



**ROADMAN INVESTMENTS CORP.**

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019

(Expressed in Canadian dollars unless otherwise stated)

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**INDEPENDENT AUDITORS' REPORT**

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To the Shareholders and Directors of Roadman Investments Corp.

**Opinion**

We have audited the consolidated financial statements of Roadman Investments Corp. and its subsidiaries (the "Company") which comprise the consolidated statement of financial position as at June 30, 2020, and the consolidated statements of 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 (together, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

**Basis for Opinion**

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

**Emphasis of Matter - Material Uncertainty Related to Going Concern**

We draw attention to Note 2 of the accompanying Financial Statements, which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Other Matter**

The Financial Statements of Roadman Investments Corp. as of June 30, 2019 and for the year ended, which are presented for comparative purposes, were audited by another auditor who expressed an unmodified opinion on those financial statements on October 28, 2019.

**Other Information**

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

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

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

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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 Fernando J. Costa.

*Manning Elliott LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS  
Vancouver, Canada  
October 28, 2020

**ROADMAN INVESTMENTS CORP.**  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT JUNE 30, 2020 AND 2019  
(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE STATED)

	Notes	2020	2019
		\$	\$
<b>ASSETS</b>			
Current Assets			
Cash		81,786	316,534
Other receivables		11,180	27,122
Prepaid expenses and deposits		32,328	128,054
Investments	4	120,994	15,350
		<b>246,288</b>	487,060
Non-current Assets			
Investments	4	94,750	269,748
Equipment		704	2,723
		<b>95,454</b>	272,471
<b>Total assets</b>		<b>341,742</b>	759,531
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable and accrued liabilities	7	384,708	320,375
Deferred termination benefit	7	84,194	-
Loans payables	5	13,500	88,500
<b>Total liabilities</b>		<b>482,402</b>	408,875
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	6	11,019,976	9,053,637
Share-based reserves	6	2,104,203	1,870,150
Deficit		(13,238,434)	(10,547,079)
<b>Total shareholders' equity (deficiency)</b>		<b>(114,255)</b>	376,708
<b>Non-controlling interests</b>	8	<b>(26,405)</b>	(26,052)
<b>Total equity (deficiency)</b>		<b>(140,660)</b>	350,656
<b>Total Liabilities and Equity</b>		<b>341,742</b>	759,531

Going concern (Note 2)

Commitments and contingencies (Note 13)

These consolidated financial statements were authorized for issue by the board of directors on October 28, 2020 and were signed on its behalf by

“Luke Montaine”  
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Director

“Richard Lonsdale-Hands”  
\_\_\_\_\_  
Director

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

**ROADMAN INVESTMENTS CORP.**  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019  
(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE STATED)

	Notes	2020	2019
		\$	\$
<b>Revenues</b>			
Advisory income		-	50,428
Other income		-	16,137
		-	66,565
<b>Expenses</b>			
Accounting and audit		43,163	18,679
Consulting	7	1,104,052	389,120
Depreciation		2,019	2,233
Filing and transfer agent fees		47,990	34,376
Interest expense		2,610	11,979
Legal		56,829	112,856
Office and miscellaneous		66,057	15,905
Public relations and conferences		244,541	97,148
Rent		2,930	28,943
Share-based compensation	6	329,579	626,186
Transaction costs	4	-	138,571
Travel and promotion		31,377	39,443
License fee		-	15,848
Wages and salaries		-	85,475
		(1,931,147)	(1,616,762)
<b>Other items</b>			
Fair value adjustment on investments	4	(1,040,029)	(2,113,564)
Gain (loss) on debt settlement	5	22,500	(494,249)
Gain (loss) on sale of marketable securities	4	256,968	-
Other expenses		-	(3,653)
		(760,561)	(2,611,466)
<b>Net loss and total comprehensive loss for the year</b>		<b>(2,691,708)</b>	<b>(4,161,663)</b>
<b>Net loss and comprehensive loss attributable to</b>			
Equity holders of the Company		(2,691,355)	(4,161,424)
Non-controlling interest		(353)	(239)
		(2,691,708)	(4,161,663)
<b>Basic and diluted loss per share attributable to equity holders of the Company</b>		<b>(0.02)</b>	<b>(0.07)</b>
<b>Weighted average number of shares outstanding</b>		<b>114,510,916</b>	<b>63,893,814</b>

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

**ROADMAN INVESTMENTS CORP.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**  
**(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE STATED)**

	Number of Shares #	Share Capital \$	Share-based reserves \$	Deficit \$	Non-controlling interests \$	Total \$
<b>Balance, July 1, 2018</b>	<b>48,203,000</b>	<b>4,840,799</b>	<b>1,208,208</b>	<b>(6,385,655)</b>	<b>(25,813)</b>	<b>(362,461)</b>
Shares issued in private placement:						
Gross proceeds	15,714,839	1,178,613	-	-	-	1,178,613
Share issuance costs - cash	-	(87,669)	-	-	-	(87,669)
Share issuance costs - warrants	-	(43,097)	43,097	-	-	-
Acquisition of Hard Rock Lithium Corp. (Note 4)	21,000,000	2,310,000	-	-	-	2,310,000
Shares issued as finder fee	1,000,000	110,000	-	-	-	110,000
Debt settlement (Note 5)	7,286,503	728,650	-	-	-	728,650
Options exercised	120,000	9,000	-	-	-	9,000
Fair value adjustment of options exercised	-	7,341	(7,341)	-	-	-
Share-based compensation	-	-	626,186	-	-	626,186
Total comprehensive loss for the year	-	-	-	(4,161,424)	(239)	(4,161,663)
<b>Balance, June 30, 2019</b>	<b>93,324,342</b>	<b>9,053,637</b>	<b>1,870,150</b>	<b>(10,547,079)</b>	<b>(26,052)</b>	<b>350,656</b>
<b>Balance, July 1, 2019</b>	<b>93,324,342</b>	<b>9,053,637</b>	<b>1,870,150</b>	<b>(10,547,079)</b>	<b>(26,052)</b>	<b>350,656</b>
Shares issued in private placement:						
Gross proceeds	19,193,182	1,055,625	-	-	-	1,055,625
Share issuance costs - cash	-	(33,118)	-	-	-	(33,118)
Share issuance costs - warrants	-	(29,423)	29,423	-	-	-
Acquisition of CLOV Biopharma Corp. (Note 4)	13,000,000	845,000	-	-	-	845,000
Debt settlement (Note 5)	1,000,000	52,500	-	-	-	52,500
Options exercised	700,000	35,000	-	-	-	35,000
Fair value adjustment of options exercised	-	40,755	(40,755)	-	-	-
Share-based compensation	-	-	245,385	-	-	245,385
Total comprehensive loss for the year	-	-	-	(2,691,355)	(353)	(2,691,708)
<b>Balance, June 30, 2020</b>	<b>127,217,524</b>	<b>11,019,976</b>	<b>2,104,203</b>	<b>(13,238,434)</b>	<b>(26,405)</b>	<b>(140,660)</b>

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

**ROADMAN INVESTMENTS CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**  
**(EXPRESSED IN CANADIAN DOLLARS UNLESS OTHERWISE STATED)**

	2020	2019
	\$	\$
<b>Operating activities</b>		
Net loss for the year	(2,691,708)	(4,161,663)
Items not affecting cash:		
Depreciation	2,019	2,233
Share-based compensation	329,579	626,186
Transaction costs	-	110,000
Fair value adjustment on investments	1,040,029	2,113,563
(Gain) loss on debt settlement	(22,500)	494,249
Realized (gain) loss on sale of marketable securities	(256,968)	-
Other expenses	-	3,653
Interest expense	-	11,342
<b>Changes in non-cash working capital items:</b>		
Other receivables	15,942	(20,634)
Prepaid expenses and deposits	95,726	(88,204)
Accounts payable and accrued liabilities	64,332	(159,263)
<b>Net cash used in operating activities</b>	<b>(1,423,549)</b>	<b>(1,068,538)</b>
<b>Investing activities</b>		
Acquisition of investments	(479,215)	(15,000)
Proceeds from sale of investments	610,509	-
Purchase of property plant and equipment	-	(2,123)
<b>Net cash provided by (used in) investing activities</b>	<b>131,294</b>	<b>(17,123)</b>
<b>Financing activities</b>		
Proceeds from shares issued, net of issuance costs	1,022,507	1,090,944
Exercise of options	35,000	9,000
Loan advances received (repayment)	-	75,000
Settlement of loan	-	-
<b>Net cash provided by financing activities</b>	<b>1,057,507</b>	<b>1,174,944</b>
<b>Change in cash</b>	<b>(234,748)</b>	<b>89,283</b>
<b>Cash, beginning of the year</b>	<b>316,534</b>	<b>227,251</b>
<b>Cash, end of the year</b>	<b>81,786</b>	<b>316,534</b>
<b>Supplemental cash flow disclosures</b>		
Cash paid for interest during the year	-	-
Cash paid for income taxes during the year	-	-
<b>Significant non-cash transactions</b>		
Shares issued for investment in CLOV Biopharma Corp.	845,000	-
Shares issued for investment in Hard Rock Lithium Corp.	-	2,310,000
Shares issued for finder's fee for investment for Hard Rock	-	110,000
Shares issued for debt	52,500	384,401
Warrants issued for private placement finders' fees	29,423	43,097

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

## ROADMAN INVESTMENTS CORP.

Notes to Consolidated Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise stated)

### 1. NATURE OF BUSINESS

Roadman Investments Corp. (formerly Urban Select Capital Corporation) (the “Company”) was incorporated on September 12, 2007 under the laws of British Columbia, Canada. On April 5, 2019, the Company changed its name from Urban Select Capital Corporation to Roadman Investments Corp. The Company maintains its head office and its registered office at Suite 810 – 789 West Pender Street, Vancouver, British Columbia, Canada, V6C 1H2.

The Company is an investment issuer focused on investing growth capital in private and public companies in a broad range of sectors including fintech, education, natural resources, healthcare and consumer retail services. The common shares of the Company are listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol “LITT”.

### 2. BASIS OF PREPARATION

#### Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by International Accounting Standards Board (“IASB”).

These consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors dated October 28, 2020.

#### Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control exists when the Company has (i) power over the investee, (ii) exposure, or rights to variable returns from its investment with the investee, and (iii) the ability to use its power over the investee to affect the amount of the investor’s returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company transactions, balances, income and expenses are eliminated on consolidation.

The Company owns 50.5% equity in Bellini Fine Art Inc. (“Bellini”), an entity incorporated on August 2, 2016 under the laws of British Columbia, Canada. Bellini is the general partner of Art Flow Through Limited Partnership (“Art Flow”), a limited partnership formed on September 21, 2016 under the British Columbia Partnership Act. Pursuant to the Limited Partnership Agreement dated September 21, 2016, the general partner has exclusive authority and responsibility to manage and control the business of the partnership, and is liable for all the debts and losses of the partnership. Art Flow has a fiscal year end of December 31. These consolidated financial statements incorporate the accounts of Bellini and Art Flow as at June 30, 2020 and the operations of Bellini and Art Flow for the period from July 1, 2019 to June 30, 2020.

These consolidated financial statements comprise the accounts of the Company and the following Canadian incorporated subsidiaries of the Company:

Entity	Percentage Ownership
Bellini Fine Art Inc.	50.5%
Art Flow Through Limited Partnership	Owned 50% by Bellini Fine Art Inc.
1137182 B.C. Ltd.	100%
1151555 B.C. Ltd.	100%
1151556 B.C. Ltd.	100%
1151559 B.C. Ltd.	100%
1151561 B.C. Ltd.	100%
Genesis Fintech Inc.	100%

Non-controlling interests in subsidiaries are identified separately in the Company’s equity. Non-controlling interest consists of the non-controlling interest at the date of contribution plus the non-controlling interest’s share of profit or loss and other comprehensive income or loss since inception, even if this results in the non-controlling interest having a deficit balance.

**ROADMAN INVESTMENTS CORP.**

Notes to Consolidated Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise stated)

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**2. BASIS OF PREPARATION (continued)****Going concern**

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company has incurred losses since inception and had an accumulated deficit of \$13,238,434 as at June 30, 2020. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and settle the outstanding loans payable on reasonable terms, and/or to commence profitable operations in the future. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Although the Company has been successful in raising funds in the past, there is no assurance that it will be able to obtain adequate financing when needed, or if available, the funding is at the acceptable terms.

These factors raise significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not give effect to adjustments to the carrying value and classification of assets and liabilities and related expense that would be necessary should the Company be unable to continue as a going concern and such adjustments could be material.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The Company's operations have not been drastically impacted by the pandemic. Management of the Company continues to monitor the situation and is following the protocols and rules set in place by the provincial and federal governments.

**Basis of measurement**

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values as discussed in Note 3. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

**Judgments and estimates**

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could 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 estimates are revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

Judgments made by management in the application of IFRS that have a significant effect on the consolidated financial statements and estimates with a significant risk of material adjustment in the current and following fiscal years are discussed in Note 3.

**Reclassifications**

Certain reclassifications have been made to the prior period's consolidated financial statements to conform to the current year's presentation on the consolidated statements of financial position and comprehensive loss.

**ROADMAN INVESTMENTS CORP.**

Notes to Consolidated Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise stated)

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**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been consistently applied to all years presented in these consolidated financial statements, unless otherwise indicated.

**Cash**

Cash consist of cash on hand and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash.

**Equipment**

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset into operation and an initial estimate of any rehabilitation obligation.

Property and equipment are generally depreciated on a straight-line basis over their estimated useful lives as follows:

Computer equipment	3 years
Computer software	2 years
Office furniture	5 years

An item of equipment is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of comprehensive loss. The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for equipment and any changes arising from the assessment are applied by the Company prospectively.

**Financial Instruments****(i) Classification**

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

**ROADMAN INVESTMENTS CORP.**

Notes to Consolidated Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise stated)

**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****Financial instruments (continued)**

The following table shows the Company's financial assets and liabilities classification under IFRS 9:

Financial assets/liabilities	IFRS 9
Cash	FVTPL
Other receivable	Amortized cost
Investments	FVTPL
Accounts payable	Amortized cost
Loans payable	Amortized cost

**(ii) Measurement***Initial measurement*

The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. On initial recognition, all financial assets and financial liabilities are recorded at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case transaction costs are expensed as incurred.

*Subsequent measurement*

Financial assets and liabilities classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization from the effective interest method is included in finance income or costs.

Financial assets and liabilities classified as FVTPL are measured at fair value with changes in fair values recognized in profit or loss.

Equity investments designated as FVTOCI are measured at fair value with changes in fair values recognized in other comprehensive income ("OCI"). Dividends from that investment are recorded in profit or loss when the Company's right to receive payment of the dividend is established unless they represent a recovery of part of the cost of the investment.

**(iii) Impairment of financial assets at amortized cost**

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

## ROADMAN INVESTMENTS CORP.

Notes to Consolidated Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise stated)

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

##### (iv) Derecognition of financial assets and liabilities

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition of financial assets and liabilities classified as amortized cost are recognized in profit or loss when the instrument is derecognized or impaired, as well as through the amortization process. Gains and losses on derecognition of equity investments designated as FVTOCI (including any related foreign exchange component) are recognized in OCI. Amounts presented in OCI are not subsequently transferred to profit or loss, although the cumulative gain or loss may be transferred within equity.

##### (v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle liabilities simultaneously.

##### (vi) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without deduction for transaction costs. For financial instruments that are not traded in active markets, the fair value is determined using appropriate valuation techniques, such as using a recent arm's length market transaction between knowledgeable and willing parties, discounted cash flow analysis, reference to the current fair value of another instrument that is substantially the same, or other valuation models.

#### Investments

##### (i) Investment in associate

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Desource Mining Corp. (Note 4) is classified as an investment in associates. Investments in associates that are held as part of the Company's investment portfolio are carried at fair value in the consolidated statements of financial position. This treatment is permitted by IAS 28 *Investment in Associates*, whereby an entity may elect to measure an investment in an associate at fair value through profit or loss in accordance with IFRS 9 Financial Instruments: Recognition and Measurement regardless of whether the entity has significant influence over the associate when the investment is held by an investment entity. The Company elected to measure the changes in fair value of its investments in associates through profit or loss in accordance with IFRS 9.

##### (ii) Investment in controlled subsidiaries

On February 11, 2019, the Company acquired 40,000 common shares Hard Rock Lithium Corp. ("Hard Rock") representing a 100% of issued and outstanding shares of Hard Rock by issuing 21,000,000 common shares of the Company (Note 4). On March 9, 2020, the Company acquired 13,000,000 common shares of CLOV Biopharma Corp. ("CLOV") representing 100% of issued and outstanding shares of CLOV by issuing 13,000,000 common shares of the Company. The Company applied exemption of IFRS 10 *Consolidations*, not to consolidate a subsidiary when entity is an investment entity when it obtains control of another entity, and instead, an investment entity shall measure an investment in subsidiary at fair value through profit or loss in accordance with IFRS 9. These investments are held as part of the Company's investment portfolio carried at fair value in the consolidated statements of financial position.

**ROADMAN INVESTMENTS CORP.**

Notes to Consolidated Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise stated)

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****Functional and presentation currency**

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

**Foreign currency transaction**

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to profit or loss.

**Share capital**

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

**Share-based payments**

Share-based payments to employees and others providing similar services are measured at the grant date fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of options expected to vest. The offset to the recorded cost is to share-based payments reserve. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount ultimately recognized as an expense is based on the number of options that eventually vest. Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Share-based payments recorded for unexercised stock options are transferred to deficit upon cancellation or expiration.

The fair value of the stock options is determined using the Black-Scholes option pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility), weighted average expected life of the instruments (based on historical experience), expected dividends, forfeiture rates, and the risk-free interest rate (based on government bonds).

**ROADMAN INVESTMENTS CORP.**

Notes to Consolidated Financial Statements

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(Expressed in Canadian dollars unless otherwise stated)

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****Revenue recognition**

The Company's revenue consists of advisory income, realized gain on disposal of investments and fair value adjustments on investments. Other income consists of realized losses on disposal of investments and fair value adjustments on investment and interest or dividends received. The Company followed IFRS 15 - *Revenue from Contracts with Customers* ("IFRS 15") to recognize revenue. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 requires entities to recognize revenue when 'control' of goods or services transfers to the customer.

Realized gains and losses on the disposal of investments and unrealized gains and losses in the fair value of investments, are recognized in the consolidated statements of comprehensive loss and are calculated on an average cost basis.

Advisory income is recorded on an accrual basis when the services are performed and collections are assured. Distributions and interest income are recognized on an accrual basis and dividend income is recognized on the dividend date.

**Earnings (loss) per share**

Basic earnings (loss) per share is calculated by dividing the income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. The diluted earnings (loss) per share reflects all dilutive potential common shares equivalents, which comprise outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive. All of the stock options and the share purchase warrants were anti-dilutive for the years ended June 30, 2020 and 2019.

**Income taxes**

Current taxes receivable or payable are estimated on taxable income or loss for the current year at the statutory tax rates enacted or substantively enacted at the reporting date.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax assets and liabilities are measured at the tax rates that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets also result from unused loss carry forwards and other deductions. Deferred income tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, only to the extent that it is probable that future taxable profit will be available against which they can be utilized.

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 tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

## **ROADMAN INVESTMENTS CORP.**

Notes to Consolidated Financial Statements

For the years ended June 30, 2020 and 2019

(Expressed in Canadian dollars unless otherwise stated)

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### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Critical accounting estimates**

Critical accounting estimates are estimates and assumptions made by management that may result in material adjustments to the carrying amount of assets and liabilities. Critical areas requiring the use of management estimates include:

- (i) The determination of the fair value of the Company's investments that are valued using inputs other than quoted prices are subject to estimation. Where the fair values of financial assets and financial liabilities recorded on the consolidated statements of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, estimation is required to establish fair values. In particular, significant estimates involved when assess fair value of investment in private entities. The fair value of an investment in a private company may be adjusted upward if:
- There has been a significant subsequent equity financing provided by outside investors at a valuation above the current fair value of the investee company. In these instances, the fair value of the investment is adjusted to the value at which that financing took place; or
  - There have been significant corporate, political, operating or economic events affecting the investee company that, in management's opinion, have a positive impact on the investee company's prospects and, therefore, its fair value.

The fair value of an investment in a private company may be adjusted downward if:

- There has been a significant subsequent equity financing provided by outside investors, at a valuation below the current fair value of the investee company, in which case the fair value of the investment is set to the value at which that financing took place; or
- The investee company is placed into receivership or bankruptcy; or
- Based on financial information received from the investee company it is apparent to the Company that the investee company is unlikely to be able to continue as a going concern; or
- There have been significant corporate, political, operating or economic events affecting the investee company that, in management's opinion, have a negative impact on the investee company's prospects and, therefore, its fair value.

**ROADMAN INVESTMENTS CORP.**

Notes to Consolidated Financial Statements

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(Expressed in Canadian dollars unless otherwise stated)

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)****Critical accounting judgments**

Critical accounting judgements are accounting policies that have been identified as being complex or involving subject judgment or assessments. The most critical judgments that are applicable to the Company's consolidated financial statements include:

- (i) The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- (ii) Recognition of investments; and
- (iii) The Company is subject to claims and legal proceedings arising in the ordinary course of business activities. Management assesses the probability of a liability being payable as either remote, more than remote or probable. If the liability is considered to be less than probable, then the liability is not recorded and it is only disclosed as a contingent liability. For matters that are probable and can be reasonably estimated, the Company establishes provisions in its consolidated financial statements (see Note 13).

**Changes in Accounting Policies**

The Company adopted all of the requirements of IFRS 16, effective July 1, 2019.

All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, from the perspective of the lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 Leases and, instead, introduces a single lessee accounting model. When applying that model, a lessee is required to recognize assets and liabilities. A lessor continues to classify its leases as operating leases or finance leases, and accounts for those two types of leases differently.

There was no impact on the Company's consolidated financial statements upon adoption of this new standard as at July 1, 2019.

**Accounting pronouncements not yet adopted**

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. The Company did not identify any standards that may have any impact on the Company's financial statements during the year.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's financial statements.

**ROADMAN INVESTMENTS CORP.**

Notes to Consolidated Financial Statements

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(Expressed in Canadian dollars unless otherwise stated)

**4. INVESTMENTS**

Investments are held at fair value. Investments in common shares of publicly traded companies and privately held companies are designated at fair value through profit or loss. The Company's investments are comprised of the following:

	Shares #	Total Cost \$	Fair value \$
<b>Common shares of publicly traded companies</b>			
Investments in common shares of public entities		448,430	120,994
<b>Common shares of privately traded companies</b>			
BoardSuite Corp.	400,000	200,000	-
CLOV Biopharma Corp.	13,000,000	845,000	1
CICINO Corporation	925,000	92,500	-
Deserving Health International Corp.	78,992	19,748	19,748
Desource Mining Corp.	394,962	19,748	-
Hard Rock Lithium Corp.	40,000	2,310,000	1
Lions Bay Holdings Inc.	500,000	25,000	75,000
Pinmo Creative Technology Ltd. – Token Right	-	15,000	-
Yaletown Energy Capital Corp.	394,962	-	-
		3,526,996	94,750
<b>Preferred shares of privately held companies</b>			
CICINO Corporation	150,000	30,000	-
Total investments in privately held companies		3,556,996	94,750
Balance, June 30, 2020		4,005,426	215,744
<b>Common shares of publicly traded companies</b>			
Investments in common shares of public entities		369,383	15,350
<b>Common shares of privately traded companies</b>			
BoardSuite Corp.	400,000	200,000	-
CICINO Corporation	925,000	92,500	-
Deserving Health International Corp.	78,992	19,748	19,748
Desource Mining Corp.	394,962	19,748	-
Hard Rock Lithium Corp.	40,000	2,310,000	200,000
Lions Bay Holdings Inc.	500,000	25,000	50,000
Pinmo Creative Technology Ltd. – Token Right	-	15,000	-
Yaletown Energy Capital Corp.	394,962	-	-
		2,681,996	269,748
<b>Preferred shares of privately held companies</b>			
CICINO Corporation	150,000	30,000	-
Total investments in privately held companies		2,711,996	269,748
Balance, June 30, 2019		3,081,379	285,098

For the year ended June 30, 2020, the Company recorded an unrealized loss of \$1,040,029 (2019 – \$2,113,564) as a result of a change in fair value of its investments, respectively.

## ROADMAN INVESTMENTS CORP.

Notes to Consolidated Financial Statements

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(Expressed in Canadian dollars unless otherwise stated)

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### 4. INVESTMENTS (continued)

- a. On March 9, 2020, the Company acquired 13,000,000 common shares of CLOV Biopharma Corp. (“CLOV”) representing 100% of issued and outstanding shares of CLOV by issuing 13,000,000 common shares of the Company valued at \$845,000 based on the Company’s stock trading price as the time of issuance. Investment in CLOV are held as part of the Company’s investment portfolio carried at fair value in the consolidated statements of financial position. When assessing the fair value amount as at June 30, 2020, the Company adjusted the fair value of CLOV to \$1.00.
- b. On August 15, 2019, the Company acquired 1,500,000 units (“Champignon Unit”) of Champignon Brands Inc. (“Champignon”) for \$150,000. Each Champignon Unit consists of one common share of Champignon and one-half share purchase warrant. One full warrant is exercisable at \$0.15 per share until August 15, 2022. Champignon is a British Columbia-based craft mushroom distributor and product formulator entity. The Company exercised 300,000 warrants to acquire an additional 300,000 common shares of Champignon for \$45,000. During the year ended June 30, 2020, the Company sold all of its original common shares in Champignon Brands Inc. for gross proceeds of \$200,000, and sold an additional 408,000 common shares for gross proceeds of \$403,150.
- c. During the year ended June 30, 2019, the Company entered into a Simple Agreement for Future Token Equity with Pinmo Creative Technology Ltd. (“Pinmo Creative”) whereby the Company invested \$15,000 into Pinmo Creative. Pursuant to the terms of the agreement, Pinmo Creative is required to issue to the Company the right to acquire cryptographic tokens known as “Pinmo Creative Tokens” in the event that Pinmo Creative operates a Qualifying Token Sale (“Token Right”), at a price per right of \$0.06 USD. As at June 30, 2019, the Company adjusted the value of the Token Rights to \$Nil.
- d. On February 11, 2019, the Company acquired 40,000 common shares Hard Rock Lithium Corp. (“Hard Rock”) representing a 100% of issued and outstanding shares of Hard Rock by issuing 21,000,000 common shares of the Company valued at \$2,310,000 based on the Company’s stock trading price as the time of issuance. Investment in Hard Rock is held as part of the Company’s investment portfolio carried at fair value in the consolidated statements of financial position. Hard Rock is an early stage exploration entity holding a Lithium property in Northwest Territories. When assessing the fair value amount as at June 30, 2020, the Company adjusted the value of Hard Rock to \$1.00.

During the year ended June 30, 2020, the Company received gross proceeds of \$610,509 from the sale of investments. The dispositions were comprised of 561,000 shares of Nickel North Exploration Corp. for \$6,136; 360 shares of Atlas Engineered Prods for \$128; 40,000 shares of Candente Gold Corp. for gross proceeds of \$1,095 and 1,908,000 shares of Champignon Brands Inc. for gross proceeds of \$603,150. The Company recognized a \$256,968 net gain on the sale of these marketable securities.

As at June 30, 2020, the Company had outstanding loans due from CICINO Corporation totaling \$685,000 (2019 - \$685,000). The carrying amount of the loans is recorded at \$Nil (2019 - \$Nil) due to uncertainty with respect to the Company’s ability to collect the loan amounts.

### 5. LOAN PAYABLES

- a. On November 24, 2016, Bellini entered into a loan agreement in the amount of \$13,500 a shareholder of Bellini. Interest will accrue on the principal amount at the rate of 5% per annum, payable quarterly. The overdue interest amount will be added to the principal balance and will bear interest at 5% per annum until paid in full. The loan matured on November 25, 2017. Bellini has the option of pre-paying the principal and all outstanding interest accrued at any time without penalty. Bellini can pay in the form of Bellini’s common shares for any debt and/or interest that the lender has called for payment under this agreement. This loan and related accrued interest of \$1,590 is outstanding as at June 30, 2020.
- b. In March 2019, the Company settled an outstanding loan and the accrued interest totaling \$309,924 by issuing 6,600,000 common shares of the Company with a fair value of \$660,000 calculated based on the Company’s stock trading price at the date of share issuance, resulting in a loss on settlement of \$309,924 (Note 6).

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**5. LOAN PAYABLES (continued)**

- c. In March 2019, the Company settled an outstanding loan balance of \$34,325 by issuing 686,503 common shares of the Company with a fair value of \$68,650 calculated based on the Company's stock trading price at the date of share issuance, resulting in a loss on settlement of \$34,325 (Note 6).
- d. On January 31, 2019, the Company signed a loan agreement in the amount of \$75,000 with a creditor unrelated to the Company. The loan was due on demand and non-interest bearing. During the year ended June 30, 2020, the loan was settled with 1 million common shares of the Company with a fair value of \$52,500 calculated based on the Company's stock trading price at the date of share issuance, resulting in a gain of \$22,500 (Note 6).

**6. SHARE CAPITAL****Authorized share capital**

The Company is authorized to issue unlimited number of common shares without par value and unlimited number of non-voting, non-participating, non-cumulative preferred shares without par value issuable in series.

**Issued share capital*****For the year ended June 30, 2020***

- a. On August 15, 2019, the Company completed the first tranche of a non-brokered private placement and issued 7,202,728 units for gross proceeds of \$396,150. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable to acquire one common share of the Company at an exercise price of \$0.10 per share for a period of two years. In connection with the private placement, the Company paid cash commissions to eligible finders totaling \$12,690 and issued 139,650 finder's warrants with an exercise price of \$0.10 per share which will expire on August 15, 2021. These warrants have a fair value of \$7,095, calculated using the Black-Scholes Option Pricing Model, assuming an expected life of 2 years, a risk-free interest rate of 1.29%, an expected dividend rate of 0.00%, and an expected annual volatility of 219.14%.
- b. On September 3, 2019, the Company completed the second and final tranche of a non-brokered private placement and issued 11,990,454 units for gross proceeds of \$659,475. Each unit consists of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable to acquire one common share of the Company at an exercise price of \$0.10 per share for a period of two years. In connection with the private placement, the Company paid cash commissions to eligible finders totaling \$20,428 and issued 369,600 finder's warrants with an exercise price of \$0.10 per share which will expire on September 3, 2021. These warrants have a fair value of \$22,328, calculated using the Black-Scholes Option Pricing Model, assuming an expected life of 2 years, a risk-free interest rate of 1.32%, an expected dividend rate of 0.00%, and an expected annual volatility of 221.95%.
- c. On October 3, 2019, the Company issued 1,000,000 common shares valued at \$52,500 to settle an outstanding loan, resulting in a gain of \$22,500 (Note 5).
- d. On March 9, 2020, the Company issued 13,000,000 common shares pursuant to the acquisition of CLOV (Note 4). These shares were valued at \$845,000 based on the Company's stock's trading price at the date of issuance.
- e. On March 9, 2020, the Company issued 700,000 common shares pursuant to the exercise of stock options for proceeds of \$35,000. An amount of \$40,755 was transferred from option reserve to share capital on exercise.

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**6. SHARE CAPITAL (continued)***For the year ended June 30, 2019*

- f. On February 11, 2019, the Company closed a non-brokered private placement of the Company's common shares for gross proceeds of \$1,178,613 (the "Offering"). In connection with the Offering, 15,714,839 units at a price of \$0.075 per unit have been issued. Each unit comprises one common share and one half of one common share purchase warrant exercisable at \$0.125 for one year. The Company paid cash commissions to eligible finders under the Offering totaling \$87,669 and issued 968,920 broker warrants, exercisable at any time up to 12 months following the closing of the Offering at \$0.125 per share. These warrants have a fair value of \$43,097, calculated using the Black-Scholes Option Pricing Model, assuming an expected life of 1 year, a risk-free interest rate of 1.79%, an expected dividend rate of 0.00%, and an expected annual volatility of 215.87%.
- g. On February 21, 2019, the Company issued 21,000,000 common shares pursuant to the acquisition of Hard Rock (Note 4). These shares were valued at \$2,310,000 based on the Company's stock's trading price at the date of issuance. The Company also issued 1,000,000 common shares as a finder's fee valued at \$110,000 based on the Company's stock's trading price at the date of issuance.
- h. On March 26, 2019, the Company issued 7,286,503 shares valued at \$728,650 to settle \$384,401 of debt owed by the Company, resulting in a loss of \$344,249 (Note 5).
- i. On May 17, 2019, the Company issued 120,000 common shares pursuant to an option grant for gross proceeds of \$9,000. An amount of \$7,341 was transferred from option reserve to share capital on exercise.

**Stock options**

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants. The exercise price of any options granted under the stock option plan will be determined by the board of directors, in its sole discretion, but shall not be less than the closing price of the Company's common shares on the day preceding the day on which the directors grant such options, less any discount permitted by the TSX-V to a minimum of \$0.05 per share. Under the plan, no more than (i) 5% of the issued shares may be granted to any one individual in any 12-month period; and (ii) no more than 2% of the issued shares may be granted to a consultant, or an employee performing investor relations activities, in any 12 month period. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12 month period, exceeding 10% of the Company's issued shares; and (iii) any grant of options to any one individual, within a 12 month period, exceeding 5% of the Company's issued shares. Options granted under the stock option plan may not be exercisable for a period longer than five years and the terms and conditions of vesting is determined by the board of directors. All options granted to consultants performing investor relations activities will vest in stages over 12 months with no more than one-quarter of the options vesting in any three-month period.

**ROADMAN INVESTMENTS CORP.**

Notes to Consolidated Financial Statements

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**6. SHARE CAPITAL (continued)****Stock options (continued)*****For the year ended June 30, 2020***

- a. On July 18, 2019, the Company granted a total of 500,000 share options to consultants of the Company. The options vested immediately and are exercisable at a price of \$0.05 per share until July 18, 2024. The fair value of the share options was estimated to be \$24,179 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 189.63%; risk-free rate of 1.40%; and expected dividends of zero.
- b. On July 25, 2019, the Company granted a total of 1,000,000 share options to a consultant of the Company. The options vested immediately and are exercisable at a price of \$0.05 per share until July 25, 2024. The fair value of the share options was estimated to be \$58,189 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 189.35%; risk-free rate of 1.37%; and expected dividends of zero.
- c. On August 20, 2019, the Company granted a total of 500,000 share options to a consultant of the Company. The options vested immediately and are exercisable at a price of \$0.08 per share until August 20, 2024. The fair value of the share options was estimated to be \$46,089 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 190.27%; risk-free rate of 1.19%; and expected dividends of zero.
- d. On September 9, 2019, the Company granted a total of 1,501,752 share options to consultants of the Company. The options vested immediately and are exercisable at a price of \$0.06 per share until September 9, 2024. The fair value of the share options was estimated to be \$116,928 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 191.56%; risk-free rate of 1.32%; and expected dividends of zero.
- e. On July 22, 2019, the Company cancelled an aggregate of 1,000,000 share options exercisable at \$0.075 per share with a November 19, 2023 expiry date.

***For the year ended June 30, 2019***

- f. On November 19, 2018, the Company granted a total of 4,800,000 stock options to directors, officers and consultants of the Company. The options vest immediately and are exercisable at a price of \$0.075 per share until November 15, 2023. The fair value of the stock options was estimated to be \$293,621 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 169.69%; risk-free rate of 2.27%; and expected dividends of zero.
- g. On February 14, 2019, the Company granted a total of 3,200,000 stock options to consultants of the Company. The options vest immediately and are exercisable at a price of \$0.095 per share until February 14, 2024. The fair value of the stock options was estimated to be \$286,265 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 167.51%; risk-free rate of 1.80%; and expected dividends of zero.
- h. On May 24, 2019, the Company granted stock options to purchase up to 700,000 common shares of the Company to a director of a Company. The options vest immediately and are exercisable at a price of \$0.05 per share until May 23, 2024. The fair value of the stock options was estimated to be \$46,310 using the Black-Scholes pricing model with the following assumptions: term of 5 years; expected volatility of 163.34%; risk-free rate of 1.46%; and expected dividends of zero.

**ROADMAN INVESTMENTS CORP.**

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**6. SHARE CAPITAL (continued)****Stock options (continued)**

	Number of Options #	Weighted Average Exercise Price \$
Options outstanding, June 30, 2018	-	-
Options granted	8,700,000	0.08
Options exercised	(120,000)	0.08
Options outstanding, June 30, 2019	8,580,000	0.08
Options granted	3,501,752	0.21
Options exercised	(700,000)	0.10
Options cancelled	(1,000,000)	0.08
Options outstanding and exercisable, June 30, 2020	10,381,752	0.12

The following table summarizes information concerning outstanding and exercisable options at June 30, 2020:

Number of Options	Exercise price \$	Weighted Average Remaining Contractual Life	Expiry date
3,680,000	0.075	3.39	November 19, 2023
3,200,000	0.095	3.63	February 14, 2024
500,000	0.080	4.14	August 20, 2024
1,501,752	0.060	4.20	September 9, 2024
1,000,000	0.050	4.07	July 25, 2024
150,000	0.050	4.05	July 18, 2024
350,000	0.050	4.05	May 23, 2024
10,381,752	0.066	3.71	

**Warrants**

The following table summarizes information concerning outstanding and exercisable warrants at June 30, 2020:

	Number of Warrants #	Weighted Average Exercise Price \$
Warrants outstanding, June 30, 2018	-	-
Warrants granted	8,826,340	0.125
Warrants outstanding, June 30, 2019	8,826,340	0.125
Warrants granted	10,105,841	0.100
Warrants expired	(8,826,340)	0.125
Warrants outstanding and exercisable, June 30, 2020	10,105,841	0.100

The following table summarizes information concerning outstanding and exercisable warrants at June 30, 2020:

Number of Warrants	Exercise price \$	Weighted Average Remaining Contractual Life	Expiry date
3,741,014	0.100	1.13	August 15, 2021
6,364,827	0.100	1.18	September 3, 2021
10,105,841	0.100	1.16	

**ROADMAN INVESTMENTS CORP.**

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**7. RELATED PARTY TRANSACTIONS**

The Company's related parties include corporate entities over which it exercises significant influence, and key management personnel. Transactions with related parties for goods and services are made on normal commercial terms and are recorded at the exchange amount of consideration established and agreed by the related parties. The related party transactions not disclosed elsewhere in these consolidated financial statements are listed below.

	June 30, 2020	June 30, 2019
	\$	\$
Consulting fees to the former CEO	145,243	45,000
Consulting fees to the former CFO	31,500	8,250
Consulting fees to a director and a former director	40,100	19,667
Consulting fees to the CEO	108,000	37,000
Total	324,843	94,917

During the year ended June 30, 2019, the Company settled debt with the former CEO and issued 686,503 common shares valued at \$68,650 and recorded a loss on debt settlement of \$34,325 (Note 5c). As at June 30, 2020, the Company owes \$75,000 (2019 - \$9,000) to its key management personnel. This amount is unsecured, non-interest bearing and due on demand.

As at June 30, 2020, the Company has amounts owing to former related parties totalling \$253,297 (2019 - \$87,331). Of this amount, \$211,759 is unsecured, subject to interest of 10% per annum and is due on demand. The remaining amount is unsecured, non-interest bearing and due on demand.

In February 2019, the Company entered into a consulting agreement with the new CEO for \$9,000 per month effective April 1, 2019. The Company's key management includes the CEO, CFO and directors. The total compensation earned by key management for the year ended June 30, 2020 was \$324,843 (2019 - \$94,917) which was also presented in the table above. In addition to that, key management also received share-based compensation of \$15,572 for the year ended June 30, 2020 (2019 - \$61,171).

During the year ended June 30, 2020, the Company paid consulting and marketing fees totalling \$398,505 to certain individuals and corporations which participated in the Company's private placements completed during the year (See Note 6).

As at June 30, 2020, the Company has recognized a deferred termination benefit of \$84,194 for 3,500,000 stock options to be granted to the former CEO and CFO. The options will vest immediately and will be exercisable at a price of \$0.05 per share for a period of five years. The fair value of the issuable stock options was estimated using the Black-Scholes pricing model with the following assumptions: term of five years; expected volatility of 194.83%; risk-free rate of 0.35%; share price of \$0.025 and expected dividends of zero.

**ROADMAN INVESTMENTS CORP.**

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**8. NON-CONTROLLING INTERESTS**

Non-controlling interests consist of 49.5% of the equity interest in Bellini and limited partner's interest in Art Flow. There are no significant restrictions on the Company's ability to access or use the assets and settle the liabilities of Bellini. During the years ended June 30, 2020 and 2019, no dividends were paid by Bellini to its non-controlling interests.

The continuity of the non-controlling interests is summarized below:

	\$
Balance, June 30, 2018	(25,813)
Non-controlling interest's share of loss	(239)
Balance, June 30, 2019	(26,052)
Non-controlling interest's share of loss	(353)
Balance, June 30, 2020	(26,405)

The summarized consolidated financial information of Bellini is as follows:

	June 30, 2020	June 30, 2019
	\$	\$
Current assets	-	3,527
Current liabilities	84,093	86,917
Shareholder's deficiency	(84,093)	(83,390)

  

	Year ended	
	June 30, 2020	June 30, 2019
	\$	\$
Revenue	-	-
Net loss and comprehensive loss	713	481
Cash flow provided by (used) in operating activities	-	(738)

**ROADMAN INVESTMENTS CORP.**

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**9. INCOME TAXES**

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

	2020	2019
Net loss before income taxes	\$ (2,691,708)	\$ (4,161,663)
Statutory income tax rate	27%	27%
Expected income tax recovery at statutory rates	\$ (726,761)	\$ (1,123,649)
Permanent differences	(281,079)	874,627
Tax loss not recognized	1,007,840	249,022
	\$ -	\$ -

Details of deferred income tax assets and liabilities are as follows:

	2020	2019
Non-capital loss carry-forwards	\$ 1,599,448	\$ 1,209,765
Capital loss carry forwards	11,095	295,386
Investments	1,023,214	83,873
Share issue costs	24,509	8,638
Other	26,106	79,001
	2,684,372	1,676,663
Unrecognized deferred income tax assets	(2,684,372)	(1,676,663)
Deferred income tax assets	\$ -	\$ -

The Company has available for deduction against future taxable income non-capital losses of approximately \$5,920,000. These losses, if not utilized, will expire in various dates from 2029 to 2040. Deferred tax assets which may arise as a result of these non-capital losses and resource deductions have not been recognized in these consolidated financial statements as the Company determined that, as at June 30, 2020, their realization is uncertain.

**ROADMAN INVESTMENTS CORP.**

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**10. FINANCIAL INSTRUMENTS****Fair Value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – inputs for the asset or liability that are not based on observable market data.

Financial instruments measured at fair value on the recurring basis are summarized in levels of fair value hierarchy as follows:

June 30, 2020	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Cash	81,786	-	-	81,786
Investments	120,994	-	94,750	215,744
June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Cash	316,534	-	-	316,534
Investments	15,350	-	269,748	285,098

Level 3 investments consist of equity instruments that do not have a quoted price in an active market.

The following table presents the changes in recurring fair value measurements categorized at Level 3:

	Equity securities of private companies
June 30, 2018	\$44,748
Fair value adjustment	(2,100,000)
Securities purchased	2,325,000
June 30, 2019	269,748
Fair value adjustment	(1,019,998)
Securities purchased	845,000
June 30, 2020	94,750

The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

## **ROADMAN INVESTMENTS CORP.**

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### **10. FINANCIAL INSTRUMENTS (continued)**

#### **Risk management**

The Company's financial instruments and risk exposures are summarized below.

##### *Credit risk*

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The Company's credit risk with respect to its cash are minimal as it is held with high-credit quality financial institutions. The Company's credit exposure to loan receivables from CICINO is equal to its carrying amount. The Company has reviewed the financial conditions of CICINO and maintained a provision of \$685,000 towards the loan as at June 30, 2020. The Company manages credit risk on its investments through thoughtful planning, strict investment selection criteria and significant due diligence of investment opportunities. Management and the Board of Directors review the financial condition of the investee companies regularly.

##### *Liquidity risk*

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's financial liabilities include accounts payable and accrued liabilities and loan payables.

The Company generates cash flows primarily from equity financings, management fees and from the disposition of its investments. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's investments focus on renewable energy, natural resources, chemicals, agriculture and consumer retail services. These investments can at times be relatively illiquid, and if the Company decides to dispose of certain securities, it may not be able to do so at favourable prices at that time, or at all.

##### *Market risk*

Market risk is the risk of loss that may arise from changes in market factors such as market prices, foreign exchange rates and interest rates. The Company is exposed to market risk through its investments in equity securities.

As at June 30, 2020, 56.08% (2019 – 5.38%) of the investments were made up of investment in publicly-traded companies. If security market prices were higher or lower by 5% as at June 30, 2020, the carrying value of its investments and unrealized gains (losses) on investments would be increased or decreased by approximately \$1,015 (2019 - \$765), respectively. The Company is exposed to foreign exchange rate and interest rate risks to the extent that cash is maintained at the financial institutions. The foreign exchange rate and interest rate risks on cash are not considered significant.

The Company manages market risk by developing a diversified portfolio of investments. The Company has established an investment committee to monitor its investment portfolio on an ongoing basis.

### **11. CAPITAL MANAGEMENT**

The Company defines capital as all components of shareholders' equity. The Company's objectives when managing capital are:

- (a) To ensure that the Company maintains the level of capital necessary to meet its operational requirements;
- (b) To allow the Company to respond to changes in economic and/or marketplace conditions by maintaining its ability to purchase new investments;
- (c) To create sustained growth in shareholder value by increasing shareholders' equity and minimizing shareholder dilution; and
- (d) To maintain a flexible capital structure which optimizes the cost of capital at acceptable levels of risk.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its underlying assets. The Company maintains or adjusts its capital level to meet its objectives, by realizing proceeds from the disposition of its investments and raising funds through equity financings. There were no changes in the Company's approach to capital management during the year ended June 30, 2020. The Company is not subject to externally imposed capital requirements.

**ROADMAN INVESTMENTS CORP.**

Notes to Consolidated Financial Statements

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(Expressed in Canadian dollars unless otherwise stated)

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**12. OPERATING SEGMENTS**

The Company conducts its business as a single operating segment with a focus on investing growth capital in private and public companies in a broad range of sectors. Substantially all of the Company's assets and liabilities are held in Canada and as such the Company only has one reporting segment.

**13. COMMITMENTS AND CONTINGENCIES**

- a. From time to time, the Company is engaged in various legal proceedings and claims that have arisen in the normal course of business. The outcome of all the proceedings and claims against the Company is subject to future resolution, including the uncertainties of litigation. Management believe that the probable ultimate resolution of any such proceedings and claims, individually or in the aggregate, will not have a material adverse effect on the financial condition of the Company.
- b. From time to time, the Company enters into contracts for services in the normal course of operations. The Company's current contractual commitments vary in terms and can be terminated upon sufficient notice.
- c. During the year ended June 30, 2020, the Company made a payment of \$150,000 in relation to a lawsuit that was settled during the year ended June 30, 2019. The lawsuit was filed by one of CICINO's shareholders in 2016. The Company accrued the settlement amount in the accounts payable and accrued liabilities as at June 30, 2019.