AURORA SOLAR TECHNOLOGIES INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31 DECEMBER 2020

Stated in Canadian Dollars

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements.

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MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Aurora Solar Technologies Inc.:

Management is responsible for the preparation and presentation of the accompanying Condensed Interim Consolidated Financial Statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safe guarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information presented. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Audit Committee has the responsibility of meeting with management, and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external auditors.

The Company's independent auditor has not performed a review of these Condensed Interim Consolidated Financial Statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

24 February 2021

"Gordon Deans"	"Joseph Lee"
Gordon Deans, CEO	Joseph Lee, CFO

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at	Note		31 December 2020		31 March 2020
Assets					
Current Assets					
Cash and cash equivalents		$	**2,160,348**	$	1,821,146
Amounts receivable	(6)		**713,523**		912,379
Prepaid expenses			**58,213**		55,989
Inventory	(7)		**324,291**		388,967
			3,256,375		3,178,481
Non-current Assets					
Right of use assets	(11)		**302,898**		37,218
Patents	(8)		**179,249**		171,354
Other assets	(9)		**112,510**		74,636
Equipment	(10)		**76,132**		88,962
			670,789		372,170
		$	**3,927,164**	$	3,550,651
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities		$	**831,989**	$	491,146
Current Portion of Lease Liability	(12)		**40,270**		39,358
Deferred revenue			**4,122**		219,649
			876,379		750,153
Non-current Liabilities					
Lease liability	(12)		**269,078**		-
Long-term Loan			**40,000**		-
Equity					
Share capital	(13)		**14,144,524**		14,144,524
Obligation to Issue Shares			**7,500**		-
Subscription receivable			-		(55,000)
Contributed surplus – options			**1,549,057**		1,460,369
Contributed surplus – warrants			**1,704,678**		199,285
Deficit			**(14,664,054)**		(12,948,680)
			2,741,705		2,800,498
		$	**3,927,164**	$	3,550,651

Nature of operations and going concern...............................(1)
Basis of preparation - Statement of Compliance..................(2)
Capital management .... (15)
Subsequent event... (18)

--The accompanying notes form an integral part of the condensed interim consolidated financial statements--

These Condensed Interim Consolidated Financial Statements were approved by the Board of Directors on 24 February 2021 and were signed on its behalf by:

"Gordon Deans"	"David Toyoda"
Gordon Deans, Director	David Toyoda, Director

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE PROFIT AND LOSS

	Note	**Nine Months ended 31 December 2020**	Nine Months ended 31 December 2019	**Three Months ended 31 December 2020**	Three Months ended 31 December 2019
Revenues					
Product sales		**$ 2,127,808**	$ 2,923,561	**$ -**	$ 1,013,763
Cost of sales		**(1,548,200)**	(1,357,369)	**(174,108)**	(504,873)
Sales and Marketing Provision		**(261,316)**	-	**(261,316)**	-
Gross margin		**318,292**	1,566,192	**(435,424)**	508,890
Expenses					
Sales and marketing	(15)	**371,129**	625,583	**159,004**	244,733
Research and development	(15)	**717,315**	482,913	**409,629**	148,284
General and administrative	(15)	**811,366**	476,804	**273,717**	164,162
Net foreign exchange loss		**238,138**	75,164	**179,553**	26,942
Depreciation on ROU asset	(11)	**42,851**	43,043	**22,204**	14,348
Finance cost (accretion)		**13,898**	21,022	**5,514**	4,433
Depreciation cost	(8)(10)	**24,946**	14,244	**8,941**	6,299
Share-based payments	(13)	**21,688**	-	**14,890**	-
Recoverable Expense		**(207,664)**	-	**(207,664)**	-
		2,033,666	1,738,773	**865,788**	609,201
Net Profit (Loss) and Comprehensive Profit (Loss)		**$ (1,715,374)**	$ (172,581)	**$ (1,301,212)**	$ (100,311)
Net Profit (Loss) per Common Share – Basic and Diluted		**$ (0.015)**	$ (0.002)	**$ (0.012)**	$ (0.001)
Weighted Average Number of Shares Outstanding		**114,548,578**	88,176,925	**109,891,668**	88,176,925

--The accompanying notes form an integral part of the condensed interim consolidated financial statements--

AURORA SOLAR TECHNOLOGIES INC.

Canadian Dollars
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Shares	Amount	Subscriptions receivable	Warrants	Amount	Options	Amount	Deficit	Equity
Balance 31 March 2019	88,176,925	$ 12,354,124	$ -	3,973,199	$ 205,950	8,180,000	$ 1,450,934	$ (12,444,676)	$ 1,566,332
Private placement issuance	-	-	-	-	-	-	-	-	-
Share issuance costs	-	-	-	-	-	-	-	-	-
Shares on exercise of warrants	-	-	-	-	-	-	-	-	-
Liability on warrants exercised	-	-	-	-	-	-	-	-	-
Options Forfeited	-	-	-	-	-		-	-	-
Options expired	-	-	-	-	-	(1,850,000)	-	-	-
Warrants expired	-	-	-	(1,716,399)	-	-	-	-	-
Share-based payments	-	-	-	-	-	200,000	-	-	0
Net loss for the year	-	-	-	-	-	-	-	$ (172,581)	$ (172,581)
Balance 31 December 2019	**88,176,925**	**$ 12,354,124**	**$ -**	**2,256,800**	**$ 205,950**	**6,530,000**	**$ 1,450,934**	**$ (12,617,257)**	**$ 1,393,751**

	Shares	Amount	Subscriptions receivable	Warrants	Amount	Options	Amount	Deficit	Equity
Balance 31 March 2020	107,387,825	$ 14,144,524	$ (55,000)	21,086,900	$ 199,285	6,580,000	$ 1,460,369	$ (12,944,680)	$ 2,800,498
Private placement issuance	-	-	55,000	-	-	-	-	-	55,000
Share issuance costs	-	-	-	-	-	-	-	-	-
Shares on exercise of warrants	11,019,150	-	-	(11,019,150)	1,497,893	-	-	-	1,497,893
Liability on warrants exercised	-	-	-	-	7,500	-	-	-	7,500
Options expired	-	-	-	-	-	-	-	-	-
Options Exercised	1,000,000	-	-	-	-	(1,000,000)	74,500	-	74,500
Options Forfeited	-	-	-	-	-	(200,000)	-	-	-
Warrants expired	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	1,180,000	21,688	-	21,688
Net loss for the year	-	-	-	-	-	-	-	(1,715,374)	(1,715,374)
Balance 31 December 2020	**119,406,975**	**$ 14,144,524**	**$ -**	**10,067,750**	**$ 1,704,678**	**6,560,000**	**$ 1,556,557**	**$ (14,660,054)**	**$ 2,741,705**

--The accompanying notes form an integral part of the condensed interim consolidated financial statements--

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended 31 December 2020	Nine months ended 31 December 2019	Three months ended 31 December 2020	Three months ended 31 December 2019
Operating Activities				
Profit (Loss) for the Period	**$ (1,715,374)**	$ (172,581)	**$ (1,301,212)**	$ (100,311)
Items not Affecting Cash				
Amortization	**19,105**	14,243	**8,297**	6,301
Share-based compensation	**21,688**	-	**14,890**	-
Depreciation on ROU asset	**42,851**	43,043	**22,204**	14,348
Finance cost	**13,898**	21,022	**5,968**	4,433
Allowance for Sales & Marketing	**261,316**	-	**261,316**	-
Gain (Loss) on FX	**2,738**	-	**2,738**	-
	(1,353,778)	(94,273)	**(985,799)**	(75,229)
Net Change in Non-cash Working Capital				
Amounts receivable	**198,856**	(366,048)	**265,376**	(109,196)
Prepaid expenses	**(2,224)**	(28,124)	**(6,863)**	(63,788)
Inventory	**64,676**	(107,856)	**(89,151)**	(39,328)
Accounts payable and accrued liabilities	**79,529**	515,108	**36,244**	372,082
Contract Liability	**-**	80,807	**-**	80,807
Deferred revenue	**(215,527)**	-	**-**	-
	125,310	93,887	**205,606**	240,577
Net cash provided by (used in) Operating Activities	**(1,228,468)**	(386)	**(780,193)**	165,348
Investing Activities				
Purchase of equipment	**(3,287)**	(33,217)	**(1,177)**	(24,379)
Purchase of short-term investments	**-**	-	**-**	132,430.00
Purchase of patents	**(10,883)**	(37,880)	**(15,889)**	(37,880)
Purchase of other assets	**-**	-	**26,918**	26,217
Net cash provided by (used in) Investing activities	**(14,170)**	(71,097)	**9,852**	96,388
Financing Activities				
Proceeds from share issuance	**55,000**	-	**-**	-
Proceeds from warrant exercise	**1,572,393**	-	**1,561,158**	-
Lease liability payment	**(53,053)**	(58,314)	**(24,731)**	(19,454)
Liabiltiy to issue shares	**7,500**	-	**7,500**	-
Net cash provided by (used in) financing activities	**1,581,840**	(58,314)	**1,543,927**	(19,454)
Net Increase (decrease) in Cash	**339,202**	(129,797)	**773,586**	242,282
Cash position – beginning of period	**1,821,146**	1,015,570	**1,386,762**	643,491
Cash Position – End of Period	**$ 2,160,348**	$ 885,773	**$ 2,160,348**	$ 885,773

--The accompanying notes form an integral part of the condensed interim consolidated financial statements--

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1) Nature of operations and going concern

Aurora Solar Technologies Inc. ("Aurora" or the Company) was incorporated under the laws of the Province of British Columbia, Canada on 26 October 2006 as Pulse Capital Corp, a capital pool company. The Company, together with its subsidiary, develops and markets inline quality control systems for the solar cell manufacturing industry. The address of the Company's corporate and administrative office and principal place of business is #100 – 788 Harbourside Drive, North Vancouver, BC, V7P 3R7.

These unaudited condensed interim consolidated financial statements (the "Financial Statements") have been prepared on the basis of accounting principles applicable to a going concern, which assumes the realization of assets and the discharge of liabilities in the normal course of operations.

There are several adverse conditions that may cast significant doubt about the Company's ability to continue as a going concern. The Company has incurred operating losses since inception, is unable to self-finance operations and has significant on-going cash requirements to meet its overhead obligations.

The continuing operations of the Company are dependent upon economic and market factors which involve uncertainties including the Company's ability to raise adequate equity financing and ultimately develop profitable operations. The Company is of the view that these objectives can be met, and that the going concern assumption is appropriate.

If the going concern assumption were not appropriate for these Financial Statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the consolidated statement of financial position classifications used, and such adjustments could be material.

The global transmission of COVID-19 and the related global efforts to contain its spread have recently resulted in international border closings, travel restrictions, significant disruptions to border operations, supply chains and customer activity and demand, service cancellations, reductions and other changes, and quarantines, as well as considerable general concern and uncertainty.

The impacts of the COVID-19 crisis that may have an effect on us include: a decrease in short-term and/or long-term demand and/or pricing for our products; reduced sales as a result of travel restrictions; delays in the collectability of accounts receivables as a result of travel restrictions, increased costs resulting from our efforts to mitigate the impact of COVID-19, deterioration of worldwide credit and financial markets that could limit our ability to obtain external financing to fund our operations and capital expenditures, result in losses on our holdings of cash due to failures of financial institutions, higher rate of losses on our accounts receivable due to credit default, disruptions to our supply chain, and adverse impacts on our information technology systems and our internal control systems as a result of the need to increase remote work arrangements.

A material adverse effect on our employees, customer, suppliers and/or logistics providers could have a material adverse impact on us.

Rounded (000's)		**31 December 2020**		31 March 2020
Working capital	**$**	**2,380,000**	$	2,428,000
Accumulated deficit	**$**	**(14,664,000)**	$	(12,949,000)

2) Basis of preparation – Statement of Compliance

These Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") and related IFRS Interpretations Committee ("IFRICs") as issued by the International Accounting Standards Board ("IASB") and in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting.

The Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value.

In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

Since the unaudited condensed interim consolidated Financial Statements do not include all disclosures required by the IFRS for annual financial statements, they should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended 31 March 2020.

The policies set out were consistently applied to all the periods presented unless otherwise noted below. The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the 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 may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is 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.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors of the Company on February 24, 2021.

3) Significant accounting policies

The accounting policies and methods of computation followed in preparing these Financial Statements are the same as those followed in preparing the most recent audited annual consolidated financial statements, except for the changes described below. For a summary of significant accounting policies, refer to the Company's audited annual consolidated financial statements for the year ended 31 March 2020.

Effective 1 April 2019, the Company adopted IFRS 16 in its condensed interim consolidated financial statements of the annual period beginning on 1 April 2019. The most significant impact identified is that this standard affected the accounting for the Company's operating leases. The Company has decided to apply the modified retrospective approach on transition. Accordingly, the cumulative effect of initially applying IFRS 16 is recognized as an adjustment to the opening balance of retained earnings as at the date of initial application and the comparative information was not be restated.

The following are the Company's new accounting policies for its leases under IFRS 16:

The determination of whether an arrangement is, or contains, a lease is based on the substance of the agreement on the inception date. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component based on their relative stand-alone prices.

As a lessee, the Company recognizes a lease obligation and a right-of-use asset in the condensed interim consolidated financial position on a present-value basis at the date when the leased asset is available for use. Each lease payment is apportioned between a finance charge and a reduction of the lease obligation. Finance charges are recognized in finance cost in the condensed interim consolidated statements of operations and comprehensive loss. The right of-use asset is depreciated over the shorter of its estimated useful life and the lease term on a straight-line basis.

Lease obligations are initially measured at the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable.
- variable lease payment that are based on an index or a rate.
- amounts expected to be payable under residual value guarantees.
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease, or if this rate cannot be determined, the Company's incremental borrowing rate.

Right-of-use assets are initially measured at cost comprising the following:

- the amount of the initial measurement of the lease obligation
- any lease payments made at or before the commencement date less any lease incentives received.
- any initial direct costs; and
- rehabilitation costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the condensed interim consolidated statements of operations and comprehensive loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise primarily small equipment.

4) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 3, management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the Financial Statements.

a) Critical judgements in applying accounting policies

Determination of functional currency

In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management determined that the functional currency of the Company and its wholly owned subsidiaries is the Canadian dollar.

b) Key sources of estimation uncertainty

Inventory

The Company's raw inventory is only valuable to the extent that it can be turned into saleable product. Sales acquired at a level above their cost, volume of sales necessary to use inventory and other factors are all an estimate of the Company.

Patents and Other assets

The Company reviews the valuation of these assets at the end of each reporting period based on the expected remaining useful life of patents and the recoverability of patent application costs in relation to the market changes of relative technologies.

Share-based payments

The Company records the fair market value as described by the Black-Scholes method for the recording of share-based payments. There are several estimates that form a part of the calculation and significant deviations in any estimate could have a material impact on the financial statements.

Revenue recognition

The amount of revenue recognized is adjusted for expected returns, which are estimated by management based on the historical data for the related types of goods sold. Actual results may differ from management estimates.

Income taxes

Provisions for income 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 outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Amounts receivable

The Company estimates the recoverability of amounts receivable based on assessments of client credit ratings, payment history and other related items.

Provisions and contingent liabilities:

A provision is recognized if the Company has a present legal or constructive obligation, as a result of past events, that can be estimated reliably, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation for product liability, accrual of product warranties, liabilities for potential litigation claims and settlements. Management must use judgement in determining whether all the above three conditions have been met to recognize a provision or whether a continent liability is in existence at the reporting date. Provisions and contingencies can vary materially from management's initial estimate and affect future consolidated financial statements.

5) Financial instruments and risk management

a) Financial instrument classification and measurement

Financial instruments of the Company carried on the Condensed Interim Consolidated Statement of Financial Position are carried at amortized cost except for cash which is carried at fair value. There are no significant differences between the carrying value of financial instruments and their estimated fair values as at 31 December 2020 due to the immediate or short-term maturities of the financial instruments.

The fair value of the Company's cash is quoted in active markets. The Company classifies the fair value of these transactions according to the following hierarchy:

Level 1 – quoted prices in active markets for identical financial instruments.

Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant and significant value drivers are observable in active markets.

Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The Company's cash has been assessed on the fair value hierarchy described above and classified as Level 1.

b) Fair values of financial assets and liabilities

The Company's financial instruments include cash, amounts receivable, and accounts payable and accrued liabilities. As at 31 December 2020, the carrying value of cash is fair value. The remaining financial instruments approximate their fair value due to their short- term nature.

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

31 December, 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Marketable securities	$ -	$ -	$ -	$ -
Cash and cash equivalents	$ 2,160,348	$ -	$ -	$ 2,160,348
Receivable and advances	$ -	$ 771,736	$ -	$ 771,736
Accounts payable and accrued liabilities	$ -	$ (831,989)	$ -	$ (831,989)
31 December, 2019	Level 1	Level 2	Level 3	Total
Marketable securities	$ -	$ -	$ -	$ -
Cash and cash equivalents	$ 885,773	$ -	$ -	$ 885,773
Receivable and advances	$ -	$ 719,334	$ -	$ 719,334
Accounts payable and accrued liabilities	$ -	$ (742,255)	$ -	$ (742,255)

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 (i.e., as prices) or indirectly (i.e., derived from prices); and

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

There has been no change between levels during the period. The Company's carrying values of receivables and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

c) Other risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of commodity price risk and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operations and budgets accordingly.

d) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's exposure to credit risk is on its bank accounts. The Company is exposed to credit risk by holding cash, which are all held in financial institutions in Canada and China, and management believes the exposure to credit risk with respect to such institutions is not significant. The credit risk with respect to receivables is remote as receivables are from commercial customers with whom the Company has a successful history of collections and which will eventually require replacement parts from the Company.

e) Interest rate risk

Interest rate risk is the risk of losses that arise as a result of changes in contracted interest rates. The Company is not exposed to interest rate risk.

f) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. To manage this risk the Company maintains only the minimum amount of foreign cash required to fund its on-going expenditures. The Company is exposed to foreign currency risk, as it deals with customers and vendors in currencies other than its functional currency. A 5% change in exchange would impact the financial statements by $67,000 (31 March 2020- $53,000). As at 31 December 2020, the Company held currency totalling the following:

Rounded (000's)		Impact		31 December 2020		31 March 2020
Cash in United States dollars	**5%**	**$ (42,000)**	**$USD**	**651,000**	$USD	208,000
Cash in Chinese RMB	**5%**	**$ (5,000)**	**$RMB**	**469,000**	RMB	249,000
Amounts receivable in United States dollars	**5%**	**$ (31,000)**	**$USD**	**489,000**	$USD	629,000
Amounts payable in United States dollars	**5%**	**$ 11,000**	**$USD**	**(168,000)**	$USD	(120,000)

g) Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing this is to maintain readily available reserves to meet its liquidity requirements at any point in time.

It is management's opinion that the Company is not exposed to significant credit, interest rate, liquidity, or market risks in respect of these financial instruments. The Company's policies and processes of managing all risks associated with its financial instruments have not changed during the period.

6) Amounts receivable

Amounts receivable consist of:

		31 December 2020		31 March 2020
Trade receivables	$	683,910	$	891,496
GST receivable and other taxes recoverable		29,613		20,883
Total Amount receivable	$	713,523	$	912,379

GST receivable and other taxes recoverable from governmental sources do not have collection risk.

7) Inventory

Inventory consists of:

		31 December 2020		31 March 2020
Raw materials	$	324,291	$	388,967
Work in progress		-		-
Total inventory	$	324,291	$	388,967

Inventory expensed to cost of sales during the nine months ended 31 December 2020 was $561,528 (31 December 2019 – $811,887).

8) Patents

Patents consists of:

		Cost		Accumulative Depreciation		Carrying Amounts
Balance as at 31 March 2019	$	156,811	$	(49,992)	$	106,819
Additions		72,728		-		72,728
Changes during the year		-		(8,193)		(8,193)
Balance as at 31 March 2020	$	229,539	$	(58,185)	$	171,354
Changes during the period		15,890		(7,995)		7,895
Balance as at 31 December 2020	$	245,429	$	(66,180)	$	179,249

Patents are stated, in the statement of financial position, at cost less accumulated depreciation and accumulated impairment losses. The cost of patents includes directly attributed incremental costs incurred in their acquisition.

Patent depreciation is calculated using the straight-line method over an estimated useful life of 20 years.

9) Other assets

Other assets consist of:

		Balance
Balance as at 31 March 2019	$	178,167
Additions		37,880
Transfers to patents		(72,728)

Write-off		(68,683)
Balance as at 31 March 2020		**74,636**
Additions		**53,764**
Transfer to patents		**(15,890)**
Balance as at 31 December 2020	**$**	**112,510**

Other assets represent the cumulative legal fees incurred by the Company on patent application processes that are currently ongoing. The Company's management believes that these applications will lead to the issuance of a legal patent, and therefore has capitalized the costs associated with this process. Once a particular patent application process completes, the costs associated with the newly issued patent will be reclassified to patents and depreciated over its useful life of 20 years.

10) Equipment

Equipment consists of:

		Cost		Accumulative Depreciation		Carrying Amount
Balance as at 31 March 2019	$	53,035	$	(10,695)	$	42,340
Additions during the year		59,184		(12,562)		40,622
Balance as at 31 March 2020		**112,219**		**(23,257)**		**88,962**
Additions during the period		**3,287**		**(16,117)**		**(12,830)**
Balance as at 31 December 2020	**$**	**115,506**	**$**	**(34,256)**	**$**	**76,132**

11) Right of use assets

The Company recognized a right of use asset as part of its transition to IFRS 16. The right of use asset is amortized on a straight-line basis over the term of its leases related to its Vancouver head office and Shanghai sales office.

		Balance
Balance as at 1 April 2019	$	-
Right of use assets recognized on adoption of IFRS 16		63,609
Additions		31,000
Depreciation		(57,391)
Balance as at 31 March 2020		**37,218**
Additions		**308,532**
Depreciation		**(42,851)**
Balance as at 31 December 2020	**$**	**302,898**

12) Lease liability

The Company has lease liabilities for leases related to its Vancouver head office and Shanghai sales offices. The weighted average discount rate for the nine month ended 31 December 2020 was 7%.

		Balance
Balance as at 1 April 2019	$	-
Lease liability recognized on adoption of IFRS 16		63,609
Additions		31,000

Lease accretion		22,207
Payments		(77,458)
Balance as at 31 March 2020	**$**	**39,358**
Additions		**308,532**
Lease accretion		**13,898**
Payments		**(52,439)**
Balance as at 31 December 2020	**$**	**309,348**
Lease liability – current portion		**40,270**
Lease liability – non-current portion		**269,078**
Total lease liability	**$**	**309,348**

13) Share capital

a) Authorized

The authorized share capital is an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. All issued shares, consisting of only common shares are fully paid. There were 119,406,975 fully paid common shares on issue as at 31 December 2020.

b) Issued and outstanding and fully paid

During the year ended 31 March 2020, the Company closed on March 5th and 13th a non-brokered private placement consisting of 18,920,000 units at a price of $0.10 per unit for aggregate gross proceeds of $1,892,000. Each unit consisted of one common share and one share purchase warrant ("Units"). The share purchase warrants entitles the holder to purchase one share for a period of 12 months from closing at a price of $0.15 per share. The Company paid $96,545 in share issuance costs including finders' fees related to the private placement. In connection with this private placement, the Company issued 100,500 Units with a fair value of $10,050 consisting of one common share and one agent warrant. The agent warrants entitle the holder to purchase one share for a period of 12 months at a price of $0.15 per share. As of March 31, 2020, the Company had a subscription receivable of $55,000 which was received in April 2020.

c) Options

The Company has adopted a stock option plan which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSXV requirements, grant to directors, officers, employees and consultants to the Company, non-transferrable options to purchase common shares exercisable under the Plan for a period of up to 10 years from the date of grant. Vesting terms are determined by the Board of Directors for each grant of options. The aggregate number of common shares issuable under the Plan must not exceed 20% of outstanding shares of the Company at the time of the Plans approval, or 17,635,385 common shares. As at 31 December 2020, the remaining number of common shares available for issuance is 11,043,385 common shares.

The Company recognizes share-based payments for all stock options granted using the fair value-based method of accounting. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free rates, dividend yields, historical volatility to estimate the market price of the Company's common shares, forfeiture rates and expected life of the options.

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During the nine months ended 31 December 2020, the Company granted 1,180,000 options to officers, employees, and consultants of the Company exercisable $0.10 for a period of five years. During this same period, Company recognized $6,798 in share-based payments on the granted options.

During the year ended 31 March 2020, the Company granted 400,000 options (31 March 2019 - 3,780,000 options) to officers and consultants of the Company exercisable at $0.065-$0.075 (31 March 2019 - $0.06-$0.20) for a period of five years. During the year ended 31 March 2020, the Company recognized $9,435 (31 March 2019 - $190,900) in share-based payments on granted options.

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	For the Nine months Ended 31 December 2020	For the Year Ended 31 March 2020
Risk free interest rate	**.67%**	1.60%
Expected dividend yield	**0.00%**	0.00%
Expected stock price volatility	**70%**	78%
Expected life in years	**5**	5

The weighted average fair value of stock options granted during the nine months ended 31 December 2020 was $0.10 per option (31 March 2020 - $0.02 per option).

Stock option transactions and the number of stock options outstanding are summarized below:

	As at the Nine Months Ended December 31 2020		**Weighted average exercise price**	As at the Year Ended 31 March 2020		Weighted average exercise price
Balance – beginning of period	**6,580,000**	**$**	**0.11**	8,180,000	$	0.13
Granted	**1,180,000**		**0.10**	400,000		0.07
Exercised	**(1,000,000)**		**0.07**	-		-
Expired/Forfeited	**(200,000)**		**0.07**	(2,000,000)		0.20
Balance – end of period	**6,560,000**	**$**	**0.11**	6,580,000	$	0.11

Details of stock options outstanding are as follows:

Expiry Date		**Exercise price**	**31 December 2020 Outstanding**	**31 December 2020 Exercisable**	31 March 2020 Outstanding	31 March 2020 Exercisable
7 October 2021	$	0.105	**600,000**	**600,000**	600,000	600,000
12 October 2021	$	0.115	**550,000**	**550,000**	600,000	600,000
23 November 2021	$	0.13	**300,000**	**300,000**	300,000	300,000
31 March 2022	$	0.21	**875,000**	**875,000**	950,000	950,000
1 July 2019	$	0.27	**-**	**-**	-	-
19 December 2022	$	0.265	**75,000**	**75,000**	75,000	75,000
23 April 2023	$	0.20	**430,000**	**430,000**	430,000	430,000
8 August 2023	$	0.13	**250,000**	**250,000**	250,000	250,000
30 October 2023	$	0.06	**2,100,000**	**2,100,000**	2,875,000	2,875,000

2 January 2024	$	0.065	-	-	100,000	100,000
21 October 2024	$	0.065	-	-	200,000	-
2 January 2025	$	0.075	**200,000**	**200,000**	200,000	200,000
7 April 2025	$	0.10	**1,180,000**	**-**	-	-
			6,560,000	**5,380,000**	6,580,000	6,380,000

The outstanding options have a weighted average exercise price of $0.11 (31 March 2020 – $0.11) and the weighted average remaining life of the options is 2.41 years (31 March 2020 – 2.72 years).

d) Warrants

During the nine months ended, 31 December 2020 a total of the Company received gross proceeds of $1,497,893 from the exercise of 11,019,150 warrants.

During the year ended 31 March 2020, the Company issued 18,920,000 share purchase warrants and 100,500 agent warrants in connection to a private placement which closed in two tranches on 5 and 12 March 2020. The share purchase warrants entitle the holder to purchase one share for a period of 12 months from issuance at a price of $0.15 per share. The agent warrants entitles the holder to purchase one share for a period of 12 months at a price of $0.15 per share.

Warrant transactions and the number of warrants outstanding are summarized below:

	For the Nine Months Ended 31 December 2020	**Weighted average exercise price**	For the Year Ended 31 March 2020[(i)]	Weighted average exercise price
Balance – beginning of period	**21,086,900**	**$ 0.14**	3,973,199	$ 0.17
Issued	-	-	18,920,000	0.15
Agent's warrants issued	-	-	100,500	0.15
Warrants expired	-	-	(1,716,399)	0.30
Warrants exercised	**(11,019,150)**	**0.14**	(190,400)	0.075
Balance – end of Period	**10,067,750**	**$ 0.14**	21,086,900	$ 0.14

(i) During the year ended 31 March 2020, the Company issued 100,500 agent's warrants with a fair value of $10,050.

The following weighted average assumptions were used for the Black-Scholes valuation of agent's warrants granted.

	For the Year Ended 31 March 2020
Risk free interest rate	1.6%
Expected dividend yield	0.00%
Expected stock price volatility	78%
Expected life in years	5

The Company uses its historical price volatility as the basis for determining the expected volatility used in its Black-Scholes calculations.

Warrants outstanding are as follows:

Issued	Expiry		Exercise Price	31 December 2020	31 March 2020
5 March 2020	5 March 2021	$	0.15	**8,165,000**	16,840,000
5 March 2020	5 March 2021[i]	$	0.15	**57,500**	85,500
12 March 2020	12 March 2021	$	0.15	**1,830,000**	2,080,000
12 March 2020	12 March 2021[i]	$	0.15	**15,000**	15,000
				10,067,750	21,086,900

(i) Agent's warrants.

14) Related party transactions and balances

Key management personnel include the members of the Board of Directors and executive officers of the Company.

Related party transactions are recorded as part of the general and administrative expenses on the consolidated statement of comprehensive loss. These transactions are in the normal course of business operations.

Principal Position Rounded (000's)	Year(i)		Remuneration or fees(ii)		Share-based Payments		Balances in Accounts Payable
CEO	**2021**	**$**	**134,000**	**$**	**-**	**$**	**-**
	2020	$	128,000	$	-	$	-
CFO	**2021**	**$**	**65,000**	**$**	**-**	**$**	**-**
	2020	$	19,038	$	-	$	-
Former CFO	**2021**	**$**	**9,700**	**$**	**-**	**$**	**-**
	2020	$	35,760	$	-	$	-
Former CFO	**2021**	**$**	**-**	**$**	**-**	**$**	**-**
	2020	$	24,000	$	-	$	-
Former CFO's company that provided bookkeeping services	**2021**	**$**	**-**	**$**	**-**	**$**	**-**
	2020	$	33,480	$	-	$	-
Director, Consulting Fees	**2021**	**$**	**62,100**	**$**	**-**	**$**	**-**
	2020	$	32,000	$	-	$	5,000
Director	**2021**	**$**	**15,000**	**$**	**-**	**$**	**3,000**
	2020	$	18,000	$	-	$	-
Director	**2021**	**$**	**15,000**	**$**	**-**	**$**	**-**
	2020	$	16,000	$	-	$	-

(i) For the nine months ended 31 December 2020 and 31 December 2019.
(ii) Amounts disclosed were paid or accrued to the related party.

15) Supplemental Information for Statements of Operations and Comprehensive Profit and Loss

		For the Nine Months ended 31 December 2020
The sales and marketing expense consisted of the following:		
Salaries and wages	$	**207,518**
Professional & Consulting		**153,002**
Promotion, marketing & travel		**10,609**
Other		**-**
Total	$	**371,129**
The research and development expense consisted of the following:		
Salaries and wages	$	**532,265**
Professional & Consulting		**164,587**
Government grant		**(139,489)**
Other		**159,952**
Total	$	**717,315**
The general and administrative expense consisted of the following:		
Salary and wages	$	**273,267**
Professional & Consulting		**258,827**
Investor Relations		**31,561**
Director fees		**45,000**
Office expense		**82,744**
Other		**119,967**
Total	$	**811,366**

16) Capital management

The Company manages its capital structure and makes adjustment to it, based on the funds available to the Company, to support the development of the company's measurement technology. The Company includes components of equity in its managed capital. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. Additional funds may be required to finance investments of the Company.

Management reviews its capital management approach on an ongoing basis and believe that this approach, given the size of the Company, is reasonable. The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the nine months ended 31 December 2020.

17) Reclassification

Certain amounts have been reclassified from prior period to match current period presentation. These amounts have $nil impact on prior period Statement of Financial Position and Statement of Changes of Equity.

18) Subsequent Events and Transaction Subsequent to the Period End

Subsequent to the period end, the Company entered into a Re-Marketing Agreement with one of the Company's resellers. As part of this agreement, the reseller agreed to take back 14 DM units delivered previously to one of the reseller's end customers. The reseller has agreed to keep 5 of these DM units for its own purposes. The remaining 9 units are subject to the terms of the Re-Marketing Agreement. Should the 9 units not be resold by July 30, 2021, the reseller has the right to request a payment of US $205,238 and ownership of the units will revert to the Company. While the Company anticipates that the units will be resold prior to July 30, 2021, in the current quarter ended Dec. 31, 2020, the Company has booked US$205,238 as a sales and marketing provision as well as written off an accounts receivable balance of US$35,473 associated with the original sale.

Subsequent to the period end, the Company has applied for and received wage subsidies under the Canada Emergency Wage Subsidy program and under the Canada Emergency Rent Subsidy in the amount of $52,176. In addition, warrant and option exercises have provided an additional $1,249,663 in additional financial liquidity for the Company to support its operations during the Covid-19 pandemic.