holder anticipated to hold a sufficient number of securities the Resulting Issuer to affect materially the control of the Resulting Issuer, has been a director, officer or promoter of any other issuer within the past ten years that, while he was acting in that capacity has been a director, officer or promoter of any other issuer:

- (a) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemptions under applicable securities law for a period of more than thirty (30) consecutive days; or
- (b) was declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### ***Penalties or Sanctions***

In early 1998, Mercator, through its then management, filed a registration statement under the Securities and Exchange Act of 1934 with the United States Securities and Exchange Commission (“SEC”), which became effective in 1998 without further action by Mercator.

Mercator’s subsequent management and directors (including Robert Quinn) were not aware that the registration statement became effective and, accordingly, no further filings were made with the SEC. On November 8, 2011, an order was issued by the SEC revoking the registration of Mercator’s common shares in the United States for failing to file periodic reports. On November 8, 2011, Mercator filed a Form 40-F registration statement with the SEC to re-register Mercator’s common shares in the United States. The Form 40-F registration statement became effective on January 9, 2012.

Other than the foregoing, no individual proposed for appointment as a director or officer of the Resulting Issuer, nor any promoter of the Resulting Issuer or any shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer upon completion of the Proposed Transaction, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making a decision about the Proposed Transaction.

### ***Personal Bankruptcies***

No individual proposed for appointment as a director or officer of the Resulting Issuer upon completion of the Proposed Transaction, nor any promoter of the Resulting Issuer or any shareholder anticipated to hold a sufficient number of securities of the Resulting Issuer to affect materially the control of the Resulting Issuer upon completion of the Proposed Transaction, nor any personal holding corporation of any such person, has, within the ten years before the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

### ***Conflicts of Interest***

Some of the individuals proposed for appointment as directors or officers or promoters of the Resulting Issuer upon completion of the Proposed Transaction are also directors, officers and/or promoters of other reporting and non-reporting issuers. Conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Resulting Issuer, notwithstanding that they will be bound by the

provisions of the *Business Corporations Act (Alberta)* to act at all times in good faith in the interest of the Resulting Issuer and to disclose such conflicts to the Resulting Issuer if and when they arise. Except as otherwise provided herein, to the best of its knowledge, Quantum is not aware of the existence of any conflicts of interest between Quantum and any of its directors and officers as of the date of this Filing Statement. Except as otherwise provided herein, to the best of its knowledge, Ocumetics is not aware of the existence of any conflicts of interest between Ocumetics and any of its directors and officers as of the date of this Filing Statement. The shareholders of Quantum must appreciate that they will be required to rely on the judgment and good faith of its directors and officers, as well as on the judgment and good faith of the directors and officers of Ocumetics, in resolving any conflicts of interest that may arise.

### ***Other Reporting Issuer Experience***

The following table sets out the proposed directors, officers and promoter of the Resulting Issuer that are, or have been within the last five years, directors, officers, or promoters of other reporting issuers:

<b>Name</b>	<b>Name of Reporting Issuer</b>	<b>Exchange or Market <sup>(1)</sup></b>	<b>Position</b>	<b>From</b>	<b>To</b>
Roger M. Jewett	Guardian Exploration Inc.	TSXV	CFO	Nov 2017	Present
	Synstream Energy Corp.	TSXV	Director	Jan 2018	Jun 2020
Xin Hui (Sandey) Wang	Falcon Gold Corp.	TSXV	CFO	May 2020	Nov 2020
Robert J. Quinn	Hanstone Gold Corp.	TSXV	Vice President and Director	Aug 2020	Present
	Hansco Capital Corp.	TSXV	President, CEO and Director	Aug 2019	Present
	Tudor Gold Corp.	TSXV	Director	Apr 2016	Dec 2018
	Hanstone Capital Corp.	TSXV	CEO, President and Director	Nov 2018	Aug 2020
	eCobalt Solutions Inc.	TSXV	Director	Aug 1999	Jun 2017
Johannes J. Kingma	Synstream Energy Corp.	TSXV	CEO, Chairman and Director	Dec 2017	Present
	Asia Green Biotechnology Corp.	TSXV	CEO and Director	Dec 2017	Present
	Leeward Capital Corp.	TSXV	CEO and President	Apr 2019	Present
	Leeward Capital Corp.	TSXV	Director	Apr 2011	Present

### **Executive Compensation**

It is anticipated that the proposed executive officers of the Resulting Issuer, being Dr. Mark Lee, the proposed Chief Executive Officer and Corporate Secretary, Dr. Garth Webb, the proposed Chief Scientific Officer and Xin Hui (Sandey) Wang, the proposed Chief Financial Officer, will provide services pursuant to consulting agreements, upon terms agreeable to the parties, to be entered into after the completion of the Proposed Transaction.

Following completion of the Proposed Transaction, it is anticipated that the Resulting Issuer may pay compensation to its directors.

### **Indebtedness of Directors and Officers**

Upon completion of the Proposed Transaction, none of the directors or officers of either Ocumetics or Quantum, nor any other individual who at any time since incorporation of Ocumetics was a director or officer of either Ocumetics or Quantum, nor any of their Associates, will be indebted to either Ocumetics or Quantum, and neither will any indebtedness of any of these individuals or Associates to another entity be the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by either Ocumetics or Quantum.

### **Investor Relations Arrangements**

Neither Quantum nor Ocumetics has entered into any written or oral agreement or understanding with any person to provide promotional or investor relations services to either of them, or to engage in activities for the purposes of stabilizing the market.

### **Options to Purchase Securities**

#### *Options to Purchase Securities*

As at the date hereof, there are 375,000 Quantum Options issued and outstanding and no Ocumetics options issued and outstanding. Upon completion of the Proposed Transaction, the Resulting Issuer will be entitled to grant options entitling the holders thereof to purchase an aggregate of up to 10,451,330 Resulting Issuer Shares. The directors of the Resulting Issuer intend to determine the allocation, price and terms of such options after completion of the Proposed Transaction. All of the foregoing options of the Resulting Issuer will be governed by the Option Plan of the Resulting Issuer.

#### *Stock Option Plan*

The Option Plan of Quantum will continue to be the Option Plan of the Resulting Issuer. As the Resulting Issuer will continue to have a “10% rolling” stock option plan following completion of the Proposed Transaction, the Option Plan will need to be approved on an annual basis by the shareholders of the Resulting Issuer. For a complete summary and description of the Option Plan, see “*Information Concerning Quantum – Stock Option Plan*” in *Part III of this Filing Statement*.

### **Escrowed Securities**

#### *CPC Escrow Agreement:*

Subject to the CPC Escrow Agreement among Quantum, Alliance Trust Company and the founding shareholders of Quantum, 25% of such securities shall be released from escrow on the completion of the Proposed Transaction (the “**Initial Release**”) and an additional 25% shall be released on the dates that are 6 months, 12 months and 18 months following the Initial Release. Any Quantum Shares issued upon exercise of Quantum Options to principals of Quantum prior to completion of the Proposed Transaction will be subject to the CPC Escrow Agreement, but they will be released immediately upon the Initial Release.

Name and Municipality of Residence of Securityholder	Designation of Class	Prior to Giving Effect to the Proposed Transaction		After Giving Effect to the Proposed Transaction <sup>(1)</sup>	
		No. of securities held in escrow	Percentage of Class	No. of Resulting Issuer Shares to be held in escrow	Percentage of Class
Keith Erickson <i>Calgary, Alberta</i>	Common Shares	500,000	9.03%	500,000	0.46%
Roger M. Jewett <i>Calgary, Alberta</i>	Common Shares	500,000	9.03%	500,000	0.46%
Johannes Kingma <i>Calgary, Alberta</i>	Common Shares	1,433,000 <sup>(2)</sup>	18.05%	1,000,000	0.92%
1649568 Alberta Ltd. <sup>(3)</sup> <i>Calgary, Alberta</i>	Common Shares	500,000	9.03%	500,000	0.46%
Robert Quinn <i>Houston, Texas</i>	Common Shares	40,000	0.72%	40,000	0.04%
<b>TOTAL</b>		<b>2,973,000</b>	<b>45.13%</b>	<b>2,540,000</b>	<b>2.35%</b>

**Note:**

- (1) Assumes that the escrowed shareholders noted in this table do not purchase Resulting Issuer Shares under the Private Placement.
- (2) Of these shares, Mr. Kingma holds 433,000 through his holding company, 1262430 Alberta Ltd.
- (3) 100% of the shares of 1649568 Alberta Ltd. are owned by John Zang.

*Value Security Escrow Agreement:*

The following shares will be deposited upon completion of the Proposed Transaction under the Value Security Escrow Agreement to be entered into concurrent with the completion of the Proposed Transaction among the Resulting Issuer, those insiders of the Resulting Issuer and Alliance Trust Company whereby 25% of such securities shall be released from escrow on the issuance of the Final Exchange Bulletin and 25% shall be released on the dates that are 6, 12 and 18 months following Final Exchange Bulletin.

Name and Municipality of Residence of Securityholder	Designation of Class	Prior to Giving Effect to the Proposed Transaction		After Giving Effect to the Proposed Transaction	
		No. of securities held in escrow	Percentage of class	No. of Resulting Issuer Shares to be held in escrow <sup>(1)</sup>	Percentage of class <sup>(1)</sup>
Ventura Holdings Ltd. <i>Langley, British Columbia</i>	Common Shares	Nil	0%	43,200,000	39.90%
Providential Holdings Inc. <i>Abbotsford, British Columbia</i>	Common Shares	Nil	0%	6,000,000	5.54%
Mark Lee <i>Abbotsford, British Columbia</i>	Common Shares	Nil	0%	300,000	0.28%

Name and Municipality of Residence of Securityholder	Designation of Class	Prior to Giving Effect to the Proposed Transaction		After Giving Effect to the Proposed Transaction	
		No. of securities held in escrow	Percentage of class	No. of Resulting Issuer Shares to be held in escrow <sup>(1)</sup>	Percentage of class <sup>(1)</sup>
Dayton Marks <i>Toronto, Ontario</i>	Common Shares	Nil	0%	450,000	0.42%
Elaine Webb <i>Langley, British Columbia</i>	Common Shares	Nil	0%	6,300,000	5.82%
<b>TOTAL</b>		<b>Nil</b>	<b>0%</b>	<b>56,250,000</b>	<b>51.96%</b>

**Notes:**

(1) Un-diluted, after giving effect to the Private Placement.

**Other Resale Restrictions**

In addition to the escrowed securities noted above, all 21,604,800 Resulting Issuer Shares that will be issued pursuant to the Private Placement will be subject of a hold period of four months and one day following the date of issuance, and an aggregate of 17,400,000 Resulting Issuer Shares will be subject to Exchange-imposed hold periods whereby 25% of such securities shall be released from escrow on the issuance of the Final Exchange Bulletin and 25% shall be released on the dates that are 6, 12 and 18 months following Final Exchange Bulletin. Such Resulting Issuer Shares will comprise 36.03% of the issued and outstanding Resulting Issuer Shares upon completion of the Proposed Transaction, undiluted, or 32.18%, fully diluted.

**Corporate Governance**

The proposed board of directors (the “**Board**”) and senior management of the Resulting Issuer consider good corporate governance to be central to the effective operation of the Resulting Issuer and are committed to maintaining a high standard of corporate governance.

The Board will assume the responsibility for the development of certain governance practices and mechanisms. Responsibilities with respect to corporate governance practices include: (i) establishing and reviewing member characteristics for the Board; (ii) evaluating, identifying and recommending nominees to the Board; (iii) monitoring and reviewing the education and development of members of the Board; (iv) recommending directors to serve as committee members and chairs; (v) reviewing and developing corporate governance guidelines, policies and procedures for the Board; (vi) establishing and implementing evaluation processes for the Board, committees and chairs; (vii) establishing procedures for the engagement of independent counsel by a director; (viii) reviewing disclosure by the Resulting Issuer; and (ix) reviewing and evaluating the Board’s charter and efficiency.

The Board and the Resulting Issuer will devote attention and resources to reviewing the Resulting Issuer’s corporate governance practices and ensuring that the Resulting Issuer’s system of corporate governance meets applicable legal requirements. The Board intends to adopt a number of policies including policies related to insider trading, disclosure and the media, a code of business conduct and ethics (the “Code of Business Conduct and Ethics”), and a whistleblower policy (the “Whistleblower Policy”), to assist the Resulting Issuer in maintaining a high standard of corporate governance. With input from the relevant committees, the Board also will also create the charters of all of its committees, with the only committee presently contemplated being the Audit Committee.

**Directorships**

The proposed Board of the Resulting Issuer will consist of five directors, three of whom are independent: Robert Quinn, Roger Jewett and Johannes Kingma. Garth Webb is not considered to be independent by virtue of his proposed

executive position with the Resulting Issuer. Dayton Marks is not considered to be independent as he previously received consulting fees from Ocumetics.

See “*Directors, Officer and Promoters - Other Reporting Issuer Experience*” in this Part IV of this Filing Statement for a table that sets out the proposed directors, officers and promoter of the Resulting Issuer that are, or have been within the last five years, directors, officers, or promoters of other reporting issuers.

The Board and committees will hold regularly scheduled meetings with a view to facilitating regular open and candid discussion among the directors, including an entitlement for the directors to hold in camera sessions without management present at the meetings of the Board, as deemed necessary, which ensures that adequate structures and processes are in place to permit the Board to function independently of management.

### ***Orientation and Continuing Education***

The Resulting Issuer intends to provide directors with continuous opportunities to increase their knowledge and understanding of the Resulting Issuer’s business. Briefings on strategic issues are conducted regularly, and typically include reviews of the competitive environment, the Resulting Issuer’s performance relative to its peers, and any other developments that could materially affect the Resulting Issuer’s business.

### ***Ethical Business Conduct***

The Resulting Issuer intends to adopt a Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics sets out the purpose, scope and application of the Code and outlines general principles by which the Resulting Issuer is governed.

The Board intends to establish a Whistleblower Policy to encourage employees, officers and directors to raise concerns regarding any matters, including accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment.

### ***Nomination of Directors***

The Board will be responsible for identifying new candidates for Board nomination.

### ***Compensation***

The Board will be responsible for determining the compensation of the directors and executive officers. The Board intends to use market data for comparable industry sectors in order to set compensation levels.

### ***Other Board Committees***

Currently, the Resulting Issuer does not intend to have any committees other than the Audit Committee.

### ***Board Assessments***

The Board does not intend to implement a formal process for assessing its effectiveness or the effectiveness of individual members or committees, due to the Resulting Issuer’s size, its stage of development and the limited number of directors. The Board intends to evaluate its own effectiveness on an ad hoc basis.

### **Audit Committee**

#### ***Audit Committee Charter***

It is proposed that the Charter of the Resulting Issuer’s Audit Committee will be as follows:

1. Establishment of Audit Committee: The directors of the Corporation (the “Directors”) hereby establish an audit committee (the “Audit Committee”).
2. Membership: The membership of the Audit Committee shall be as follows:
  - (a) The Audit Committee shall be composed of three members or such greater number as the Directors may from time to time determine.
  - (b) The majority of the members of the Audit Committee shall be independent Directors.
  - (c) Each member of the Audit Committee shall be financially literate. For purposes hereof “financially literate” has the meaning set forth under NI 52-110 (as amended from time to time) and currently means the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably be expected to be raised by the Corporation’s financial statements.
  - (d) Members shall be appointed annually from among members of the Directors. A member of the Audit Committee shall ipso facto cease to be a member of the Audit Committee upon ceasing to be a Director of the Corporation.
3. Oversight Responsibility: The external auditor is ultimately accountable to the Directors and the Audit Committee, as representatives of the shareholders and such shareholders representatives have the ultimate authority and responsibility to select, evaluate, and where appropriate, replace the external auditors (or to nominate the external auditors to be proposed for shareholder approval in any management information circular and proxy statement). The external auditor shall report directly to the Audit Committee and shall have the responsibilities as set forth herein.
4. Mandate: The Audit Committee shall have responsibility for overseeing:
  - (a) the accounting and financial reporting processes of the Corporation; and
  - (b) audits of the financial statements of the Corporation.

In addition to any other duties assigned to the Audit Committee by the Directors, from time to time, the role of the Audit Committee shall include meeting with the external auditor and the senior financial management of the Corporation to review all financial statements of the Corporation which require approval by the Directors, including year-end audited financial statements. Specifically, the Audit Committee shall have authority and responsibility for:

- (a) reviewing the Corporation’s financial statements, MD&A and earnings press releases before the information is publicly disclosed;
- (b) overseeing the work of the external auditors engaged for purpose of preparing or issuing , an audit report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;
- (c) reviewing annually and recommending to the Directors:
  - (i) the external auditors to be nominated for purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; and
  - (ii) the compensation of the external auditors;

- (d) discussing with the external auditor:
  - (i) the scope of the audit, in particular their view of the quality of the Corporation's accounting principles as applied in the financials in terms of disclosure quality and evaluation methods, inclusive of the clarity of the Corporation's financial disclosure and reporting, degree of conservatism or aggressiveness of the Corporation's accounting principles and underlying estimates and other significant decisions made by management in preparing the financial disclosure and reviewed by the auditors;
  - (ii) significant changes in the Corporation's accounting principles, practices or policies; and
  - (iii) new developments in accounting principles, reporting matters or industry practices which may materially affect the Corporation.
- (e) reviewing with the external auditor and the Corporation's senior financial management the results of the annual audit regarding:
  - (i) the financial statements;
  - (ii) MD&A and related financial disclosure contained in continuous disclosure documents;
  - (iii) significant changes, if any, to the initial audit plan;
  - (iv) accounting and reporting decisions relating to significant current year events and transactions;
  - (v) the management letter, if any, outlining the auditor's findings and recommendations, together with management's response, with respect to internal controls and accounting procedures; and
  - (vi) any other matters relating to the conduct of the audit, including such other matters which should be communicated to the Audit Committee under Canadian generally accepted auditing standards.
- (f) reviewing and discussing with the Corporation's senior financial management and, if requested by the Audit Committee, the external auditor:
  - (i) the interim financial statements;
  - (ii) the interim MD&A; and
  - (iii) any other material matters relating to the interim financial statements, including, inter alia, any significant adjustments, management judgments or estimates, new or amended accounting policies;
- (g) receipt from external auditor of a formal written statement delineating all relationships between the auditor and the Corporation and considering whether the advisory services performed by the external auditor during the course of the year have impacted their independence, and also ensuring that no relationship or services between ) the external auditor and the Corporation is in existence which may affect the objectivity and independence of the auditor or recommending appropriate action to ensure the independence of the external auditor;
- (h) pre-approval of all non-audit services to be provided to the Corporation or its subsidiary entities by the external auditors or the external auditors of the Corporation's subsidiary entities, unless such

pre-approval is otherwise appropriately delegated or if appropriate specific policies and procedures for the engagement of non-audit services have been adopted by the Audit Committee;

- (i) reviewing and discussing with the external auditors and senior financial management: the adequacy of procedures for review of disclosure of financial information extracted or derived from financial statements, other than the disclosure referred to in subparagraph (a) above;
  - (j) establishing and reviewing of procedures for:
    - (i) receipt, retention and treatment of complaints received by the Corporation and its subsidiary entities regarding internal accounting controls, or auditing matters; confidential;
    - (ii) anonymous submission by employees of the Corporation and its subsidiary entities of concerns regarding questionable accounting or auditing matters; and
    - (iii) hiring policies regarding employees and former employees of present and former external auditors of the Corporation and its subsidiary entities;
  - (k) reviewing with the external auditor, the adequacy of management's internal control over financial reporting relating to financial information and management information systems and inquiring of management and the external auditor about significant risks and exposures to the Corporation that may have a material adverse impact on the Corporation's financial statements, and inquiring of the external auditor as to the efforts of management to mitigate such risks and exposures; and
  - (l) reviewing and/or considering that, with regard to the previous fiscal year,
    - (i) management has reviewed the Corporation's audited financial statements with the Audit Committee, including a discussion of the quality of the accounting principles as applied and significant judgments affecting the financial statements;
    - (ii) the external auditors and the Audit Committee have discussed the external auditors' judgments of the quality of the accounting principles applied and the type of judgments made with respect to the Corporation's financial statements;
    - (iii) the Audit Committee, on its own (without management or the external auditors present), has considered and discussed all the information disclosed to the Audit Committee from the Corporation's management and the external auditor; and
    - (iv) in reliance on review and discussions conducted with senior financial management and the external auditors, the Audit Committee believes that the Corporation's financial statements are fairly presented in conformity with the with Canadian Generally Accepted Accounting Principles (GAAP) in all material respects and that the financial statements fairly reflect the financial condition of the Corporation.
5. Administrative Matters: The following general provisions shall have application to the Audit Committee:
- (a) A quorum of the Audit Committee shall be the attendance of a majority of the members thereof. No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Audit Committee is present or by a resolution in writing signed by all the members of the Audit Committee.
  - (b) Any member of the Audit Committee may be removed or replaced at any time by resolution of the Directors of the Corporation. If and whenever a vacancy shall exist on the Audit Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the

foregoing, each member of the Audit Committee shall hold such office until the close of the annual meeting of shareholders next following the date of appointment as a member of the Audit Committee or until a successor is duly appointed.

- (c) The Audit Committee may invite such Directors, directors, officers and employees of the Corporation or affiliates thereof as it may see fit from time to time to attend at meetings of the Audit Committee and to assist thereat in the discussion of matters being considered by the Audit Committee. The independent auditor is to appear before the Audit Committee when requested to do so by the Audit Committee.
- (d) The time and place for the Audit Committee meetings, the calling and the procedure at such meetings shall be determined by the Audit Committee having regard to the Articles and By-Laws of the Corporation.
- (e) The Chair shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. In the absence of the Chair, the other members of the Audit Committee shall appoint a representative amongst them to act as Chair for that particular meeting.
- (f) Notice of meetings of the Audit Committee may be given to the independent auditor and shall be given in respect of meetings relating to the annual audited financial statements. The independent auditor has the right to appear before and to be heard at any meeting of the Audit Committee. Upon the request of the independent auditor, the Chair of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters which the external auditor believes should be brought to the attention of the Directors or shareholders of the Corporation.
- (g) The Audit Committee shall report to the Directors of the Corporation on such matters and questions relating to the financial position of the Corporation or any affiliates of the Corporation as the Directors of the Corporation may from time to time refer to the Audit Committee.
- (h) The members of the Audit Committee shall, for the purpose of performing their duties, have the right to inspect all the books and records of the Corporation and its affiliates, and to discuss such books and records that are in any way related to the financial position of the Corporation with the Directors, directors, officers, employees and independent auditor of the Corporation and its affiliates.
- (i) Minutes of the Audit Committee meetings shall be recorded and maintained. The Chair of the Audit Committee will report to the Directors on the activities of the Audit Committee and/or the minutes of the Audit Committee meetings will be promptly circulated to the Directors or otherwise made available at the next meeting of Directors.
- (j) The Audit Committee shall, upon the approval of the Directors, adopt a formal written charter, which sets out the Audit Committee's responsibilities, the way they should be implemented and any other requirement such as membership and structure of the Audit Committee. The Audit Committee shall review and reassess the adequacy of the charter on an annual basis.
- (k) The Audit Committee shall ensure and/or consider that, with regard to the previous fiscal year,
  - (i) management has reviewed the Corporation's audited financial statements with the Audit Committee, including a discussion of the quality of the accounting principles as applied and significant judgments affecting the financial statements;
  - (ii) the external auditor and the Audit Committee have discussed the independent auditor's judgments of the quality of the accounting principles applied and the type of judgments made with respect to the Corporation's and/or the Corporation's financial statements;

- (iii) the Audit Committee, on its own (without management or the independent auditors present), has considered and discussed all the information disclosed to the Audit Committee from the Corporation's management and the external auditor; and
  - (iv) in reliance on review and discussions conducted with management and outside auditors, the Audit Committee believes that the Corporation's financial statements are fairly presented in conformity with the with Canadian Generally Accepted Accounting Principles (GAAP) in all material respects.
- (l) The Audit Committee shall have the authority to:
- (i) engage independent counsel and other advisors or consultants as it determines necessary to carry out its duties;
  - (ii) set and pay the compensation for any advisors employed by the Audit Committee; and
  - (iii) communicate directly with the internal (if any) and external auditors and qualified reserves evaluators or auditors.

### ***Composition of the Audit Committee***

The following are the proposed members of the Audit Committee of the Resulting Issuer:

Dayton Marks	-	Non-Independent*; Financially Literate*
Robert Quinn	-	Independent*; Financially Literate*
Johannes Kingma	-	Independent*; Financially Literate*

\* As defined by Multilateral Instrument 52-110 – Audit Committees (“MI 52-110”).

### ***Education and Experience***

Dayton Marks - Mr. Marks holds a Master's degree of Financial Risk Management from the Rotman School of Management and a Bachelor's degree of Business Administration majoring in Finance and Bachelor of Arts degree majoring in Economics both from the University of the Fraser Valley. Mr. Marks is a sessional instructional assistant with the Rotman School of Management teaching courses in introductory finance.

Robert Quinn - Mr. Quinn holds a Juris Doctor degree from the University of Denver School of Law and a Bachelor's degree of Business Administration from the University of Denver. Mr. Quinn has had extensive experience with companies developing and operating numerous mines and conducting exploration programs internationally.

Johannes Kingma - Mr. Kingma has over 20 years of experience as a director and officer of a number of public and private companies. He has also been a branch manager, IPO capital Calgary, and registered investment advisor with IPO Capital Corp., Canadian Western Capital Limited and its predecessor Charlton Securities Ltd. Mr. Kingma studied petroleum mineral land management at Mount Royal College in Calgary.

### ***Pre-Approval Policies and Procedures***

The Audit Committee does not intend to adopt specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

**Auditors, Transfer Agent and Registrar**

***Auditor***

The Resulting Issuer's auditors will be Manning Elliott LLP at their offices located at 1700 – 1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3.

***Transfer Agent and Registrar***

The registrar and transfer agent for the Resulting Issuer Shares subsequent to the completion of the Proposed Transaction will be Alliance Trust Company at their offices located at 1010, 407-2<sup>nd</sup> Street SW, Calgary, Alberta, T2P 2Y3.

## **PART V - GENERAL MATTERS**

### **Sponsorship and Agent Relationship**

#### ***Sponsor***

Quantum and Ocumetics have entered into a Sponsorship Agreement dated July 2, 2021 among Quantum, Ocumetics and the Sponsor pursuant to which the Sponsor has agreed, subject to satisfactory due diligence, to act as the sponsor for the Transaction pursuant to TSXV Policy 2.2 – “*Sponsorship and Sponsorship Requirements*”. In consideration for the Sponsor’s services under the Sponsorship Agreement, the Resulting Issuer will pay Haywood a sponsorship fee of \$50,000 (plus GST), \$25,000 of which will be payable in cash and the remainder to be paid in Resulting Issuer Shares at a deemed price of \$0.125 per Resulting Issuer Share for a total of 200,000 Resulting Issuer Shares. The Resulting Issuer will also pay Haywood’s legal fees and other reasonable expenses.

An agreement to sponsor should not be construed as any assurance with respect to the merits of the Transaction or likelihood of completion.

At the date hereof, the Sponsor owns, directly or indirectly, in the aggregate, no securities of Quantum or Ocumetics.

#### **Interests of Experts**

As at the date hereof, partners and associates of MNP LLP, Quantum’s current auditors, who were directly involved in services provided to Quantum own, respectively, directly or indirectly, in the aggregate, less than one percent of any of the securities of either Quantum or Ocumetics. No partner or associate of MNP LLP is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer.

At the date hereof, lawyers with Tingle Merrett LLP, counsel to Quantum and securities counsel to Ocumetics, own, directly or indirectly, in the aggregate, less than one percent of any of the securities of either Quantum or Ocumetics. No lawyer with Tingle Merrett LLP is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer.

As at the date hereof, partners and associates of Manning Elliott LLP, the current auditors of Ocumetics, who were directly involved in services provided to Ocumetics own, respectively, directly or indirectly, in the aggregate, less than one percent of any of the securities of either Quantum or Ocumetics. No partner or associate of Manning Elliott LLP is or is expected to be elected, appointed or employed as a director, officer or employee of the Resulting Issuer or of any associate or affiliate of the Resulting Issuer.

#### **Other Material Facts**

There are no other material facts about Quantum, Ocumetics, the Resulting Issuer or the Proposed Transaction that are not elsewhere disclosed herein and which are necessary in order for this Filing Statement to contain full, true and plain disclosure of all material facts relating to Quantum, Ocumetics and the Resulting Issuer, assuming completion of the Proposed Transaction.

#### **Board Approval**

The contents and the filing of this Filing Statement have been approved by the board of directors of each of Quantum and Ocumetics. Where information contained in this Filing Statement rests particularly within the knowledge of a person other than Quantum, Quantum has relied upon information furnished by such person.

**APPENDIX “A”**  
**FINANCIAL STATEMENTS OF QUANTUM BLOCKCHAIN TECHNOLOGIES LTD. AND**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS**

**Quantum Blockchain Technologies Ltd.**  
**Financial Statements**  
For the years ended December 31, 2020 and 2019

To the Shareholders of Quantum Blockchain Technologies Ltd.:

## Opinion

We have audited the financial statements of Quantum Blockchain Technologies Ltd. (the "Company"), which comprise the statements of financial position as at December 31, 2020 and December 31, 2019, and the statements of net loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and December 31, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

## Basis for Opinion

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

## Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Calgary, Alberta  
January 15, 2021

*MNP LLP*  
Chartered Professional Accountants

**Quantum Blockchain Technologies Ltd.**  
**Statements of Financial Position**

*As at December 31,*

	2020	2019
<b>Assets</b>		
<b>Current</b>		
Cash (Note 5)	\$ 224,346	\$ 260,896
Prepaid expenses	975	950
<b>Total assets</b>	<b>\$ 225,321</b>	<b>\$ 261,846</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	\$ 17,943	\$ 9,629
<b>Shareholders' Equity</b>		
Share capital (Note 6)	318,557	318,557
Contributed surplus	45,350	45,350
Deficit	(156,529)	(111,690)
<b>Total shareholders' equity</b>	<b>207,378</b>	<b>252,217</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 225,321</b>	<b>\$ 261,846</b>

Letter of intent (Note 11)

Approved on behalf of the Board of Directors

"Keith Erickson"

Director

"Roger Jewett"

Director

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

**Quantum Blockchain Technologies Ltd.**  
**Statements of Net Loss and Comprehensive Loss**

For the years ended December 31,

	2020	2019
<b>Expenses:</b>		
Filing and exchange fees	8,021	3,845
Professional fees	22,934	15,959
Transfer agent fees	6,675	6,272
General and administrative	1,292	1,100
Consulting fees	5,917	8,556
	<b>44,839</b>	<b>35,732</b>
<b>Net loss and comprehensive loss</b>	<b>\$ (44,839)</b>	<b>\$ (35,732)</b>
<b>Net loss per share</b>		
Basic and diluted	\$ (0.01)	\$ (0.01)
<b>Weighted average number of shares (Note 6)</b>		
Basic and diluted	<b>3,000,000</b>	<b>3,000,000</b>

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

**Quantum Blockchain Technologies Ltd.**  
**Statement of Changes in Shareholders' Equity**

	<b>Share Capital (\$)</b>	<b>Contributed Surplus (\$)</b>	<b>Deficit (\$)</b>	<b>Shareholders' Equity (\$)</b>
As at December 31, 2018	318,557	45,350	(75,958)	287,949
Net loss	-	-	(35,732)	(35,732)
As at December 31, 2019	318,557	45,350	(111,690)	252,217
Net loss	-	-	(44,839)	(44,839)
<b>As at December 31, 2020</b>	<b>318,557</b>	<b>45,350</b>	<b>(156,529)</b>	<b>207,378</b>

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

## Quantum Blockchain Technologies Ltd.

### Statements of Cash Flows

For the years ended December 31,

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**Cash provided by the following activities:**

<b>Operating activities</b>	<b>2020</b>	<b>2019</b>
Net loss	\$ (44,839)	\$ (35,732)
Change in non-cash working capital:		
Prepaid expenses	(25)	-
Accounts payable and accruals	8,314	(3,798)
Cash flows used in operating activities	(36,550)	(39,530)
<b>Decrease in cash</b>	<b>(36,550)</b>	<b>(39,530)</b>
<b>Cash, beginning of year</b>	<b>260,896</b>	<b>300,426</b>
<b>Cash, end of year</b>	<b>\$ 224,346</b>	<b>\$ 260,896</b>

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

# Quantum Blockchain Technologies Ltd.

## Notes to the Financial Statements

For the years ended December 31, 2020 and 2019

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### 1. Incorporation and operations

Quantum Blockchain Technologies Ltd. (the "Company") was incorporated on February 5, 2018 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules.

On August 29, 2018, the Company completed its initial public offering (the "IPO") of 3,000,000 common shares at a price of \$0.10 per common share and filed for listing as a Capital Pool Company on the TSX Venture Exchange. The common shares commenced trading on September 4, 2018 under the trading symbol QBC.P.

The head office and registered office of the Company is located at 1250,639 – 5<sup>th</sup> Avenue SW Calgary, Alberta, T2P 0M9.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing.

There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

The novel coronavirus ("COVID-19") outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks. The full extent of the impact on the Company's future financial results is uncertain given the length and severity of these developments cannot be reliably estimated.

### 2. Basis of preparation

#### **Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") in effect on January 1, 2020.

These financial statements were authorized for issue in accordance with a resolution of the directors on January 15, 2021.

#### **Basis of measurement**

These financial statements are stated in Canadian dollars which is the Company's functional currency and were prepared on a going concern basis, under the historical cost convention except for certain financial instruments that have been measured at fair value.

# Quantum Blockchain Technologies Ltd.

## Notes to the Financial Statements

For the years ended December 31, 2020 and 2019

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### 3. Significant accounting policies

#### ***Use of estimates and judgments***

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to the financial statements are disclosed in Note 4.

#### ***Cash***

Cash consists of the proceeds generated from share issuances which is included in bank balances that are readily convertible into cash.

#### ***Deferred financing costs***

Financing costs related to proposed financings are recorded as deferred financing costs. These costs are deferred until the financing is completed at which time the costs are charged against the proceeds received. If the financing does not close, the costs are charged to operations.

#### ***Share-based payments***

The Company applies a fair value based method of accounting to all share-based payments. Employee and director stock options are measured at the fair value of each tranche on the grant date and recognized over its respective vesting period. Non-employee stock options are measured based on the service provided to the reporting date and at their then-current fair values. The cost of stock options is presented as share-based compensation expense when applicable with a corresponding credit to contributed surplus. On the exercise of stock options share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

#### ***Taxes***

Tax expense comprises current and deferred tax. Tax is recognized in the statement of net loss and comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

#### ***Current tax***

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### ***Deferred tax***

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

**3. Significant accounting policies (continued)**

***Financial Instruments***

***Classification and measurement of financial instruments***

The Company measures its financial assets and financial liabilities at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Subsequent measurement is dependent on the financial instrument's classification which in the case of financial assets, is determined by the context of the Company's business model and the contractual cash flow characteristics of the financial asset. Financial assets are classified into two categories: (1) measured at amortized cost and (2) fair value through profit and loss ("FVTPL"). Financial liabilities are subsequently measured at amortized cost, other than financial liabilities that are measured at FVTPL or designated as FVTPL where any change in fair value resulting from an entity's own credit risk is recorded as other comprehensive income ("OCI"). The Company does not employ hedge accounting for its risk management contracts currently in place.

***Amortized cost***

The Company classifies its cash and accounts payable and accruals as measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. These financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.

***Impairment of financial assets***

The measurement of impairment of financial assets is based on expected credit losses. Accounts receivable that are considered collectible within one year or less are not considered to have a significant financing component and a lifetime expected credit loss ("ECL") is measured at the date of initial recognition of the receivable.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. In estimating the lifetime expected loss provision, the Company will consider historical industry default rates as well as credit ratings of major customers. The Company does not currently have any financial assets subject to this approach.

***Equity instruments***

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

***Accounting standard adopted***

Business Combinations – Effective January 1, 2020, the Company has adopted amendments defining a business from IFRS 3 – Business Combinations. The amendments are intended to provide additional guidance to determine if a transaction should be recorded as a business combination or an asset acquisition. The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess if an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

To be considered a business under the amendments to IFRS 3, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The optional concentration test permits a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. An entity may elect to apply or not apply, the test. An entity may make such an election separately for each transaction or other event.

# Quantum Blockchain Technologies Ltd.

## Notes to the Financial Statements

*For the years ended December 31, 2020 and 2019*

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#### 4. Significant accounting estimates and assumptions

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

##### **Estimates**

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

##### Fair value of financial instruments

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

##### Taxes

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

##### Stock based compensation

Stock-based compensation is subject to the estimation of the fair value of the award at the date of grant using the Black-Scholes pricing model which is based on significant assumptions such as volatility, dividend yield, expected term and forfeitures.

##### **Judgments**

The key areas of judgment that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

##### Taxes

The Company recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Company's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

##### Financial instruments

The Company is required to classify its various financial instruments into certain categories for the financial instruments' initial and subsequent measurement. This classification is based on management's judgment as to the purpose of the financial instrument and to which category is most applicable.

##### Stock options

The Company records stock-based payments based on management's judgment of the expected exercise date of options which is impacted by the timing of completion of the qualifying transaction.

# Quantum Blockchain Technologies Ltd.

## Notes to the Financial Statements

*For the years ended December 31, 2020 and 2019*

### 5. Cash

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds and \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions may apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

### 6. Share capital

Authorized:

Unlimited number of voting Common Shares

Unlimited number of non-voting Preferred shares issuable in series

Issued: Common Shares

	<b>Number of Shares</b>	<b>\$</b>
As at December 31, 2020, 2019, and 2018	<b>5,500,000</b>	<b>318,557</b>

Of the common shares issued, 2,500,000 are held in escrow until completion of a Qualifying Transaction. 10% of the common shares held in escrow will be released on the issuance of the Final Exchange Bulletin and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release. These common shares, which are considered contingently issuable until the Company completes a Qualifying Transaction, are not considered to be outstanding for the purpose of the loss per share calculation.

#### Stock Option Plan

The Company has adopted an incentive stock option plan in accordance with the policies of the TSX Venture (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 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 TSX Venture.

A summary of the stock option activity as follows:

	<b>Number of options</b>	<b>Weighted average exercise price</b>
Outstanding, December 31, 2019 and 2018	<b>675,000</b>	<b>\$0.10</b>
Expired	<b>(300,000)</b>	
<b>Outstanding, December 31, 2020</b>	<b>375,000</b>	<b>\$0.10</b>
<b>Exercisable, December 31, 2020</b>	<b>375,000</b>	<b>\$0.10</b>

# Quantum Blockchain Technologies Ltd.

## Notes to the Financial Statements

*For the years ended December 31, 2020 and 2019*

### 6. Share capital (continued)

#### *Agent options*

On August 29, 2018, pursuant to the closing of the IPO, the Company granted 300,000 non-transferrable options to the agent on the offering. The agents' options, which vested immediately, may be exercised at a price of \$0.10 per common share until August 29, 2020. The agent options expired, unexercised, on August 29, 2020.

#### *Directors' and officers' options*

On August 29, 2018, the Company granted 375,000 options under the Company's stock option plan to directors and officers of the Company. 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.

At December 31, 2020, there were 375,000 stock options outstanding and exercisable as follows:

Number of options outstanding	Exercise price	Expiry Date
375,000	\$0.10	Aug 29, 2023

At December 31, 2020, the weighted average remaining contractual life of the outstanding options is 2.66 (2019 – 2.33) years.

### 7. Income taxes

The tax recovery differs from the amount that would be computed by applying the expected tax rates to the net loss before taxes. The reasons for the difference are as follows:

	2020	2019
Net loss before taxes	\$ (44,839)	\$ (35,732)
Statutory tax rate	26.5%	26.5%
Expected tax recovery	(11,882)	(9,470)
Tax asset not recognized	11,882	9,470
Tax recovery	\$ -	\$ -

The Company has gross timing differences related to the following:

Share issue costs	\$ 42,000	\$ 63,400
Loss carry-forwards	191,000	124,000
Total timing differences	\$ 233,000	\$ 187,400

The Company's loss carry-forward balance is available to reduce future years' income for tax purposes. These losses, if not fully utilized, will commence to expire in 2038.

# Quantum Blockchain Technologies Ltd.

## Notes to the Financial Statements

*For the years ended December 31, 2020 and 2019*

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### 8. Capital disclosures

The Company's capital consists of share capital. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

- i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,
- ii. to maintain investor, creditor and market confidence in order to sustain the future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at period-end apart from the requirements of the Exchange.

### 9. Financial instruments

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

#### Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
- Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
- Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of cash and account payable and accruals approximates its fair value due to the short-term maturities of these items.

#### Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk as its cash is held with a major Canadian financial institution.

#### Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2020, the Company had a cash balance of \$224,346 to pay liabilities of \$17,943.

#### 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.

# Quantum Blockchain Technologies Ltd.

## Notes to the Financial Statements

For the years ended December 31, 2020 and 2019

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### 9. Financial instruments (continued)

i. Interest rate risk

The Company has cash balances and no interest-bearing debt.

ii. Foreign currency risk

The Company does not have assets or liabilities in foreign currency.

iii. Commodity risk

The Company is not exposed to commodity price risk.

### 10. Related party transactions

Transactions with related parties are incurred in the normal course of business and initially recorded at fair value.

During the year ended December 31, 2020, the Company incurred approximately \$5,917 (2019 - \$8,055) in consulting fees for services provided by a company controlled by a director of the Company. As at December 31, 2020, \$2,100 (2019 - \$2,000) is included in accounts payable and accruals.

### 11. Non-binding Letter of Intent

On July 25, 2020, the Company signed a non-binding letter of intent (the "LOI") with Ocumetics Technology Corp. ("Ocumetics"), a corporation incorporated under the Business Corporations Act (British Columbia). The LOI outlines the general terms and conditions pursuant to which the Company and Ocumetics propose to combine their respective businesses (the "Transaction"). If approved, the Transaction will constitute the Company's Qualifying Transaction and a Reverse Takeover under the policies of the TSX Venture Exchange (the "Exchange"). Upon closing of the transaction, the resulting issuer expects to list as a Tier 2 Life Sciences Issuer. The Transaction is an arm's length transaction.

The transaction will be structured as determined following a review of all relevant legal, regulatory and tax matters. The LOI contemplates the Company and Ocumetics entering into a definitive agreement with respect to the Transaction on terms customary for transactions of this nature.

The Transaction is expected to require the security holders of Ocumetics to exchange all securities of Ocumetics for common shares of the Company on the basis of three common shares in the share capital of the Company for each share of Ocumetics (regardless of class) issued and outstanding at the time of the completion of the Proposed Transaction, or 78,150,000 common shares, based upon the capital of Ocumetics expected to be issued and outstanding at the time of closing. Each warrant that is issued and outstanding in the capital of Ocumetics will be exchanged for three warrants of the Company having the same or similar terms.

The LOI provides that, concurrent with the completion of the Transaction, the Company will complete a private placement of securities at a price per security to be determined in the context of the market and for gross proceeds of approximately \$2,000,000 (the "Private Placement"). Warrants may be issued under the Private Placement.

Upon closing of the Transaction, it is estimated that the current common shareholders of the Company will own approximately 6% of the shares of the Company, that the former shareholders of Ocumetics will own approximately 80% and that the subscribers under the Private Placement will own 14%. These percentages will change if warrants are issued under the Private Placement.

In connection with the Transaction, it is contemplated that the Company will change its name to a name chosen by Ocumetics and accepted by Alberta Registries and the Exchange. It is also contemplated that the Board of Directors of the Company post-Transaction will consist of four directors, one of whom is to be a nominee of the Company and three of whom shall be nominees of Ocumetics.

# Quantum Blockchain Technologies Ltd.

## Notes to the Financial Statements

*For the years ended December 31, 2020 and 2019*

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### 11. Non-binding Letter of Intent (continued)

The LOI provides that completion of the Transaction will be subject to a number of conditions, including: the completion of the Private Placement, approval by the Company's shareholders of the proposed name change, approval by the Ocumetics shareholders of the Transaction and approvals from the Exchange, securities regulators and third parties as may be required. The LOI may be terminated if the Company is not satisfied with the results of its due diligence, upon a breach of any binding provisions of the LOI, if one party can demonstrate that there exists either a circumstance or set of circumstances beyond the control of both parties that would make completion of the Transaction impossible or commercially unreasonable, or if the Transaction is not completed by December 15, 2020, unless such date is extended by the parties. Finders' fees may be paid in connection with the Transaction.

On December 15, 2020, the Company entered into an agreement (the "Amendment") to extend the deadline for the completion of the Transaction letter from December 15, 2020 to April 15, 2021.

In addition to the extension, the Amendment also amended the terms of the proposed private placement of securities to be completed by the Company concurrently with the Transaction (the "Concurrent Private Placement"). Under the revised terms, the parties contemplate that the Concurrent Private Placement will comprise a private placement of at least 21,604,800 units (each, a "Quantum Unit") at a price of \$0.125 per Quantum Unit, for gross proceeds of at least \$2,700,600. Each Unit will consist of one common share of the Company and one-half of one warrant, with each whole warrant (a "Quantum Warrant") entitling the holder to purchase one additional common share of the Company at a price of \$0.125 for a period of two years.

On December 29, 2020, the Company entered into a second amendment to the LOI (the "Second Amendment"). Under the Second Amendment, the parties further amended the terms of the Concurrent Private Placement to remove the warrants that were to have been issued under the Concurrent Private Placement. Under the revised terms, the parties contemplate that the Concurrent Private Placement shall comprise a private placement of at least 21,604,800 common shares of the Company at a price of \$0.125 per share, for gross proceeds of at least \$2,700,600.

## **MANAGEMENT’S DISCUSSION & ANALYSIS**

This Management’s Discussion & Analysis (“MD&A”) is intended to provide readers with the information that management (“Management”) of Quantum Blockchain Technologies Ltd. (“Quantum” or the “Company”) believes is required to gain an understanding of the financial results of the Company for the years ended December 31, 2020 and December 31, 2019, and to assess the Company’s future prospects. Accordingly, certain sections of this report contain forward-looking statements and forward-looking information (collectively, “Forward-Looking Information” as defined under applicable Canadian securities laws), which are based on current plans and expectations. See under the heading “Special Note Regarding Forward-Looking Information”.

This MD&A, presented and dated as of January 15, 2021, should be read in conjunction with the Company’s audited financial statements and related notes of the Company for the year ended December 31, 2020. All currency amounts in the accompanying financial statements and this MD&A are in Canadian dollars unless otherwise noted.

The novel coronavirus (“COVID-19”) outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks. The full extent of the impact on the Company’s future financial results is uncertain given the length and severity of these developments cannot be reliably estimated.

### **Special Note Regarding Forward Looking Information**

Certain statements in this MD&A, other than statements of historical fact, may include Forward-Looking Information that involves various risks and uncertainties. These can include, without limitation, statements based on current expectations involving a number of risks and uncertainties. These risks and uncertainties may have a material impact on future prospects and may cause actual results to differ from information contained herein. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. These forward-looking statements are based on the estimates and opinions of Management on the dates they are made and are expressly qualified in their entirety by this notice. Since actual events and results could differ materially, the reader is cautioned not to place undue reliance on any Forward-Looking Information. The Company assumes no obligation to update Forward-Looking Information should circumstances or Management’s estimates or opinions change, except as required by law. See “Caution Regarding Forward-Looking Information” and “Risk Factors”.

## **DESCRIPTION OF THE BUSINESS**

Quantum was incorporated on February 5, 2018 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of

the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules.

On August 29, 2018, the Company completed its initial public offering (the "IPO") of 3,000,000 common shares at a price of \$0.10 per common share and filed for listing as a Capital Pool Company on the TSX Venture Exchange. The common shares commenced trading on September 4, 2018 under the trading symbol QBC.P.

Prior to the IPO, the Company issued seed stock of 2,500,000 common shares at a price of \$0.05 per share to the founders of the Corporation. These shares are held in escrow until completion of a Qualifying Transaction. 10% of the common shares held in escrow will be released on the issuance of the Final Exchange Bulletin and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release.

The head office and registered office of the Company is located at 1250,639 – 5<sup>th</sup> Avenue SW Calgary, Alberta, T2P 0M9.

## **RISKS AND UNCERTAINTIES**

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

## **SELECTED FINANCIAL INFORMATION**

The Company was incorporated on February 5, 2018 and was not yet a "Reporting Issuer" pursuant to applicable securities legislation. On June 15, 2018, the date of the final receipt for the Prospectus was issued by the Alberta and British Columbia Securities Commissions, the Company become a "Reporting Issuer" in each of the provinces of Alberta and British Columbia.

For the year ended December 31, 2020, the Company reported no discontinued operations and declared no cash dividends.

**Quantum Blockchain Technologies Ltd.**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2020**

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**SUMMARY OF QUARTERLY RESULTS**

The following table presents selected audited financial data for the three-month periods indicated up to December 31, 2020.

	<b>Dec. 31 2020</b>	<b>Sept. 30 2020</b>	<b>June 30 2020</b>	<b>March 31 2020</b>	<b>Dec. 31 2019</b>	<b>Sept. 30 2019</b>	<b>June 30 2019</b>	<b>March 31 2019</b>
<b>CAD (\$)</b>								
Total assets	\$225,321	\$225,598	\$243,175	\$260,195	\$261,846	\$271,834	\$278,753	\$296,160
Total liabilities	17,943	5,700	6,814	14,532	9,629	7,589	4,121	15,165
Net working capital	207,378	219,898	236,361	245,663	252,217	264,245	274,632	280,995
Revenue	-	-	-	-	-	-	-	-
Net Loss	(12,570)	(16,463)	(9,252)	(6,554)	(12,033)	(10,382)	(6,363)	(6,954)
Basic loss per share	-	(0.01)	-	-	-	-	-	-
Fully diluted loss per share	-	(0.01)	-	-	-	-	-	-
Weighted average shares outstanding (basic and fully diluted)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

There are no significant variances in the quarterly periods shown above, with the exception of additional professional fees incurred in Q3 and Q4 of 2020.

**RESULTS OF OPERATIONS**

During the period ended December 31, 2020 the Company incurred a loss of \$44,839 (2019 - \$35,732) which relates entirely to the costs of operating a public company including filing and exchange fees, professional fees, consulting fees and transfer agent fees.

The loss in 2020 is higher than in 2019 due to additional legal fees incurred relative to signing a non-binding letter of intent discussed below.

**OUTSTANDING SHARE DATA**

Common shares

As at December 31, 2020, the Company had 2,500,000 common shares outstanding that were issued to the founders of the Company at a price of \$0.05 per share.

On August 29, 2018, the Company issued 3,000,000 common shares at the price of \$0.10 per common share pursuant to the IPO for gross proceeds of \$300,000.

At December 31, 2020, the Company had 5,500,000 common shares issued and outstanding (2,500,000 of which are subject to escrow restrictions) and 375,000 common shares reserved for issuance upon the exercise of stock options. On August 29, 2020, 300,000 common shares reserved for issuance upon the

**Quantum Blockchain Technologies Ltd.**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2020**

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exercise of agent's options granted upon completion of the IPO (the "**Agent's Options**") expired, unexercised.

**Stock options**

The Company's stock options are summarized as follows:

<b>Description</b>	<b>Number outstanding</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Officer and Director options	375,000	\$0.10	August 29, 2023
<b>Total</b>	<b>375,000</b>		

**LIQUIDITY AND CAPITAL RESOURCES**

On August 29, 2018, the Company completed an initial public offering ("IPO") as a Capital Pool Company pursuant to Policy 2.4 of the TSX Venture Exchange. At closing, the Company received gross proceeds of \$300,000, representing the issuance of 3,000,000 common shares of the Company at an issuance price of \$0.10, less expenses retained by the agent of \$44,005, for net proceeds of \$255,995.

After considering seed share investment of \$125,000 (2.5 million shares at \$0.05) and cash IPO related expenses of approximately \$76,000, the Company raised total net proceeds of \$304,995.

As at December 31, 2020 the Company had cash of \$224,346, accounts payable of \$17,943 and net working capital of \$207,378. Management considers this to be sufficient for the Company to meet its ongoing obligations.

**OFF-BALANCE SHEET ARRANGEMENTS**

As at the date of this report, the Company had no off-balance sheet arrangements.

**TRANSACTIONS WITH RELATED PARTIES**

On August 29, 2018, the Company issued 375,000 stock options to directors and officers of the Corporation. In addition, during the year ended December 31, 2020 the Company incurred \$5,917 (2019 - \$8,055) in consulting fees for services provided by a company controlled by a director of the Company. As at December 31, 2020 \$2,100 (2019 - \$2,000) is included in accounts payable and accruals.

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company, as part of its operations, carries financial instruments consisting of cash and accounts payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

### **Fair value**

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of cash and account payable and accruals approximates its fair value due to the short-term maturities of these items.

### **Credit Risk**

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk as its cash is held with a major Canadian financial institution.

### **Liquidity Risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2020, the Company had a cash balance of \$224,346 to pay liabilities of \$17,943.

### **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

The Company has cash balances and no interest-bearing debt.

ii. Foreign currency risk

The Company does not have assets or liabilities in foreign currency.

iii. Commodity risk

The Company is not exposed to commodity price risk.

## **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

### **Accounting standard adopted**

Business Combinations – Effective January 1, 2020, the Company has adopted amendments defining a business from IFRS 3 – Business Combinations. The amendments are intended to provide additional guidance to determine if a transaction should be recorded as a business combination or an asset acquisition. The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess if an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

To be considered a business under the amendments to IFRS 3, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The optional concentration test permits a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. An entity may elect to apply or not apply, the test. An entity may make such an election separately for each transaction or other event.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the accompanying financial statements requires Management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The accompanying financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **Critical Judgements**

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgements or assessments.

### **Key Sources of Estimation Uncertainty**

Due to the limited nature of the Company's operations since incorporation on February 5, 2018, Management has not yet been required to make significant assumptions about the future that could result in a material adjustment to the carrying amounts of assets and liabilities of the Company in the event that actual results differ from assumptions made.

## **CAPITAL RISK MANAGEMENT**

The Company's capital currently consists of common shares. The Company defines capital as total shareholders' equity which was \$207,378 at December 31, 2020. The Company's principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going-concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

Subsequent to the IPO, proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or business for future investment, with the exception that not more than 30% of the gross proceeds from the issuance of shares issued in the IPO may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until the completion of a Qualifying Transaction.

## **NON-BINDING LETTER OF INTENT**

On July 25, 2020, the Company signed a non-binding letter of intent (the "LOI") with Ocumetics Technology Corp. ("Ocumetics"), a corporation incorporated under the Business Corporations Act (British Columbia). The LOI outlines the general terms and conditions pursuant to which the Company and Ocumetics propose to combine their respective businesses (the "Transaction"). If approved, the Transaction will constitute the Company's Qualifying Transaction and a Reverse Takeover under the policies of the TSX Venture Exchange (the "Exchange"). Upon closing of the transaction, the resulting issuer expects to list as a Tier 2 Life Sciences Issuer. The Transaction is an arm's length transaction.

The transaction will be structured as determined following a review of all relevant legal, regulatory and tax matters. The LOI contemplates the Company and Ocumetics entering into a definitive agreement with respect to the Transaction on terms customary for transactions of this nature.

The Transaction is expected to require the security holders of Ocumetics to exchange all securities of Ocumetics for common shares of the Company on the basis of three common shares in the share capital of the Company for each share of Ocumetics (regardless of class) issued and outstanding at the time of the completion of the Proposed Transaction, or 78,150,000 common shares, based upon the capital of Ocumetics expected to be issued and outstanding at the time of closing. Each warrant that is issued and outstanding in the capital of Ocumetics will be exchanged for three warrants of the Company having the same or similar terms.

The LOI provides that, concurrent with the completion of the Transaction, the Company will complete a private placement of securities at a price per security to be determined in the context of the market and for gross proceeds of approximately \$2,000,000 (the "Private Placement"). Warrants may be issued under the Private Placement.

**Quantum Blockchain Technologies Ltd.**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2020**

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Upon closing of the Transaction, it is estimated that the current common shareholders of the Company will own approximately 6% of the shares of the Company, that the former shareholders of Ocumetics will own approximately 80% and that the subscribers under the Private Placement will own 14%. These percentages will change if warrants are issued under the Private Placement.

In connection with the Transaction, it is contemplated that the Company will change its name to a name chosen by Ocumetics and accepted by Alberta Registries and the Exchange. It is also contemplated that the Board of Directors of the Company post-Transaction will consist of four directors, one of whom is to be a nominee of the Company and three of whom shall be nominees of Ocumetics.

The LOI provides that completion of the Transaction will be subject to a number of conditions, including: the completion of the Private Placement, approval by the Company's shareholders of the proposed name change, approval by the Ocumetics shareholders of the Transaction and approvals from the Exchange, securities regulators and third parties as may be required. The LOI may be terminated if the Company is not satisfied with the results of its due diligence, upon a breach of any binding provisions of the LOI, if one party can demonstrate that there exists either a circumstance or set of circumstances beyond the control of both parties that would make completion of the Transaction impossible or commercially unreasonable, or if the Transaction is not completed by December 15, 2020, unless such date is extended by the parties. Finders' fees may be paid in connection with the Transaction.

On December 15, 2020, the Company entered into an agreement (the "Amendment") to extend the deadline for the completion of the Transaction letter from December 15, 2020 to April 15, 2021.

In addition to the extension, the Amendment also amended the terms of the proposed private placement of securities to be completed by the Company concurrently with the Transaction (the "Concurrent Private Placement"). Under the revised terms, the parties contemplate that the Concurrent Private Placement will comprise a private placement of at least 21,604,800 units (each, a "Quantum Unit") at a price of \$0.125 per Quantum Unit, for gross proceeds of at least \$2,700,600. Each Unit will consist of one common share of the Company and one-half of one warrant, with each whole warrant (a "Quantum Warrant") entitling the holder to purchase one additional common share of the Company at a price of \$0.125 for a period of two years.

On December 29, 2020, the Company entered into a second amendment to the LOI (the "Second Amendment"). Under the Second Amendment, the parties further amended the terms of the Concurrent Private Placement to remove the warrants that were to have been issued under the Concurrent Private Placement. Under the revised terms, the parties contemplate that the Concurrent Private Placement shall comprise a private placement of at least 21,604,800 common shares of the Company at a price of \$0.125 per share, for gross proceeds of at least \$2,700,600.

**Quantum Blockchain Technologies Ltd.**  
**Interim Consolidated Financial Statements**  
*As at and for the three months ended March 31, 2021*

**QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT**  
(Unaudited - In Canadian Dollars)

	Notes	March 31 2021 \$	December 31 2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash	5	202,671	224,346
Accounts receivable		787	-
Prepaid expenses		4,575	975
<b>Total assets</b>		<b>208,033</b>	<b>225,321</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accruals		40,429	17,943
<b>Shareholders' Equity</b>			
Share capital	6	323,557	318,557
Contributed surplus		45,350	45,350
Deficit		(201,303)	(156,529)
<b>Total shareholders' equity</b>		<b>167,604</b>	<b>207,378</b>
<b>Total liabilities and shareholders' equity</b>		<b>208,033</b>	<b>225,321</b>

See accompanying notes to the interim consolidated financial statements.

**Approved on behalf of the Board of Directors**

*"Keith Erickson"*

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Keith Erickson  
Director

*"Roger Jewett"*

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Roger Jewett  
Director

**QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.**  
**INTERIM CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE THREE MONTHS ENDED MARCH 31**  
(Unaudited - In Canadian Dollars)

	Notes	2021 \$	2020 \$
<b>Expenses:</b>			
Professional fees		28,786	3,079
Filing and exchange fees		8,030	573
Transfer agent and AGM costs		4,154	1,975
Consulting fees		1,000	750
General and administrative		2,804	227
		<b>44,774</b>	<b>6,604</b>
<b>Net loss and comprehensive loss</b>		<b>(44,774)</b>	<b>(6,604)</b>
<b>Net loss per share</b>			
Basic and diluted		(0.01)	-
<b>Weighted average number of shares</b>			
Basic and diluted	6	3,009,778	3,000,000

See accompanying notes to the interim consolidated financial statements.

**QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND MARCH 31, 2020**  
(Unaudited - In Canadian Dollars)

	Notes	Share Capital \$	Contributed Surplus \$	Deficit \$	Shareholders' Equity \$
As at December 31, 2020		<b>318,557</b>	<b>45,350</b>	<b>(156,529)</b>	<b>207,378</b>
Issuance of share capital	6	5,000			5,000
Net loss				(44,774)	(44,774)
<b>As at March 31, 2021</b>		<b>323,557</b>	<b>45,350</b>	<b>(201,303)</b>	<b>167,604</b>
As at December 31, 2019		<b>318,557</b>	<b>45,350</b>	<b>(111,690)</b>	<b>252,217</b>
Net loss				(6,604)	(6,604)
<b>As at March 31, 2020</b>		<b>318,557</b>	<b>45,350</b>	<b>(118,294)</b>	<b>245,613</b>

See accompanying notes to the interim consolidated financial statements.

**QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31**  
(Unaudited - In Canadian Dollars)

	Notes	2021 \$	2020 \$
<b>Cash flows from (used in):</b>			
<b>Operating activities</b>			
Net loss		(44,774)	(6,604)
Change in non-cash working capital:			
Prepaid expenses		(3,600)	(3,600)
Accounts receivable		(787)	(846)
Accounts payable and accruals		22,486	4,956
<b>Cash flows used in operating activities</b>		<b>(26,675)</b>	<b>(6,094)</b>
<b>Financing activities</b>			
Issuance of share capital		5,000	-
<b>Cash flows from financing activities</b>		<b>5,000</b>	<b>-</b>
<b>Decrease in cash</b>		<b>(21,675)</b>	<b>(6,094)</b>
<b>Cash, beginning of period</b>		<b>224,346</b>	<b>260,896</b>
<b>Cash, end of period</b>		<b>202,671</b>	<b>254,802</b>

See accompanying notes to the interim consolidated financial statements.

# Quantum Blockchain Technologies Ltd.

## Notes to the Interim Consolidated Financial Statements

### (Unaudited - In Canadian Dollars)

*As at and for the three months ended March 31, 2021*

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#### 1. Incorporation and operations

Quantum Blockchain Technologies Ltd. (the "Company") was incorporated on February 5, 2018 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules.

On August 29, 2018, the Company completed its initial public offering (the "IPO") of 3,000,000 common shares at a price of \$0.10 per common share and filed for listing as a Capital Pool Company on the Exchange. The common shares commenced trading on September 4, 2018 under the trading symbol QBC.P.

The interim consolidated financial statements are comprised of the Company and its controlled entity. The interim consolidated financial statements have been prepared on a historical cost basis and are stated in Canadian dollars, which is functional currency of the Company.

The head office and registered office of the Company is located at 1250,639 – 5<sup>th</sup> Avenue SW Calgary, Alberta, T2P 0M9.

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

The novel coronavirus ("COVID-19") outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks. The full extent of the impact on the Company's future financial results is uncertain given the length and severity of these developments cannot be reliably estimated.

#### 2. Basis of preparation

##### **Statement of compliance**

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") in effect for the fiscal period beginning January 1, 2021.

These interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the period ended December 31, 2020 which include information necessary or useful to understanding the Company's business and financial statement presentation.

**Quantum Blockchain Technologies Ltd.**  
**Notes to the Interim Consolidated**  
**Financial Statements**  
**(Unaudited - In Canadian Dollars)**

*As at and for the three months ended March 31, 2021*

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**2. Basis of preparation** (continued)

These interim consolidated financial statements were authorized for issue in accordance with a resolution of the directors on June 18, 2021.

***Basis of measurement***

These financial statements are stated in Canadian dollars which is the Company's functional currency and were prepared on a going concern basis, under the historical cost convention except for certain financial instruments that have been measured at fair value.

**3. Significant accounting policies**

**Principles of consolidation**

The interim consolidated financial statements of the Company include the following controlled entity (wholly owned subsidiary):

- 2321205 Alberta Ltd. - incorporated February 2, 2021 under the Business Corporations Act (Alberta)

Control is achieved where the Company has the power to govern the financial and operating policies of an entity, so as to obtain benefits from its activities. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

***Use of estimates and judgments***

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where estimates are significant to these interim condensed financial statements are disclosed in Note 4.

***Cash***

Cash consists of the proceeds generated from share issuances which is included in bank balances that are readily convertible into cash.

***Deferred financing costs***

Financing costs related to the Company's proposed financings are recorded as deferred financing costs. These costs are deferred until the financing is completed at which time the costs are charged against the proceeds received. If the financing does not close, the costs are charged to operations.

***Share-based payments***

The Company applies a fair value based method of accounting to all share-based payments. Employee and director stock options are measured at the fair value of each tranche on the grant date and recognized over its respective vesting period. Non-employee stock options are measured based on the service provided to the reporting date and at their then-current fair values.

**Quantum Blockchain Technologies Ltd.**  
**Notes to the Interim Consolidated**  
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**(Unaudited - In Canadian Dollars)**

*As at and for the three months ended March 31, 2021*

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**3. Significant accounting policies (continued)**

The cost of stock options is presented as share-based compensation expense when applicable with a corresponding credit to contributed surplus. On the exercise of stock options, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based payments.

***Taxes***

Tax expense comprises current and deferred tax. Tax is recognized in the statement of net loss and comprehensive loss except to the extent it relates to items recognized in other comprehensive income or directly in equity.

***Current tax***

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

***Deferred tax***

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

***Financial Instruments***

***Classification and measurement of financial instruments***

The Company measures its financial assets and financial liabilities at fair value on initial recognition, which is typically the transaction price unless a financial instrument contains a significant financing component. Subsequent measurement is dependent on the financial instrument's classification which in the case of financial assets, is determined by the context of the Company's business model and the contractual cash flow characteristics of the financial asset. Financial assets are classified into two categories: (1) measured at amortized cost and (2) fair value through profit and loss ("FVTPL"). Financial liabilities are subsequently measured at amortized cost, other than financial liabilities that are measured at FVTPL or designated as FVTPL where any change in fair value resulting from an entity's own credit risk is recorded as other comprehensive income ("OCI"). The Company does not employ hedge accounting for its risk management contracts currently in place.

***Amortized cost***

The Company classifies its cash and accounts payable and accrued liabilities measured at amortized cost. The contractual cash flows received from the financial assets are solely payments of principal and interest and are held within a business model whose objective is to collect the contractual cash flows. These financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method.

**Quantum Blockchain Technologies Ltd.**  
**Notes to the Interim Consolidated**  
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**(Unaudited - In Canadian Dollars)**

*As at and for the three months ended March 31, 2021*

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**3. Significant accounting policies** (continued)

***Impairment of financial assets***

The measurement of impairment of financial assets is based on expected credit losses. Accounts receivable that are considered collectible within one year or less are not considered to have a significant financing component and a lifetime expected credit loss ("ECL") is measured at the date of initial recognition of the receivable.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. In estimating the lifetime expected loss provision, the Company will consider historical industry default rates as well as credit ratings of major customers. The Company does not currently have any financial assets subject to this approach.

***Equity instruments***

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

**4. Significant accounting estimates and assumptions**

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

**Estimates**

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

**Fair value of financial instruments**

The estimated fair value of financial assets and liabilities, by their very nature, are subject to measurement uncertainty.

**Taxes**

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

**Stock-based compensation**

Stock-based compensation is subject to the estimation of the fair value of the award at the date of grant using the Black-Scholes pricing model which is based on significant assumptions such as volatility, dividend yield, expected term and forfeitures.

**Quantum Blockchain Technologies Ltd.**  
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*As at and for the three months ended March 31, 2021*

**4. Significant accounting estimates and assumptions** (continued)

**Judgements**

The key areas of judgment that have a significant risk of causing material adjustment to the amounts recognized in the financial statements are:

**Taxes**

The Company recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Company's deductible temporary differences which are based on management's judgement on the degree of future taxable profits. To the extent that future taxable profits differ significantly from the estimates impacts the amount of the deferred tax assets management judges is probable.

**Financial instruments**

The Company is required to classify its various financial instruments into certain categories for the financial instruments' initial and subsequent measurement. This classification is based on management's judgement as to the purpose of the financial instrument and to which category is most applicable.

**Stock options**

The Company records stock-based payments based on management's judgement of the expected exercise date of options which is impacted by the timing of completion of the qualifying transaction.

**5. Cash**

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds and \$210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions may apply until completion of a Qualifying Transaction by the Company as defined under the policies of the Exchange.

**6. Share capital**

Authorized:

Unlimited number of voting Common Shares

Unlimited number of non-voting Preferred shares issuable in series

Issued: Common Shares

	<b>Number of Shares</b>	<b>\$</b>
As at December 31, 2020 and 2019	<b>5,500,000</b>	<b>318,557</b>
Issued, March 10, 2021	<b>40,000</b>	<b>5,000</b>
As at March 31, 2021	<b>5,540,000</b>	<b>323,557</b>

Of the common shares issued, 2,500,000 are held in escrow until the completion of a Qualifying Transaction. 10% of the common shares held in escrow will be released on the issuance of the Final Exchange Bulletin and an additional 15% will be released on the dates 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the initial release.

**Quantum Blockchain Technologies Ltd.**  
**Notes to the Interim Consolidated**  
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*As at and for the three months ended March 31, 2021*

**6. Share capital (continued)**

On March 10, 2021, the Company issued 40,000 common shares at a price of \$0.125 per common share pursuant to a private placement for gross proceeds of \$5,000.

On February 26, 2021, the Company's shareholders approved a resolution to authorize the Company to enter into an amended escrow agreement to effect the revised provisions for CPC escrow agreements set out in the new Exchange CPC policy. The revised escrow policy specifies that 25% of the common shares held in escrow will be released on the issuance of the Final Exchange Bulletin and an additional 25% will be released on the dates 6 months, 12 months and 18 months following the initial release.

These common shares, which are considered contingently issuable until the Company completes a Qualifying Transaction, are not considered to be outstanding for the purpose of the loss per share calculation.

**Stock Option Plan**

The Company has adopted an incentive stock option plan in accordance with the policies of the TSX Venture 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 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 TSX Venture.

A summary of the stock option activity follows:

	<b>Number of options</b>	<b>Weighted avg. exercise price</b>
Outstanding, December 31, 2019 and 2018	<b>675,000</b>	<b>\$0.10</b>
Expired, 2020	<b>(300,000)</b>	
<b>Outstanding, Dec. 31, 2020 and March 31, 2021</b>	<b>375,000</b>	<b>\$0.10</b>

On August 29, 2018, the Company granted 375,000 options under the Company's stock option plan to directors and officers of the Company. 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.

At March 31, 2021, there were 375,000 stock options outstanding and exercisable as follows:

<b>Number of options outstanding</b>	<b>Exercise price</b>	<b>Expiry Date</b>
<b>375,000</b>	<b>\$0.10</b>	<b>Aug 29, 2023</b>

At March 31, 2021, the weighted average remaining contractual life of the outstanding options is 2.41 years (December 31, 2020 - 2.66 years).

**Quantum Blockchain Technologies Ltd.**  
**Notes to the Interim Consolidated**  
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**(Unaudited - In Canadian Dollars)**

*As at and for the three months ended March 31, 2021*

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**7. Capital disclosures**

The Company's capital consists of share capital. The Company's objective for managing capital is to maintain sufficient capital to identify, evaluate and complete an acquisition or other transaction as disclosed in Note 1.

The Company sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Company's objectives when managing capital are:

- i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,
- ii. to maintain investor, creditor and market confidence in order to sustain future development of the business.

The Company is not subject to any externally or internally imposed capital requirements at period-end other than the requirements of the Exchange.

**8. Financial instruments**

The Company, as part of its operations, carries financial instruments consisting of cash accounts receivable, and accounts payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

**Fair value**

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of cash accounts receivable, and account payable and accruals approximates its fair value due to the short-term maturities of these items.

**Credit Risk**

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk as its' cash is held with a major Canadian financial institution.

**Liquidity Risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2021, the Company had a cash balance of \$202,671 to pay liabilities of \$40,429.

**Quantum Blockchain Technologies Ltd.**  
**Notes to the Interim Consolidated**  
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**(Unaudited - In Canadian Dollars)**

*As at and for the three months ended March 31, 2021*

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**8. Financial instruments (continued)**

**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

The Company has cash balances and no interest-bearing debt.

ii. Foreign currency risk

The Company does not have assets or liabilities in foreign currency.

iii. Commodity risk

The Company is not exposed to commodity price risk.

**9. Related party transactions**

Transactions with related parties are incurred in the normal course of business.

During the three months ended March 31, 2021 the Company incurred \$1,000 (2019 - \$750) in consulting fees for services provided by a company controlled by a director of the company. As at March 31, 2021 \$1,000 (2019 - \$750) is included in accounts payable and accruals. On March 10, 2021, the Company issued 40,000 common shares to a director of the Company at a price of \$0.125 per common share pursuant to a private placement for gross proceeds of \$5,000.

**10. Amalgamation Agreement**

On February 26, 2021, the Company entered into an agreement (the "Amalgamation Amendment") pursuant to which it will complete a three-cornered amalgamation (the "Transaction") with Ocumetics Technology Corp. ("Ocumetics") and 2321205 Alberta Ltd. ("Quantum SubCo"), which is the Company's wholly-owned Alberta subsidiary. The Amalgamation Agreement supersedes and replaces the non-binding letter of intent between the Company and Ocumetics dated July 5, 2020, as amended, and will form the basis of the Company's proposed Qualifying Transaction under the policies of the Exchange.

Pursuant to the Amalgamation Agreement, Ocumetics and Quantum SubCo will amalgamate (the "Amalgamation") under the Business Corporations Act (Alberta) and continue as a new corporation. Pursuant to the Amalgamation, each of the issued and outstanding shares of Ocumetics (regardless of class) will be exchanged for three common shares of the Company and each of the issued and outstanding warrants of the Ocumetics will be exchanged for three warrants of the Company having the same or similar terms.

It is expected that 80,918,502 common shares of the Company, at a deemed price of \$0.125 per share, and 2,134,251 warrants, at a deemed price of \$nil, will be issued pursuant to the Amalgamation, for a total deemed purchase price of \$10,114,813.

In connection with the Amalgamation, the Company intends to complete a non-brokered private placement of 21,604,800 common shares at a price of \$0.125 per share for total gross proceeds of \$2,700,600 (the "Private Placement"). A minimum of 4,000,000 and a maximum of 4,800,000 common shares will be offered under the

**Quantum Blockchain Technologies Ltd.**  
**Notes to the Interim Consolidated**  
**Financial Statements**  
**(Unaudited - In Canadian Dollars)**

*As at and for the three months ended March 31, 2021*

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**10. Amalgamation Agreement** (continued)

Private Placement pursuant to an offering memorandum for which the Company will pay to finders who assist it in finding subscribers under the offering memorandum cash commissions of 7% of the aggregate gross proceeds from the sale of shares placed by such finders and warrants to purchase such number of shares equal to 7% of the shares placed by such finders at a price of \$0.125 per share for 24 months.

Completion of the Amalgamation is subject to a number of conditions, including: that the Company shall have received subscriptions under the Private Placement for not less than \$2,700,600, or such other amount as may be necessary to satisfy the initial listing requirements of the Exchange, that holders of not more than 5% of the issued and outstanding shares of Ocumetics shall have exercised rights of dissent in relation to the Amalgamation or to the continuation of Ocumetics into Alberta, approval by the Ocumetics shareholders of the Amalgamation and approvals from the Exchange, securities regulators and third parties as may be required. The Amalgamation Agreement will terminate on April 15, 2021 (Note 11) unless extended by the parties.

**11. Subsequent Event**

On April 15, 2021, the Company entered into an Amended and Restated Amalgamation Agreement to extend the deadline for the completion of the proposed Transaction contemplated by the Amalgamation Agreement dated February 26, 2021 with Ocumetics from April 15, 2021 to July 31, 2021.

## **MANAGEMENT’S DISCUSSION & ANALYSIS**

This Management’s Discussion & Analysis (“MD&A”) is intended to provide readers with the information that management (“Management”) of Quantum Blockchain Technologies Ltd. (“Quantum” or the “Company”) believes is required to gain an understanding of the unaudited interim consolidated financial results of the Company for three months ended March 31, 2021, and to assess the Company’s future prospects. Accordingly, certain sections of this report contain forward-looking statements and forward-looking information (collectively, “Forward-Looking Information” as defined under applicable Canadian securities laws), which are based on current plans and expectations. See under the heading “Special Note Regarding Forward-Looking Information”.

This MD&A, presented and dated as of June 25, 2021, should be read in conjunction with the Company’s unaudited interim consolidated financial statements as at and for the period ended March 31, 2021 and the audited financial statements and related notes of the Company for the period ended December 31, 2020. All currency amounts in the accompanying financial statements and this MD&A are in Canadian dollars unless otherwise noted.

The novel coronavirus (“COVID-19”) outbreak was declared a pandemic by the World Health Organization on March 11, 2020. This has resulted in significant economic uncertainty and governments worldwide are enacting emergency measures to contain the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness as a consequence of this economic uncertainty. The duration and impact of the COVID-19 outbreak is unknown as this time, as is the effectiveness of interventions by governments and central banks. The full extent of the impact on the Company’s future financial results is uncertain given the length and severity of these developments cannot be reliably estimated.

### **Special Note Regarding Forward Looking Information**

Certain statements in this MD&A, other than statements of historical fact, may include Forward-Looking Information that involves various risks and uncertainties. These can include, without limitation, statements based on current expectations involving a number of risks and uncertainties. These risks and uncertainties may have a material impact on future prospects and may cause actual results to differ from information contained herein. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. These forward-looking statements are based on the estimates and opinions of Management on the dates they are made and are expressly qualified in their entirety by this notice. Since actual events and results could differ materially, the reader is cautioned not to place undue reliance on any Forward-Looking Information. The Company assumes no obligation to update Forward-Looking Information should circumstances or Management’s estimates or opinions change, except as required by law. See “Caution Regarding Forward-Looking Information” and “Risk Factors”.

## **DESCRIPTION OF THE BUSINESS**

Quantum was incorporated on February 5, 2018 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules.

On August 29, 2018, the Company completed its initial public offering (the "IPO") of 3,000,000 common shares at a price of \$0.10 per common share and filed for listing as a Capital Pool Company on the TSX Venture Exchange. The common shares commenced trading on September 4, 2018 under the trading symbol QBC.P.

Prior to the IPO, the Company issued seed stock of 2,500,000 common shares at a price of \$0.05 per share to the founders of the Corporation. These shares are held in escrow until completion of a Qualifying Transaction. 25% of the common shares held in escrow will be released on the issuance of the Final Exchange Bulletin and an additional 25% will be released on the dates 6 months, 12 months and 18 months following the initial release.

On February 2, 2021, the Company incorporated a 100% subsidiary, 2321205 Alberta Ltd., under the Business Corporations (Alberta).

The head office and registered office of the Company is located at 1250,639 – 5<sup>th</sup> Avenue SW Calgary, Alberta, T2P 0M9.

## **RISKS AND UNCERTAINTIES**

Where an acquisition or participation is warranted, additional funding may be required. The ability of the Company to fund its potential future operations and commitments is dependent upon the ability of the Company to obtain additional financing. There is no assurance that the Company will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Company's shares from trading.

## **SELECTED FINANCIAL INFORMATION**

The Company was incorporated on February 5, 2018 and was not yet a "Reporting Issuer" pursuant to applicable securities legislation. On June 15, 2018, the date of the final receipt for the Prospectus was issued by the Alberta and British Columbia Securities Commissions, the Company become a "Reporting Issuer" in each of the provinces of Alberta and British Columbia.

For the period ended March 31, 2021, the Company reported no discontinued operations and declared no cash dividends.

**Quantum Blockchain Technologies Ltd.**  
**Management's Discussion and Analysis**  
**For the Three Months Ended March 31, 2021**

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**SUMMARY OF QUARTERLY RESULTS**

The following table presents selected audited financial data for the three-month periods indicated up to March 31, 2021.

	March 31 2021	Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019
<b>CAD (\$)</b>								
Total assets	\$208,033	\$225,321	\$225,598	\$243,175	\$260,195	\$261,846	\$271,834	\$278,753
Total liabilities	40,429	17,943	5,700	6,814	14,532	9,629	7,589	4,121
Net working capital	167,604	207,378	219,898	236,361	245,663	252,217	264,245	274,632
Revenue	-	-	-	-	-	-	-	-
Net Loss	(44,774)	(12,520)	(16,463)	(9,252)	(6,604)	(12,028)	(10,387)	(6,363)
Basic loss per share	(0.01)	-	(0.01)	-	-	-	-	-
Fully diluted loss per share	(0.01)	-	(0.01)	-	-	-	-	-
Weighted average shares outstanding (basic and fully diluted)	3,009,778	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000

There are no significant variances in the quarterly periods shown above, with the exception of additional professional fees incurred in Q3 and Q4 of 2020 as well as Q1 2021.

**RESULTS OF OPERATIONS**

During the period ended March 31, 2021, the Company incurred a loss of \$44,774 (2019 - \$6,604) which relates entirely to the costs of operating a public company including filing and exchange fees, professional fees, consulting fees and transfer agent fees.

The loss in the first quarter of 2021 is higher than in the corresponding quarter in 2020 due to additional legal fees incurred relative to signing an amalgamation agreement with Ocumetics Technology Corp. See discussion of the amalgamation agreement below.

**OUTSTANDING SHARE DATA**

Common shares

As at March 31, 2021, the Company had 2,500,000 common shares outstanding that were issued to the founders of the Company at a price of \$0.05 per share.

On August 29, 2018, the Company issued 3,000,000 common shares at the price of \$0.10 per common share pursuant to the IPO for gross proceeds of \$300,000.

On March 10, 2021 the Company issued 40,000 common shares at a price of \$0.125 per common share pursuant to a private placement for gross proceeds of \$5,000.

**Quantum Blockchain Technologies Ltd.  
Management’s Discussion and Analysis  
For the Three Months Ended March 31, 2021**

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At March 31, 2021, the Company had 5,540,000 common shares issued and outstanding (2,500,000 of which are subject to escrow restrictions) and 375,000 common shares reserved for issuance upon the exercise of stock options. On August 29, 2020, 300,000 common shares reserved for issuance upon the exercise of agent's options granted upon completion of the IPO expired, unexercised.

**Stock options**

The Company’s stock options are summarized as follows:

<b>Description</b>	<b>Number outstanding</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
Officer and Director options	375,000	\$0.10	August 29, 2023
<b>Total</b>	<b>375,000</b>		

**LIQUIDITY AND CAPITAL RESOURCES**

On August 29, 2018, the Company completed an initial public offering (“IPO”) as a Capital Pool Company pursuant to Policy 2.4 of the TSX Venture Exchange. At closing, the Company received gross proceeds of \$300,000, representing the issuance of 3,000,000 common shares of the Company at an issuance price of \$0.10, less expenses retained by the agent of \$44,005, for net proceeds of \$255,995.

After considering seed share investment of \$125,000 (2.5 million shares at \$0.05) and cash IPO related expenses of approximately \$76,000, the Company raised total net proceeds of \$304,995.

As at March 31, 2021, the Company had cash of \$202,671, accounts payable of \$40,429 and net working capital of \$167,604. Management considers this to be sufficient for the Company to meet its ongoing obligations.

**OFF-BALANCE SHEET ARRANGEMENTS**

As at the date of this report, the Company had no off-balance sheet arrangements.

**TRANSACTIONS WITH RELATED PARTIES**

On August 29, 2018, the Company issued 375,000 stock options to directors and officers of the Company. On March 10, 2021 the Company issued 40,000 common shares to a director of the Company at a price of \$0.125 for total proceeds of \$5,000. In addition, during the period ended March 31, 2021 the Company incurred \$1,000 (2019 - \$750) in consulting fees for services provided by a company controlled by a director of the Company. As at March 31, 2021, \$1,000 (2019 - \$750) is included in accounts payable and accruals.

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company, as part of its operations, carries financial instruments consisting of cash and accounts

payable and accruals. It is management's opinion that the Company is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

#### **Fair value**

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Company classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.

Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).

Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The carrying amount of cash and account payable and accruals approximates its fair value due to the short-term maturities of these items.

#### **Credit Risk**

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk as its cash is held with a major Canadian financial institution.

#### **Liquidity Risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2021, the Company had a cash balance of \$202,671 to pay liabilities of \$40,429.

#### **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

The Company has cash balances and no interest-bearing debt.

ii. Foreign currency risk

The Company does not have assets or liabilities in foreign currency.

iii. Commodity risk

The Company is not exposed to commodity price risk.

## **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

### **Accounting standard adopted**

Business Combinations – Effective January 1, 2020, the Company has adopted amendments defining a business from IFRS 3 – Business Combinations. The amendments are intended to provide additional guidance to determine if a transaction should be recorded as a business combination or an asset acquisition. The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess if an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

To be considered a business under the amendments to IFRS 3, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The optional concentration test permits a simplified assessment that results in an asset acquisition if substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or a group of similar identifiable assets. An entity may elect to apply or not apply, the test. An entity may make such an election separately for each transaction or other event.

## **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the accompanying interim consolidated financial statements requires Management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The accompanying financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **Critical Judgements**

Critical accounting judgements are accounting policies that have been identified as being complex or involving subjective judgements or assessments.

### **Key Sources of Estimation Uncertainty**

Due to the limited nature of the Company's operations since incorporation on February 5, 2018, Management has not yet been required to make significant assumptions about the future that could result in a material adjustment to the carrying amounts of assets and liabilities of the Company in the event that actual results differ from assumptions made.

## **CAPITAL RISK MANAGEMENT**

The Company's capital currently consists of common shares. The Company defines capital as total shareholders' equity which was \$170,030 at March 31, 2021. The Company's principal source of cash is from the issuance of common shares. The Company's capital management objectives are to safeguard its ability to continue as a going-concern and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares.

Subsequent to the IPO, proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or business for future investment, with the exception that not more than 30% of the gross proceeds from the issuance of shares issued in the IPO may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until the completion of a Qualifying Transaction.

## **AMALGAMATION AGREEMENT**

On February 26, 2021, the Company entered into an agreement (the "Amalgamation Amendment") pursuant to which it will complete a three-cornered amalgamation (the "Transaction") with Ocumetics Technology Corp. ("Ocumetics") and 2321205 Alberta Ltd. ("Quantum SubCo"), which is the Company's wholly-owned Alberta subsidiary. The Amalgamation Agreement supersedes and replaces the non-binding letter of intent between the Company and Ocumetics dated July 5, 2020, as amended, and will form the basis of the Company's proposed Qualifying Transaction under the policies of the Exchange.

Pursuant to the Amalgamation Agreement, Ocumetics and Quantum SubCo will amalgamate (the "Amalgamation") under the Business Corporations Act (Alberta) and continue as a new corporation. Pursuant to the Amalgamation, each of the issued and outstanding shares of Ocumetics (regardless of class) will be exchanged for three common shares of the Company and each of the issued and outstanding warrants of the Ocumetics will be exchanged for three warrants of the Company having the same or similar terms.

It is expected that 80,918,502 common shares of the Company, at a deemed price of \$0.125 per share, and 2,134,251 warrants, at a deemed price of \$nil, will be issued pursuant to the Amalgamation, for a total deemed purchase price of \$10,114,813.

In connection with the Amalgamation, the Company intends to complete a non-brokered private placement of 21,604,800 common shares at a price of \$0.125 per share for total gross proceeds of \$2,700,600 (the "Private Placement"). A minimum of 4,000,000 and a maximum of 4,800,000 common shares will be offered under the Private Placement pursuant to an offering memorandum for which the Company will pay to finders who assist it in finding subscribers under the offering memorandum cash commissions of 7% of the aggregate gross proceeds from the sale of shares placed by such finders and

**Quantum Blockchain Technologies Ltd.  
Management's Discussion and Analysis  
For the Three Months Ended March 31, 2021**

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warrants to purchase such number of shares equal to 7% of the shares placed by such finders at a price of \$0.125 per share for 24 months.

Completion of the Amalgamation is subject to a number of conditions, including: that the Company shall have received subscriptions under the Private Placement for not less than \$2,700,600, or such other amount as may be necessary to satisfy the initial listing requirements of the Exchange, that holders of not more than 5% of the issued and outstanding shares of Ocumetics shall have exercised rights of dissent in relation to the Amalgamation or to the continuation of Ocumetics into Alberta, approval by the Ocumetics shareholders of the Amalgamation and approvals from the Exchange, securities regulators and third parties as may be required. The Amalgamation Agreement will terminate on April 15, 2021 unless extended by the parties.

**SUBSEQUENT EVENT**

On April 15, 2021, the Company entered into an Amended and Restated Amalgamation Agreement to extend the deadline for the completion of the proposed Transaction contemplated by the Amalgamation Agreement dated February 26, 2021 with Ocumetics from April 15, 2021 to July 31, 2021.

**APPENDIX “B”**  
**FINANCIAL STATEMENTS OF OCUMETICS TECHNOLOGY INC. AND MANAGEMENT’S**  
**DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS**



**Ocumetics**™  
TECHNOLOGY CORP

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED JULY 31, 2020, 2019 and 2018**

**(Expressed in Canadian Dollars)**

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## INDEPENDENT AUDITORS' REPORT

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To the Shareholders and Directors of Ocumetics Technology Corp.

### Opinion

We have audited the financial statements of Ocumetics Technology Corp. (the "Company") for the year ended July 31, 2020, which comprise the statement of financial position as at July 31, 2020, and the statements of loss and comprehensive loss, changes in equity (deficiency) and cash flows for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### Basis for Opinion

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

### Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the accompanying financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Other Matter

The financial statements for the years ended July 31, 2019 and July 31, 2018, which are presented for comparative purposes, were unaudited.

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

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Michael Ryan Ayre.

*Manning Elliott LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, British Columbia

July 22, 2021

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

As at	July 31, 2020	July 31, 2019	July 31, 2018
	\$	\$	\$
		(Unaudited)	(Unaudited)
<b>ASSETS</b>			
Current assets			
Cash	840	1,657	648
Amounts receivable	547	533	2,351
Total current assets	1,387	2,190	2,999
Non current assets			
Intangible assets (Note 4)	581,201	629,564	610,322
Total assets	582,588	631,754	613,321
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable and accrued liabilities	33,701	3,903	7,633
Due to related parties (Note 5)	108,309	556,038	455,231
Total current liabilities	142,010	559,941	462,864
Non current liabilities			
Due to related parties (Note 5)	500,000	–	–
Total liabilities	642,010	559,941	462,864
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital (Note 6)	1,121,083	1,079,833	1,079,833
Deficit	(1,180,505)	(1,008,020)	(929,376)
Total shareholders' equity (deficiency)	(59,422)	71,813	150,457
Total liabilities and shareholders' equity (deficiency)	582,588	631,754	613,321

Nature of operations and going concern (Note 1)  
Subsequent events (Note 10)

Approved and authorized for issuance on behalf of the Board of Directors on July 22, 2021:

/s/ Dayton Marks

Dayton Marks, Director

/s/ Elaine Webb

Elaine Webb, Director

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

**OCUMETICS TECHNOLOGY CORP.**Statements of Loss and Comprehensive Loss  
(Expressed in Canadian dollars)

For the year ended	July 31, 2020	July 31, 2019	July 31, 2018
	\$	\$	\$
		(Unaudited)	(Unaudited)
Expenses			
Advertising & investor relation	–	–	12,592
Amortization	73,134	66,836	60,599
Consulting	41,236	–	11,821
Meals and entertainment	–	126	1,363
Office and general	101	782	594
Professional fees	58,014	10,900	9,107
Travel and promotion	–	–	1,632
Total expenses	172,485	78,644	97,708
Net loss for the year	172,485	78,644	97,708
Loss per share, basic and diluted	0.01	0.00	0.00
Weighted average shares outstanding	22,214,384	22,200,000	22,200,000

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

**OCUMETICS TECHNOLOGY CORP.**

Statements of Changes in Equity (Deficiency)

(Expressed in Canadian dollars)

For the years ended July 31, 2020, 2019, and 2018

	Class A		Class B		Preferred Shares		Total Shares		Deficit	Total Shareholders' Equity (Deficiency)
	Number	\$	Number	\$	Number	\$	Number	\$		
Balance, July 31, 2017 (unaudited)	21,400,000	720,562	800,000	71,854	3,200,000	287,417	25,400,000	1,079,833	(831,668)	248,165
Net loss	–	–	–	–	–	–	–	–	(97,708)	(97,708)
Balance, July 31, 2018 (Unaudited)	21,400,000	720,562	800,000	71,854	3,200,000	287,417	25,400,000	1,079,833	(929,376)	150,457
Net loss	–	–	–	–	–	–	–	–	(78,644)	(78,644)
Balance, July 31, 2019 (Unaudited)	21,400,000	720,562	800,000	71,854	3,200,000	287,417	25,400,000	1,079,833	(1,008,020)	71,813
Shares issued for services	150,000	41,250	–	–	–	–	150,000	41,250	–	41,250
Net loss	–	–	–	–	–	–	–	–	(172,485)	(172,485)
Balance, July 31, 2020	21,550,000	761,812	800,000	71,854	3,200,000	287,417	25,550,000	1,121,083	(1,180,505)	(59,422)

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

**OCUMETICS TECHNOLOGY CORP.**Statements of Cash Flows  
(Expressed in Canadian dollars)

For the years ended	July 31, 2020	July 31, 2019	July 31, 2018
	\$	\$	\$
		(Unaudited)	(Unaudited)
Operating activities			
Net loss	(172,485)	(78,644)	(97,708)
Items not effecting for cash			
Amortization	73,134	66,836	60,599
Stock based compensation	41,250	–	–
Changes in non-cash operating working capital:			
Amounts receivable	(14)	1,818	(435)
Accounts payable and accrued liabilities	29,798	(3,730)	(18,356)
Due to related parties	27,500	14,729	8,144
Net cash provided by (used) in operating activities	(817)	1,009	(47,756)
Net increase (decrease) in cash	(817)	1,009	(47,756)
Cash, beginning of the year	1,657	648	48,404
Cash, end of the year	840	1,657	648
Supplemental Cash Flow Disclosure			
Non-cash investing and financing activities:			
Intangible assets included in due to related parties	24,771	86,078	29,686
Interest paid	–	–	–
Income tax paid	–	–	–

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

# OCUMETICS TECHNOLOGY CORP.

Notes to the financial statements

Years ended July 31, 2020, 2019 and 2018

(Expressed in Canadian dollars)

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## 1. Nature of Operations and Going Concern

Ocumetics Technology Corp. (the "Company") was incorporated on April 12, 2012 under the Business Corporations Act of British Columbia. Its current focus is to develop the bio lens to completely eliminate the need for corrective lenses, especially for people over 45 years of age. The Company's head office is located at Suite 1750 - 1055 W Georgia St, Vancouver, BC V6E 3P3.

These 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 July 31, 2020, the Company has not generated any revenues from operations, has a working capital deficiency of \$140,623, and has an accumulated deficit of \$1,180,505. 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. The March 2020 pandemic outbreak of COVID-19 could have a negative impact on the Company's ability to raise new capital. 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 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.

Subsequent to July 31, 2020, the Company raised \$412,112 in equity financing and has entered into an amalgamation agreement that contemplates raising additional equity financing (see Note 10).

## 2. Basis of Presentation

### (a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board on a going concern basis.

These financial statements were authorized for issue by the Board of Directors on July 22, 2021.

### (b) Basis of measurement

The 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.

## 3. Significant Accounting Policies

### (a) Significant accounting estimates and judgments

The preparation of these 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.

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

## OCUMETICS TECHNOLOGY CORP.

Notes to the financial statements

Years ended July 31, 2020, 2019 and 2018

(Expressed in Canadian dollars)

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### 3. Significant Accounting Policies (continued)

#### (a) Significant accounting estimates and judgments (continued)

##### 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 July 31, 2020, 2019 and 2018, the estimated remaining useful life of the license agreement was 8, 9 and 10 years respectively. 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 consisting of a license agreement (see Note 4) 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 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 financial statements

Years ended July 31, 2020, 2019 and 2018

(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 in profit or 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 is classified as FVTPL.

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

## OCUMETICS TECHNOLOGY CORP.

Notes to the financial statements

Years ended July 31, 2020, 2019 and 2018

(Expressed in Canadian dollars)

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### 3. Significant Accounting Policies (continued)

#### (d) Financial instruments (continued)

##### 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 years 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.

## OCUMETICS TECHNOLOGY CORP.

Notes to the financial statements

Years ended July 31, 2020, 2019 and 2018

(Expressed in Canadian dollars)

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### 3. Significant Accounting Policies (continued)

#### (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 is recognized in other comprehensive income or equity and not in the statement of 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 and preferred 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.

## OCUMETICS TECHNOLOGY CORP.

Notes to the financial statements

Years ended July 31, 2020, 2019 and 2018

(Expressed in Canadian dollars)

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### 3. Significant Accounting Policies (continued)

(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.

(j) New accounting standards issued and effective

*IFRS 16 - 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. As at the date of transition, the Company did not have any lease. The adoption of the new IFRS pronouncement has therefore not resulted in adjustments in previously reported figures and there have been no changes to the opening deficit balance as at August 1, 2019.

During the year ended July 31, 2020, the Company did not have any 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 year ended July 31, 2020, and have not been early adopted in preparing these 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.

## OCUMETICS TECHNOLOGY CORP.

Notes to the financial statements

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(Expressed in Canadian dollars)

### 4. Intangible Asset

On April 12, 2012, the Company entered into an Amended and Restated License Agreement (“License Agreement”) with Ventura Holdings Ltd. (“Ventura”), a related party with certain common shareholders (Note 5), 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 sets 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 the Company has sold at least 1,000 units per month to paying third-party customers for at least six consecutive months, or at least 6,000 units, in the aggregate, over a six-month period. (Note 5);
- 1,900,000 Class A Voting Common shares of the Company all 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 1.00% of the Company’s net income derived from the rights granted under the License Agreement to the Intellectual Property, calculated based on the fiscal year of the Company and payable within 2 months after the end of each fiscal year in immediately available funds.

As at July 31, 2020, the cost of the license to utilize the Intellectual Property is as follows:

	\$
Cash	500,000
Issuance of Class A Voting Common shares	110,398
Legal and other fees and expenses	429,049
	<u>1,039,447</u>

The term of the License Agreement will end upon the expiration date of the last issued patent license under the agreement. Either party may terminate the License Agreement following any material breach of the License Agreement by the other party by providing 60 days written notice of its intent to terminate. Termination will become effective at the expiration of this 60-day period if the defaulting party has not cured the breach to the terminating party’s reasonable satisfaction.

The following is a continuity schedule of intangible asset for the years presented:

	<b>License</b>
	<b>\$</b>
<b>Cost:</b>	
At July 31, 2017 (Unaudited)	898,912
Additions	29,686
At July 31, 2018 (Unaudited)	928,598
Additions	86,078
At July 31, 2019 (Unaudited)	1,014,676
Additions	24,771
At July 31, 2020	<u>1,039,447</u>

## OCUMETICS TECHNOLOGY CORP.

Notes to the financial statements  
Years ended July 31, 2020, 2019 and 2018  
(Expressed in Canadian dollars)

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### 4. Intangible Asset (continued)

	<b>License</b>
	<b>\$</b>
<b>Amortization:</b>	
At July 31, 2017 (Unaudited)	257,677
Additions	60,599
At July 31, 2018 (Unaudited)	318,276
Additions	66,836
At July 31, 2019 (Unaudited)	385,112
Additions	73,134
At July 31, 2020	458,246
<b>Net book value:</b>	
At July 31, 2018 (Unaudited)	610,322
At July 31, 2019 (Unaudited)	629,564
At July 31, 2020	581,201

### 5. 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. Key management personnel compensation is comprised of the following:

	2020	2019	2018
		\$	\$
		(Unaudited)	(Unaudited)
Professional fees	21,000	—	—
Consulting fees, director (a)	41,250	—	—
Total	62,250	—	—

(a) On June 30, 2020, the Company issued 150,000 Class A Common shares with an estimated fair value of \$41,250 in consideration for services provided by a director (Note 6).

#### Summary of related party balances:

All related party transactions were measured at the amount of consideration established and agreed to by the related parties. All amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

## OCUMETICS TECHNOLOGY CORP.

Notes to the financial statements

Years ended July 31, 2020, 2019 and 2018

(Expressed in Canadian dollars)

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

	2020	2019	2018
		\$	\$
		(Unaudited)	(Unaudited)
Due to Ventura – Intangible asset	557,372	532,600	446,522
Due to companies controlled by a director (Note 4)	29,937	23,438	8,709
Directors and officers	21,000	–	650
	608,309	556,038	455,881

As at July 31, 2020, \$500,000 of the amount due to Ventura has been presented as non-current (July 31, 2019 and 2018 - \$nil) (Note 4).

### 6. Share Capital

#### (a) Authorized:

The Company is authorized to issue the following share capital:

#### Common shares

- Unlimited Class A common voting shares without par value (the “Class A Common share”)
- Unlimited Class B common non-voting shares without par value (the “Class B common share”)

#### Preferred shares

The Company is authorized to issue an unlimited number of the non-voting preferred shares without par value (the “Preferred shares”). The Preferred shares entitle each holder the preference on the dividends and the distribution of assets over the holder of Class A and Class B Common shares. The preferred shares are cumulative, retractable, and convertible.

The Company may at any time, upon giving notice, redeem the whole or from time to time any part of the then outstanding Preferred shares at the Preferred Redemption Price, defined as amount added to the capital of the Company together with an amount equal to all declared and unpaid dividends. The holder of Preferred shares may, by giving notice, require the Company to redeem at any time the whole or from time to time any part of the Preferred shares held by that holder at the Preferred Redemption Price. As at July 31, 2020, 2019 and 2018, the Preferred Redemption Price for all outstanding Preferred shares in total was \$10.

Upon the occurrence of an Initial Public Offering, the Preferred shares shall be automatically converted into fully paid and non-assessable Class A Voting Common shares on the basis of one Class A Voting Common share for each one Preferred share.

The Preferred shares were issued during the year ended July 31, 2017 to settle debt of \$287,417 relating to legal and other fees and expenses incurred by Ventura under the License Agreement (Note 4). There were no preferred shares issued during the years presented.

#### (b) Issued:

During the year ended July 31, 2020, the Company issued the following shares:

- 150,000 Class A Common shares with an estimated fair value of \$41,250 in consideration for services provided by a director (Note 5);

During the year ended July 31, 2019 and 2018, the Company did not issue any shares.

## OCUMETICS TECHNOLOGY CORP.

Notes to the financial statements

Years ended July 31, 2020, 2019 and 2018

(Expressed in Canadian dollars)

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### 7. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of share capital and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new 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 year ended July 31, 2020.

### 8. 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:

- 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 – 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, 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 is measured at fair value on a recurring basis using level 1 inputs.

#### 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. 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 at July 31, 2020, 2019 and 2018.

#### (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.

Notes to the financial statements

Years ended July 31, 2020, 2019 and 2018

(Expressed in Canadian dollars)

### 8. 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.

### 9. Income Taxes

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

	2020	2019	2018
		(Unaudited)	(Unaudited)
	\$	\$	\$
Net loss before income taxes	(172,485)	(78,644)	(97,708)
Canadian statutory income tax rate	27.00%	27.00%	27.00%
Expected income tax recovery at statutory rate	(46,571)	(21,234)	(26,381)
Tax effect of:			
Permanent differences and others	11,138	17	184
Change in unrecognized deferred income tax assets	35,433	21,217	26,197
<b>Income tax recovery</b>	-	-	-

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

	2020	2019	2018
		(Unaudited)	(Unaudited)
	\$	\$	\$
Deferred income tax assets:			
Non-capital losses carried forward	113,748	98,060	94,889
Intangible assets	123,726	103,981	85,935
Total gross deferred income tax assets	237,474	202,041	180,824
Unrecognized deferred income tax assets	(237,474)	(202,041)	(180,824)
<b>Net deferred income tax assets</b>	-	-	-

At July 31, 2020, the Company had, for Canadian tax purposes, non-capital losses aggregating approximately \$421,288. These losses are available to reduce taxable income earned by the Canadian operations of future years and expire between 2033 and 2040.

## OCUMETICS TECHNOLOGY CORP.

Notes to the financial statements

Years ended July 31, 2020, 2019 and 2018

(Expressed in Canadian dollars)

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### 10. Subsequent Events

- (a) On July 25, 2020, the Company entered into a non-binding letter of intent (the “LOI”) with Quantum Blockchain Technologies Ltd. (“Quantum”), whereby the Company will exchange all securities of the Company for common shares of Quantum on the basis of three common shares in the share capital of Quantum for each share of the Company (regardless of class) issued and outstanding at the time of the completion (the “Transaction”). Each warrant that is issued and outstanding in the capital of the Company will be exchanged for three warrants of Quantum having the same or similar terms. Prior to the completion of the Transaction, the Company will complete a private placement of approximately 500,000 units at a price of \$0.275 per unit, for gross proceeds of approximately \$137,500. Each unit will consist of one Class A Common share of the Company and one-half of one warrant, with each whole warrant entitling the holder to purchase one additional Class A Common share at a price of \$0.275 for a period of two years (the “Preliminary Private Placement”). Concurrent with the completion of the Transaction, Quantum will complete a private placement of up to 13,500,000 units at a price of \$0.15 per unit, for gross proceeds of up to \$2,025,000. Each unit will consist of one Quantum common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one additional Quantum common share at a price of \$0.15 for a period of two years (the “Concurrent Private Placement”). Upon closing of the Transaction, it is estimated that the current common shareholders of the Company will own approximately 80% common shares of the resulting issuer. The Transaction constitutes a reverse acquisition of Quantum.

The LOI expired on December 15, 2020. On December 16 and December 29, 2020, the Company entered into amendments (the “Amendments”) with Quantum to extend the deadline for the completion of the proposed Transaction from December 15, 2020 to April 15, 2021. In addition to the extension, the Amendments also amended the terms of the proposed Preliminary and Concurrent Private Placement. Under the revised terms, the Company will complete a private placement of approximately 833,333 units at a price of \$0.30 per unit, for gross proceeds of approximately \$250,000. (see note 10 (c)). Each unit will consist of one Class A Common share of the Company and one-half of one warrant, with each whole warrant entitling the holder to purchase one additional Class A Common share at a price of \$0.60 for a period of two years.

On February 26, 2021, the Company entered into an amalgamation agreement (the “Amalgamation Agreement”) with Quantum and 2321205 Alberta Ltd. (“Quantum SubCo”), which is Quantum’s wholly-owned Alberta subsidiary. The Amalgamation Agreement supersedes and replaces the LOI and will form the basis for the Transaction. Pursuant to the Amalgamation Agreement, the Company and Quantum SubCo will amalgamate (the “Amalgamation”) under the Business Corporations Act (Alberta) and continue as a new corporation. Pursuant to the Amalgamation, each of the issued and outstanding shares of the Company (regardless of class) will be exchanged for three common shares of Quantum, and each of the issued and outstanding warrants of the Company will be exchanged for three warrants of Quantum having the same or similar terms.

In connection with the Amalgamation, Quantum intends to complete a non-brokered private placement of 21,604,800 common shares at a price of \$0.125 per share for total gross proceeds of \$2,700,600 (the “Private Placement”). A minimum of 4,000,000 and a maximum of 4,800,000 common shares will be offered under the Private Placement pursuant to an offering memorandum for which Quantum will pay to finders who assist it in finding subscribers under the offering memorandum cash commissions of 7% of the aggregate gross proceeds from the sale of shares placed by such finders and warrants to purchase such number of shares equal to 7% of the shares placed by such finders at a price of \$0.125 per share for 24 months.

## OCUMETICS TECHNOLOGY CORP.

Notes to the financial statements

Years ended July 31, 2020, 2019 and 2018

(Expressed in Canadian dollars)

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### 10. Subsequent Events (continued)

(a) (continued)

Completion of the Amalgamation is subject to a number of conditions, including: that Quantum shall have received subscriptions under the Private Placement for not less than \$2,700,600, or such other amount as may be necessary to satisfy the initial listing requirements of the TSXV, that holders of not more than 5% of the issued and outstanding shares of the Company shall have exercised rights of dissent in relation to the Amalgamation or to the continuation of the Company into Alberta, approval by the Company's shareholders of the Amalgamation and approvals from the TSXV, securities regulators and third parties as may be required. The Amalgamation Agreement was amended and restated on April 15, 2021 to update the agreement to reflect changes that had occurred with Ocumetics, specifically the acquisition by Ocumetics of the intellectual property for the Bionic Lens from Ventura Holdings Ltd., among other things and was further amended on July 22, 2021 to extend the termination date of the agreement to August 31, 2021.

(b) On September 25, 2020, the Company completed a private placement by issuing 589,500 units at \$0.275 per unit for gross proceeds of \$162,112. Each unit consisted of one Class A common share and half share purchase warrant, with each warrant entitling the holder to purchase one additional Class A common share at a price of \$0.275 for a period of two years from the date of issuance of the share.

(c) On January 7, 2021, the Company issued 833,334 units at \$0.30 per unit for gross proceeds of \$250,000. Each unit consisted of one Class A common share and half share purchase warrant, with each warrant entitling the holder to purchase one additional Class A common share at a price of \$0.60 for a period of 18 months from the date of issuance of the share.

On January 28, 2021, the Company purchased the Intellectual Property from Ventura pursuant to the Amended and Restated Intellectual Property Transfer Agreement between Ventura and the Company 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 the Company has sold at least 1,000 units per month to paying third-party customers for at least six consecutive months, or at least 6,000 units, in the aggregate, over a six-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. The Company and Ventura also entered into royalty agreement for the payment to Ventura of royalties of 2.00% of net sales derived from the Intellectual Property. The License Agreement was terminated upon the transfer of the Intellectual Property under the IP Transfer Agreement. The \$500,000 (Note 4) due under the License Agreement will be replaced by the promissory note. The 1.00% royalty rate (Note 4) is replaced by 2.00% with this purchase agreement.

(d) On February 24, 2021, the Company entered into an engagement letter with Haywood Securities Inc. pursuant to which Haywood, subject to completion of satisfactory due diligence, will act as the sponsor for the Transaction pursuant to Policy 2.2 of the TSX Venture Exchange (the "TSXV"). The Company has agreed to pay Haywood a sponsorship fee of \$50,000 (plus GST), \$25,000 of which will be payable in cash and the remainder in common shares of Quantum, post-Transaction, at a deemed price of \$0.125 per share. Additionally, the Company will pay Haywood's legal fees and other reasonable expenses.



**Ocumetics**™  
TECHNOLOGY CORP

**MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR THE YEARS ENDED JULY 31, 2020, 2019 and 2018**  
(Expressed in Canadian Dollars)

## OCUMETICS TECHNOLOGY CORP.

### Management Reports and Analysis

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This management discussion and analysis of financial position and results of operations (“MD&A”) is prepared as at July 22 2021 and should be read in conjunction with the audited financial statements and related notes thereto of Ocumetics Technology Corp. (the “Company”, “Ocumetics” or “OTC”) for the year ended July 31, 2020, which 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”). All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted.

The Company’s critical accounting estimates, significant accounting policies and risk factors as disclosed in the Annual MD&A have remained substantially unchanged and are still applicable to the Company unless otherwise indicated.

In this discussion, unless the context requires otherwise, references to “we” or “our” are references to Ocumetics.

### Forward Looking Statements

This MD&A contains certain statements, other than statements of historical fact that are forward-looking statements, which reflect the current view of the Company with respect to future events including corporate developments, financial performance and general economic conditions which may affect the Company.

All statements other than statements of historical fact contained in this listing statement, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected market growth are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

The words “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements include, among other things, statements about:

- our ability to obtain additional financing;
- the accuracy of our estimates regarding expenses, future revenues and capital requirements;
- the success and timing of our preclinical studies and clinical trials;
- our ability to obtain and maintain regulatory approval of OTC and any other product candidates we may develop, and the labeling under any approval we may obtain;
- regulatory developments in the Canada and other countries;
- the performance of third-party manufacturers;
- our plans to develop and commercialize our product candidates;
- our ability to obtain and maintain intellectual property protection for our product candidates;
- the successful development of our sales and marketing capabilities;
- the potential markets for our product candidates and our ability to serve those markets;
- the rate and degree of market acceptance of any future products;
- the loss of key scientific or management personnel.

OTC relies on certain key expectations and assumptions in making the forecasts, projections, predictions or estimations set out in forward-looking information. These factors and assumptions are based on information available at the time that the forward-looking information is provided. These include, but are not limited to, expectations and assumptions concerning:

- the availability of capital to fund planned expenditures;
- prevailing regulatory, tax and environmental laws and regulations; and
- the ability to secure necessary personnel, equipment and services.

Undue reliance should not be placed on forward-looking information because a number of risks and factors may cause actual results to differ materially from those set out in such forward-looking information. These include:

- incorrect assessments of the value of acquisitions, licenses and development programs;
- technical, manufacturing and processing problems;
- actions by governmental authorities, including increases in taxes;
- the availability of capital on acceptable terms;
- fluctuations in foreign exchange, currency, or interest rates and stock market volatility;
- failure to realize the anticipated benefits from licenses or acquisitions;
- the other factors specifically identified as risk factors in this MD&A; and
- potential labour unrest.

Readers are cautioned that the foregoing list of factors should not be construed as exhaustive. Further information relating to risks is included in this MD&A under Risks Related to the Business. Except as may be required by applicable law or stock exchange regulation, OTC undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements. If OTC does update one or more forward-looking statements, no inference should be drawn that additional updates will be made with respect to those or other forward-looking statements.

## **Business Overview**

Ocumetics is a Canadian research and product development company that specializes in adaptive lens designs with a focus primarily on the development of an intra-ocular lens known as the “Bionic Lens”. The Company was incorporated on April 12, 2012 under the British Columbia Business Corporations Act. The Company’s head office is located at 23544 - 20<sup>th</sup> Avenue, Langley, British Columbia, V2Z 2Z7.

The Bionic Lens is an expandable intraocular lens that fits within the natural lens compartment of the eye to completely eliminate the need for corrective lenses, especially for people over 45 years old of age. It actually re-establishes the natural kinetics of the eye muscles to facilitate the eye’s ability to shift focus effortlessly from distance to near and very near range.

## **Products, Trademarks and Patents**

### **Products**

The Bionic Lens is an intraocular lens that self-regulates to restore a natural geometric configuration to the lens capsule so that radial tension exerted by zonular ligaments can actuate curvature change. The Bionic Lens consists of proprietary self-adapting suspension systems that modulate curvature change.

Optical elements incorporated within the Bionic Lens typically possess negative or nominal partial pressure. At least one wall of these optical elements comprises a flexible optical interface that is fashioned to alter shape in a cohesive manner, generating high-resolution optical images throughout its entire range of motion. Similar to the diaphragm of a stethoscope, the optical interface responds immediately to miniscule changes of external force.

Ocumetics suspension systems are comprised of cushions that conform to unique parameters of each recipient eye. When ciliary muscles relax, during sleep or when the eye focuses upon distant objects, the optical interface is compressed into its high energy state by expansion of the suspension system. When zonular tension relaxes, the optical interface immediately converts to a lower energy state, focusing the eye upon near objects. Kinetic energy transfer occurs almost exclusively within the optical interface as Ocumetics suspension systems characteristically respond slowly to changes of external force. The result

## **OCUMETICS TECHNOLOGY CORP.**

### **Management Reports and Analysis**

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is an immediate response to accommodation without lag.

The proprietary suspension systems can be configured to induce variable prismatic effect in conjunction with curvature change. As the Bionic Lens shifts focus from distance to near, base-in prism increases progressively. The resultant effect of this unique capability is unparalleled ease for near-point focus.

Normal cycles of ciliary muscle contraction and relaxation tone these interactions so that comfortable binocular vision may engage immediately with minimal effort in unison with the contralateral eye. Aggregation of fibrotic matter within the suspension system actually improves the kinesis. Thus, Bionic Lenses initially self-customize to fit within each lens capsule and then proceed to auto-adapt for improved performance over time.

Components of the Bionic Lens are comprised of durable, pre-approved materials that demonstrate stability. Supple membranes are polymerized together to produce a composite lens that compresses through a 2.6 mm incision, thereby minimizing surgically induced astigmatism. Pre-clinical testing of the Bionic Lens is currently in progress. Prototypes have been dimensioned for a 12-diopter accommodation range in conjunction with 6-prism diopters of base-in prism. A replaceable anterior optical element provides easy access for lens updates.

#### **Patents and Trademarks**

As at July 31, 2020, the patents for the Bionic Lens technology were held by Ventura Holdings Ltd. (“Ventura”), which is wholly owned by Dr. Garth Webb. Ventura had, in turn, licensed the technology to Ocumetics on an exclusive basis pursuant to the Amended and Restated License Agreement dated April 12, 2021 (the “License Agreement”). Ventura also held the registered wordmarks, “Bionic Lens” and “Ocumetics”, which were licensed to Ocumetics under the License Agreement.

On January 28, 2021, the Company purchased the patents and all related intellectual property, including the trademarks, from Ventura and terminated the License Agreement (see “Recent Developments”, below).

The World International Patent Office (WIPO) application for the Inflatable Lens/Lens Retainer was registered on Aug 13, 2007 with two supplemental submissions registered: one on November 5, 2007 and the final one on May 7, 2008. The patent was examined for Novelty, Inventive Step and Industrial Applicability. Patent claims 1-56 were accepted as valid in all categories.

The Inventive Step cited revolves around the process of inflating a lens retainer to apply pressure upon the posterior lens capsule of the eye to focus upon distant objects. This process is essential for bio-mimetic intraocular lens function and is the missing element of all contemporary accommodating lens designs.

New patent applications disclosing improvements to this original concept have been registered internationally.

#### **Recent Developments**

In March 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

On July 25, 2020, the Company entered into a non-binding letter of intent (the “LOI”) with Quantum Blockchain Technologies Ltd. (“Quantum”), whereby the Company will exchange all securities of the Company for common shares of Quantum on the basis of three common shares in the share capital of

Quantum for each share of the Company (regardless of class) issued and outstanding at the time of the completion (the "Transaction"). Each warrant that is issued and outstanding in the capital of the Company will be exchanged for three warrants of Quantum having the same or similar terms. Prior to the completion of the Transaction, the Company will complete a private placement of approximately 500,000 units at a price of \$0.275 per unit, for gross proceeds of approximately \$137,500. Each unit will consist of one Class A Common share of the Company and one-half of one warrant, with each whole warrant entitling the holder to purchase one additional Class A Common share at a price of \$0.275 for a period of two years (the "Preliminary Private Placement"). Concurrent with the completion of the Transaction, Quantum will complete a private placement of up to 13,500,000 units at a price of \$0.15 per unit, for gross proceeds of up to \$2,025,000. Each unit will consist of one Quantum common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one additional Quantum common share at a price of \$0.15 for a period of two years (the "Concurrent Private Placement"). Upon closing of the Transaction, it is estimated that the current common shareholders of the Company will own approximately 80% common shares of the resulting issuer. The Transaction constitutes a reverse acquisition of Quantum.

The LOI expired on December 15, 2020. On December 16 and December 29, 2020, the Company entered into amendments (the "Amendments") with Quantum to extend the deadline for the completion of the proposed Transaction from December 15, 2020 to April 15, 2021. In addition to the extension, the Amendments also amended the terms of the proposed Preliminary and Concurrent Private Placement. Under the revised terms, the Company will complete a private placement of approximately 833,333 units at a price of \$0.30 per unit, for gross proceeds of approximately \$250,000. Each unit will consist of one Class A Common share of the Company and one-half of one warrant, with each whole warrant entitling the holder to purchase one additional Class A Common share at a price of \$0.60 for a period of two years. Quantum will complete a private placement of at least 21,604,800 common shares at a price of \$0.125 per share, for gross proceeds of at least \$2,700,600.

On January 28, 2021, the Company purchased the Intellectual Property from Ventura pursuant to the Amended and Restated Intellectual Property Transfer Agreement between Ventura and the Company 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 the Company has sold at least 1,000 units per month to paying third-party customers for at least six consecutive months, or at least 6,000 units, in the aggregate, over a six-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. The Company and Ventura also entered into royalty agreement for 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.

On February 24, 2021, the Company entered into an engagement letter with Haywood Securities Inc. pursuant to which Haywood, subject to completion of satisfactory due diligence, will act as the sponsor for the Transaction pursuant to Policy 2.2 of the TSX Venture Exchange (the "TSXV"). The Company has agreed to pay Haywood a sponsorship fee of \$50,000 (plus GST), \$25,000 of which will be payable in cash and the remainder in common shares of Quantum, post-Transaction, at a deemed price of \$0.125 per share. Additionally, the Company will pay Haywood's legal fees and other reasonable expenses.

On February 26, 2021, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with Quantum and 2321205 Alberta Ltd. ("Quantum SubCo"), which is Quantum's wholly-owned Alberta subsidiary. The Amalgamation Agreement supersedes and replaces the LOI and will form the basis for the Transaction. Pursuant to the Amalgamation Agreement, the Company and Quantum SubCo will amalgamate (the "Amalgamation") under the Business Corporations Act (Alberta) and continue as a new corporation. Pursuant to the Amalgamation, each of the issued and outstanding shares of the Company (regardless of class) will be exchanged for three common shares of Quantum, and each of the

## OCUMETICS TECHNOLOGY CORP.

### Management Reports and Analysis

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issued and outstanding warrants of the Company will be exchanged for three warrants of Quantum having the same or similar terms.

In connection with the Amalgamation, Quantum intends to complete a non-brokered private placement of 21,604,800 common shares at a price of \$0.125 per share for total gross proceeds of \$2,700,600 (the "Private Placement"). A minimum of 4,000,000 and a maximum of 4,800,000 common shares will be offered under the Private Placement pursuant to an offering memorandum for which Quantum will pay to finders who assist it in finding subscribers under the offering memorandum cash commissions of 7% of the aggregate gross proceeds from the sale of shares placed by such finders and warrants to purchase such number of shares equal to 7% of the shares placed by such finders at a price of \$0.125 per share for 24 months.

Completion of the Amalgamation is subject to a number of conditions, including: that Quantum shall have received subscriptions under the Private Placement for not less than \$2,700,600, or such other amount as may be necessary to satisfy the initial listing requirements of the TSXV, that holders of not more than 5% of the issued and outstanding shares of the Company shall have exercised rights of dissent in relation to the Amalgamation or to the continuation of the Company into Alberta, approval by the Company's shareholders of the Amalgamation and approvals from the TSXV, securities regulators and third parties as may be required. The Amalgamation Agreement will terminate on April 15, 2021 unless extended by the parties.

#### Future Plans and Outlook

The initial design of the Bionic Lens has been finalized, with prototypes now being prepared for animal testing and the Proof-of-concept.

The Company intends to initiate animal testing in 2021, with the proof-of-concept study likely beginning three months after the animal studies are completed. Following the proof-of-concept study, the Company intends to commence clinical trials in the Dominican Republic, where 200 patients will have the Bionic Lens inserted, which will take 6 to 9 months to complete. The Company intends to commence clinical trials in Singapore concurrently with the Dominican trials. The Singapore trials also involve 200 patients, with a similar time frame to the second phase.

The Company expects to close the proposed transaction with Quantum in Spring of 2021.

#### Selected Annual Financial Information

The financial information reported here in has been prepared in accordance with IFRS. The Company uses the Canadian dollar as its presentation currency. The following table represents selected financial information for the Company's fiscal years 2020, 2019, and 2018.

	July 31, 2020	July 31, 2019	July 31, 2018
	\$	\$	\$
Total revenue	-	-	-
Net loss for year	172,458	78,644	97,708
Net loss per share, basic and undiluted	0.01	0.00	0.00
Total assets	582,588	631,754	613,321
Total Long Term Liabilities	500,000	-	-
Cash paid dividends per share	-	-	-

**OCUMETICS TECHNOLOGY CORP.**  
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**Results of Operations**

	July 31, 2020	July 31, 2019	July 31, 2018
	\$	\$	\$
Expenses			
Advertising and investor relations	–	–	12,592
Amortization	73,134	66,836	60,599
Consulting	41,236	–	11,821
Meals and entertainment	–	126	1,363
Office and general	101	782	594
Professional fees	58,014	10,900	9,107
Travel and promotion	–	–	1,632
	172,485	78,644	97,708

- Consulting fees increased by \$41,235 due to increased services for taking the Company public.
- Professional fees increased from \$10,900 to \$58,014 due to increased services for taking the Company public.

**Liquidity and Capital Resources**

	July 31, 2020	July 31, 2019	July 31, 2018
	\$	\$	\$
Cash provided by (used) in operating activities	(817)	1,009	(47,756)
Cash used in investing activities	–	–	–
Cash provided by financing activities	–	–	–
Net increase (decrease) in cash	(817)	1,009	(47,756)

As at July 31, 2020, the Company had a cash balance of \$840 and a working capital deficiency of \$140,623 as compared to a cash balance of \$1,657 and a working capital deficiency of \$557,751 as at July 31, 2019. Subsequent to year end, the Company closed the first tranche of a proposed \$162,113 and the second tranche of a proposed \$250,000 private placement. The Company's primary source of funding is by way of raising capital through the issuance of equity to third party investors. The Company believes that its current cash resources are sufficient for it to meet its existing monthly expenses, however additional funding to meet its obligations with regard to current outstanding accounts payable and for the Company to undertake its business plan will be required.

Although there is no certainty, management is of the opinion that additional funding for its projects and operations can be raised as needed. The Company is subject to a number of risks associated with the successful development of new products and their marketing and the conduct of its clinical studies and their results. The Company will have to finance its research and development activities and its clinical studies. To achieve the objectives in its business plan, the Company plans to raise the necessary capital and to generate revenues. It is anticipated that the products developed by the Company will require approval from the FDA and equivalent organizations in other countries before their sale can be authorized. If the Company is unsuccessful in obtaining adequate financing in the future, research activities will be postponed until market conditions improve. These circumstances and conditions may cast significant doubt about the Company's ability to continue as a going concern.

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**Outstanding Share Capital**

	March 22, 2021	July 31, 2020	July 31, 2019
Common shares A	22,972,834	21,550,000	21,400,000
Common shares B	800,000	800,000	800,000
Preferred shares	3,200,000	3,200,000	3,200,000
Warrants outstanding	711,417	–	–
Fully diluted Capital	27,684,251	25,550,000	25,400,000

**Off Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

**Transactions with Related Parties**

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. Key management personnel compensation is comprised of the following:

	2020	2019	2018
Professional fees, CFO	21,000	–	–
Consulting fees, director (a)	41,250	–	–
Total	62,250	–	–

(a) On June 30, 2020, the Company issued 150,000 Class A Common shares with an estimated fair market value of \$41,250 in consideration for services provided by a director

Summary of related party balances:

All related party transactions were measured at the amount of consideration established and agreed to by the related parties. All amounts due from/payable to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

	2020	2019	2018
Due to Ventura – Intangible asset	557,372	532,600	446,522
Due to companies controlled by a director	29,937	23,438	8,709
Directors and officers	21,000	–	650
	608,309	556,038	455,881

**New Accounting Standards Issued and Effective**

*IFRS 16 - 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. As at the date of transition, the Company did not have any lease. The adoption of the new IFRS pronouncement has therefore not resulted in adjustments in previously reported figures and there have been no changes to the opening deficit balance as at August 1, 2019.

During the year ended July 31, 2020, the Company did not have any leases.

### **Accounting Standards Issued But Not Yet Effective**

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended July 31, 2020, and have not been early adopted in preparing these 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.

### **Financial and Capital 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:

- 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 – 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, 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 is measured at fair value on a recurring basis using level 1 inputs.

#### 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. 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 at July 31, 2020, 2019 and 2018.

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(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.

(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.

### **Capital Management**

The Company defines capital that it manages as equity. The Company manages its capital structure in order to have funds available to support its research and development and sustain the future development of the business. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support its activities.

Since inception, the Company's objective in managing capital is to ensure sufficient liquidity to finance its research and development activities, general and administrative expenses, expenses associated with intellectual property protection and its overall capital expenditures. The Company is not exposed to external requirements by regulatory agencies regarding its capital.

### **Risks Related to the Business**

An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this MD&A, before making any decision to invest in the Company. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business. If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the common shares could decline, and investors may lose all or part of their investment.

#### Single Product

While the Company has several products in its development pipeline, including the industrial application of the Bionic Lens technology, currently the Company's sole technology that is ready for clinical trial is the Bionic Lens. Therefore, the Company's current commercialization, financial and stock value projections are based on the success of that single product. If the Bionic Lens is not commercially successful, there is a risk that the Company will be unable to meet its estimates and deliver value to shareholders.

## **OCUMETICS TECHNOLOGY CORP.**

### **Management Reports and Analysis**

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#### Applicability of Technology

The Company' technology, even if it is successfully commercialized, will not be suitable for treatment of every vision problem. In particular, it cannot resolve, alone, vision problems such as cloudy corneas, eyes that have already had the natural lens removed (such as in cataract surgery), severe macular degeneration, severe genetic retinal diseases, torn or damaged optic nerves, or brain damage affecting any part of the visual system.

#### Competition

While the Company believes that the Bionic Lens offers greater promise than competing technology, the Company is aware that its competitors are constantly striving to improve their products. There is a risk that one or more of the Company' competitors could introduce a product that is more effective than, or comes to market earlier than, the Bionic Lens and therefore disrupts the Company' projections as to marketability and product demand. The business of the Company is subject to rapid technological changes. Failure to keep up with such changes may adversely affect the business of the Company. The Company is subject to the risks of companies operating in the medical and healthcare business. The market in which the Company competes is characterized by rapidly changing technology, evolving industry standards, frequent new service and product announcements, introductions and enhancements and changing customer demands.

#### Intellectual Property Risks

The Company could be adversely affected if it does not adequately protect its intellectual property rights. The Company regards its marks, rights, and trade secrets and other intellectual property rights as critical to its success. To protect its investments and the Company's rights in these various intellectual properties, it may rely on a combination of patents, trademark and copyright law, trade secret protection and confidentiality agreements and other contractual arrangements with its employees, clients, strategic partners, acquisition targets and others to protect proprietary rights. There can be no assurance that the steps taken by the Company to protect proprietary rights will be adequate or that third parties will not infringe or misappropriate the Company's copyrights, trademarks and similar proprietary rights, or that the Company will be able to detect unauthorized use and take appropriate steps to enforce rights. In addition, although the Company believes that its proprietary rights do not infringe on the intellectual property rights of others, there can be no assurance that other parties will not assert infringement claims against the Company. Such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources.

Commercial success of the Company will depend in part on not infringing upon the patents and proprietary rights of other parties and enforcing its own patents and proprietary rights against others. The research and development programs will be in highly competitive fields in which numerous third parties have issued patents and pending patent applications with claims closely related to the subject matter of the Company's programs. The Company is not currently aware of any litigation or other proceedings or claims by third parties that its technologies or methods infringe on their intellectual property.

While it is the practice of the Company to undertake pre-filing searches and analyses of developing technologies, it cannot guarantee that it has identified every patent or patent application that may be relevant to the research, development, or commercialization of its products. Moreover, it cannot assure that third parties will not assert valid, erroneous, or frivolous patent infringement claims.

The Company will rely on trade secrets to protect technology where it does not believe patent protection is appropriate or obtainable. Trade secrets are difficult to protect. While commercially reasonable efforts to protect trade secrets will be used, strategic partners, employees, consultants, contractors or scientific and other advisors may unintentionally or willfully disclose information to competitors.

If the Company is not able to defend patents or trade secrets, then it will not be able to exclude competitors from developing or marketing competing products, and the Company may not generate enough revenue from product sales to justify the cost of development of products and to achieve or maintain profitability.

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#### Clinical Trials and Regulatory Approval

The Company's ability to commercialize its technology is dependent upon the completion of successful clinical trials and the subsequent receipt of regulatory approvals in each jurisdiction in which it wishes to sell the technology.

Ocumetics has not conducted any clinical trials and has not applied for, nor received, any regulatory approvals to date. Ocumetics intends to conduct its clinical trials in the Dominican Republic and in Singapore, concurrently, wherein 200 patients in the Dominican Trial and 200 patients in the Singapore trial will have the Bionic Lens inserted. It is expected that the clinical trials will take six to nine months to complete. Clinical trials will be preceded by animal trials and a proof-of-concept study.

Clinical Trials for potential candidates will be expensive, difficult to design and implement, time consuming, and their outcomes are uncertain. The timing and completion of clinical trials may be subject to significant delays relating to various causes, including but not limited to: inability to manufacture or obtain sufficient quantities of materials for use in clinical trials; delays arising from collaborative partnerships; delays in obtaining regulatory approvals to commence a study, or government intervention to suspend or terminate a study; delays, suspensions or termination of clinical trials by the applicable institutional review board or independent ethics board responsible for overseeing the study to protect research subjects; delays in identifying and reaching agreement on acceptable terms with prospective clinical trial sites; slow rates of patient recruitment and enrollment; uncertain dosing issues; inability or unwillingness of medical investigators to follow clinical protocols; variability in the number and types of subjects available for each study and resulting difficulties in identifying and enrolling subjects who meet trial eligibility criteria; scheduling conflicts; difficulty in maintaining contact with subjects after treatment, resulting in incomplete data; unforeseen safety issues or side effects; lack of efficacy during clinical trials; reliance on clinical research organizations to conduct clinical trials, which may not conduct such trials with good laboratory practices; or other regulatory delays.

While the Company believes that its clinical trials will be successful, there is no assurance that that will be the case. There can also be no assurance, regardless of the success of clinical trials, that regulatory approval will be forthcoming in any jurisdiction in which the Company applies for such approval.

#### Management and Key Personnel

The success of the Company depends on the continued ability to attract, retain, and motivate highly qualified management, clinical, and scientific personnel and to develop and maintain important relationships with leading academic institutions, companies, and thought leaders. Dr. Mark Lee, the Company's Chief Executive Officer, and Dr. Garth Webb, the Company's Chief Scientific Officer and inventor of the Bionic Lens and related technology, exercise significant control over the day-to-day affairs of the Company. The Company depends on Drs. Lee and Webb to engage with third parties and contractors to operate the business. If either Dr. Lee or Dr. Webb were to leave the Company or were otherwise unable to perform their respective duties, the Company's business could fail, and shareholders could lose their investment. Ocumetics does not hold key man insurance for either Dr. Lee or Dr. Webb and does not intend to obtain such insurance.

#### Inability to Maintain Regulatory Standards

The Company has no track record that indicates its ability to meet and maintain stringent regulatory standards if so required. Failure to maintain a high level of regulatory approval could lead to failure of the Company's business.

#### Difficulty to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a

## **OCUMETICS TECHNOLOGY CORP.**

### Management Reports and Analysis

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material adverse effect on the business, results of operations and financial condition of the Company.

#### Inability to Meet Demand

If the Bionic Lens achieves or exceeds the levels of success the Company has projected, there is a risk that the Company will be unable to meet that demand in a timely fashion. The Company's ability to do so depends upon the development of a strong production platform. If the Company does not do so, it could affect its market reputation and return to investors.

#### Insurance Risks

The business of the Company may not be insurable or the insurance may not be purchased due to high cost. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company.

### **Liquidity and Financial Resources**

#### Speculative Nature of Investment Risk

An investment in the common shares of the Company carries a high degree of risk and should be considered as a speculative investment by purchasers. The Company has limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The Company is in the development stage. Operations are not yet sufficiently established such that the Company can mitigate the risks associated with planned activities.

#### Limited Operating History

The Company has no present prospect of generating revenue from the sale of products. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

#### Negative Cash Flow for the Foreseeable Future

The Company has a no history of earnings or cash flow from operations. The Company does not expect to generate material revenue or achieve self-sustaining operations for several years, if at all. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative cash flow.

#### Insufficient Capital to Accomplish Business Objectives

The Company will require significant capital to accomplish its business objectives in the next several years. The Company currently has insufficient capital to accomplish its business objectives and there can be no assurances that sufficient capital will become available to complete the Company's business objectives on schedule or at all.

#### Access to Further Funding

The Company will need to continue to rely upon capital raising activities, such as private placements, debt and equity financings to fund its future operations, and the ability of the Company to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business and continue with, or expand upon its development programs is contingent upon securing additional financing. The Company's ability to access the debt and equity markets when required will depend upon factors beyond its control, such as economic and political conditions that may affect the capital markets generally. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future. Should Management be unable to raise sufficient capital to fund its operations

## **OCUMETICS TECHNOLOGY CORP.**

### **Management Reports and Analysis**

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and growth there would be a material adverse effect on the Company's business, financial condition, results of operations, and its ability to continue as a going concern. The Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets, liabilities and reported expenses should the Company be unable to continue as a going concern. These adjustments could be material.

#### Market Price

The market price of the Company's common shares may be subject to wide price fluctuations - The market price of the Company's common shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in the business prospects for the Company, general economic conditions, legislative changes, and other events and factors outside of the Company's control.

#### Dilution

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the common shares. If the Company issues common shares from its treasury for financing purposes, control of the Company may change and purchasers may suffer additional dilution.

### **General Market and Economic Risks**

#### Economic Environment

The Company's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Company's future sales and profitability.

#### Global Economy Risk

The ongoing economic problems and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and the trading price of the Company's Shares on the stock exchange.

#### Currency Risk

The Company may have financial risk exposure to varying degrees relating to the currency of each of the countries where it operates and has financial risk exposure towards digital currencies. The level of the financial risk exposure related to a currency and exchange rate fluctuations will depend on the Company's ability to hedge such risk or use another protection mechanism.



**Ocumetics**™  
TECHNOLOGY CORP

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE NINE MONTHS ENDED APRIL 30, 2021 AND 2020**

**(Unaudited - Expressed in Canadian Dollars)**

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

As at	April 30, 2021	July 31, 2020
	\$	\$
		(Audited)
<b>ASSETS</b>		
Current assets		
Cash	108,846	840
Amounts receivable	19,662	547
Prepaid expenses and deposits	61,276	–
Total current assets	189,784	1,387
Non current assets		
Intangible assets (Note 4)	699,374	581,201
Total assets	889,158	582,588
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	235,526	33,701
Due to related parties (Note 5)	149,692	108,309
Total current liabilities	385,218	142,010
Non current liabilities		
Due to related parties (Note 5)	500,000	500,000
Total liabilities	885,218	642,010
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
Share capital (Note 6)	1,533,195	1,121,083
Deficit	(1,529,255)	(1,180,505)
Total shareholders' equity (deficiency)	3,940	(59,422)
Total liabilities and shareholders' equity (deficiency)	889,158	582,588

Nature of operations and going concern (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on June 14, 2021:

/s/ Dayton Marks

Dayton Marks, Director

/s/ Elaine Webb

Elaine Webb, Director

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

**OCUMETICS TECHNOLOGY CORP.**Condensed Interim Statements of Loss and Comprehensive Loss  
(Unaudited - Expressed in Canadian dollars)

	For the Three Months Ended		For the Nine Months Ended	
	April 30, 2021	April 30, 2020	April 30, 2021	April 30, 2020
	\$	\$	\$	\$
Expenses				
Amortization	21,646	18,284	58,778	54,851
Office and general	93	30	931	23
Patents Fee	(4,197)	–	19,144	–
Professional fees	266,211	3,533	266,211	3,533
Transfer Agent and Filing Fees	(145,245)	2,798	3,686	–
Total expenses	138,508	24,645	348,750	58,407
Net loss for the period	138,508	24,645	348,750	58,407
Loss per share, basic and diluted	0.01	0.00	0.02	0.00
Weighted average shares outstanding	23,772,832	22,200,000	23,168,721	22,200,000

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

**OCUMETICS TECHNOLOGY CORP.**

Condensed Interim Statements of Changes in Equity (Deficiency)  
(Unaudited - Expressed in Canadian dollars)

	Class A		Class B		Preferred Shares		Total Shares		Deficit	Shareholders' Equity (Deficiency)
	Common Shares		Common Shares				Total Shares			
	Number	\$	Number	\$			Number	\$		
Balance, July 31, 2020	21,550,000	761,812	800,000	71,854	3,200,000	287,417	25,550,000	1,121,083	(1,180,505)	(59,422)
Shares issued from private placement	1,422,832	412,112	–	–	–	–	1,422,832	412,112	–	412,112
Net loss	–	–	–	–	–	–	–	–	(348,750)	(348,750)
Balance, April 30, 2021	22,972,832	1,173,924	800,000	71,854	3,200,000	287,417	26,972,832	1,533,195	(1,529,255)	3,940
Balance, July 31, 2019	21,400,000	720,562	800,000	71,854	3,200,000	287,417	25,400,000	1,079,833	(1,008,020)	71,813
Net loss	–	–	–	–	–	–	–	–	(58,407)	(58,407)
Balance, April 30, 2020	21,400,000	720,562	800,000	71,854	3,200,000	287,417	25,400,000	1,079,833	(1,066,427)	13,406

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

**OCUMETICS TECHNOLOGY CORP.**Condensed Interim Statements of Cash Flows  
(Unaudited - Expressed in Canadian dollars)

For the Nine Months Ended	April 30, 2021	April 30, 2020
	\$	\$
Operating activities		
Net loss	(348,750)	(58,407)
Items not effecting for cash		
Amortization	58,778	54,851
Stock based compensation		
Changes in non-cash operating working capital:		
Amounts receivable	(19,115)	204
Prepaid expenses and deposits	(61,276)	–
Accounts payable and accrued liabilities	201,825	(133)
Due to related parties	41,383	2,500
Net cash used in operating activities	(127,155)	(985)
Investing activities		
Intangible assets	(176,951)	–
Net cash used in investing activities	(176,951)	–
Financing activities		
Proceeds from issuance of shares	412,112	–
Net cash provided by financing activities	412,112	–
Change in cash	108,006	(985)
Cash, beginning of the period	840	1,657
Cash, end of the period	108,846	672
Supplemental Cash Flow Disclosure		
Intangible assets included in due to related parties	–	3,447

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

# **OCUMETICS TECHNOLOGY CORP.**

Notes to the Condensed Interim Financial Statements  
For the Nine Months Ended April 30, 2021 and 2020  
(Unaudited - Expressed in Canadian dollars)

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## **1. Nature of Operations and Going Concern**

Ocumetics Technology Corp. (the "Company") was incorporated on April 12, 2012 under the Business Corporations Act of British Columbia. Its current focus is to develop the bio lens to completely eliminate the need for corrective lenses, especially for people over 45 years of age. The Company's head office is located at 23544 - 20<sup>th</sup> Avenue, Langley, British Columbia, V2Z 2Z7.

These condensed 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 April 30, 2021, the Company has not generated any revenues from operations, has a working capital deficiency of \$195,434, and has an accumulated deficit of \$1,529,255. 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. The March 2020 pandemic outbreak of COVID-19 could have a negative impact on the Company's ability to raise new capital. 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 condensed 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**

These condensed interim financial statements, including comparatives, 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 condensed interim financial statements prepared in conjunction of with the Company annual audited financial statements for the year ended July 31, 2020. As such, these condensed interim financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

These condensed interim financial statements were authorized for issue by the Board of Directors on June 14, 2021.

### **(b) Basis of measurement**

The condensed 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.

## **3. Significant Accounting Policies**

### **(a) Significant accounting estimates and judgments**

The preparation of these 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.

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

## OCUMETICS TECHNOLOGY CORP.

Notes to the Condensed Interim Financial Statements  
For the Nine Months Ended April 30, 2021 and 2020  
(Unaudited - Expressed in Canadian dollars)

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### 3. Significant Accounting Policies (continued)

#### (a) Significant accounting estimates and judgments (continued)

##### 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 April 30, 2021, the estimated remaining useful life of the license agreement was 7.2 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 are measured at cost less accumulated amortization and accumulated impairment losses. Initial costs and subsequent costs that increase the expected future economic benefits of the assets 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 assets. 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 Condensed Interim Financial Statements  
For the Nine Months Ended April 30, 2021 and 2020  
(Unaudited - 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 in profit or 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 is classified as FVTPL.

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

## OCUMETICS TECHNOLOGY CORP.

Notes to the Condensed Interim Financial Statements  
For the Nine Months Ended April 30, 2021 and 2020  
(Unaudited - Expressed in Canadian dollars)

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### 3. Significant Accounting Policies (continued)

#### (d) Financial instruments (continued)

##### 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 years 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.

## OCUMETICS TECHNOLOGY CORP.

Notes to the Condensed Interim Financial Statements  
For the Nine Months Ended April 30, 2021 and 2020  
(Unaudited - Expressed in Canadian dollars)

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### 3. Significant Accounting Policies (continued)

#### (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 is recognized in other comprehensive income or equity and not in the statement of 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 and preferred 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.

## OCUMETICS TECHNOLOGY CORP.

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

#### (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.

#### (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 nine months ended April 30, 2021 and 2020, 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 nine months ended April 30, 2021, and have not been early adopted in preparing these condensed 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 condensed interim financial statements.

### 4. Intangible Asset

On April 12, 2012, the Company entered into an Amended and Restated License Agreement (“License Agreement”) with Ventura Holding Ltd. (“Ventura”), a related party with certain common shareholders (Note 5), 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 5);
- 1,900,000 Class A Voting Common shares of the Company all accumulated legal fees and other fees and expenses relating to the development, registration and maintenance of the Intellectual Property prior to April 12, 2012;

## OCUMETICS TECHNOLOGY CORP.

Notes to the Condensed Interim Financial Statements  
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### 4. Intangible Asset (continued)

- 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 Company's net income derived from the rights granted under the License Agreement to the Intellectual Property, calculated based on the fiscal year of the Company and payable within 2 months after the end of each fiscal year in immediately available funds.

On January 28, 2021, the Company purchased the Intellectual Property from Ventura pursuant to the Amended and Restated Intellectual Property Transfer Agreement between Ventura and the Company 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 the Company 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. The Company and Ventura also entered into royalty agreement for 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 asset:

	Licenses	Intellectual Property	Total
	\$	\$	\$
Costs:			
Balance, July 31, 2020	1,039,447	–	1,039,447
Reclassification	(1,039,447)	1,039,447	–
Additions	–	176,951	176,951
Balance, April 30, 2021	–	1,216,398	1,216,398
Accumulated Amortization:			
Balance, July 31, 2020	458,246	–	458,246
Reclassification	(458,246)	458,246	–
Additions	–	58,778	58,778
Balance, April 30, 2021	–	517,024	517,024
Net book value:			
Balance, July 31, 2020	581,201	–	581,201
Balance, April 30, 2021	–	699,374	699,374

## OCUMETICS TECHNOLOGY CORP.

Notes to the Condensed Interim Financial Statements  
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### 5. 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.

	April 30, 2021	April 30, 2020
	\$	\$
Professional fees	71,015	—
Total	71,015	—

#### Summary of related party balances:

All related party transactions were measured at the amount of consideration established and agreed to by the related parties except for the \$500,000 promissory notes. All amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

	April 30, 2021	July 31, 2020
	\$	\$
Due to Ventura – Intangible asset	576,754	557,372
Due to companies controlled by a director	72,938	29,937
Due to CEO	102,625	—
Due to CFO	26,266	21,000
	778,583	608,309

As at April 30, 2021, \$500,000 of the amount due to Ventura has been presented as non-current (July 31, 2020 - \$500,000 and 2019 - \$nil) (Note 4).

### 6. Share Capital

(a) Authorized:

#### Common shares

The Company is authorized to issue the following share capital:

- Unlimited Class A common voting shares without par value (the “Class A Common share”)
- Unlimited Class B common non-voting shares without par value (the “Class B common share”)

## OCUMETICS TECHNOLOGY CORP.

Notes to the Condensed Interim Financial Statements  
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### 6. Share Capital (continued)

#### (a) Authorized (continued):

##### Preferred shares

The Company is authorized to issue an unlimited number of the non-voting preferred shares without par value (the "Preferred shares"). The Preferred shares entitle each holder the preference on the dividends and the distribution of assets over the holder of Class A and Class B Common shares. The preferred shares are cumulative, retractable, and convertible.

The Company may at any time, upon giving notice, redeem the whole or from time to time any part of the then outstanding Preferred shares at the Preferred Redemption Price, defined as amount added to the capital of the Company together with an amount equal to all declared and unpaid dividends. The holder of Preferred shares may, by giving notice, require the Company to redeem at any time the whole or from time to time any part of the Preferred shares held by that holder at the Preferred Redemption Price. As at October 31 and July 31, 2020, the Preferred Redemption Price for all outstanding Preferred shares in total was \$10.

Upon the occurrence of an Initial Public Offering, the Preferred shares shall be automatically converted into fully paid and non-assessable Class A Voting Common shares on the basis of one Class A Voting Common share for each one Preferred share.

The Preferred shares were issued during the year ended July 31, 2017 to settle debt of \$287,417 relating to legal and other fees and expenses incurred by Ventura under the License Agreement (Note 4). There were no preferred shares issued during the years presented.

#### (b) Issued:

During the nine months ended April 30, 2021, the Company issued the following shares:

- On September 25, 2020, the Company issued 589,500 Class A common units at a price of \$0.275 per unit for proceeds of \$162,113. Each unit consisted of one Class A Common share of the Company and one-half of one warrant, with each whole warrant entitling the holder to purchase one additional Class A Common share at a price of \$0.275 for a period of two years. There was no value allocated to the warrants based on the residual method.
- On January 7, 2021, the Company issued 833,332 Class A common units at a price of \$0.30 per unit for proceeds of \$250,000. Each unit consisted of one Class A Common share of the Company and one-half of one warrant, with each whole warrant entitling the holder to purchase one additional Class A Common share at a price of \$0.60 for a period of 18 months. There was no value allocated to the warrants based on the residual method.

During the year ended July 31, 2020, the Company issued the following shares:

- 150,000 Class A Common shares at a price of \$0.275 per share for a total value of \$41,250 pursuant to a consulting agreement.

## OCUMETICS TECHNOLOGY CORP.

Notes to the Condensed Interim Financial Statements  
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### 6. Share Capital (continued)

(c) Warrants:

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

	Number	Weighted Average Exercise Price \$
Balance, July 31, 2020	–	–
Issued	711,416	0.465
Balance, April 30, 2021	711,416	0.465

As of April 30, 2021, the Company had share purchase warrants outstanding and exercisable to acquire common shares of the Company as follows:

Expiry Date	Number	Exercise Price \$
September 25, 2022	294,750	0.275
July 7, 2022	416,666	0.600
	711,416	

### 7. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of equity comprised of share capital and deficit.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new 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 April 30, 2021.

### 8. 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:

- 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 – 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, 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 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 April 30, 2021 and July 30, 2020:

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Notes to the Condensed Interim Financial Statements  
For the Nine Months Ended April 30, 2021 and 2020  
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### 8. Financial Instruments and Risk Management (continued)

	April 30, 2021	July 31, 2020
	\$	\$
FVPL (i)	108,846	840
Amortized cost (ii)	385,218	142,010

(i) Cash

(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. 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 at April 30, 2021 and July 31, 2020.

#### (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.

#### (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.



**Ocumetics**™  
TECHNOLOGY CORP

**MANAGEMENT DISCUSSION AND ANALYSIS**

**FOR NINE MONTHS ENDED APRIL 30, 2021 AND 2020**

(Expressed in Canadian Dollars)

## **OCUMETICS TECHNOLOGY CORP.**

### Management Reports and Analysis

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This management discussion and analysis of financial position and results of operations (“MD&A”) is prepared as at June 14, 2021 and should be read in conjunction with the audited financial statements and related notes thereto of Ocumetics Technology Corp. (the “Company”, “Ocumetics” or “OTC”) for the period ended April 30, 2021, which 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”). All dollar amounts included therein and in the following MD&A are expressed in Canadian dollars except where noted.

The Company’s critical accounting estimates, significant accounting policies and risk factors as disclosed in the Annual MD&A have remained substantially unchanged and are still applicable to the Company unless otherwise indicated.

In this discussion, unless the context requires otherwise, references to “we” or “our” are references to Ocumetics.

### **Forward Looking Statements**

This MD&A contains certain statements, other than statements of historical fact that are forward-looking statements, which reflect the current view of the Company with respect to future events including corporate developments, financial performance and general economic conditions which may affect the Company.

All statements other than statements of historical fact contained in this listing statement, including statements regarding our strategy, future operations, future financial position, future revenue, projected costs, prospects, plans, objectives of management and expected market growth are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

The words “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” “would” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These forward-looking statements include, among other things, statements about:

- our ability to obtain additional financing;
- the accuracy of our estimates regarding expenses, future revenues and capital requirements;
- the success and timing of our preclinical studies and clinical trials;
- our ability to obtain and maintain regulatory approval of OTC and any other product candidates we may develop, and the labeling under any approval we may obtain;
- regulatory developments in the Canada and other countries;
- the performance of third-party manufacturers;
- our plans to develop and commercialize our product candidates;
- our ability to obtain and maintain intellectual property protection for our product candidates;
- the successful development of our sales and marketing capabilities;
- the potential markets for our product candidates and our ability to serve those markets;
- the rate and degree of market acceptance of any future products;
- the loss of key scientific or management personnel.

OTC relies on certain key expectations and assumptions in making the forecasts, projections, predictions or estimations set out in forward-looking information. These factors and assumptions are based on information available at the time that the forward-looking information is provided. These include, but are not limited to, expectations and assumptions concerning:

- the availability of capital to fund planned expenditures;
- prevailing regulatory, tax and environmental laws and regulations; and
- the ability to secure necessary personnel, equipment and services.

Undue reliance should not be placed on forward-looking information because a number of risks and factors may cause actual results to differ materially from those set out in such forward-looking information. These include:

- incorrect assessments of the value of acquisitions, licenses and development programs;
- technical, manufacturing and processing problems;
- actions by governmental authorities, including increases in taxes;
- the availability of capital on acceptable terms;
- fluctuations in foreign exchange, currency, or interest rates and stock market volatility;
- failure to realize the anticipated benefits from licenses or acquisitions;
- the other factors specifically identified as risk factors in this MD&A; and
- potential labour unrest.

Readers are cautioned that the foregoing list of factors should not be construed as exhaustive. Further information relating to risks is included in this MD&A under Risks Related to the Business. Except as may be required by applicable law or stock exchange regulation, OTC undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events. Accordingly, readers should not place undue reliance on forward-looking statements. If OTC does update one or more forward-looking statements, no inference should be drawn that additional updates will be made with respect to those or other forward-looking statements.

### **Business Overview**

Ocumetics is a Canadian research and product development company that specializes in adaptive lens designs with a focus primarily on the development of an intra-ocular lens known as the “Bionic Lens”. The Company was incorporated on April 12, 2012 under the British Columbia Business Corporations Act. The Company’s head office is located at 23544 - 20<sup>th</sup> Avenue, Langley, British Columbia, V2Z 2Z7.

The Bionic Lens is an expandable intraocular lens that fits within the natural lens compartment of the eye to completely eliminate the need for corrective lenses, especially for people over 45 years old of age. It actually re-establishes the natural kinetics of the eye muscles to facilitate the eye’s ability to shift focus effortlessly from distance to near and very near range.

### **Products, Trademarks and Patents**

#### **Products**

The Bionic Lens is an intraocular lens that self-regulates to restore a natural geometric configuration to the lens capsule so that radial tension exerted by zonular ligaments can actuate curvature change. The Bionic Lens consists of proprietary self-adapting suspension systems that modulate curvature change.

Optical elements incorporated within the Bionic Lens typically possess negative or nominal partial pressure. At least one wall of these optical elements comprises a flexible optical interface that is fashioned to alter shape in a cohesive manner, generating high-resolution optical images throughout its entire range of motion. Similar to the diaphragm of a stethoscope, the optical interface responds immediately to miniscule changes of external force.

Ocumetics suspension systems are comprised of cushions that conform to unique parameters of each recipient eye. When ciliary muscles relax, during sleep or when the eye focuses upon distant objects, the optical interface is compressed into its high energy state by expansion of the suspension system. When zonular tension relaxes, the optical interface immediately converts to a lower energy state, focusing the eye upon near objects. Kinetic energy transfer occurs almost exclusively within the optical interface as Ocumetics suspension systems characteristically respond slowly to changes of external force. The result

## **OCUMETICS TECHNOLOGY CORP.**

### **Management Reports and Analysis**

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is an immediate response to accommodation without lag.

The proprietary suspension systems can be configured to induce variable prismatic effect in conjunction with curvature change. As the Bionic Lens shifts focus from distance to near, base-in prism increases progressively. The resultant effect of this unique capability is unparalleled ease for near-point focus.

Normal cycles of ciliary muscle contraction and relaxation tone these interactions so that comfortable binocular vision may engage immediately with minimal effort in unison with the contralateral eye. Aggregation of fibrotic matter within the suspension system actually improves the kinesis. Thus, Bionic Lenses initially self-customize to fit within each lens capsule and then proceed to auto-adapt for improved performance over time.

Components of the Bionic Lens are comprised of durable, pre-approved materials that demonstrate stability. Supple membranes are polymerized together to produce a composite lens that compresses through a 2.6 mm incision, thereby minimizing surgically induced astigmatism. Pre-clinical testing of the Bionic Lens is currently in progress. Prototypes have been dimensioned for a 12-diopter accommodation range in conjunction with 6-prism diopters of base-in prism. A replaceable anterior optical element provides easy access for lens updates.

#### **Patents and Trademarks**

As at July 31, 2020, the patents for the Bionic Lens technology were held by Ventura Holdings Ltd. (“Ventura”), which is wholly owned by Dr. Garth Webb. Ventura had, in turn, licensed the technology to Ocumetics on an exclusive basis pursuant to the Amended and Restated License Agreement dated April 12, 2021 (the “License Agreement”). Ventura also held the registered wordmarks, “Bionic Lens” and “Ocumetics”, which were licensed to Ocumetics under the License Agreement.

On January 28, 2021, the Company purchased the patents and all related intellectual property, including the trademarks, from Ventura and terminated the License Agreement (see “Recent Developments”, below).

The World International Patent Office (WIPO) application for the Inflatable Lens/Lens Retainer was registered on Aug 13, 2007 with two supplemental submissions registered: one on November 5, 2007 and the final one on May 7, 2008. The patent was examined for Novelty, Inventive Step and Industrial Applicability. Patent claims 1-56 were accepted as valid in all categories.

The Inventive Step cited revolves around the process of inflating a lens retainer to apply pressure upon the posterior lens capsule of the eye to focus upon distant objects. This process is essential for bio-mimetic intraocular lens function and is the missing element of all contemporary accommodating lens designs.

New patent applications disclosing improvements to this original concept have been registered internationally.

#### **Recent Developments**

In March 2020, the outbreak of the novel strain of coronavirus, specifically identified as “COVID-19”, resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

On July 25, 2020, the Company entered into a non-binding letter of intent (the “LOI”) with Quantum Blockchain Technologies Ltd. (“Quantum”), whereby the Company will exchange all securities of the Company for common shares of Quantum on the basis of three common shares in the share capital of

## **OCUMETICS TECHNOLOGY CORP.**

### Management Reports and Analysis

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Quantum for each share of the Company (regardless of class) issued and outstanding at the time of the completion (the "Transaction"). Each warrant that is issued and outstanding in the capital of the Company will be exchanged for three warrants of Quantum having the same or similar terms. Prior to the completion of the Transaction, the Company will complete a private placement of approximately 500,000 units at a price of \$0.275 per unit, for gross proceeds of approximately \$137,500. Each unit will consist of one Class A Common share of the Company and one-half of one warrant, with each whole warrant entitling the holder to purchase one additional Class A Common share at a price of \$0.275 for a period of two years (the "Preliminary Private Placement"). Concurrent with the completion of the Transaction, Quantum will complete a private placement of up to 13,500,000 units at a price of \$0.15 per unit, for gross proceeds of up to \$2,025,000. Each unit will consist of one Quantum common share and one-half of one warrant, with each whole warrant entitling the holder to purchase one additional Quantum common share at a price of \$0.15 for a period of two years (the "Concurrent Private Placement"). Upon closing of the Transaction, it is estimated that the current common shareholders of the Company will own approximately 80% common shares of the resulting issuer. The Transaction constitutes a reverse acquisition of Quantum.

The LOI expired on December 15, 2020. On December 16 and December 29, 2020, the Company entered into amendments (the "Amendments") with Quantum to extend the deadline for the completion of the proposed Transaction from December 15, 2020 to April 15, 2021. In addition to the extension, the Amendments also amended the terms of the proposed Preliminary and Concurrent Private Placement. Under the revised terms, the Company will complete a private placement of approximately 833,333 units at a price of \$0.30 per unit, for gross proceeds of approximately \$250,000. Each unit will consist of one Class A Common share of the Company and one-half of one warrant, with each whole warrant entitling the holder to purchase one additional Class A Common share at a price of \$0.60 for a period of two years. Quantum will complete a private placement of at least 21,604,800 common shares at a price of \$0.125 per share, for gross proceeds of at least \$2,700,600.

On January 28, 2021, the Company purchased the Intellectual Property from Ventura pursuant to the Amended and Restated Intellectual Property Transfer Agreement between Ventura and the Company 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 the Company 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. The Company and Ventura also entered into royalty agreement for the payment to Ventura of royalties of 2.00% 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.

On February 24, 2021, the Company entered into an engagement letter with Haywood Securities Inc. pursuant to which Haywood, subject to completion of satisfactory due diligence, will act as the sponsor for the Transaction pursuant to Policy 2.2 of the TSX Venture Exchange (the "TSXV"). The Company has agreed to pay Haywood a sponsorship fee of \$50,000 (plus GST), \$25,000 of which will be payable in cash and the remainder in common shares of Quantum, post-Transaction, at a deemed price of \$0.125 per share. Additionally, the Company will pay Haywood's legal fees and other reasonable expenses.

On February 26, 2021, the Company entered into an amalgamation agreement (the "Amalgamation Agreement") with Quantum and 2321205 Alberta Ltd. ("Quantum SubCo"), which is Quantum's wholly-owned Alberta subsidiary. The Amalgamation Agreement supersedes and replaces the LOI and will form the basis for the Transaction. Pursuant to the Amalgamation Agreement, the Company and Quantum SubCo will amalgamate (the "Amalgamation") under the Business Corporations Act (Alberta) and continue as a new corporation. Pursuant to the Amalgamation, each of the issued and outstanding shares of the Company (regardless of class) will be exchanged for three common shares of Quantum, and each of the

## OCUMETICS TECHNOLOGY CORP.

### Management Reports and Analysis

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issued and outstanding warrants of the Company will be exchanged for three warrants of Quantum having the same or similar terms.

In connection with the Amalgamation, Quantum intends to complete a non-brokered private placement of 21,604,800 common shares at a price of \$0.125 per share for total gross proceeds of \$2,700,600 (the "Private Placement"). A minimum of 4,000,000 and a maximum of 4,800,000 common shares will be offered under the Private Placement pursuant to an offering memorandum for which Quantum will pay to finders who assist it in finding subscribers under the offering memorandum cash commissions of 7% of the aggregate gross proceeds from the sale of shares placed by such finders and warrants to purchase such number of shares equal to 7% of the shares placed by such finders at a price of \$0.125 per share for 24 months.

Completion of the Amalgamation is subject to a number of conditions, including: that Quantum shall have received subscriptions under the Private Placement for not less than \$2,700,600, or such other amount as may be necessary to satisfy the initial listing requirements of the TSXV, that holders of not more than 5% of the issued and outstanding shares of the Company shall have exercised rights of dissent in relation to the Amalgamation or to the continuation of the Company into Alberta, approval by the Company's shareholders of the Amalgamation and approvals from the TSXV, securities regulators and third parties as may be required. The Amalgamation Agreement will terminate on April 15, 2021 unless extended by the parties.

On April 15, 2021, the Company entered into an Amended and Restated Amalgamation Agreement to extend the deadline for the completion of the proposed Transaction contemplated by the Amalgamation Agreement dated February 26, 2021 with Ocumetics from April 15, 2021 to July 31, 2021.

#### Future Plans and Outlook

The initial design of the Bionic Lens has been finalized, with prototypes now being prepared for animal testing and the Proof-of-concept.

The Company intends to initiate animal testing in 2021, with the proof-of-concept study likely beginning three months after the animal studies are completed. Following the proof-of-concept study, the Company intends to commence clinical trials in the Dominican Republic, where 200 patients will have the Bionic Lens inserted, which will take 6 to 9 months to complete. The Company intends to commence clinical trials in Singapore concurrently with the Dominican trials. The Singapore trials also involve 200 patients, with a similar time frame to the Dominican trials.

The Company expects to close the proposed transaction with Quantum in Spring of 2021.

#### Results of Operations

For three months ended:

	April 30, 2021	April 30, 2020
Expenses		
Amortization	21,646	18,284
Office and general	93	30
Patents Fee	(4,197)	—
Professional fees	266,211	3,533
Transfer Agent and Filing Fees	(145,245)	2,798
	138,508	24,645

- Patents fees negative due to expense reclassification from Patents' fee to Intangible assets.
- Professional fees increased to \$266,211 due to increase services for taking the Company public.

**OCUMETICS TECHNOLOGY CORP.**  
Management Reports and Analysis

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For nine months ended:

	April 30, 2021	April 30, 2020
Expenses		
Amortization	58,778	54,851
Office and general	931	23
Patents Fee	19,144	–
Professional fees	266,211	3,533
Transfer Agent and Filing Fees	3,686	–
	<u>348,750</u>	<u>58,407</u>

- Patents fees increased to \$19,144 due to annual maintenance fee and patents' rights transfer fees from Ventura to Ocumetics.
- Professional fees increased to \$266,211 due to increase services for taking the Company public.

**Liquidity and Capital Resources**

	April 30, 2021	April 30, 2020
Cash used in operating activities	(127,155)	(985)
Cash used in investing activities	(176,951)	–
Cash provided by financing activities	412,112	–
Net increase (decrease) in cash	<u>108,006</u>	<u>(985)</u>

As at April 30, 2021, the Company had a cash balance of \$108,846 and a working capital deficiency of \$195,434 as compared to a cash balance of \$840 and a working capital deficiency of \$140,623 as at July 31, 2020. The Company's primary source of funding is by way of raising capital through the issuance of equity to third party investors. The Company believes that its current cash resources are sufficient for it to meet its existing monthly expenses, however additional funding to meet its obligations with regard to current outstanding accounts payable and for the Company to undertake its business plan will be required.

Although there is no certainty, management is of the opinion that additional funding for its projects and operations can be raised as needed. The Company is subject to a number of risks associated with the successful development of new products and their marketing and the conduct of its clinical studies and their results. The Company will have to finance its research and development activities and its clinical studies. To achieve the objectives in its business plan, the Company plans to raise the necessary capital and to generate revenues. It is anticipated that the products developed by the Company will require approval from the FDA and equivalent organizations in other countries before their sale can be authorized. If the Company is unsuccessful in obtaining adequate financing in the future, research activities will be postponed until market conditions improve. These circumstances and conditions may cast significant doubt about the Company's ability to continue as a going concern.

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**Outstanding Share Capital**

	June 14, 2021	April 30, 2021
Common shares A	22,972,832	22,972,832
Common shares B	800,000	800,000
Preferred shares	3,200,000	3,200,000
Warrants outstanding	711,416	711,416
Fully diluted Capital	27,684,248	27,684,248

**Off Balance Sheet Arrangements**

The Company has no off-balance sheet arrangements.

**Transactions with Related Parties**

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. Key management personnel compensation is comprised of the following:

	April 30, 2021	April 30, 2020
	\$	\$
Professional fees	71,015	–
Total	71,015	–

Summary of related party balances:

All related party transactions were measured at the amount of consideration established and agreed to by the related parties. All amounts due from/payable to related parties are unsecured, non-interest bearing and have no fixed terms of repayment.

	April 30, 2021	July 31, 2020
	\$	\$
Due to Ventura – Intangible asset	576,754	557,372
Due to companies controlled by a director	72,938	29,937
Due to CEO	102,625	–
Due to CFO	26,266	21,000
	778,583	608,309

## **New Accounting Standards Issued and Effective**

### *IFRS 16 - 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. As at the date of transition, the Company did not have any lease. The adoption of the new IFRS pronouncement has therefore not resulted in adjustments in previously reported figures and there have been no changes to the opening deficit balance as at August 1, 2019.

During the period ended April 30, 2021, the Company did not have any leases.

## **Financial and Capital 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:

- 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 – 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, 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 is measured at fair value on a recurring basis using level 1 inputs.

### 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. The Company limits its exposure to credit loss by placing its cash with high credit

## OCUMETICS TECHNOLOGY CORP.

### Management Reports and Analysis

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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 at 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.

(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.

### **Capital Management**

The Company defines capital that it manages as equity. The Company manages its capital structure in order to have funds available to support its research and development and sustain the future development of the business. When managing capital, the Company's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support its activities.

Since inception, the Company's objective in managing capital is to ensure sufficient liquidity to finance its research and development activities, general and administrative expenses, expenses associated with intellectual property protection and its overall capital expenditures. The Company is not exposed to external requirements by regulatory agencies regarding its capital.

### **Risks Related to the Business**

An investment in the Company is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider the specific risk factors set out below, in addition to the other information contained in this MD&A, before making any decision to invest in the Company. The Directors consider the following risks and other factors to be the most significant for potential investors in the Company, but the risks listed do not necessarily comprise all those associated with an investment in the Company and are not set out in any particular order of priority. Additional risks and uncertainties not currently known to the Directors may also have an adverse effect on the Company's business. If any of the following risks actually occur, the Company's business, financial condition, capital resources, results or future operations could be materially adversely affected. In such a case, the price of the common shares could decline, and investors may lose all or part of their investment.

#### Single Product

While the Company has several products in its development pipeline, including the industrial application of the Bionic Lens technology, currently the Company's sole technology that is ready for clinical trial is the Bionic

## **OCUMETICS TECHNOLOGY CORP.**

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Lens. Therefore, the Company's current commercialization, financial and stock value projections are based on the success of that single product. If the Bionic Lens is not commercially successful, there is a risk that the Company will be unable to meet its estimates and deliver value to shareholders.

#### Applicability of Technology

The Company's technology, even if it is successfully commercialized, will not be suitable for treatment of every vision problem. In particular, it cannot resolve, alone, vision problems such as cloudy corneas, eyes that have already had the natural lens removed (such as in cataract surgery), severe macular degeneration, severe genetic retinal diseases, torn or damaged optic nerves, or brain damage affecting any part of the visual system.

#### Competition

While the Company believes that the Bionic Lens offers greater promise than competing technology, the Company is aware that its competitors are constantly striving to improve their products. There is a risk that one or more of the Company's competitors could introduce a product that is more effective than, or comes to market earlier than, the Bionic Lens and therefore disrupts the Company's projections as to marketability and product demand. The business of the Company is subject to rapid technological changes. Failure to keep up with such changes may adversely affect the business of the Company. The Company is subject to the risks of companies operating in the medical and healthcare business. The market in which the Company competes is characterized by rapidly changing technology, evolving industry standards, frequent new service and product announcements, introductions and enhancements and changing customer demands.

#### Intellectual Property Risks

The Company could be adversely affected if it does not adequately protect its intellectual property rights. The Company regards its marks, rights, and trade secrets and other intellectual property rights as critical to its success. To protect its investments and the Company's rights in these various intellectual properties, it may rely on a combination of patents, trademark and copyright law, trade secret protection and confidentiality agreements and other contractual arrangements with its employees, clients, strategic partners, acquisition targets and others to protect proprietary rights. There can be no assurance that the steps taken by the Company to protect proprietary rights will be adequate or that third parties will not infringe or misappropriate the Company's copyrights, trademarks and similar proprietary rights, or that the Company will be able to detect unauthorized use and take appropriate steps to enforce rights. In addition, although the Company believes that its proprietary rights do not infringe on the intellectual property rights of others, there can be no assurance that other parties will not assert infringement claims against the Company. Such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources.

Commercial success of the Company will depend in part on not infringing upon the patents and proprietary rights of other parties and enforcing its own patents and proprietary rights against others. The research and development programs will be in highly competitive fields in which numerous third parties have issued patents and pending patent applications with claims closely related to the subject matter of the Company's programs. The Company is not currently aware of any litigation or other proceedings or claims by third parties that its technologies or methods infringe on their intellectual property.

While it is the practice of the Company to undertake pre-filing searches and analyses of developing technologies, it cannot guarantee that it has identified every patent or patent application that may be relevant to the research, development, or commercialization of its products. Moreover, it cannot assure that third parties will not assert valid, erroneous, or frivolous patent infringement claims.

The Company will rely on trade secrets to protect technology where it does not believe patent protection is appropriate or obtainable. Trade secrets are difficult to protect. While commercially reasonable efforts to protect trade secrets will be used, strategic partners, employees, consultants, contractors or scientific and other advisors may unintentionally or willfully disclose information to competitors.

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### **Management Reports and Analysis**

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If the Company is not able to defend patents or trade secrets, then it will not be able to exclude competitors from developing or marketing competing products, and the Company may not generate enough revenue from product sales to justify the cost of development of products and to achieve or maintain profitability.

#### Clinical Trials and Regulatory Approval

The Company's ability to commercialize its technology is dependent upon the completion of successful clinical trials and the subsequent receipt of regulatory approvals in each jurisdiction in which it wishes to sell the technology.

Ocumetics has not conducted any clinical trials and has not applied for, nor received, any regulatory approvals to date. Ocumetics intends to conduct its clinical trials in the Dominican Republic and in Singapore, concurrently, wherein 200 patients in the Dominican Trial and 200 patients in the Singapore trial will have the Bionic Lens inserted. It is expected that the clinical trials will take nine to nine months to complete. Clinical trials will be preceded by animal trials and a proof-of-concept study.

Clinical Trials for potential candidates will be expensive, difficult to design and implement, time consuming, and their outcomes are uncertain. The timing and completion of clinical trials may be subject to significant delays relating to various causes, including but not limited to: inability to manufacture or obtain sufficient quantities of materials for use in clinical trials; delays arising from collaborative partnerships; delays in obtaining regulatory approvals to commence a study, or government intervention to suspend or terminate a study; delays, suspensions or termination of clinical trials by the applicable institutional review board or independent ethics board responsible for overseeing the study to protect research subjects; delays in identifying and reaching agreement on acceptable terms with prospective clinical trial sites; slow rates of patient recruitment and enrollment; uncertain dosing issues; inability or unwillingness of medical investigators to follow clinical protocols; variability in the number and types of subjects available for each study and resulting difficulties in identifying and enrolling subjects who meet trial eligibility criteria; scheduling conflicts; difficulty in maintaining contact with subjects after treatment, resulting in incomplete data; unforeseen safety issues or side effects; lack of efficacy during clinical trials; reliance on clinical research organizations to conduct clinical trials, which may not conduct such trials with good laboratory practices; or other regulatory delays.

While the Company believes that its clinical trials will be successful, there is no assurance that that will be the case. There can also be no assurance, regardless of the success of clinical trials, that regulatory approval will be forthcoming in any jurisdiction in which the Company applies for such approval.

#### Management and Key Personnel

The success of the Company depends on the continued ability to attract, retain, and motivate highly qualified management, clinical, and scientific personnel and to develop and maintain important relationships with leading academic institutions, companies, and thought leaders. Dr. Mark Lee, the Company's Chief Executive Officer, and Dr. Garth Webb, the Company's Chief Scientific Officer and inventor of the Bionic Lens and related technology, exercise significant control over the day-to-day affairs of the Company. The Company depends on Drs. Lee and Webb to engage with third parties and contractors to operate the business. If either Dr. Lee or Dr. Webb were to leave the Company or were otherwise unable to perform their respective duties, the Company's business could fail, and shareholders could lose their investment. Ocumetics does not hold key man insurance for either Dr. Lee or Dr. Webb and does not intend to obtain such insurance.

#### Inability to Maintain Regulatory Standards

The Company has no track record that indicates its ability to meet and maintain stringent regulatory standards if so required. Failure to maintain a high level of regulatory approval could lead to failure of the Company's business.

## **OCUMETICS TECHNOLOGY CORP.**

### Management Reports and Analysis

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#### Difficulty to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

#### Inability to Meet Demand

If the Bionic Lens achieves or exceeds the levels of success the Company has projected, there is a risk that the Company will be unable to meet that demand in a timely fashion. The Company's ability to do so depends upon the development of a strong production platform. If the Company does not do so, it could affect its market reputation and return to investors.

#### Insurance Risks

The business of the Company may not be insurable or the insurance may not be purchased due to high cost. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company.

### **Liquidity and Financial Resources**

#### Speculative Nature of Investment Risk

An investment in the common shares of the Company carries a high degree of risk and should be considered as a speculative investment by purchasers. The Company has limited cash reserves, a limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future. The Company is in the development stage. Operations are not yet sufficiently established such that the Company can mitigate the risks associated with planned activities.

#### Limited Operating History

The Company has no present prospect of generating revenue from the sale of products. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

#### Negative Cash Flow for the Foreseeable Future

The Company has a no history of earnings or cash flow from operations. The Company does not expect to generate material revenue or achieve self-sustaining operations for several years, if at all. To the extent that the Company has negative cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative cash flow.

#### Insufficient Capital to Accomplish Business Objectives

The Company will require significant capital to accomplish its business objectives in the next several years. The Company currently has insufficient capital to accomplish its business objectives and there can be no assurances that sufficient capital will become available to complete the Company's business objectives on schedule or at all.

#### Access to Further Funding

The Company will need to continue to rely upon capital raising activities, such as private placements, debt and equity financings to fund its future operations, and the ability of the Company to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business and continue with, or expand upon its development programs is contingent upon securing additional financing. The Company's

## **OCUMETICS TECHNOLOGY CORP.**

### **Management Reports and Analysis**

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ability to access the debt and equity markets when required will depend upon factors beyond its control, such as economic and political conditions that may affect the capital markets generally. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future. Should Management be unable to raise sufficient capital to fund its operations and growth there would be a material adverse effect on the Company's business, financial condition, results of operations, and its ability to continue as a going concern. The Company's financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets, liabilities and reported expenses should the Company be unable to continue as a going concern. These adjustments could be material.

#### Market Price

The market price of the Company's common shares may be subject to wide price fluctuations - The market price of the Company's common shares may be subject to wide fluctuations in response to many factors, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in the business prospects for the Company, general economic conditions, legislative changes, and other events and factors outside of the Company's control.

#### Dilution

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the common shares. If the Company issues common shares from its treasury for financing purposes, control of the Company may change and purchasers may suffer additional dilution.

### **General Market and Economic Risks**

#### Economic Environment

The Company's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Company's future sales and profitability.

#### Global Economy Risk

The ongoing economic problems and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and the trading price of the Company's Shares on the stock exchange.

#### Currency Risk

The Company may have financial risk exposure to varying degrees relating to the currency of each of the countries where it operates and has financial risk exposure towards digital currencies. The level of the financial risk exposure related to a currency and exchange rate fluctuations will depend on the Company's ability to hedge such risk or use another protection mechanism.

**APPENDIX “C”**  
**QUANTUM BLOCKCHAIN TECHNOLOGIES LTD. PRO FORMA CONSOLIDATED STATEMENT OF**  
**FINANCIAL POSITION**

**QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.**

**Pro-forma Consolidated Statement of Financial Position**

**(Prepared by Management)**

**(Expressed in Canadian dollars)**

**(Unaudited)**

**March 31, 2021**

**QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.**

Unaudited Pro Forma Consolidated Statements of Financial Position

As at March 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

	Quantum March 31, 2021 \$	Ocumetics April 30, 2021 \$	Note	Pro-forma Adjustments \$	Pro forma Consolidated \$
<b>ASSETS</b>					
Current assets					
Cash	202,671	108,846	3 (a)	2,700,600	3,012,117
Amounts receivable	787	19,662		–	20,449
Prepaid	4,575	61,276		(25,000)	40,851
Total current assets	208,033	189,784		2,675,600	3,073,417
Non current assets					
Intangible assets	–	699,374		–	699,374
Total assets	208,033	889,158		2,675,600	3,772,791
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable and accrued liabilities	40,429	235,526	3 (b)	223,135	499,090
Due to related parties	–	149,692		–	149,692
Total current liabilities	40,429	385,218		223,135	648,782
Non current liabilities					
Due to related parties	–	500,000		–	500,000
Total liabilities	40,429	885,218		223,135	1,148,782
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>					
Share capital	323,557	1,533,195	3 (a) 3 (b)	2,700,600 368,943	4,926,295
Reserve	45,350	–	3 (b)	(45,350)	–
Deficit	(201,303)	(1,529,255)	3 (b)	(571,728)	(2,302,286)
Total shareholders' equity (deficiency)	167,604	3,940		2,452,465	2,624,009
Total liabilities and shareholders' equity (deficiency)	208,033	889,158		2,675,600	3,772,791

(The accompanying notes are an integral part of this unaudited pro-forma consolidated statement of financial position.)

# QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.

Notes to the pro-forma consolidated financial statements

As at March 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

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## 1. Proposed Transaction

Quantum Blockchain Technologies Ltd. ("Quantum" or the "Company") was incorporated on February 5, 2018 by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta). The Company is classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The principal business of the Company is to identify and evaluate assets or businesses with a view to potentially acquire them or an interest therein by completing a purchase transaction, by exercising of an option or by any concomitant transaction. The purpose of such an acquisition is to satisfy the related conditions of a qualifying transaction under the Exchange rules. The head office and registered office of the Company is located at 1250,639 – 5th Avenue SW Calgary, Alberta, T2P 0M9.

Ocumetics Technology Corp. ("Ocumetics" or the "Company") is a privately held Canadian research and product development company that specializes in adaptive lens designs, incorporated on April 12, 2012 under the Business Corporations Act (British Columbia) under the name "Isys Adaptive Optics Inc." Ocumetics' name was changed to "Ocumetics Technology Inc. (formerly "Ocumetics Technology Corp.") on November 13, 2014. The Company's head office is located at 23544 - 20th Avenue, Langley, British Columbia, V2Z 2Z7.

Quantum entered into an amalgamation agreement (the "Amalgamation Agreement") with Ocumetics and 2321205 Alberta Ltd. ("Quantum SubCo"), which is Quantum's wholly-owned Alberta subsidiary. The Amalgamation Agreement supersedes and replaces the non-binding letter of intent between the Company and Ocumetics dated July 5, 2020, as amended, and will form the basis of Quantum's proposed Qualifying Transaction (the "Transaction") under the policies of the TSX Venture Exchange (the "TSXV"). Pursuant to the Amalgamation Agreement, Ocumetics and Quantum SubCo will amalgamate (the "Amalgamation") under the Business Corporations Act (Alberta) and continue as a new corporation. Pursuant to the Amalgamation, each of the issued and outstanding shares of Ocumetics (regardless of class) will be exchanged for three common shares of Quantum, and each of the issued and outstanding warrants of Ocumetics will be exchanged for three warrants of Quantum having the same or similar terms.

In connection with the Amalgamation, Quantum intends to complete a non-brokered private placement of 21,604,800 common shares at a price of \$0.125 per share for total gross proceeds of \$2,700,600 (the "Private Placement"). A minimum of 4,000,000 and a maximum of 4,800,000 common shares will be offered under the Private Placement pursuant to an offering memorandum for which Quantum will pay to finders who assist it in finding subscribers under the offering memorandum cash commissions of 7% of the aggregate gross proceeds from the sale of shares placed by such finders and warrants to purchase such number of shares equal to 7% of the shares placed by such finders at a price of \$0.125 per share for 24 months. Quantum will pay no finder's fees to non-arms-length parties.

Other than the foregoing, no finder's fees or commissions will be paid in respect of the transaction.

The Transaction constitutes a reverse acquisition of the Company. The resulting issuer created upon completion of the foregoing RTO will continue under the name "Ocumetics Technology Inc. (formerly "Ocumetics Technology Corp.")

## 2. Basis of Presentation

The unaudited pro-forma consolidated statement of financial position of the resulting issuer gives effect to the Transactions as described above. In substance, the Transaction involves Ocumetics shareholders obtaining control of the Company and accordingly the Transaction will be considered to be a reverse takeover transaction ("RTO"). As the Company does not meet the definition of a business under International Financial Reporting Standards ("IFRS"), the consolidated statement of financial position of the consolidated entity will represent the continuation of Ocumetics. The Transaction has been accounted for as a share-based payment by which Ocumetics acquired the net assets and listing status of the Company. Accordingly, the accompanying unaudited pro-forma consolidated statement of financial position of the resulting issuer has been prepared by management using the same

## QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.

Notes to the pro-forma consolidated financial statements

As at March 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

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### 2. Basis of Presentation (continued)

accounting policies as described in the Company's audited financial statements for the year ended December 31, 2020, which are consistent with that of Ocumetics.

The unaudited pro-forma consolidated statement of financial position is not necessarily indicative of the resulting issuer's consolidated financial position on closing of the Transactions had the Transactions closed on the dates assumed herein.

The unaudited pro-forma consolidated statement of financial position has been compiled from information derived from and should be read in conjunction with the following information, prepared in accordance with IFRS:

- The Company's audited financial statements for the years ended December 31, 2020 and 2019;
- The Company's unaudited interim financial statements for the periods ended March 31, 2021 and 2020;
- Ocumetics' financial statements for the years ended July 31, 2020 (audited), 2019 (unaudited) and 2018 (unaudited);
- Ocumetics' unaudited interim financial statement for the periods ended April 30, 2021 and 2020.

### 3. Unaudited Pro-forma Assumptions and Adjustments

The unaudited pro-forma consolidated statement of financial position gives effect had the Transactions been completed on March 31, 2021. Consequential adjustments to the accumulated deficit are based on the transactions described below.

The unaudited pro-forma consolidated statement of financial position has been prepared based on the following assumptions:

- (a) Concurrent with the completion of the Transaction, the Company will complete a private placement of at least 21,604,800 common shares at a price of \$0.125 per share, for gross proceeds of at least \$2,700,600.
- (b) Pursuant to the terms of the Agreement, the resulting issuer will issue an aggregate of 68,918,496 of the Company's Common Shares to Ocumetics' Shareholders. As a result of the Transaction, the current shareholders of Ocumetics will acquire control of the resulting issuer and the Transaction, as undertaken pursuant to the Agreement, will be treated as an RTO transaction. The Transaction will be accounted for as an acquisition of the net assets and listing status of the Company by Ocumetics in exchange for a share-based payment. The excess of the estimated fair value of the equity instruments that are deemed to have been issued to acquire the Company, plus the transaction costs (both the "Consideration") over the estimated fair value of the Company's net assets, will be recorded as the cost of obtaining the listing.

## QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.

Notes to the pro-forma consolidated financial statements

As at March 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

### 3. Unaudited Pro-forma Assumptions and Adjustments (continued)

(b) continued

The allocation of the Consideration for the purposes of the pro-forma consolidated statement of financial position is as follows:

<b>Net assets acquired:</b>	<b>\$</b>
Cash	202,671
Other current assets	5,362
Current liabilities assumed	(40,429)
	<u>167,604</u>
<b>Consideration given:</b>	
Value of common shares deemed to be issued by the Company	692,500
Legal and other transaction costs	223,135
	<u>915,635</u>
Total consideration	915,635
Total net assets acquired	<u>167,604</u>
Total listing transaction expense	<u>748,031</u>

### 4. Pro-forma Shareholders' Equity (Deficiency)

As a result of the Transactions and the pro-forma assumptions and adjustments, the shareholders' equity of the resulting issuer as at March 31, 2021 is comprised of the following:

	Notes	Total Shares		Deficit \$	Total Shareholders' Equity (Deficiency)
		Number	\$		
Balance		26,972,832	1,533,195	(1,529,255)	3,940
Ocumetics shares cancelled in share exchange with shareholders in RTO	3 (b)	(26,972,832)	(1,533,195)	–	(1,533,195)
Shares issued in share exchange with shareholders in RTO	3 (b)	80,918,496	1,533,195	–	1,533,195
Shares deemed to be issued in RTO	3 (b)	5,540,000	692,500	–	692,500
Shares issued from concurrent private placement	3 (a)	21,604,800	2,700,600	–	2,700,600
Listing costs	3 (b)	–	–	(773,031)	(773,031)
Balance		108,063,296	4,926,295	(2,302,286)	2,624,009

### 5. Income Taxes

The effective income tax rate applicable to the consolidated operations is estimated to be 27%.

**APPENDIX "D"**  
**AMALGAMATION AGREEMENT**

**AMENDED AND RESTATED AMALGAMATION AGREEMENT**

**THIS AMALGAMATION AGREEMENT** made as of the 15<sup>th</sup> day of April 2021

**AMONG:**

**QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.**, a corporation existing under the laws of Alberta (“**Quantum**”);

-and-

**2321205 ALBERTA LTD.**, a corporation existing under the laws of the Province of Alberta (“**Quantum SubCo**”);

-and-

**OCUMETICS TECHNOLOGY CORP.**, a corporation existing under the laws of the Province of British Columbia (“**Ocumetics**”) to be continued under the laws of the Province of Alberta under the name, “**OCUMETICS TECHNOLOGY INC.**”;

**WHEREAS** Ocumetics and Quantum SubCo have agreed to amalgamate pursuant to Section 181 of the Act and, in consideration therefor, Quantum has agreed to issue certain of its securities to the securityholders of Ocumetics;

**AND WHEREAS** the parties entered into an amalgamation agreement dated February 26, 2021 pursuant to which they agreed to complete the aforementioned amalgamation (the “**Original Agreement**”);

**AND WHEREAS** the parties wish to amend the Original Agreement as set out in this Agreement;

**AND WHEREAS** the board of directors of Ocumetics has unanimously: (i) determined that the transactions contemplated by this Agreement are fair and in the best interests of Ocumetics and the Ocumetics Shareholders; (ii) approved this Agreement and the transactions contemplated hereby; and (iii) determined to recommend that the Ocumetics Shareholders vote in favour of the transactions contemplated by this Agreement;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree with each other as follows:

**ARTICLE I  
DEFINITIONS**

1.1 **Definitions.** In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following words and terms set forth in this Article I shall have the following meanings:

- (a) “**Acquisition Proposal**” means any merger, amalgamation, consolidation, arrangement, business combination, recapitalization, take-over bid, sale of material assets, material sale of treasury shares or rights or interests therein or thereto (other than a public offering of treasury shares) or similar transactions involving Quantum, or a proposal to do so, excluding the transactions contemplated hereby;
- (b) “**Act**” means the *Business Corporations Act* (Alberta), as now in effect and as it may be amended from time to time prior to the Effective Date;

- (c) “**Agreement**” means this Amended and Restated Amalgamation Agreement and all instruments supplemental hereto or in amendment or confirmation hereof; “herein”, “hereof” and similar expressions mean and refer to this Agreement and not to any particular article, section, clause or subclause; and “Article”, “Section”, “clause” or “subclause” means and refers to the specified article, section, clause or subclause of this Agreement, and where applicable, the Schedule hereto;
- (d) “**Amalco**” means the corporation to be constituted upon completion of the Amalgamation to have an Alberta numbered company name, or such other name as shall be determined in the sole discretion of Ocumetics;
- (e) “**Amalco Share**” means the common shares in the share capital of Amalco as presently constituted;
- (f) “**Amalgamating Corporations**” means, collectively, Ocumetics and Quantum SubCo;
- (g) “**Amalgamation**” means the amalgamation of Ocumetics and Quantum SubCo pursuant to this Agreement and in accordance with the Act;
- (h) “**Amalgamation Resolution**” means the special resolution in respect of the Amalgamation to be considered by the Ocumetics Shareholders;
- (i) “**Applicable Securities Laws**” includes, without limitation, all applicable securities, corporate and other laws, rules, regulations, instruments, notices, blanket orders, decision documents, published statements, circulars, published procedures and policies in the Provinces of Alberta and British Columbia and any other Province in which securities of Quantum or Ocumetics (as applicable) have or will be issued;
- (j) “**Arm’s Length**” has the same meaning ascribed thereto in the Tax Act;
- (k) “**Articles of Amalgamation**” means the proposed articles of amalgamation in respect to the Amalgamation as set forth in Schedule “A” hereto;
- (l) “**Business Day**” means a day other than a Saturday or Sunday on which the principal commercial banks located in Calgary, Alberta, are open for business during normal banking hours;
- (m) “**Closing**” or “**Closing Date**” means the completion of the Amalgamation as set forth herein, including the issuance of Resulting Issuer Shares described herein, which is intended to take place on the Effective Date;
- (n) “**Continuation**” means the continuation of Ocumetics from the *Business Corporations Act* (British Columbia) to the Act under the name “Ocumetics Technology Inc.”;
- (o) “**CPC**” means a capital pool company listed on the TSXV;
- (p) “**CPC Filing Statement**” means the CPC Filing Statement of Quantum which shall be prepared in accordance with the TSXV Form of Filing Statement (Form 3B2);
- (q) “**Effective Date**” means the date of Amalgamation as set forth in the certificate of amalgamation for Amalco;
- (r) “**GAAP**” means Generally Accepted Accounting Principles, being the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation is made or required to be made in accordance with such principles;

- (s) “**IFRS**” means International Financial Reporting Standards, being the International Financial Reporting Standards of accounting, applicable as at the date on which such calculation is made or required to be made in accordance with such standards;
- (t) “**Initial Public Offering**” means the listing of the securities of an issuer on a Recognized Stock Exchange through the issuance of treasury shares to the public;
- (u) “**Material Adverse Effect**” means, when used in connection with a company, any change or effect (or any condition, event or development involving a prospective change or effect) in or on the business, operations, results of operations, assets, capitalization, financial condition, licenses, permits, concessions, rights or liabilities, whether contractual or otherwise, of the company, taken as a whole, and which change or effect may reasonably be expected to significantly reduce the value of the equity securities of the company other than a change or effect: (i) which arises out of a matter that has been publicly disclosed or otherwise disclosed in writing by the company to the other party prior to the date hereof; (ii) resulting from conditions affecting the medical device industry as a whole; or (iii) resulting from general economic, financial, currency exchange, securities or commodity market conditions (including without limitation commodity prices, changes in taxation laws or currency exchange rates);
- (v) “**Material Fact**” in relation to any party hereto includes, without limitation, any fact that significantly affects, or would reasonably be expected to have a significant effect on, the price or value of the shares of such party;
- (w) “**Merger Proposal**” means any merger, amalgamation, consolidation, arrangement, business combination, recapitalization, take-over bid, sale of material assets, material sale of treasury shares or rights or interests therein or thereto (other than an Initial Public Offering) or similar transactions involving Ocumetics, or a proposal or expression of interest to do so, excluding the transactions contemplated hereby;
- (x) “**Name Change**” means the change of the name of Quantum to “Ocumetics Technology Corp.” or such other name as may be agreed upon by the Parties and as may be acceptable to applicable regulatory authorities;
- (y) “**Ocumetics**” means Ocumetics Technology Corp., a private corporation existing under the laws of the Province of British Columbia;
- (z) “**Ocumetics 1 Warrant**” means a common share purchase warrant in the share capital of Ocumetics, each of which entitles the holder thereof to purchase one Ocumetics Class A Share at a price of \$0.275 until September 25, 2022;
- (aa) “**Ocumetics 2 Warrant**” means a common share purchase warrant in the share capital of Ocumetics, each of which entitles the holder thereof to purchase one Ocumetics Class A Share at a price of \$0.60 until July 7, 2022;
- (bb) “**Ocumetics’ Assets**” means all of the material assets of Ocumetics including those other assets set out in Ocumetics’ Financial Statements;
- (cc) “**Ocumetics’ Business**” means business of research, development and marketing of certain technology known to the Parties as the Bionic Lens previously carried on and heretofore to be to be carried on by Ocumetics;
- (dd) “**Ocumetics’ Financial Statements**” means the audited consolidated financial statements of Ocumetics for the years ended July 31, 2018, 2019 and 2020 consisting of the statement of financial position, statement of comprehensive loss, statement of changes in shareholders’ equity, statements of cash flows and all notes thereto and the unaudited financial statements of Ocumetics for the three months ended October 31, 2020 consisting of the interim statement of financial

position, interim statement of comprehensive loss, statement of changes in shareholders' equity, statements of cash flows and all notes thereto;

- (ee) “**Ocumetics Meeting**” means the special meeting of Ocumetics Shareholders to be called to consider and, if thought fit, authorize, approve and adopt the Continuation, the Amalgamation and related matters, and includes any adjournments thereof;
- (ff) “**Ocumetics Share**” means a fully paid and non-assessable share in the share capital of Ocumetics regardless of class;
- (gg) “**Ocumetics Shareholder**” means a holder of Ocumetics Shares;
- (hh) “**Ocumetics Warrants**” means the Ocumetics 1 Warrants and Ocumetics 2 Warrants, collectively, and “**Ocumetics Warrant**” means one of the Ocumetics Warrants;
- (ii) “**Person**” means any individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
- (jj) “**Post Transaction Amalgamation**” means the vertical amalgamation between Quantum and Amalco pursuant to Section 184 of the Act, to be completed after the completion of the Amalgamation;
- (kk) “**Private Placement**” means the private placement to be completed by the Resulting Issuer at a price of \$0.125 per share for aggregate gross proceeds of not less than \$2,700,600, or such other amount as may be necessary to satisfy the initial listing requirements of the TSXV pursuant to Policy 2.4 of the TSXV Corporate Finance Manual;
- (ll) “**Promissory Note**” means the promissory note dated January 28, 2021 having a principal amount of \$500,000.00 issued by Ocumetics to Ventura Holdings Ltd.;
- (mm) “**Public Record**” means all information filed by or on behalf of Quantum on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com), and any other information filed with any securities commission in compliance, or intended compliance, with any Applicable Securities Laws;
- (nn) “**Quantum**” means Quantum Blockchain Technologies Ltd., a corporation existing under the laws of Alberta;
- (oo) “**Quantum’s Business**” means operating as a reporting issuer without any active business; and
- (pp) “**Quantum’s Financial Statements**” means the audited financial statements of Quantum for the years ended December 31, 2018, 2019 and 2020 consisting of the statement of financial position, statement of comprehensive loss, statement of changes in shareholders’ equity, statements of cash flows and all notes thereto;
- (qq) “**Quantum Share**” means a common share in the share capital of Quantum;
- (rr) “**Quantum SubCo**” means 2321205 Alberta Ltd., a wholly owned subsidiary of Quantum;
- (ss) “**Quantum SubCo Share**” means a common share in the share capital of Quantum SubCo as presently constituted;
- (tt) “**Recognized Stock Exchange**” means the TSXV, the Toronto Stock Exchange or the Canadian Securities Exchange;

- (uu) “**Resulting Issuer**” refers to Quantum after completion of the Amalgamation and all matters contemplated herein;
- (vv) “**Resulting Issuer Shares**” means common shares in the share capital of the Resulting Issuer, after giving effect to the Amalgamation;
- (ww) “**Resulting Issuer 1 Warrants**” means share purchase warrants issued under the Amalgamation in exchange for the Ocumetics 1 Warrants. Each Resulting Issuer Warrant entitles the holder thereof to purchase one Resulting Issuer Share at a price of \$0.092 per share until September 25, 2022;
- (xx) “**Resulting Issuer 2 Warrants**” means share purchase warrants issued under the Amalgamation in exchange for the Ocumetics 1 Warrants. Each Resulting Issuer Warrant entitles the holder thereof to purchase one Resulting Issuer Share at a price of \$0.20 per share until July 7, 2022;
- (yy) “**Royalty Agreement**” means the royalty agreement dated January 28, 2021 between Ocumetics and Ventura Holdings Ltd.;
- (zz) “**Tax Act**” means the *Income Tax Act* (Canada), as it may be amended from time to time and any successor thereto. Any reference herein to a specific section or sections of the Tax Act, or regulations promulgated thereunder, shall be deemed to include a reference to all corresponding provision of future law;
- (aaa) “**Technology**” means certain refractive technologies invented and developed by Dr. Garth Webb over the previous five years, with a focus primarily on the development of an intra-ocular lens known as the “Bionic Lens”;
- (bbb) “**Third Party**” means any Person other than the parties to this Agreement; and
- (ccc) “**TSXV**” means the TSX Venture Exchange.

1.2 **Currency.** Unless otherwise indicated, all dollar amounts referred to in this Agreement are in Canadian funds.

1.3 **Tender.** Any tender of documents or money hereunder may be made upon the parties or their respective counsel and money may be tendered by bank draft or by certified cheque.

1.4 **Number and Gender.** Where the context requires, words imparting the singular shall include the plural and vice versa, and words imparting gender shall include all genders.

1.5 **Headings.** Article and Section headings contained in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of the content thereof and shall not be considered part of this Agreement or affect the construction or interpretation of any provision hereof.

1.6 **Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with GAAP or IFRS, as the case may be.

1.7 **Date for any Action.** In the event that any date by or on which any action is required or permitted to be taken hereunder by any of the parties is not a Business Day in the place where the action is required or permitted to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.8 **To the Best Knowledge.** Whenever a representation and warranty herein is qualified by the phrase “to the knowledge of” or words to the similar effect, such qualification refers to the actual knowledge of the Person giving the representation and warranty and the knowledge that they would have had if they had conducted a reasonable inquiry of senior management of the Person into the relevant subject matter thereof.

1.9 **Schedules.** The Schedules to this Agreement shall be construed with and be considered an integral part of this Agreement to the same extent as if the same had been set forth *verbatim* herein. The following Schedule is attached hereto:

Schedule "A" Articles of Amalgamation

## ARTICLE II AMALGAMATION

2.1 **Agreement to Amalgamate.** The Amalgamating Corporations do hereby agree to amalgamate pursuant to the provisions of Section 181 of the Act as of the Effective Date and to continue as one corporation on the terms and conditions set out in this Agreement.

2.2 **Name.** Amalco shall take a numbered company name assigned to it under the Act, or such other name as shall be determined in the sole discretion of Ocumetics.

2.3 **Registered Office.** The registered office of Amalco shall be 1250 659 – 5<sup>th</sup> Avenue SW, Calgary, AB, T2P 0M9.

2.4 **Authorized Capital.** Amalco shall be authorized to issue one class of shares consisting of an unlimited number of shares to be designated as "common shares" which shall have the rights, privileges, restrictions and conditions set forth in the Articles of Amalgamation, set forth in Schedule "A" hereto.

2.5 **Fiscal Year End.** The fiscal year end of Amalco shall be the year end of Ocumetics.

2.6 **Number of Directors.** The board of directors of Amalco shall, until otherwise changed in accordance with the Act, consist of a minimum number of one and a maximum number of ten directors.

2.7 **Business.** There shall be no restrictions on the business which Amalco is authorized to carry on.

2.8 **Initial Directors.** The first directors of Amalco shall be the persons whose names and residential addresses appear below:

<u>Name</u>	<u>Address</u>	<u>Resident Canadian</u>
Garth Webb	23544 - 20 <sup>th</sup> Avenue Langley, British Columbia V2Z 2Z7	Yes
Dayton Marks	20 Tumbleweed Road Toronto, Ontario M2J 2N3	Yes
Robert Quinn	5102 Walnut Hills Drive, Kingwood, Texas, USA 77345	No
Johannes Kingma	919 – 7A Street NW Calgary, Alberta T2M 3J4	Yes
Roger Jewett	202 Garrison Square SW Calgary, Alberta T2T 6B3	Yes

Such director shall hold office until the next annual meeting of shareholders of Amalco or until his successor is elected or appointed.

2.9 **Amalgamation.** On the Effective Date, subject to Article III of this Agreement, the issued Ocumetics Shares and other securities of Ocumetics held by securityholders thereof will be cancelled and such securityholders of Ocumetics shall receive securities of the Resulting Issuer as set forth in Article III. The property of each of Quantum SubCo and Ocumetics shall continue to be the property of Amalco, and Amalco shall continue to be liable for the obligations of each of Quantum SubCo and Ocumetics.

2.10 **By-Laws.** The by-laws of Amalco, until repealed, amended or altered, shall be the by-laws of Ocumetics.

2.11 **Filing of Documents.** Upon the shareholders of each of the Amalgamating Corporations approving this Agreement by special resolution in accordance with the Act, the Amalgamating Corporations shall jointly file with the director, under the Act, Articles of Amalgamation and such other documents as may be required.

2.12 **Stated Capital.** The stated capital of Amalco immediately after the Amalgamation becomes effective shall be equal to the aggregate stated capital of each of the Amalgamating Corporations.

2.13 **Amendments to Structure.** Notwithstanding the foregoing, the parties hereto agree that the foregoing structure for the Amalgamation may be amended to accommodate certain tax planning and operational efficiencies of either party provided that such amendments shall not have a detrimental effect on either party and shall not negatively impact the business combination of Quantum and Ocumetics evidenced hereby. In no event shall the structure be amended unless such amendment is permitted by the rules and policies of the TSXV.

### **ARTICLE III ISSUANCE OF AMALCO AND THE RESULTING ISSUER SECURITIES**

3.1 **Issuance of Shares.** In consideration of the agreement of the parties and their respective shareholders to the actions set forth herein, subject to the approval of the TSXV, on the Effective Date:

- (a) each issued and outstanding Quantum SubCo Share shall be converted into one Amalco Share;
- (b) subject to Section 3.2, holders of Ocumetics Shares shall be entitled to receive three Resulting Issuer Shares for each Ocumetics Share held;
- (c) holders of Ocumetics 1 Warrants shall be entitled to receive three Resulting Issuer 1 Warrants for each Ocumetics 1 Warrant held; and
- (d) holders of Ocumetics 2 Warrants shall be entitled to receive three Resulting Issuer 2 Warrants for each Ocumetics 2 Warrant held.

3.2 **Fractional Shares.** No fractional shares or convertible securities shall be issued by the Resulting Issuer pursuant to this Agreement. Any exchange that results in less than a whole number of shares or convertible securities shall be rounded up to the next whole number.

3.3 **Restrictions on Securities.** The parties acknowledge and agree that foregoing securities of the Resulting Issuer issued pursuant to the terms and conditions provided herein will be subject to compliance with Applicable Securities Laws.

#### **3.4 Ocumetics Board Recommendation**

- (a) Ocumetics represents that its board of directors has unanimously determined that:
  - (i) the Amalgamation is fair from a financial point of view to the Ocumetics Shareholders and is in the best interests of Ocumetics and its shareholders; and

- (ii) Ocumetics' board of directors will unanimously recommend that Ocumetics Shareholders vote in favour of the Amalgamation, which recommendation may not be withdrawn, modified or changed in any manner except as set forth herein.
- (b) Ocumetics represents that its directors, officers and those shareholders holding 10% or more of the issued and outstanding voting shares of Ocumetics have advised it that, as at the date hereof, they intend to vote any Ocumetics Shares held by them in favour of the Amalgamation.

### 3.5 **Ocumetics Meeting**

Ocumetics shall take all action necessary in accordance with Applicable Securities Laws, other applicable Canadian laws, the Ocumetics governing documents and any other regulatory authority having jurisdiction, to duly call and give notice of the Ocumetics Meeting and to convene and hold the Ocumetics Meeting no later than July 31, 2021.

## **ARTICLE IV REPRESENTATIONS AND WARRANTIES**

4.1 **Representations and Warranties of Quantum.** Quantum hereby represents and warrants to Ocumetics that:

- (a) Quantum and Quantum SubCo, both corporations incorporated and subsisting under the laws of the Province of Alberta, have all legal capacity and requisite corporate power to own their respective properties and to conduct all business as is presently being conducted, and are duly registered or otherwise qualified to carry on business in all jurisdictions in which the nature of their respective assets or business makes such registration or qualification necessary or advisable;
- (b) subject to obtaining any required regulatory approvals, each of Quantum and Quantum SubCo have the full legal capacity and corporate power to enter into this Agreement and to take, perform or execute all proceedings, acts and instruments necessary or advisable to consummate the other actions and transactions contemplated in this Agreement and to fulfill their respective obligations under this Agreement; all necessary corporate action has been taken or will be taken prior to the Effective Date, by or on the part of Quantum and Quantum SubCo to authorized the execution and delivery of this Agreement, including the approval of the Amalgamation by special resolution of the Quantum SubCo Shareholders, and the taking, performing or executing of such proceedings, acts and instruments as are necessary or advisable for consummating the actions and transactions contemplated in this Agreement and for fulfilling their respective obligations hereunder;
- (c) this Agreement has been duly executed and delivered by Quantum and Quantum SubCo and this Agreement constitutes a legal, valid and binding obligation of each of Quantum and Quantum SubCo enforceable against Quantum and Quantum SubCo in accordance with its terms, except as such terms may be limited by bankruptcy, insolvency, re-organization or other laws relating to the enforcement of creditors' rights generally;
- (d) Quantum is a reporting issuer under the Securities Acts and, to the knowledge of Quantum, no securities commission, nor the TSXV, has issued any order preventing the transactions contemplated by this Agreement or the trading of any securities of Quantum;
- (e) neither the execution, nor delivery of this Agreement, nor the consummation of the transactions contemplated hereby, nor compliance with and fulfillment of the terms and provisions of this Agreement will:
  - (i) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under:
    - (1) any of the constating documents or by-laws of Quantum or Quantum SubCo; or

- (2) any instrument, agreement, mortgage, judgment, order, award, decree or other instrument or restriction to which Quantum or Quantum SubCo is a party or by which Quantum or Quantum SubCo is bound; and
  - (ii) except as otherwise described herein, require any affirmative approval, consent, authorization or other order or action by any court, governmental authority or regulatory body or by any creditor of Quantum or Quantum SubCo or any party to any agreement to which Quantum or Quantum SubCo is a party or by which Quantum or Quantum SubCo is bound, except as shall have been obtained prior to Closing;
- (f) other than any required regulatory approvals, no consent, licence, approval, order or authorization of, or registration, filing or declaration with any governmental authority that has not been obtained or made by Quantum or Quantum SubCo and no consent of any Third Party is required to be obtained by Quantum or Quantum SubCo in connection with the execution, delivery and performance by Quantum or Quantum SubCo of this Agreement or the consummation of the transactions contemplated hereby;
- (g) the authorized capital of Quantum as of the date hereof consists of an unlimited number of Common Shares, without nominal or par value, of which 5,540,000 Common Shares are presently validly issued and outstanding as fully paid and non-assessable shares in the share capital of Quantum and such shares have been issued under a valid prospectus or in accordance with applicable prospectus and dealer registration exemptions from Applicable Securities Laws;
- (h) except pursuant to this Agreement, the Quantum Options, no Person, firm or corporation has or will have any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase from Quantum of any Quantum Shares or for the subscription, allotment or issuance of any unissued shares in the securities of Quantum;
- (i) other than pursuant to the escrow agreement dated March 10, 2021 among the Corporation, Keith J. Erickson, Roger M. Jewett, Johannes J. Kingma, 1649568 Alberta Ltd., 1262430 Alberta Ltd. and Alliance Trust Company, none of the outstanding Quantum Shares are subject to escrow restrictions, pooling arrangements, voting trusts or unanimous shareholders agreements, whether voluntary or otherwise;
- (j) the authorized capital of Quantum SubCo consists of an unlimited number of Quantum SubCo Shares and an unlimited number of preferred shares issuable in series, of which 1000 Quantum SubCo Shares and no preferred shares are presently issued and outstanding as validly issued and outstanding as fully paid and non-assessable shares in the share capital of Quantum SubCo;
- (k) other than pursuant to this Agreement, no Person, firm or corporation has or will have any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase from Quantum SubCo of any Quantum SubCo Shares or for the subscription, allotment or issuance of any unissued shares in the securities of Quantum SubCo;
- (l) Quantum is the registered and beneficial holder of all of the issued and outstanding Quantum SubCo Shares and Quantum holds such shares free and clear of all liens, mortgages, charges, pledges, security interests, demands, adverse claims, rights or any other encumbrances whatsoever;
- (m) other than Quantum SubCo, Quantum does not hold or own, beneficially or otherwise, any securities of any other corporate entity;

- (n) all corporate records and minute books of Quantum and Quantum SubCo have been provided to Ocumetics or its legal counsel and contain complete and accurate minutes of all meetings of and corporate actions or written consents by the directors and shareholders of Quantum and Quantum SubCo, as applicable, including all by-laws and resolutions passed by the board of directors and shareholders of Quantum and Quantum SubCo, as applicable, since the incorporation of Quantum and Quantum SubCo and all such meetings were duly called and held;
- (o) neither Quantum nor Quantum SubCo has any of its records, systems, controls, data or information recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) are not under the exclusive ownership and direct control of Quantum or Quantum SubCo and at Closing, Quantum and Quantum SubCo will have originals or copies of all such records, systems, controls, data or information in its possession or control;
- (p) the books and records of Quantum and Quantum SubCo fairly and correctly set out and disclose in all material respects, the financial position of Quantum and Quantum SubCo, as applicable, as at the dates thereof and all material financial transactions of Quantum and Quantum SubCo relating to Quantum's Business have been accurately recorded in such books and records;
- (q) the Quantum Financial Statements fairly present the financial position of Quantum, as at the date indicated therein and fairly present the results of operations for the periods ended on such dates, all in accordance with GAAP and, if applicable, IFRS, consistently applied throughout the period covered thereby, save and except as stated therein. Quantum's and Quantum SubCo's books of account reflect items of income and expense and all assets and liabilities and accruals required to be reflected therein;
- (r) except as expressly referred to in Quantum's Financial Statements or as otherwise expressed in writing to Ocumetics:
  - (i) neither Quantum nor Quantum SubCo have outstanding any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever and neither Quantum nor Quantum SubCo is bound under any agreement to create, issue or incur any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever; and
  - (ii) neither Quantum nor Quantum SubCo is a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.
- (s) save and except for matters which are disclosed in the Quantum Financial Statements or otherwise expressly set out in this Agreement or as otherwise disclosed in writing to Ocumetics, neither Quantum nor Quantum SubCo have (nor have either of them agreed to) since December 31, 2020:
  - (i) incurred any debts, obligations or liabilities (absolute, accrued, contingent or otherwise and whether due or to become due), except debts, obligations and liabilities incurred in the ordinary course of business;
  - (ii) discharged or satisfied any liens or paid any obligation or liability other than liabilities shown on Quantum's Financial Statements, other than in the ordinary course of business;
  - (iii) declared or made any payment, distribution or dividend based on its shares or purchased, redeemed or otherwise acquired any of the shares in its capital or other securities or obligated itself to do so;

- (iv) mortgaged, pledged or subjected to lien or other security interest any of its assets, tangible or intangible other than the usual security granted to secure a bank line of credit or other than in the ordinary course of business;
- (v) sold, assigned, leased, transferred or otherwise disposed of any of its assets (excluding inventory) having either a book value or fair market value in excess of \$5,000, whether or not in the ordinary course of business;
- (vi) increased materially the compensation payable or to become payable by Quantum or Quantum SubCo to any of its officers, directors or employees, or in any bonus payment to or arrangement made with any officer, director or employee, or made any material changes in the personnel policies or employee benefits of Quantum or Quantum SubCo;
- (vii) cancelled, waived, released or compromised any debt, claim or right resulting in a Material Adverse Effect on the business, prospects or financial condition of Quantum or Quantum SubCo;
- (viii) significantly altered or revised any of its accounting principles, procedures, methods or practices except as required under IFRS or other regulatory guidelines;
- (ix) changed its credit policy as to provision of services, sales of inventories or collection or accounts receivable except as dictated by competitive conditions;
- (x) suffered any material damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting the properties, business or prospects of Quantum or Quantum SubCo;
- (xi) entered into any transaction, contract or commitment other than in the ordinary course of business except for the transactions set forth in this Agreement;
- (xii) made or authorized any capital expenditures in excess of \$5,000 to any party;
- (xiii) issued or sold any shares in its capital stock or other securities, or granted any options with respect thereto except for the sale and issuance of 40,000 Quantum Shares to Robert Quinn or as otherwise disclosed in writing to Quantum; or
- (xiv) suffered or experienced any material adverse change in, or event or circumstance affecting, the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business, operations or prospects and Quantum has no knowledge, information or belief of any fact, event or circumstances which might reasonably be expected to affect materially and adversely the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business operations or prospects and has not changed any shares of its capital stock, whether by way of reclassification, stock split or otherwise;
- (t) since incorporation, no payments have been made or authorized by Quantum or Quantum SubCo to their officers, directors, employees, shareholders or former directors, officers, employees or shareholders or to any Person not dealing at Arm's Length with any of the foregoing, except those expressly disclosed herein, reflected in Quantum's Financial Statements or as disclosed in writing to Ocumetics or made in the ordinary course of business and at the regular rates payable to them of salary, pension, bonuses or other remuneration of any nature;
- (u) Quantum and Quantum SubCo have paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by them at present;

- (v) adequate provision has been made in Quantum's Financial Statements for all taxes, governmental charges and assessments, including interest and penalties thereon, payable by Quantum and Quantum SubCo for all periods up to the date of the balance sheets comprising part of Quantum's Financial Statements;
- (w) each of Quantum and Quantum SubCo have withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof up to and including December 31, 2020;
- (x) Quantum SubCo does not operate or engage in any business activities, operations or management of any nature or kind whatsoever;
- (y) Quantum does not operate or engage in any business activities, operations or management of any nature or kind whatsoever other than Quantum's Business;
- (z) Quantum is conducting and has always conducted Quantum's Business in substantial compliance with all applicable laws, rules and regulations of each jurisdiction in which Quantum's Business is carried on, are not currently in material breach of any such laws, rules or regulations in each jurisdiction in which Quantum is a reporting issuer;
- (aa) Quantum is a reporting issuer under the *Securities Act* (Alberta) and the *Securities Act* (British Columbia) and, to the knowledge of Quantum, no securities commission has issued any order preventing the transactions contemplated by this Agreement or the trading of any securities of Quantum;
- (bb) the information and statements set forth in the Public Record were true, correct, and complete in all material respects and did not contain any misrepresentation, as of the date of such information or statements and were prepared in accordance with and complied with Applicable Securities Laws and Quantum has not filed any confidential material change reports still maintained on a confidential basis;
- (cc) to the knowledge of Quantum, all issuances of securities of Quantum and Quantum SubCo have been completed in accordance with all Applicable Securities Laws and regulations;
- (dd) to the knowledge of Quantum, no employee has made any claim or, has any basis for any action or proceeding against Quantum or Quantum SubCo, arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices, harassment, occupational health and safety standards or worker's compensation;
- (ee) neither Quantum nor Quantum SubCo has made any agreements with any labour union or employee association nor made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future agreements;
- (ff) no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the employees of Quantum or Quantum SubCo by way of certification, interim certification, voluntary recognition, designation or successor rights;
- (gg) to the knowledge of Quantum, there is no action, lawsuit, claim, proceeding, or investigation pending or, threatened against, relating to or affecting Quantum or Quantum SubCo before any court, government agency, or any arbitrator of any kind, in any jurisdiction in Canada or internationally. Quantum is not aware of any existing ground on which any such proceeding might be commenced with any reasonable likelihood of success and there is not presently outstanding against Quantum or Quantum SubCo any judgment, decree, injunction, rule or order of any court, governmental agency, or arbitrator relating to or affecting Quantum or Quantum SubCo. No waivers have been filed by Quantum or Quantum SubCo with any taxing authority in any jurisdiction in Canada or internationally;

- (hh) there are no outstanding written or oral employment contracts, sales, services, management or consulting agreements, employee benefit or profit-sharing plans, or any bonus arrangements with any employee of Quantum or Quantum SubCo, nor are there any outstanding oral contracts of employment which are not terminable on the giving of reasonable notice in accordance with applicable law. There are no pension or retirement plans established by or for Quantum or Quantum SubCo for the employees of Quantum or Quantum SubCo;
- (ii) to the knowledge of Quantum, there is not now outstanding any arrangement (contractual or otherwise) between Quantum or Quantum SubCo and any Person which will or may be, terminated or, prejudicially affected as a result of the Amalgamation contemplated herein; and
- (jj) no representation or warranty made by Quantum in this Agreement and no statement made in any schedule, exhibit, certificate or other document furnished pursuant to this Agreement, contains, or will contain, any untrue statement of a Material Fact or omits, or will omit, to state any Material Fact necessary to make such representation or warranty or any such statement not misleading. Quantum does not know of any fact which, if known to the other parties hereto would deter them from consummating the transactions contemplated herein.

4.2 No investigations made by or on behalf of Ocumetics at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by Quantum herein or pursuant hereto and no waiver by Ocumetics of any condition, in whole or in part, shall operate as a waiver of any other conditions.

4.3 **Representations and Warranties of Ocumetics.** Ocumetics hereby represents and warrants to Quantum that:

- (a) Ocumetics is a corporation incorporated and subsisting under the laws of the Province of British Columbia and has the legal capacity and requisite corporate power to own its properties and to conduct its business as presently being conducted, and are duly registered or otherwise qualified to carry on business in all jurisdictions in which the nature of its assets or business makes such registration or qualification necessary or advisable;
- (b) Ocumetics has the full legal capacity and corporate power to enter into this Agreement and to take, perform or execute all proceedings, acts and instruments necessary or advisable to consummate the other actions and transactions contemplated in this Agreement and to fulfill its obligations under this Agreement; all necessary corporate action has been taken or will be taken prior to the Effective Date, by or on the part of Ocumetics to authorize the execution and delivery of this Agreement, including the approval of the Amalgamation by special resolution of the Ocumetics Shareholders, and the taking, performing or executing of such proceedings, acts and instruments as are necessary or advisable for consummating the actions and transactions contemplated in this Agreement and for fulfilling their respective obligations hereunder;
- (c) this Agreement has been duly executed and delivered by Ocumetics and this Agreement constitutes a legal, valid and binding obligation of Ocumetics enforceable against Ocumetics in accordance with its terms, except as such terms may be limited by bankruptcy, insolvency, re-organization or other laws relating to the enforcement of creditors' rights generally;
- (d) neither the execution, nor delivery of this Agreement, nor the consummation of the transactions contemplated hereby, nor compliance with and fulfillment of the terms and provisions of this Agreement will:
  - (i) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under:
    - (1) any of the constating documents or by-laws of Ocumetics; or

- (2) any instrument, agreement, mortgage, judgment, order, award, decree or other instrument or restriction to which Ocumetics is a party or by which Ocumetics is bound; and
  - (ii) except as otherwise described herein, require any affirmative approval, consent, authorization or other order or action by any court, governmental authority or regulatory body or by any creditor of Ocumetics or any party to any agreement to which Ocumetics is a party or by which Ocumetics is bound, except as shall have been obtained prior to Closing;
- (e) other than any required regulatory approvals, no consent, licence, approval, order or authorization of, or registration, filing or declaration with any governmental authority that has not been obtained or made by Ocumetics and no consent of any Third Party is required to be obtained by Ocumetics in connection with the execution, delivery and performance by Ocumetics of this Agreement or the consummation of the transactions contemplated hereby;
- (f) the authorized capital of Ocumetics as of the date hereof consists of an unlimited number of common shares, without nominal or par value. As the date hereof, 74,393,500 Ocumetics Shares and no other shares are validly issued and outstanding as fully paid and non assessable shares in the share capital of Ocumetics. The Ocumetics Shares have been issued in accordance with applicable prospectus and dealer registration exemptions from Applicable Securities Laws;
- (g) except pursuant to those Ocumetics 1 Warrants and Ocumetics 2 Warrants that have been issued and are outstanding as at the date hereof, no Person, firm or corporation has or will have any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase from Ocumetics of any Ocumetics Shares or for the subscription, allotment or issuance of any unissued shares in the securities of Ocumetics;
- (h) none of the outstanding Ocumetics Shares are subject to escrow restrictions, pooling arrangements, voting trusts, unanimous shareholders agreements or other similar agreements, whether voluntary or otherwise;
- (i) Ocumetics does not have any subsidiaries;
- (j) Ocumetics does not hold or own, beneficially or otherwise, any securities of any other corporate entity;
- (k) all corporate records and minute books of Ocumetics have been provided to Quantum or its legal counsel and contain complete and accurate minutes of all meetings of and corporate actions or written consents by the directors and shareholders of Ocumetics, including all by-laws and resolutions passed by the board of directors and shareholders of Ocumetics;
- (l) Ocumetics has no records, systems, controls, data or information recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) that are not under the exclusive ownership and direct control of Ocumetics and at Closing, Ocumetics will have originals or copies of all such records, systems, controls, data or information in its possession or control;
- (m) the books and records of Ocumetics fairly and correctly set out and disclose in all material respects, the financial position of Ocumetics as at the dates thereof and all material financial transactions of Ocumetics relating to Ocumetics' Business have been accurately recorded in such books and records and, in respect of any information provided or requested, did not knowingly omit data or information necessary to make any data or information provided not misleading as at the respective dates thereof;

- (n) other than as disclosed in writing to Quantum, as at the date hereof, there are no material contracts or agreements to which Ocumetics is a party or by which any of them is bound. For the purposes of this subparagraph, any contract or agreement pursuant to which Ocumetics will, or may reasonably be expected to, result in a requirement of Ocumetics to expend more than an aggregate of \$50,000 or receive or be entitled to receive revenue of more than \$50,000 in either case in the next 12 months, or is out of the ordinary course of business of Ocumetics, shall be considered to be material;
- (o) the Ocumetics Financial Statements fairly present the financial position of Ocumetics as at the date indicated therein and fairly present the results of operations for the periods ended on such dates, all in accordance with IFRS consistently applied throughout the period covered thereby, save and except as stated therein. The books of account of Ocumetics reflect items of income and expense and all assets and liabilities and accruals required to be reflected therein;
- (p) except pursuant to the Promissory Note or as expressly referred to in Ocumetics' Financial Statements or as otherwise expressed in writing to Ocumetics,
  - (i) Ocumetics has no outstanding any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever and Ocumetics is not bound under any agreement to create, issue or incur any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever; and
  - (ii) Ocumetics is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.
- (q) save and except pursuant to the Promissory Note or which are disclosed in the Ocumetics Financial Statements or otherwise expressly set out in this Agreement or as otherwise disclosed in writing to Quantum, Ocumetics has not (and has not agreed to) since July 31, 2020:
  - (i) incurred any debts, obligations or liabilities (absolute, accrued, contingent or otherwise and whether due or to become due), except debts, obligations and liabilities incurred in the ordinary course of business;
  - (ii) discharged or satisfied any liens or paid any obligation or liability other than liabilities shown on Ocumetics' Financial Statements, other than in the ordinary course of business;
  - (iii) declared or made any payment, distribution or dividend based on its shares or purchased, redeemed or otherwise acquired any of the shares in its capital or other securities or obligated itself to do so;
  - (iv) mortgaged, pledged or subjected to lien or other security interest any of its assets, tangible or intangible other than the usual security granted to secure a bank line of credit or other than in the ordinary course of business;
  - (v) sold, assigned, leased, transferred or otherwise disposed of any of its assets (excluding inventory) having either a book value or fair market value in excess of \$5,000, whether or not in the ordinary course of business, except for transactions involving the Ocumetics Properties previously disclosed to Quantum;
  - (vi) increased materially the compensation payable or to become payable by to any of their officers, directors or employees, or in any bonus payment to or arrangement made with any officer, director or employee, or made any material changes in the personnel policies or employee benefits of Ocumetics;

- (vii) cancelled, waived, released or compromised any debt, claim or right resulting in a Material Adverse Effect on the business, prospects or financial condition of Ocumetics;
  - (viii) significantly altered or revised any of its accounting principles, procedures, methods or practices except as required under IFRS or other regulatory guidelines;
  - (ix) changed its credit policy as to provision of services, sales of inventories or collection or accounts receivable except as dictated by competitive conditions;
  - (x) suffered any material damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting Ocumetics' Assets, Ocumetics' Business or prospects of Ocumetics;
  - (xi) issued or sold any shares in its share capital or other securities, or granted any options with respect thereto, except pursuant to the private placements completed by Ocumetics on September 25, 2020 and January 25, 2021, details of which have been disclosed to Quantum; or
  - (xii) suffered or experienced any material adverse change in, or event or circumstance affecting, the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business, operations or prospects and Ocumetics has no knowledge, information or belief of any fact, event or circumstances which might reasonably be expected to affect materially and adversely the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business operations or prospects and has not changed any shares of its capital stock, whether by way of reclassification, stock split or otherwise;
- (r) since incorporation, no payments have been made or authorized by Ocumetics to its officers, directors, employees, shareholders or former directors, officers, employees or shareholders or to any Person not dealing at Arm's Length with any of the foregoing, except those reflected in Ocumetics' Financial Statements or as disclosed in writing to Quantum or made in the ordinary course of business and at the regular rates payable to them of salary, pension, bonuses or other remuneration of any nature;
- (s) Ocumetics has made all filings required under applicable laws with the applicable regulatory authorities in substantial compliance, and all such filings and information and statements contained therein and any other information or statements disseminated to the public by Ocumetics were true, correct and complete in all material respects and did not contain any misrepresentation, as at the date of such information or statements;
- (t) Ocumetics has paid, collected and remitted all taxes, customs, duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by them at present;
- (u) adequate provision has been made in Ocumetics' Financial Statements for all taxes, governmental charges and assessments, including interest and penalties thereon, payable by Ocumetics for all periods up to the date of the balance sheets comprising part of Ocumetics' Financial Statements;
- (v) Ocumetics has withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof;
- (w) Ocumetics does not operate or engage in any business activities, operations or management of any nature or kind whatsoever other than Ocumetics' Business;
- (x) Ocumetics is conducting and has always conducted Ocumetics' Business in substantial compliance with all applicable laws, rules and regulations of each jurisdiction in which

Ocumetics' Business is carried on, are not currently in material breach of any such laws, rules or regulations and are duly licensed, registered or qualified, in each jurisdiction in which Ocumetics owns, leases or has any interest of claim in property or carries on Ocumetics' Business, to enable Ocumetics' Business to be carried on as now conducted and its property and assets to be owned, leased licensed or otherwise and operated, and all such licences, registrations, claims, interests and qualifications are valid and subsisting and in good standing and none of the same contains any burdensome term, provision, condition or limitation which has or may have an Material Adverse Effect on the operation of Ocumetics' Business;

- (y) Ocumetics is not a reporting issuer under any province or jurisdiction in Canada and, to the knowledge of Ocumetics, no securities commission, nor any Recognized Stock Exchange, has issued any order preventing the transactions contemplated by this Agreement or the trading of any securities of Ocumetics;
- (z) Ocumetics owns or possess sufficient legal rights to all Intellectual Property (as defined below) that is necessary to the conduct of Ocumetics' Business without any violation or infringement (or in the case of third-party patents, patent applications, trademarks, trademark applications, service marks, or service mark applications, without any violation or infringement known to Ocumetics) of the rights of others. No product or service marketed or sold (or proposed to be marketed or sold) by Ocumetics violates or will violate any license or infringes or will infringe any rights to any patents, patent applications, trademarks, trademark applications, service marks, trade names, copyrights, trade secrets, licenses, domain names, mask works, information and proprietary rights and processes (collectively, "**Intellectual Property**") of any other party, except that with respect to third-party patents, patent applications, trademarks, trademark applications, service marks, or service mark applications the foregoing representation is made to Ocumetics' knowledge only;
- (aa) except pursuant to the Promissory Note, Ocumetics owns its properties and assets free and clear of all mortgages, deeds of trust, liens, encumbrances and security interests except for statutory liens for the payment of current taxes that are not yet delinquent and liens, encumbrances and security interests which arise in the ordinary course of business and which do not affect material properties and assets of Ocumetics;
- (bb) except for this Agreement, the Promissory Note and the Royalty Agreement, there are no agreements, understandings, instruments, contracts or proposed transactions outside of the normal course of business to which Ocumetics is a party that involve (a) obligations (contingent or otherwise) of, or payments to, Ocumetics in excess of \$50,000, (b) the license of any Intellectual Property to or from Ocumetics other than licenses with respect to commercially available software products under standard end-user object code license agreements or standard customer terms of service and privacy policies for Internet sites, (c) the grant of rights to manufacture, produce, assemble, license, market, or sell its products to any other person, or that limit Ocumetics' exclusive right to develop, manufacture, assemble, distribute, market or sell its products, (d) indemnification by Ocumetics with respect to infringements of proprietary rights other than standard customer or channel agreements, or (e) are otherwise material to Ocumetics' Business (each, a "**Material Agreement**"). Ocumetics is not in material breach of any Material Agreement. Each Material Agreement is in full force and effect and is enforceable by Ocumetics or a Subsidiary, as applicable, in accordance with its respective terms, except as may be limited by (i) applicable bankruptcy, insolvency, reorganization or others laws of general application relating to or affecting the enforcement of creditors' rights generally, or (ii) the effect of rules of law governing the availability of equitable remedies;
- (cc) except as disclosed in the Ocumetics Financial Statements, no employee, officer or director of Ocumetics or a Subsidiary (a "**Related Party**") or member of such Related Party's immediate family, or any corporation, partnership or other entity in which such Related Party is an officer, director or partner, or in which such Related Party has an ownership interest or otherwise controls, is indebted to Ocumetics or a Subsidiary, nor is Ocumetics or any Subsidiary indebted (or committed to make loans or extend or guarantee credit) to any of them. To Ocumetics'

knowledge, none of such persons have any direct or indirect ownership interest in any firm or corporation with which Ocumetics is affiliated or with which Ocumetics has a business relationship, or any firm or corporation that competes with Ocumetics. Other than pursuant to the Promissory Note and the Royalty Agreement, to Ocumetics' knowledge, no Related Party or member of their immediate families is directly or indirectly interested in any material contract with Ocumetics;

- (dd) Ocumetics is not in violation of any applicable statute, law or regulation relating to the environment or occupational health and safety, and to Ocumetics' knowledge, no material expenditures are or will be required in order to comply with any such statute, law or regulation;
- (ee) Ocumetics has complied in all material respects with all applicable laws and regulations governing the manufacture, design, sale, labeling, storing, testing, distribution, inspection, promotion, and marketing of its products (including without limitation ingredients) and related services under any federal or state governmental authority, including, but not limited to, the Food and Drug Administration (the "FDA") and the regulations promulgated thereunder, or any corollary governmental entity in any domestic or foreign jurisdiction in which Ocumetics operates. Ocumetics has not received any notice of, and Ocumetics is not aware of, and there is no threat of, any action, citation, decision, product recall, upcoming inspection, information request, informal warning, warning letter, Section 305 notice, Form FDA 483 (report of inspection observations), or order pertaining to the products of Ocumetics from the FDA or similar issues regulated by the FDA or any corollary governmental entity in any domestic or foreign jurisdiction, or from the Federal Trade Commission (the "FTC") in connection with advertising and/or promotion of any of the products or services of Ocumetics;
- (ff) no material customer or material supplier of Ocumetics has given Ocumetics written notice terminating or specifying an intention to terminate, its relationship with Ocumetics, and Ocumetics has no reason to believe that a material customer or material supplier will terminate its relationship with Ocumetics in the future as a result of the consummation of the transactions contemplated hereby. No material customer has given Ocumetics or any Subsidiary written notice suspending or reducing or specifying its intention to suspend or reduce in a material respect, its purchases from Ocumetics. No material supplier has given Ocumetics or any Subsidiary written notice suspending or reducing, or specifying its intention to suspend or reduce in a material respect, its supply of materials to Ocumetics;
- (gg) neither Ocumetics nor any Subsidiary owns or leases real property;
- (hh) Ocumetics has not granted rights to produce, manufacture, assemble, license, market, or sell its products to any other Person and, except as disclosed in writing to Quantum, is not bound by any agreement that affects Ocumetics' or a Subsidiary's exclusive right to develop, produce, manufacture, assemble, distribute, market or sell its products, no employee has made any claim or, to the best of Ocumetics' knowledge, has any basis for any action or proceeding against Ocumetics arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices, harassment, occupational health and safety standards or worker's compensation;
- (ii) Ocumetics has not made any agreements with any labour union or employee association nor made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future agreements;
- (jj) no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the employees or Ocumetics by way of certification, interim certification, voluntary recognition, designation or successor rights;
- (kk) as there is no action, lawsuit, claim, proceeding, or investigation pending or, to the best knowledge of Ocumetics, threatened against, relating to or affecting Ocumetics before any court, government

agency, or any arbitrator of any kind, in any jurisdiction in Canada or internationally. Ocumetics is not aware of any existing ground on which any such proceeding might be commenced with any reasonable likelihood of success and there is not presently outstanding against Ocumetics any judgment, decree, injunction, rule or order of any court, governmental agency, or arbitrator relating to or affecting Ocumetics, Ocumetics' Assets or Ocumetics' Business. No waivers have been filed by Ocumetics with any taxing authority in any jurisdiction in Canada or internationally;

- (ll) there are no outstanding written or oral employment contracts, sales, services, management or consulting agreements, employee benefit or profit-sharing plans, or any bonus arrangements with any employee of Ocumetics, nor are there any outstanding oral contracts of employment which are not terminable on the giving of reasonable notice in accordance with applicable law. There are no pension or retirement plans established by or for Ocumetics for the employees of Ocumetics;
- (mm) Ocumetics does not have in place or in effect any employment agreements, consulting agreements or other change of control agreements which provide for a payment accruing as a result of the Amalgamation or other change of control of Ocumetics and Ocumetics has disclosed in writing to Quantum all severance amounts, consulting contract termination obligations and/or retention or bonuses that may be payable by Ocumetics;
- (nn) there are no accrued bonuses payable to any officers, directors or employees of Ocumetics;
- (oo) other than pursuant to the Promissory Note and the Royalty Agreement, no director, officer, employee, insider or other non-arm's length party to Ocumetics (or any associate or affiliate thereof) has any right, title or interest in (or the right to acquire any right, title or interest in) any royalty interest, carried interest, participation interest or any other interest whatsoever which are based on production from or in respect of any properties of Ocumetics that will be effective after the Effective Date;
- (pp) other than as may occur from time to time in the ordinary course under employment agreements or consulting agreements, Ocumetics is not indebted to any of its directors, officers, employees or consultants, any of its shareholders or any of their respective associates or affiliates;
- (qq) there is no non-competition, exclusivity or other similar agreement, commitment or understanding in place to which Ocumetics is a party or by which it is otherwise bound that would now or hereafter in any way limit the business or operations of Ocumetics in a particular manner or to a particular locality or geographic region or for a specified period of time and the execution, delivery and performance of this Agreement does not and will not result in any restriction of Ocumetics from engaging in its business or from competing with any person or in any geographic area;
- (rr) Ocumetics has no rights to purchase any assets, properties or undertakings of Third Parties and has no obligation to sell assets, properties or undertakings, under any agreements to purchase or sell that have not closed;
- (ss) Ocumetics is not a party to or bound by any agreement, guarantee, indemnification (other than in the ordinary course of business and to officers and directors pursuant to the by-laws and standard indemnity agreements of Ocumetics, to the bankers or pursuant to underwriting, agency or financial advisor agreements pursuant to the standard indemnity provisions in agreements of that nature and indemnities contained in flow through subscription agreements), or endorsement or like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any Person;
- (tt) Ocumetics is presently able to pay its liabilities as they become due;
- (uu) Ocumetics is not, and will not be at the time of the Amalgamation, a "non-resident" as that term is used for the purposes of the Tax Act; and

- (vv) no representation or warranty made by Ocumetics in this Agreement and no statement made in any schedule, exhibit, certificate or other document furnished pursuant to this Agreement, contains, or will contain, any untrue statement of a Material Fact or omits, or will omit, to state any Material Fact necessary to make such representation or warranty or any such statement not misleading. Ocumetics does not know of any fact which, if known to the other parties hereto would deter them from consummating the transactions contemplated herein.

4.4 No investigations made by or on behalf of Quantum at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by Ocumetics herein or pursuant hereto and no waiver by Quantum of any condition, in whole or in part, shall operate as a waiver of any other condition.

## ARTICLE V COVENANTS

5.1 **General Covenants of Quantum.** Quantum covenants and agrees that, until Closing or the date on which this Agreement is terminated, and unless otherwise contemplated herein, it shall:

- (a) take all requisite action to:
  - (i) approve this Agreement; and
  - (ii) approve such actions as the other parties hereto may determine to be necessary or desirable for the purposes hereof;
- (b) use its reasonable commercial efforts to preserve intact as a going concern its business organization and goodwill, to keep available the services of its officers and employees as a group, to maintain its business relationships and to ensure that Quantum's Business shall be conducted only in the usual and ordinary course of business consistent with past practice;
- (c) not carry on any business other than as a non-operating shell corporation and cause Quantum SubCo not to carry on any business;
- (d) give its consent (and provide such other reasonable assurances as may be required) and use all reasonable commercial efforts to obtain (including the provision of such reasonable assurances as may be required), consents of all other Persons to the transactions contemplated by this Agreement, as may be required pursuant to any statute, law or ordinance or by any governmental or other regulatory authority having jurisdiction;
- (e) upon Quantum receiving notification or other information from any regulatory authority or body concerning the transactions contemplated hereunder, disclose such information promptly in writing to the solicitors for Ocumetics;
- (f) in consultation with Quantum and its counsel, forthwith use its reasonable commercial efforts to prepare and file the CPC Filing Statement in accordance with the policies of the TSXV and to obtain all necessary regulatory approvals and to make application to the TSXV for the listing of Resulting Issuer Shares and the Resulting Issuer Shares underlying the Resulting Issuer Warrants on the TSXV following the Closing and assist in making all submissions, preparing all press releases and circulars and making all notifications required with respect to this transaction and the issuance of shares as contemplated hereunder;
- (g) not directly or indirectly do or permit to occur any of the following: (i) amend its constating documents; (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares; (iii) issue or agree to issue any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares; (iv) redeem, purchase or otherwise acquire any of its outstanding shares or

other securities; (v) split, combine or reclassify any of its securities; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution or reorganization of Quantum; (vii) reduce the stated capital of Quantum or any of its outstanding shares; (viii) take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere or affect the consummation of the Amalgamation; or (ix) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;

- (h) promptly notify Ocumetics in writing of any material change (actual, anticipated, contemplated or, to the knowledge of Quantum threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, or of any change in any representation or warranty provided by Quantum in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Quantum shall in good faith discuss with Ocumetics any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Quantum threatened) which is of such a nature that there may be a reasonable question as to whether notice needs to be given to Ocumetics pursuant to this provision;
- (i) not (i) grant any officer, director or employee an increase in compensation in any form; (ii) grant any general salary increase; (iii) take any action with respect to the amendment of any severance or termination pay policies or arrangements for any directors, officers or employees, except as contemplated herein; (iv) adopt or amend (other than to permit accelerated vesting of currently outstanding rights) any stock option plan or the terms of any outstanding rights thereunder; nor (v) advance any loan to any officer, director or any other party not at Arm's Length;
- (j) not adopt or amend or make any contribution to any bonus, employee benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, stock purchase plan, fund or arrangement for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;
- (k) use all reasonable commercial efforts to take all steps necessary to make proper disclosure within such time as required by any regulatory authority and any other applicable statutes and laws concerning this Agreement and the transactions contemplated herein;
- (l) use its best efforts to maintain its status as a reporting issuer in Alberta and British Columbia;
- (m) use its best efforts to maintain the accuracy and currency of the Public Record;
- (n) use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Article VI to the extent the same is within its control and take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Amalgamation, including using its reasonable commercial efforts to:
  - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;
  - (ii) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws;
  - (iii) effect all necessary registrations and filings and submissions of information requested by governmental entities required to be effected by it in connection with the Amalgamation and participate and appear in any proceedings of either party before governmental entities in connection with the Amalgamation;

- (iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affect the ability of the parties to consummate the transactions contemplated hereby;
  - (v) fulfill all conditions and satisfy all provisions of this Agreement;
  - (vi) cooperate with the other parties to this Agreement in connection with the performance by Quantum of its obligations hereunder; and
  - (vii) not take any action, refrain from taking any action or permit any action to be taken or not taken that is inconsistent with this Agreement or that would reasonably be expected to significantly impede the consummation of the Amalgamation;
- (o) not incur any material liabilities of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which Quantum may become liable on or after the Closing Date, except as set out in Quantum's Financial Statements and except for those public company and transactional costs incurred prior to Closing, which will be disclosed in writing to Ocumetics at Closing;
  - (p) validly issue the Resulting Issuer Shares in accordance with Article III hereof as fully paid and non-assessable common shares in the share capital of the Resulting Issuer, free and clear of all mortgages, liens, charges, security deposits, adverse claims, pledges, encumbrances, options, warrants, rights, privileges and demands whatsoever;
  - (q) file, duly and timely, all tax returns required to be filed by it and to pay promptly all taxes, assessments and governmental charges which are claimed by any governmental authority to be due and owing and not to enter into any agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return or the payment or assessment of any tax, governmental charge or deficiency; and
  - (r) neither declare nor pay any dividends or other distributions or returns of capital on Quantum Shares from the date of this Agreement until the Closing Date without the prior consent of Ocumetics; and
  - (s) use its reasonable best efforts to ensure that the escrow requirements imposed by the TSXV are the least restrictive as possible and pertain to the fewest parties as possible.

5.2 **Quantum's Covenant Regarding Non-Solicitation.** Quantum shall not, directly or indirectly, through any officer, director, employee, representative or agent, solicit, initiate, invite or knowingly encourage (including by way of furnishing confidential information or entering into any form of agreement, arrangement or understanding) the initiation of or participate in, any inquiries or proposals regarding an Acquisition Proposal, provided that nothing contained in this Section 5.2 or other provisions of this Agreement shall Ocumetics the board of directors of Quantum from responding to, considering, negotiating, approving, providing materials for due diligence, investigations, conducting due diligence or recommending to its shareholders an agreement in respect of an unsolicited bona fide written Acquisition Proposal (i) in respect of which the board of directors of Quantum determines (having consulted outside counsel) that in the exercise of its fiduciary duty it would be advisable for such board of directors to take such action in order to avoid breaching its fiduciary duties, and; (ii) in respect of which the board of directors of Quantum determine in good faith, after consultation with financial advisors, if consummated in accordance with its terms, would result in a transaction more favourable to its shareholder than the transaction contemplated hereby (any such Acquisition Proposal that satisfies clauses (i) and (ii) above being referred to herein as a "**Superior Proposal**").

Other than as contemplated in Section 5.2, Quantum shall continue to refrain from participating in any discussions or negotiations with any parties (other than the parties hereto) with respect to any potential Acquisition Proposal.

Quantum shall immediately notify Ocumetics (both orally and in writing) of any future Acquisition Proposal of which Quantum's directors or senior officers become aware of or any amendments to the foregoing or any request for non-public information relating to Quantum in connection with an Acquisition Proposal or for access to the properties, books or records or for a list of the shareholders by any person or entity that informs Quantum that it is considering making an Acquisition Proposal. Such notice shall include a copy of all written communications and a description of the material terms and conditions of any proposal and provide such details of the proposal, inquiry or contact as Ocumetics may reasonably request, including without limitation, the identity of the Person and controlling Person, if any, making such proposal, inquiry or contact.

Quantum shall not accept, approve, or recommend or enter into any agreement in respect of an Acquisition Proposal on the basis that it constitutes a Superior Proposal unless (i) it has provided Ocumetics with a copy of the Acquisition Proposal document which has been determined to be a Superior Proposal, with such deletions as are necessary to protect confidential portions of such Acquisition Proposal document, provided that the material terms and conditions may not be deleted, and (ii) two Business Days (the "Notice Period") shall have elapsed from the later of the date Ocumetics received notice of the determination to accept, approve or recommend an agreement in respect of such Acquisition Proposal and the date Ocumetics received a copy of the Acquisition Proposal document. During the Notice Period, Quantum shall provide a reasonable opportunity to Ocumetics to consider, discuss and offer such adjustments to the terms and conditions of this Agreement as would enable the party receiving the Superior Proposal to proceed with its recommendation to security holders with respect to the Acquisition Proposal, provided, however, that any such adjustment shall be at the discretion of the parties. The board of directors of Quantum will review in good faith any offer made by Ocumetics to amend the terms of this Agreement in order to determine, in the board's discretion, as part of exercising its fiduciary duties, whether the proposed amendments would, upon acceptance, result in such Superior Proposal ceasing to be a Superior Proposal. If the board of directors of Quantum determines that the Superior Proposal would cease to be a Superior Proposal, it will so advise Ocumetics and will accept the offer by Ocumetics to amend the terms of this Agreement and the parties agree to take such actions and execute such documents as are necessary to give effect to the foregoing. Each successive material modification of any Acquisition Proposal or a Superior Proposal shall constitute a new Acquisition Proposal for the purposes of this Section 5.2 and shall require a two Business Day Notice Period from the date such amendment is communicated to the other party hereto, other than an amendment to improve upon a Superior Proposal in respect of which the other party has been provided with an opportunity to amend the terms of this Agreement and such Superior Proposal has not ceased to be a Superior Proposal prior to the proposed amendment.

**5.3 General Covenants of Ocumetics.** Ocumetics covenants and agrees that, until Closing or the date on which this Agreement is terminated, and unless otherwise contemplated herein, it shall:

- (a) take all requisite action to:
  - (i) approve this Agreement;
  - (ii) approve the Continuation; and
  - (iii) approve such actions as the other parties hereto may determine to be necessary or desirable for the purposes hereof;
- (b) take all action necessary to duly call and give notice of the Ocumetics Meeting and to convene and hold the Ocumetics Meeting no later than July 31, 2021;
- (c) deliver a copy of the audited version of Ocumetics' Financial Statements to Quantum once they have been approved by the board of directors of Ocumetics;
- (d) use its reasonable commercial efforts to preserve intact as a going concern its business organization and goodwill, to keep available the services of its officers and employees as a group, to maintain its business relationships and to ensure that Ocumetics' Business shall be conducted only in the usual and ordinary course of business consistent with past practice;

- (e) give its consent (and provide such other reasonable assurances as may be required) and use all reasonable commercial efforts to obtain (including the provision of such reasonable assurances as may be required), consents of all other Persons to the transactions contemplated by this Agreement, as may be required pursuant to any statute, law or ordinance or by any governmental or other regulatory authority having jurisdiction;
- (f) upon Ocumetics receiving notification or other information from any regulatory authority or body concerning the transactions contemplated hereunder, disclose such information promptly in writing to the solicitors for Quantum;
- (g) in consultation with Quantum and its counsel, forthwith use its reasonable commercial efforts to prepare and file the CPC Filing Statement in accordance with the policies of the TSXV and to obtain all necessary regulatory approvals and to make application to the TSXV for the listing of Resulting Issuer Shares and the Resulting Issuer Shares underlying the Resulting Issuer Warrants on the TSXV following the Closing and assist in making all submissions, preparing all press releases and circulars and making all notifications required with respect to this transaction and the issuance of shares as contemplated hereunder;
- (h) not directly or indirectly do or permit to occur any of the following: (i) amend its constating documents other than to reduce the minimum number of directors required; (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares; (iii) except pursuant to the Ocumetics Financings, issue or agree to issue any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares; (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities; (v) split, combine or reclassify any of its securities; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution or reorganization of Ocumetics; (vii) reduce the stated capital of Ocumetics or any of its outstanding shares; (viii) take any action, refrain from taking any action, permit any action to be taken or not taken, inconsistent with this Agreement, which might directly or indirectly interfere or affect the consummation of the Amalgamation; or (ix) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;
- (i) promptly notify Quantum in writing of any material change (actual, anticipated, contemplated or, to the knowledge of Ocumetics threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, other than as contemplated by this Agreement, or of any change in any representation or warranty provided by Ocumetics in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and Ocumetics shall in good faith discuss with Quantum any change in circumstances (actual, anticipated, contemplated, or to the knowledge of Ocumetics threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Quantum pursuant to this provision;
- (j) other than as disclosed to Quantum, not (i) grant any officer, director or employee an increase in compensation in any form; (ii) grant any general salary increase; (iii) take any action with respect to the amendment of any severance or termination pay policies or arrangements for any directors, officers or employees, except as contemplated herein; (iv) adopt or amend (other than to permit accelerated vesting of currently outstanding rights) any stock option plan or the terms of any outstanding rights thereunder; nor (v) advance any loan to any officer, director or any other party not at Arm's Length;
- (k) other than as disclosed to Quantum, not adopt or amend or make any contribution to any bonus, employee benefit plan, profit sharing, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, stock purchase plan, fund or arrangement for the benefit of employees, except as is necessary to comply with the law or with respect to existing provisions of any such plans, programs, arrangements or agreements;

- (l) use all reasonable commercial efforts to take all steps necessary to make proper disclosure within such time as required by any regulatory authority and any other applicable statutes and laws concerning this Agreement and the transactions contemplated herein;
- (m) use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Article VI to the extent the same is within its control and take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Amalgamation, including using its reasonable commercial efforts to:
  - (i) obtain a resolution from all of the Ocumetics Shareholders to approve the Amalgamation and related matters;
  - (ii) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;
  - (iii) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws;
  - (iv) effect all necessary registrations and filings and submissions of information requested by governmental entities required to be effected by it in connection with the Amalgamation and participate and appear in any proceedings of either party before governmental entities in connection with the Amalgamation;
  - (v) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affect the ability of the parties to consummate the transactions contemplated hereby;
  - (vi) fulfill all conditions and satisfy all provisions of this Agreement;
  - (vii) cooperate with the other parties to this Agreement in connection with the performance by Ocumetics of its obligations hereunder; and
  - (viii) not take any action, refrain from taking any action or permit any action to be taken or not taken that is inconsistent with this Agreement or that would reasonably be expected to significantly impede the consummation of the Amalgamation;
- (n) neither declare nor pay any dividends or other distributions or returns of capital on Ocumetics Shares from the date of this Agreement until the Closing Date without the prior consent of Quantum; and
- (o) to file, duly and timely, all tax returns required to be filed by it and to pay promptly all taxes, assessments and governmental charges which are claimed by any governmental authority to be due and owing and not to enter into any agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return or the payment or assessment of any tax, governmental charge or deficiency.

**5.4 Ocumetics' Covenant Regarding Non-Solicitation.** Ocumetics shall not, directly or indirectly, through any officer, director, employee, representative or agent, solicit, initiate, invite or knowingly encourage (including by way of furnishing confidential information or entering into any form of agreement, arrangement or understanding) the initiation of or participate in, any inquiries or proposals regarding a Merger Proposal, provided that nothing contained in this Section 5.4 or other provisions of this Agreement shall Ocumetics the board of directors of Ocumetics from responding to, considering, negotiating, approving, providing materials for due diligence, investigation, conducting due diligence or recommending to its shareholders an agreement in respect of an unsolicited bona fide written Merger Proposal (i) in respect of which the board of directors of Ocumetics determines (having consulted outside counsel) that in the exercise of its fiduciary duty it would be advisable for such board of

directors to take such action in order to avoid breaching its fiduciary duties and (ii) in respect of which the board of directors of Ocumetics determines in good faith, after consultation with financial advisors, it consummated in accordance with its terms, would result in a transaction more favourable to its shareholders than the transaction contemplated hereby (any such Merger Proposal that satisfies clauses (i) and (ii) above being referred to herein as a “**Superior Merger Proposal**”).

Other than as contemplated in Section 5.4, Ocumetics shall continue to refrain from participating in any discussions or negotiations with any parties (other than the parties hereto) with respect to any potential Merger Proposal.

Ocumetics shall immediately notify Quantum (both orally and in writing) of any future Merger Proposal of which Ocumetics’ directors or senior officers become aware of or any amendments to the foregoing or any request for non-public information relating to Ocumetics in connection with a Merger Proposal or for access to the properties, books or records or for a list of the shareholders by any person or entity that informs Ocumetics that it is considering making a Merger Proposal. Such notice shall include a copy of all written communications and a description of the material terms and conditions of any proposal and provide such details of the proposal, inquiry or contact as Quantum may reasonably request, including without limitation, the identity of the Person and controlling Person, if any, making such proposal, inquiry or contact.

Ocumetics shall not accept, approve, or recommend or enter into any agreement in respect of a Merger Proposal on the basis that it constitutes a Superior Merger Proposal unless: (i) it has provided Quantum with a copy of the Merger Proposal document which has been determined to be a Superior Merger Proposal, with such deletions as are necessary to protect confidential portions of such Merger Proposal document, provided that the material terms and conditions may not be deleted; and (ii) two Business Days (the “**Notice Period**”) shall have elapsed from the later of the date Quantum received notice of the determination to accept, approve or recommend an agreement in respect of such Merger Proposal and the date Quantum received a copy of the Merger Proposal document. During the Notice Period, Ocumetics shall provide a reasonable opportunity to Quantum to consider, discuss and offer such adjustments to the terms and conditions of this Agreement as would enable the party receiving the Superior Merger Proposal to proceed with its recommendation to security holders with respect to the Merger Proposal, provided, however, that any such adjustment shall be at the discretion of the parties. The board of directors of Ocumetics will review in good faith any offer made by Quantum to amend the terms of this Agreement in order to determine, in the board’s discretion, as part of exercising its fiduciary duties, whether the proposed amendments would, upon acceptance, result in such Superior Merger Proposal ceasing to be a Superior Merger Proposal. If the board of directors of Ocumetics determines that the Superior Merger Proposal would cease to be a Superior Merger Proposal, it will so advise Quantum and will accept the offer by Quantum to amend the terms of this Agreement and the parties agree to take such actions and execute such documents as are necessary to give effect to the foregoing. Each successive material modification of any Merger Proposal or a Superior Merger Proposal shall constitute a new Merger Proposal for the purposes of this Section 5.4 and shall require a two Business Day Notice Period from the date such amendment is communicated to the other party hereto, other than an amendment to improve upon a Superior Merger Proposal in respect of which the other party has been provided with an opportunity to amend the terms of this Agreement and such Superior Merger Proposal has not ceased to be a Superior Merger Proposal prior to the proposed amendment.

5.5 **Mutual Covenants.** From the date hereof until the Effective Date, each of Ocumetics and Quantum will use its reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder to the extent the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under applicable laws to complete the Amalgamation including using reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;
- (b) to obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws; and
- (c) to effect all necessary registrations and filings and submissions of information requested by governmental authorities required to be effected by it in connection with the Amalgamation;

and each of Ocumetics and Quantum will use its reasonable commercial efforts to cooperate with the other in connection with the performance by the other of its obligations under this section 5.5 including, without limitation, continuing to provide reasonable access to information and to maintain ongoing communications as between officers of Quantum and Ocumetics.

## ARTICLE VI CONDITIONS TO CLOSING

6.1 **Mutual Conditions Precedent.** The respective obligations of the parties hereto to complete the transactions contemplated hereunder are subject to the satisfaction, on or before the Closing Date, of the following conditions any of which may be waived by the mutual consent of such parties without prejudice to their rights to rely on any other conditions contained herein:

- (a) the Continuation shall have been approved by the directors of Ocumetics and the Ocumetics Shareholders shall have approved the Continuation either by (a) the required majority of the votes of the Ocumetics Shareholders who, being entitled to do so, vote in person or by proxy at the meeting of Ocumetics Shareholders in accordance with the provisions of the *Business Corporations Act* (British Columbia) or (b) written resolution signed by all of the Ocumetics Shareholders, and the Continuation shall have been completed;
- (b) the Name Change shall have been approved by the directors of Quantum and the Quantum Shareholders shall have approved the Name Change either by (a) the required majority of the votes of the Quantum Shareholders who, being entitled to do so, vote in person or by proxy at the meeting of Quantum Shareholders in accordance with the provisions of the Act or (b) written resolution signed by all of the Quantum Shareholders, and the Name Change shall have been completed;
- (c) the Amalgamation and this Agreement shall have been approved by the directors of Quantum SubCo and Ocumetics, and by Quantum, in its capacity as sole shareholder of Quantum SubCo, and the Ocumetics Shareholders shall have approved the Amalgamation and this Agreement either by (a) the required majority of the votes of the Ocumetics Shareholders who, being entitled to do so, vote in person or by proxy at the meeting of Ocumetics Shareholders in accordance with the provisions of the Act or (b) written resolution signed by all of the Ocumetics Shareholders;
- (d) not more than 5% of the issued and outstanding Ocumetics Shares shall have exercised rights of dissent in relation to the Amalgamation or Continuation;
- (e) the TSXV shall have granted conditional approval in respect of the Amalgamation and related transactions, including the issuance of the Resulting Issuer Shares to be issued to Ocumetics Shareholders pursuant to the Amalgamation;
- (f) Quantum shall have received subscription agreements under the Private Placement for aggregate gross subscription proceeds of an amount not less than \$2,700,600, or such other amount as may be necessary to satisfy the initial listing requirements of the TSXV set forth in Policy 2.4 of the TSXV Corporate Finance Manual;
- (g) the Resulting Issuer Shares to be issued pursuant to the terms set forth herein and pursuant to the Private Placement shall have been accepted for listing by the TSXV, subject to the Resulting Issuer's fulfilling the TSXV's usual and ordinary listing requirements;
- (h) all other consents, orders and approvals, including, without limitation, regulatory approvals, required or desirable for the completion of the transactions contemplated herein shall have been obtained or received from the Person, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably;

- (i) an escrow agreement in accordance with the policies of the TSXV shall have been entered into with respect to the Resulting Issuer Shares;
- (j) upon Closing, all regulatory requirements shall have been or are capable of being satisfied, including satisfaction of the Initial Listing Requirements of the TSXV and the requirements relating to completion of a “Qualifying Transaction” within the meaning of Policy 2.4 of the TSXV Corporate Finance Manual;
- (k) a sponsor for the transactions contemplated under this Agreement as the “Qualifying Transaction” of Quantum (within the meaning of Policy 2.4 of the TSXV Corporate Finance Manual) or an agent for the Private Placement shall have conducted due diligence and filed with the TSXV a report satisfactory to the TSXV;
- (l) no material action or proceeding shall be pending or threatened by any Person, governmental authority, regulatory body or agency and there shall be no action taken under any existing applicable law or regulation, nor any statute, rule, regulation or order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or governmental authority or similar agency, domestic or foreign, that:
  - (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the Amalgamation or any other transactions contemplated herein; or
  - (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein; and
- (m) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, including, without limitation, the Amalgamation.

The foregoing conditions are for the mutual benefit of Ocumetics on the one hand and Quantum on the other hand and may be asserted by Ocumetics and by Quantum regardless of the circumstances and may be waived by Ocumetics and Quantum in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Ocumetics or Quantum may have. If any of such conditions shall not be complied with or waived as aforesaid on or before the Effective Date or, if earlier, the date required for the performance thereof, then, subject to section 6.4 hereof, a party hereto may rescind and terminate this Agreement by written notice to the other of them in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a material breach of this Agreement by such rescinding party hereto.

**6.2 Conditions Precedent to Obligations of Ocumetics.** The obligations of Ocumetics to complete the transactions contemplated hereunder shall be subject to the satisfaction of, or compliance with, at or before the Closing Date, each of the following conditions precedent (each of which is hereby acknowledged to be for the exclusive benefit of Ocumetics and may be waived by Ocumetics in whole or in part on or before the Closing Date):

- (a) Ocumetics shall on or before the Closing Date have received from Quantum all documents and instruments as Ocumetics may reasonably request for the purpose of effecting the Amalgamation in accordance with the terms of this Agreement;
- (b) all of the representations, warranties and covenants of Quantum made in or pursuant to this Agreement shall be true and correct in all material respects as at the Closing Date and with the same effect as if made at and as of the Closing Date (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted hereby and except as such representations and warranties may be affected by the occurrence of events or transactions that are not materially adverse and arise in the ordinary course of business) and Ocumetics shall have received a certificate dated as at the Closing Date in form satisfactory to Ocumetics and their solicitors, acting reasonably, signed by a senior officer or director of Quantum on behalf of Quantum, certifying the truth and correctness in all material respects of the representations, warranties and covenants of Quantum set out in this Agreement;

- (c) Quantum shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date;
- (d) at the Closing Date, there shall have been no Material Adverse Effect on the condition of Quantum's Business (financial or otherwise), properties, assets, liabilities, earnings, or business operations or prospects of Quantum from that shown on or reflected in Quantum's Financial Statements;
- (e) all required consents, approvals, orders and authorizations of any Persons or securities regulatory and other public authorities in Canada or elsewhere (including the TSXV) shall have been obtained, and all registrations, recordings and filings with such securities regulatory and other public authorities as may be required to be obtained by Quantum in connection with the execution of this Agreement, the Closing or the performance of any of the terms and conditions hereof, shall have been filed on or before the Closing Date;
- (f) Quantum shall be a reporting issuer in good standing in the provinces of Alberta and British Columbia and neither Quantum nor its shares shall be the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;
- (g) no more than 5,540,000 Quantum Shares will be issued and outstanding in the share capital of Quantum, and no more than 375,000 Quantum Options will be outstanding;
- (h) Quantum shall have received the resignation of Keith J. Erickson as a director and officer of Quantum;
- (i) Quantum shall have furnished Ocumetics with:
  - (i) the resolutions duly passed by the shareholders of Quantum approving the Name Change;
  - (ii) copies of the Certificate and Articles of Amendment to evidence the change of the name of Quantum to "Ocumetics Technology Corp.";
  - (iii) copies of the resolutions duly passed by the boards of directors of Quantum and Quantum Subco approving the Private Placement, this Agreement and the consummation of the transactions contemplated by this Agreement;
  - (iv) the resolutions duly passed by Quantum, as the sole shareholder of Quantum SubCo approving the Amalgamation;
  - (v) documentation authorizing the Post-Transaction Amalgamation; and
  - (vi) such other certificates, agreements or other documents as may reasonably be required by Ocumetics or its solicitors, acting reasonably, to give full effect to this Agreement including, but not limited to, releases executed by Keith J. Erickson and legal opinions from counsel to Quantum and counsel to Quantum SubCo as to their respective corporate existence and as to the proper issuance of their respective securities.

**6.3 Conditions Precedent to Obligations of Quantum and Quantum SubCo.** The obligation of Quantum and Quantum SubCo to complete the transactions contemplated hereunder shall be subject to the satisfaction of or compliance with, at or before the Closing Date, each of the following conditions precedent (each of which is hereby acknowledged to be for the exclusive benefit of Quantum and may be waived by Quantum in writing, in whole or in part, on or before the Closing Date):

- (a) Quantum shall on or before the Closing Date have received from Ocumetics all other documents and instruments as Quantum may reasonably request for the purpose of effecting the Amalgamation in accordance with the terms of this Agreement;

- (b) all of the representations, warranties and covenants of Ocumetics made in or pursuant to this Agreement shall be true and correct in all material respects as at the Closing Date and with the same effect as if made at and as of the Closing Date (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted hereby and except as such representations and warranties may be affected by the occurrence of events or transactions that are not materially adverse and arise in the ordinary course of business) and Quantum shall have received a certificate of Ocumetics dated as at the Closing Date in form satisfactory to Quantum's solicitors, acting reasonably signed by a senior officer or director of Ocumetics on behalf of Ocumetics, certifying the truth and correctness in all material respects of the representations, warranties and covenants of Ocumetics set out in this Agreement;
- (c) Ocumetics shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed and complied with by it prior to or on the Closing Date;
- (d) at the Closing Date, there shall have been no Material Adverse Effect on the condition of Ocumetics' Business (financial or otherwise), Ocumetics' Assets or its liabilities, earnings, or other business operations or prospects from that shown on or reflected in Ocumetics' Financial Statements;
- (e) all required consents, approvals, orders and authorizations of any Persons or securities regulatory and other public authorities in Canada or elsewhere (including the TSXV) shall have been obtained, and all registrations, recordings and filings with such securities regulatory and other public authorities as may be required to be obtained by Ocumetics in connection with the execution of this Agreement, the Closing or the performance of any of the terms and conditions hereof, shall have been filed on or before the Closing Date;
- (f) the board of directors of Ocumetics shall not have withdrawn, modified or changed any of its recommendations, approvals, resolutions or determinations referred to in section 3.4 in a manner materially adverse to Quantum or the completion of the Amalgamation;
- (g) upon Closing, Ocumetics shall have withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof; and
- (h) Ocumetics shall have furnished Quantum with:
  - (i) the resolutions duly passed by the shareholders of Ocumetics approving the Continuation;
  - (ii) copies of the Certificate and Articles of Continuation to evidence the continuation of Ocumetics under the Act;
  - (iii) the resolutions duly passed by the boards of directors of Ocumetics approving this Agreement and the consummation of the transactions contemplated by this Agreement;
  - (iv) the resolutions duly passed by the shareholders of Ocumetics approving the Amalgamation; and
  - (v) such other certificates, agreements or other documents as may reasonably be required by Ocumetics or its solicitors, acting reasonably, to give full effect to this Agreement including, but not limited to, a release executed by Elaine Webb and legal opinions from counsel to Ocumetics as to its corporate existence and as to the proper issuance of its securities.

**6.4 Notice and Effect of Failure to Comply with Conditions.**

- (a) Each of Quantum and Ocumetics shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Effective Date of any event or state of facts which occurrence or failure would, or would be likely to, (i) cause any of the representations or warranties of such party contained herein to be untrue or inaccurate in any material respect, or (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any party hereunder; provided, however, that no such notification shall affect the representations or warranties of the parties or the conditions to the obligations of the parties hereunder.
- (b) If any of the conditions precedents set forth in sections 6.1, 6.2 or 6.3 hereof shall not be complied with or waived by the party or parties for whose benefit such conditions are provided on or before the date required for the performance thereof, then a party for whose benefit the condition precedent is provided may, in addition to any other remedies they may have at law or equity, rescind and terminate this Agreement (as further provided for herein) provided that prior to the filing of the Articles of Amalgamation for the purpose of giving effect to the Amalgamation, the party intending to rely thereon has delivered a written notice to the other party, specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the non-fulfillment of the applicable conditions precedent and the party in breach shall have failed to cure such breach within three Business Days of receipt of such written notice thereof (except that no cure period shall be provided for a breach which by its nature cannot be cured). More than one such notice may be delivered by a party.
- (c) The conditions set out in this Article 6 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the parties, Articles of Amalgamation are filed under the Act to give effect to the Amalgamation.

## ARTICLE VII TERMINATION OF AGREEMENT

7.1 **Rights of Termination.** If any of the conditions contained in Article VI hereof shall not be fulfilled or performed by July 31, 2021, or such other date as Quantum and Ocumetics may mutually agree in writing (the “**Termination Date**”), and such condition is contained in:

- (a) Section 6.1 hereof, either of the parties hereby may terminate this Agreement by notice in writing in accordance with Section 9.2 to the other party;
- (b) Section 6.2 hereof, Ocumetics may terminate this Agreement by notice in writing in accordance with Section 9.2 to Quantum;
- (c) Section 6.3 hereof, Quantum may terminate this Agreement by notice in writing in accordance with Section 9.2 to Ocumetics.

7.2 **Effect of Termination.** If this Agreement is terminated as aforesaid, immediately upon receipt, or deemed receipt in accordance with Section 9.2, by the non-terminating party of the notice of termination, the party terminating this Agreement shall be released from all obligations under this Agreement, all rights of specific performance against such party shall terminate and, unless such party can show that the condition or conditions of the non-performance of which has caused such party to terminate this Agreement were reasonably capable of being performed by the other party, then the other party shall also be released from all obligations hereunder; and further provided that any such conditions may be waived in full or in part by either of the parties without prejudice to its rights of termination in the event of the non-fulfillment or non-performance of any other condition.

7.3 **Notice of Unfulfilled Condition.** If either of Ocumetics or Quantum shall determine at any time prior to the Effective Date that it intends to refuse to consummate the Amalgamation or any of the other transactions contemplated hereby because of any unfulfilled or unperformed condition contained in this Agreement on the part of the other of them to be fulfilled or performed, Ocumetics or Quantum, as the case may be, shall so notify the other

of them forthwith upon making such determination in order that such other of them shall have the right and opportunity to take such steps, at its own expense, as may be necessary for the purpose of fulfilling or performing such condition within a reasonable period of time, but in no event later than the Termination Date.

7.4 **Mutual Termination.** This Agreement may, at any time but no later than the last Business Day immediately preceding the Effective Date, be terminated by mutual agreement of the directors of Ocumetics and Quantum without further action on the part of the Ocumetics Shareholders, and, if the Amalgamation does not become effective on or before the Termination Date, either Ocumetics or Quantum may unilaterally terminate this Agreement, which termination will be effective upon a resolution to that effect being passed by its directors and notice thereof being given to the other of them.

## **ARTICLE VIII AMENDMENT**

8.1 **Amendment.** This Agreement may at any time be amended by written agreement of the parties hereto without, subject to applicable laws, further notice to or authorization on the part of the Ocumetics Shareholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the parties; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment reduces or materially adversely affects the consideration to be received by a Ocumetics Shareholder without approval by the Ocumetics Shareholders given in the same manner as required for the approval of the Amalgamation.

## **ARTICLE IX GENERAL**

9.1 **Confidentiality and Public Notices.** Except where compliance with this Section 9.1 would result in a breach of applicable law, notices, releases, statements and communications to Third Parties, including employees of the parties and the press, relating to transactions contemplated by this Agreement will be made only in such manner as shall be authorized and approved by Ocumetics, who when required, shall use its best efforts to provide such authorization and approval to Quantum in a timely manner as shall permit compliance by Quantum with all continuous disclosure to any regulatory authority or obligations under any applicable securities regulations. Quantum and Ocumetics shall maintain the confidentiality of any information received from each other in connection with the transactions contemplated by this Agreement. In the event that the issuance of the Resulting Issuer Shares provided for in this Agreement is not consummated, each party shall return any confidential schedules, documents or other written information to the party who provided same in connection with this Agreement. Ocumetics agrees that it will not, directly or indirectly, make reciprocal use for its own purposes of any information or confidential data relating to Quantum or Quantum's Business discovered or acquired by it, its representatives or accountants as a result of Quantum making available to it, its representatives and accountants, any information, books, accounts, records or other data and information relating to Quantum or Quantum's Business and Ocumetics agrees that it will not disclose, divulge or communicate orally, in writing or otherwise (directly or indirectly), any such information or confidential data so discovered or acquired by any other Person. Quantum agrees that it will not, directly or indirectly, make reciprocal use for its own purposes of any information or confidential data relating to Ocumetics discovered or acquired by it, its representatives or accountants as a result of Ocumetics making available to it any information, books, accounts, records or other data and information relating to Ocumetics and Quantum agrees that it will not disclose, divulge or communicate orally, in writing or otherwise, any such information or confidential data so discovered or acquired to any other Person.

9.2 **Notices.** All notices or other communications required to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery or by transmittal by facsimile or other form of recorded communication addressed to the recipient as follows:

**To Quantum and Quantum SubCo:**

202 Garrison Square SW  
Calgary, Alberta T2T 6B3  
Attention: Roger Jewett

With a copy to:

Tingle Merrett LLP  
1250, 639 – 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 0M9  
Attention: Cynthia Solano  
Facsimile No.: (403) 571-8001

**To Ocumetics:**

2041 Everett Street  
Abbotsford, BC V2S 7S1  
Attention: Mark Lee

With a copy to:

Tingle Merrett LLP  
1250, 639 – 5<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 0M9  
Attention: Cynthia Solano  
Facsimile No.: (403) 571-8001

or to such other address, facsimile number or individual as may be designated by notice given by either party to the other. Any such communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by facsimile or other form of recorded communication, shall be deemed given and received on the date of such transmission if received during the normal business hours of the recipient and on the next Business Day if it is received after the end of such normal business hours on the date of its transmission. If the party giving any such communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such communication shall not be mailed but shall be given by personal delivery or by facsimile transmittal.

9.3 **Expenses.** Except as otherwise provided herein or as otherwise agreed to by the parties hereto, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

9.4 **Time of the Essence.** Time shall be of the essence hereof.

9.5 **Further Assurances.** The parties hereto shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated hereby, and each party shall execute and deliver such further documents, instruments, papers and information as may be reasonably requested by another party hereto in order to carry out the purpose and intent of this Agreement.

9.6 **Law and Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The parties hereby attorn to the non-exclusive jurisdiction of the Courts of Alberta in any dispute that may arise hereunder.

9.7 **Counterparts.** For the convenience of the parties, this Agreement may be executed in several counterparts, each of which when so executed shall be, and be deemed to be, an original instrument and such counterparts together shall constitute one and the same instrument (and notwithstanding their date of execution shall be deemed to bear date as of the date of this Agreement). A signed facsimile copy or electronically transmitted copy of this Agreement shall be effective and valid proof of execution and delivery.

9.8 **Entire Agreement.** This Agreement, including the Schedules attached hereto, together with the agreements and other documents to be delivered pursuant hereto, constitute the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein and therein. This Agreement may not be amended or modified in any respect except by written instrument signed by all parties.

9.9 **Severability.** The invalidity or unenforceability of any provision of this Agreement or any covenant herein contained shall not affect the validity or enforceability of any other provision or covenant hereof or herein contained, and this Agreement shall be construed as if such invalid or unenforceable provision or covenant were omitted.

9.10 **Enurement.** This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the successors and permitted assigns of the parties hereto.

9.11 **Waivers.** The parties hereto may, by written agreement:

- (a) extend the time for the performance of any of the obligations or other acts of the parties hereto;
- (b) waive any inaccuracies in the warranties, representations, covenants or other undertakings contained in this Agreement or in any document or certificate delivered pursuant to this agreement; or
- (c) waive compliance with or modify any of the warranties, representations, covenants or other undertakings or obligations contained in this Agreement and waive or modify performance by any of the parties thereto.

9.12 **Form of Documents.** All documents to be executed and delivered by Quantum to Ocumetics on the Closing Date shall be in form and substance satisfactory to Ocumetics acting reasonably. All documents to be executed and delivered by Ocumetics to Quantum on the Closing Date shall be in a form and substance satisfactory to Quantum, acting reasonably.

9.13 **Construction Clause.** This Agreement has been negotiated and approved by counsel on behalf of all parties hereto and, notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty will not be construed against any party hereto by reason of the authorship of any of the provisions hereof.

*[signature page follows]*

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement as of the date first written above.

**QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.**

Per:

*(Signed) "Roger Jewett"*

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Name: Roger Jewett  
Title: Director

**2321205 ALBERTA LTD.**

Per:

*(Signed) "Keith Erickson"*

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Name: Keith Erickson  
Title: President

**OCUMETICS TECHNOLOGY CORP.**

Per:

*(Signed) "Mark Lee"*

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Name: Mark Lee  
Title: Chief Executive Officer

**SCHEDULE "A" – ARTICLES OF AMALGAMATION**

*(attached)*

# Articles of Amalgamation

Business Corporations Act  
Section 185

1. **Name of Amalgamated Corporation**

XXXXXXXX ALBERTA LTD.

2. **The classes of shares, and any maximum number of shares that the corporation is authorized to issue:**

Unlimited number of Common Shares

3. **Restrictions on share transfers (if any):**

None

4. **Number, or minimum and maximum number of directors:**

Minimum 1 - Maximum 10

5. **If the corporation is restricted FROM carrying on a certain business or restricted TO carrying on a certain business, specify the restriction(s):**

None

6. **Other provisions (if any):**

See the attached Schedule of Other Rules or Provisions.

7. **Name of Amalgamating Corporations**

**Corporate Access Number**

2321205 Alberta Ltd.	2023212059
Ocumetics Technology Inc.	XXXXXXXXXX

Date	Signature	Title

## **SCHEDULE OF OTHER RULES OR PROVISIONS**

- (a) The Directors of the Corporation may, between annual general meetings, appoint one or more additional Directors of the Corporation to serve until the next annual general meeting, but the number of additional Directors shall not at anytime exceed one-third of the number of Directors who held office at the expiration of the last annual general meeting of the Corporation.
- (b) The Corporation shall have a lien on the shares registered in the name of a Shareholder or his legal representative for a debt of that Shareholder to the Corporation.
- (c) The holder of a fractional share of the Corporation shall be entitled to exercise any voting rights and to receive any dividend in respect of the fractional share.

**CERTIFICATE OF QUANTUM BLOCKCHAIN TECHNOLOGIES LTD.**

Dated: July 23, 2021

The foregoing as it relates to Quantum Blockchain Technologies Ltd. constitutes full, true and plain disclosure of all material facts relating to the securities of Quantum Blockchain Technologies Ltd. assuming completion of the Proposed Transaction.

(Signed) “Keith Erickson”  
Keith Erickson  
President, Chief Executive Officer and Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

(Signed) “Roger Jewett”  
Roger Jewett  
Director

(Signed) “Johannes Kingma”  
Johannes Kingma  
Director

**ACKNOWLEDGEMENT – PERSONAL INFORMATION**

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

- (a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in TSX Venture – Appendix 6B) pursuant to this Filing Statement; and
- (b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

Dated: July 23, 2021

(Signed) “Keith Erickson”  
Keith Erickson  
President, Chief Executive Officer and Chief Financial Officer

**CERTIFICATE OF OCUMETICS TECHNOLOGY INC.**

Dated: July 23, 2021

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

(Signed) "*Mark Lee*"  
\_\_\_\_\_  
Mark Lee  
Chief Executive Officer

(Signed) "*Sandey Wang*"  
\_\_\_\_\_  
Sandey Wang  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS**

(Signed) "*Garth Webb*"  
\_\_\_\_\_  
Garth Webb  
Director

(Signed) "*Dayton Marks*"  
\_\_\_\_\_  
Dayton Marks  
Director

**CERTIFICATE OF SPONSOR**

Dated: July 23, 2021

To the best of our information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to Quantum assuming the completion of the Proposed Transaction.

HAYWOOD SECURITIES INC.

Per:

(Signed) "Sean MacGillis"

Sean MacGillis