BLUEBERRIES MEDICAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2024

Dated April 23, 2025

The following Management's Discussion and Analysis (the "MD&A") of Blueberries Medical Corp. ("Blueberries", "BBM" or the "Company"), formerly CDN MSolar Corp. ("CMS") for the year ended December 31, 2024, as well as information and expectations concerning Blueberries' outlook are based on currently available information.

This MD&A is intended to supplement and complement the Company's consolidated financial statements as of and for the year ended December 31, 2024 (the "Financial Statements"). The Financial Statements and notes thereof are prepared following International Financial Reporting Standards ("IFRS") and their interpretations adopted by the International Accounting Standards Board ("IASB").

The MD&A, and the annual audited consolidated financial statements have been filed on SEDAR at www.sedar.com. Additional information can also be found on the Company's website at www.blueberriesmed.com.

This MD&A is prepared as of April 23, 2025. All dollar values are expressed in Canadian dollars unless otherwise indicated.

HIGHLIGHTS

Throughout 2024, Blueberries Medical Corp advanced its strategic vision to become a leading supplier of pharmaceutical-grade cannabis ingredients in Latin America, achieving significant commercial, regulatory, and operational milestones.

The Company successfully completed its first export of THC-rich active pharmaceutical ingredients (API) to Argentina, marking a key entry into this critical pharmaceutical market. It also expanded operations into Chile, launching both CBD and THC-based products to strengthen its regional presence.

In Brazil, the Company secured regulatory approval for the direct export of THC-balanced formulations. This milestone significantly improved operational efficiency by lowering logistical costs and establishing stable, recurring revenue streams.

In Colombia, Blueberries was awarded a government research grant to support the development of innovative and sustainable THC purification technologies, further advancing its R&D capabilities. Additionally, domestic regulatory approval for the distribution of high-THC APIs led to record sales volumes, reinvigorating the local pharmaceutical market.

Domestically, regulatory approval for distributing high-THC API boosted record sales volumes in Colombia, revitalizing the local pharmaceutical market.

As part of its strategic evolution and in response to global consumer trends, the Company is actively pursuing the development and commercialization of a new product portfolio beyond its core cannabis operations. Blueberries is expanding its business model to include functional supplements, wellness products, innovative natural ingredients, leveraging its expertise in extraction, purification and botanical actives. This diversification strategy aims to position the Company within the broader health and wellness industry, targeting high-growth segments that align with Blueberries' mission to deliver science-based, plant-derived solutions. By broadening its product offerings and market focus, the Company seeks to reduce reliance on cannabis-specific revenue streams and build a more resilient and scalable business platform for the future.

The year also saw important corporate developments, including the renewal of the Board of Directors, the appointment of Thomas Rodriguez Prats as Chief Financial Officer, and the addition of Guillermo Rodriguez to the Board of Directors, strengthening the Company's governance and strategic direction.

CORPORATE OVERVIEW AND UPDATE

Blueberries is a fully licensed Cannabis producer in Latin America focusing on cultivating, processing, and supplying medicinal-grade Cannabis oil extracts, premium medical flowers, and related products. Additionally, the Company distributes functional supplements, wellness products, and innovative natural ingredients. The common shares of the Company are listed on the Canadian Securities Exchange (the "CSE") under the symbol "CNSX: BBM", in U.S.A on the OTC Markets ("OTC: BBRRF"), and in Germany on the Frankfurt Bourse ("FRA: 1OA").

Blueberries' wholly owned subsidiary, Blueberries SAS ("BBSAS") is a licensed producer and distributor of medicinal Cannabis and Cannabis-derived products in Colombia.

COLOMBIA OPERATIONS

In Colombia, Blueberries Medical Corp remained focused on the specialized production of pharmaceutical-grade cannabis-derived ingredients, prioritizing operational efficiency and resource optimization:

Third-Party Cultivation Model:

The Company continued to successfully implement third-party cultivation agreements with multiple GACP-certified local operators, ensuring reliable access to high-quality biomass for internal processing and resale. This strategy led to substantial reductions in operating expenses while consistently improving product potency and quality.

Technological and Manufacturing Capabilities:

Blueberries successfully integrated advanced technological methods, supported by government research funding, to enhance the efficiency and sustainability of THC purification processes. The Company also made continuous improvements to its extraction and manufacturing techniques, elevating quality standards and reinforcing its competitive position in international pharmaceutical markets.

Domestic Pharmaceutical Market:

The Company launched a steady supply of high-THC and CBD API for magistral use, meeting substantial internal demand. This initiative contributed significantly to operational volumes and domestic revenues, solidifying Blueberries' presence in the Colombian pharmaceutical market.

COMMERCIAL EMPHASIS AND NEW REVENUE STREAMS

In 2024, Blueberries Medical Corp made significant strides in its commercial strategy, focusing on highly specialized pharmaceutical segments and substantially expanding revenue streams through innovative strategic alliances:

Pharmaceutical APIs (THC and CBD):

The Company continued to prioritize specialized pharmaceutical active ingredients, successfully pioneering exports of THC to markets such as Argentina and pharmaceutical-grade CBD to public-private laboratories, thereby expanding its client base across the region. Additionally, recurring orders for compassionate use formulations in Brazil saw consistent growth, driven by regulatory and logistical optimizations.

Finished Pharmaceutical Formulations:

Blueberries entered into strategic agreements to develop and register four finished pharmaceutical products targeting chronic pain, multiple sclerosis, chemotherapy-induced nausea, and epilepsy. This initiative strengthened the Company's position within high-value, specialized therapeutic niches.

Strategic Regional Expansion:

The Company expanded its presence in key Latin American markets, including Chile and Argentina, through strategic partnerships with established pharmaceutical laboratories. This expansion significantly bolstered Blueberries' competitive positioning and commercial capabilities in the region.

Revitalized Domestic Market:

In Colombia, the Company achieved commercial success through the sustained supply of magistral API formulations, contributing to the robust and sustainable reactivation of the local pharmaceutical market, with unprecedented sales volumes in recent years.

These strategic and operational achievements underscore the effectiveness of Blueberries' business model, which is centered on pharmaceutical specialization, operational efficiency, and targeted market expansion.

PRODUCTION LICENSES

The legalization of the cultivation of Cannabis as medicinal Cannabis was based on Law 1787 of 2016 enacted by Colombian Congress, Decree 613 of 2017 the ("Decree") and regulatory resolutions (577, 578 and 579 of August 8, 2017 enacted by the Ministry of Justice and resolutions 2891 and 2892 of 2017 enacted by the Ministry of Health) which formed a legal framework that regulates the actions of any company in Colombia working with Cannabis for medical and scientific purposes, including the cultivation, production, and domestic and international distribution of Cannabis, Cannabis seeds, High THC Medicinal Cannabis, and Low THC Medicinal Cannabis extracts.

Decree 613 of 2017 specifically outlines the diverse types of Cannabis licenses and general requirements for issuing these licenses. The new requirements from this Decree to obtain a license include providing certification of land use, shareholder structure information, a farming crop plan and manufacturing project for five years, and registry of plant cultivars with the ICA. The Decree also outlines that the license holder must inform the Ministry of Justice and the National Narcotics Fund of non-psychoactive seeds that become psychoactive either during agricultural evaluation or seed cultivation. Additionally, the Decree outlines new events for termination of licenses including not obtaining at least one quota for each year of licenses and beginning cultivation or commercialization without the ICA registry of plant cultivars.

PRODUCTION LICENSES (CONTINUED)

The Company obtained licenses to grow, cultivate, distribute locally and internationally medical Cannabis with high concentrations of Tetrahydrocannabinol "THC" (>1% THC) and medical Cannabis with low concentrations of THC (<1% THC). Below is a summary of the licenses, their function, status and application.

Licenses	Function	Grant Date	Expiry Date	Application
Non-psychoactive Cannabis cultivation	· Seed production for planting	Dec. 21, 2022	Apr. 6, 2028	· Less than 1.0% THC Production of low THC flower · Domestic and international distribution
	· Grain production			
	· Manufacture of derivatives			
Psychoactive Cannabis cultivation	· Seed production for planting	Mar. 27, 2023	Nov. 13, 2028	· Production of more than 1.0% THC and high THC extracts. · Domestic and international distribution
	· Grain production			
	· Manufacture of derivatives			
	· Scientific purposes			· Scientific research
Seeds	· Marketing or delivery	Jul. 10, 2024	Jul. 10, 2029	· Marketing: Buying and selling of seeds
	· Scientific purposes			
Manufacture of Cannabis derivatives	· National use	Aug. 17, 2018	Aug. 17, 2028	· Manufacture, Produce, Commercialize and export psychoactive and non-psychoactive Cannabis derivatives
	· Exportation			
	· Scientific Research	Jan. 29, 2020	N/A	· Scientific research and extension to extraction

Annual Information

Selected financial information for the previous three years is set out below.

	Year ended December 31, 2024 $	Year ended December 31, 2023 $	Year ended December 31, 2022 $
Current assets	1,002,994	1,909,356	2,185,642
Total assets	1,380,421	2,416,664	3,354,162
Current liabilities	545,607	459,681	1,747,412
Total liabilities	545,607	470,723	1,886,394
Revenue	471,414	288,272	235,449
Gross profit / (loss)	164,517	84,225	(17,720)
Loss before other income (expenses)	(913,121)	(1,640,153)	(2,001,663)
Other income (expenses)	(235,412)	4,779	532,787
Net loss	(1,148,533)	(1,635,374)	(1,467,876)
Total loss and comprehensive loss	(1,158,720)	(1,614,280)	(1,567,450)
Net loss per share – basic and diluted	0.00	0.01	0.01

In 2024, the Company's total assets decreased by $1,036,243, primarily due to a reduction in cash of $752,077 and a decrease in assets held for sale by $201,228, reflecting the impairment recognized during the year ended December 31, 2024. Loss before other income (expenses) decreased by $727,032, primarily driven by a reduction of $317,028 in general and administrative expenses, as detailed below, and a decrease of $263,839 in finance expenses, resulting from the maturity of convertible debentures in July 2023.

In 2022, the Company identified that CBD Isolate as the leading product, and sales increased 70% to $235,449. In 2023, the increase of 22% in revenue is primarily due to incorporation of THC distillate to the Company's sales portfolio and its first sale to Australia.

DISCUSSION OF OPERATIONS

Revenues

During the three months ended December 31, 2024, the Company generated a total revenue of $265,269, an increase of $205,605 from the comparative period, which was primarily driven by higher sales of dietary supplements. Approximately 87% (2023 – 99%) of the revenue was generated from CDD/THC Derivatives sales and 14% (2023 – 0%) was derived from extraction service.

The following is the breakdown of the gross loss for the three months ended December 31, 2024, and 2023.

For the three months ended		December 31, 2024		December 31, 2023
Revenues				
Products revenue	$	229,551	$	59,646
Extraction services		35,828		-
Others		(110)		18
Cost of Sales				
Products revenue		(175,045)		(27,007)
Extraction services		744		-
Others		43		50
Direct cost of production		(10,112)		17,037
	$	80,899	$	49,744

During the year ended December 31, 2024, the Company generated a total revenue of $471,414, an increase of $183,143 (or 63.5%) from the comparative period. Approximately 68% (2023 – 99%) of the revenue was generated from CDD/THC Derivatives sales, 31% (2023 – 0%) was derived from extraction services and the remaining 1% (2023 – 1%) for other miscellaneous services.

The following is the breakdown of the gross loss for the year ended December 31, 2024, and 2023.

For the years ended		December 31, 2024		December 31, 2023
Revenues				
Products revenue	$	319,891	$	287,497
Extraction services		145,631		-
Others		5,892		775
Cost of Sales				
Products revenue		(208,126)		(157,897)
Extraction services		(48,502)		-
Others		(2,272)		(636)
Direct cost of production		(47,997)		(45,514)
	$	164,517	$	84,225

Cost of sales and Direct cost of production

Cost of sales and direct cost of production include direct expenses relating to extraction and agricultural operations for propagation including strain management, cost allocated from mother plants, irrigation, nutrients, consumables such as supplements, supplies, spare parts, trays, peat, personnel costs, electricity, and allocation of operational certain fixed costs.

During the three months ended December 31, 2024, the Company incurred $174,258 of cost of sales, an increase of $147,301 compared to the comparative period of $26,957. During the year ended December 31, 2024, the Company incurred $258,900 of cost of sales, an increase of $100,367 compared to the comparative period of $158,533. The increase in both period was proportional to the increase in revenue. .

During the three months ended December 31, 2024, the Company incurred $10,112 of direct cost of production, an increase of 27,149 compared to the comparative period of $17,037 of recovery of direct cost of production. During the year ended December 31, 2024, the Company incurred $47,997 of direct cost of production, which was comparable to the costs in comparative period of $45,514. The increase is due to reduction in direct cost of production associated with maintenance and leases.

Operating expenses

The operating expense for the three months ended December 31, 2024 was $14,467, a decrease of $8,645 from the comparative period of $23,112. For the year ended December 31, 2024, the Company incurred a total operation expense of $37,580, a decrease of $31,619 from the comparative period of $69,199. The decrease for both periods was primarily driven from the reduction of the security and maintenance costs.

General and Administrative ("G&A") Expenses

	For the three months ended December 31,		For the years ended December 31,	
	2024	2023	2024	2023
Audit and tax	$ (39,683)	$ (38,400)	$ 145,317	$ 144,719
Consulting	85,416	152,884	125,444	195,390
Director and management fees	75,527	144,107	298,885	294,465
Filing and transfer agent fees	20,385	24,025	68,973	71,550
General office	7,251	6,393	19,235	45,357
Insurance	16,340	19,446	66,286	80,608
Legal	5,100	5,204	20,823	32,762
Other	3,178	4,905	8,195	16,149
Salary, wages, and benefits	32,185	26,159	103,034	228,363
Share based compensation expense	7,487	60,264	47,593	111,450
Total	**$ 213,186**	**$ 404,987**	**$ 903,785**	**$ 1,220,813**

For the three months ended December 31, 2024, the Company incurred a total G&A expense of $213,186, a decrease of $191,801 (47%), compared to $404,987 incurred in the comparative period. For the year ended December 31, 2024, the Company incurred a total G&A expense of $903,785, a decrease of $317,028 (26%), compared to $1,220,813 incurred in the comparative period.

Consulting

Consulting fees represent expenses incurred for services provided by specific third-party vendors or contractors engaged by the Company. For the three months ended December 31, 2024, the Company recorded consulting fees of $85,416, representing a decrease of $67,468 compared to the same period in the prior year. This reduction was primarily due to the reversal of approximately $30,000 in consulting fees previously accrued in prior years that were no longer payable, as well as a reduction in the use of consultants in Colombia. For the year ended December 31, 2024, total consulting fees amounted to $125,444, a decrease of $69,946 compared to the prior year. The year-over-year decrease is attributable to the same factors noted for the quarterly decline.

Director and management fees

Director and management fees represent compensation paid to certain directors and officers of the Company for services rendered to Blueberries, either directly or through related entities. For the three months ended December 31, 2024, the Company incurred fees totaling $75,527, a decrease of $68,580 compared to the same period in the prior year. The decrease is primarily attributable to a bonus of $74,795 granted in fiscal 2023, whereas no bonus was awarded in fiscal 2024. For the year ended December 31, 2024, the Company incurred director and management fees of $298,885, which is consistent with the prior year total of $294,465.

Salary, wage and benefits

For the three months ended December 31, 2024, the Company incurred expenses of $32,185, representing an increase of $6,026 compared to the same period in the prior year. For the year ended December 31, 2024, total expenses were $103,034, a decrease of $125,329 from the prior year. This decline is primarily attributable to the transition of Jose Maria Forero from his role as President of Latin American Operations to a position on the Company's Board of Directors. Additionally, the Company has optimized staffing costs through a shared services arrangement.

Share based compensation.

The Company's Stock Option Plan (the "Plan") provides for the issue of stock options to directors, officers, employees, contractors, and consultants, who are all considered related parties to the Company. The Plan provides that stock options may be granted up to a number equal to 10% of the Company's outstanding shares. The Plan also indicates that the maximum number of shares which may be issued to any one insider and his or her associates under the Plan, together with any other previously established or proposed share compensation arrangements, within a one-year period shall be 5% of the shares outstanding at the time of the grant. Vesting and other terms and conditions are determined by the Board of Directors at the time they are granted. When an optionee resigns or a contractual relationship with an optionee ends, the Plan allows 90 days for vested options to be exercised.

For the three months ended December 31, 2024, the Company recognized a share-based compensation recovery of $7,487, representing a decrease of $52,777 compared to the same period in the prior year. For the year ended December 31, 2024, the total share-based compensation recovery was $47,593, a decrease of $63,857 year-over-year. The declines in both periods were primarily driven by a lower value of stock options vesting in 2024 compared to 2023.

Depreciation and Amortization

Depreciation and amortization of Property, Plant, and Equipment ("PP&E") are dependent upon estimated useful life of an asset, which is the period over which an asset is expected to be available for use. PP&E is depreciated through profit and loss over an asset's estimated useful life. Agricultural facilities and equipment are estimated to have useful lives between 3 – 5 years, while buildings are estimated to have useful lives of 10 years. Assets under construction or not in use are not subject to depreciation until they are available for use.

During the three months ended December 31, 2024, the Company recorded total depreciation and amortization expenses of $27,223, compared to $34,971 for the same period in 2023. For the year ended December 31, 2024, total depreciation and amortization expenses amounted to $105,196, down from $149,744 in the prior year. The decrease in both periods is primarily attributable to the impairment of equipment recognized at the end of 2023, which reduced the depreciable asset base moving forward.

Finance Expense

Finance expense for the three months ended December 31, 2024, was $Nil, compared to $9,976 in the same period of 2023. For the year ended December 31, 2024, finance expense was also $Nil, down from $263,839 in the prior year. In the comparative periods, finance expenses primarily related to interest and accretion on $1,000,000 of unsecured convertible debentures issued on July 16, 2020. These debentures, originally maturing on July 13, 2022, had their term extended to July 13, 2023. They bore interest at 13% per annum, with an effective interest rate of 32.36%. The year-over-year decrease of $263,839 is primarily attributable to the maturity of the convertible debentures in July 2023, eliminating further interest and accretion expenses.

Impairment of property, plant and equipment

Impairment of property, plant, and equipment for both the three months and year ended December 31, 2024, was $Nil, compared to $180,636 in 2023. In the prior year, management determined that an impairment test was required under IAS 36 to assess the recoverable value of the Company's equipment. As a result of this assessment, the Company recognized an impairment charge of $180,636 related to its property, plant, and equipment in 2023.

Impairment of assets held for sale

Impairment of assets held for sale for both the three months and year ended December 31, 2024, totaled $176,025, compared to $Nil in the prior year. As of December 31, 2024, the assets held for sale consist of a property formerly used as a cultivation facility located in Guatavita, Colombia. Due to ongoing challenges in the real estate market, the Company has experienced difficulty in selling the property. Consequently, an impairment charge of $176,025 was recognized to reflect the recoverable amount of the asset, determined as fair value less costs to sell. In estimating fair value less costs to sell, the Company considered the most recent price negotiated with potential buyers and adjusted that amount to account for expected selling costs.

SELECTED QUARTERLY FINANCIAL INFORMATION

The table below presents the quarterly financial highlights for the last eight quarters.

	Revenue	Net loss	Net loss per share
2024 FISCAL YEAR			
31-Dec-24	$ 265,269	$ (386,229)	$ (0.00)
30-Sep-24	60,969	(175,972)	(0.00)
30-Jun-24	56,283	(328,377)	(0.00)
31-Mar-24	88,893	(257,955)	(0.00)
2023 FISCAL YEAR			
31-Dec-23	59,664	(678,250)	(0.00)
30-Sep-23	83,449	(323,366)	(0.00)
30-Jun-23	67,265	(493,274)	(0.00)
31-Mar-23	$ 77,894	$ (440,484)	$ (0.00)

LIQUIDITY AND CAPITAL RESOURCES

The principal activities of the Company are cultivating, producing, and distributing psychoactive and non-psychoactive Cannabis by-products in Colombia. These activities are financed through the completion of equity transactions such as equity offerings. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See discussion of common risk factors below.

As part of its strategic evolution and in response to global consumer trends, the Company is actively pursuing the development and commercialization of a new product portfolio beyond its core cannabis operations. Blueberries is expanding its business model to include functional supplements, wellness products, innovative natural ingredients, leveraging its expertise in extraction, purification and botanical actives. This diversification strategy aims to position the Company within the broader health and wellness industry, targeting high-growth segments that align with Blueberries' mission to deliver science-based, plant-derived solutions. By broadening its product offerings and market focus, the Company seeks to reduce reliance on cannabis-specific revenue streams and build a more resilient and scalable business platform for the future.

The Company has negative cash flow from operations and therefore must utilize its current cash reserves, to maintain its capacity to meet ongoing operating activities. The negative cash flows from operations were driven by the fact that the Cannabis business is in the development phase with minimal revenue to positively affect cash flows.

<u>For the year ended December 31, 2024</u>

For the year ended December 31, 2024, the net cash used in operating activities decreased by $535,692 (or 40%) compared to the comparative period. The decrease is mainly attributed to decrease in loss as well as in non-cash working capital of $346,690, primarily derived from lower cash outflows from paying off trade accounts payable and accrued liabilities in 2024 compared to 2023.

For the year ended December 31, 2024, the net cash generated in investing activities decreased by $373,914 compared to the comparative period. The decrease is due to the decrease from proceeds from disposal of and advances towards property, plant and equipment of $396,267, offset by the purchase of property, plant and equipment of $22,353 in the comparative period.

For the year ended December 31, 2024, the net cash used in financing activities increased by $541,042 compared to the comparative period. The decrease is due to the reduced lease payment Guatavita. Additionally, the Company closed a non-brokered private placement in December 2023 with gross proceeds of $1,981,002. This decrease is offset by the increase due to repayment of convertible debentures in 2023 of $1,390,000.

The Company's liquidity risk from financial instruments is minimal as excess cash is held in bank accounts with reputable financial institutions.

While the Company has no amount of cash flow from operations, management believes that with the cost saving measures implemented, the company will be able to meet its administrative overhead costs in the coming months. The Company will require additional funding to complete its extraction facility post-harvest build-out through development and into production and for working capital as it starts generating revenue. The Company will continue to pursue opportunities to raise additional capital through debt and equity markets to fund its future growth and operating activities. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or under terms favourable to the Company.

SUBSEQUENT EVENTS

On March 25, 2025, the Company successfully completed a non-brokered private placement, issuing a total of 96,064,935 common shares at a price of $0.011 per share, for aggregate gross proceeds of $1,056,714. The entire offering was subscribed to by two members of the Company's Board of Directors and by Terraflos.

OFF-BALANCE-SHEET ARRANGEMENTS

As of the date hereof, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

OUTSTANDING SHARE DATA

As of December 31, 2024, share capital consisted of:

- 399,025,152 issued and outstanding common shares.
- 12,325,000 options outstanding and 8,945,000 exercisable at exercise price ranges from $0.02-$0.14 and weighted average remaining contractual life of 3.11 years.
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As of April 23, 2025, share capital consisted of:

- 495,090,087 issued and outstanding common shares.
- 12,025,000 options outstanding and 8,645,000 exercisable at exercise price ranges from $0.02 - $0.14.

FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient cash resources in order to finance operations, fund capital expenditures, and to repay debt and other liabilities of the Company as they come due, without incurring unacceptable losses or risking harm to the Company's reputation.

As of December 31, 2024, the Company's financial liabilities consist of trade accounts payable and accrued liabilities, lease liability, which have contractual payment obligations within one year, except for lease liabilities. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its contractual obligations. Financial instruments subject to credit risk include cash, and accounts receivable. All the Company's cash is held at reputable financial institutions. Accounts receivables consist mainly of harmonized sales tax and general sales tax receivables that the Company expects to receive from the Government of Canada and Colombia respectively. As such credit risk is deemed to be low on these instruments. The Company also has trade receivables of $289,161, of which $54,060 has been provided for as potentially uncollectible.

Market risk

Market risk is the risk or uncertainty that changes in price, foreign exchange rates, and interest rates will affect the Company's net earnings and the value of financial instruments. Blueberries is exposed to two types of market risk, being foreign currency risk and interest rate risk as outlined below.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate because of changes in foreign currency exchange rates. The Company's functional and reporting currency, except for the Colombia, Argentina and Panama subsidiaries, is the Canadian dollar. The Colombian subsidiaries incur expenditures in Colombian pesos, which is their functional currency. Therefore, the Company is exposed to the risk of fluctuations in foreign exchange rates between Colombian pesos and Canadian dollars. Blueberries does not anticipate a significant impact on its consolidated financial statements because of a 5% change in the exchange rate between the two currencies.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in prevailing market interest rates. The Company's convertible debt has fixed interest rate. As of December 31, 2024, the fluctuations of interest rates would not have had a significant impact on the consolidated financial statements.

Capital risk management.

The Company's objectives when managing capital are to ensure the Company will have sufficient financial capacity, liquidity, and flexibility to fund the Company's operations, growth, and ongoing developmental activities. The Company is dependent upon funding these activities through a combination of available cash, debt, and equity, which it considers to be the components of its capital structure as outlined below. There were no changes to the Company's capital management during the year, except the issuance of the convertible debt. The Company is not exposed to any external capital requirements.

RELATED PARTY TRANSACTIONS

The Company has defined key management personnel as senior executive officers, as well as the Board of Directors. The total remuneration of key management personnel and the Board of Directors for the years ending December 31, 2024, was $335,508 (2023 - $463,913), including $36,623 (2023 - $94,496) of share-based compensation. Included in accounts payable and accrued liabilities as of December 31, 2024 was $30,187 (2023 - $Nil) due to key management personnel.

During the year ended December 31, 2024, the Company incurred total consulting fees of $20,293 (US$ 14,700) (2023 - $Nil) from a director. Included in accounts payable and accrued liabilities as of December 31, 2024 was $13,815 (US$ 9,600) (2023 - $Nil) due to the director.

Key management and Terraflos collectively participated in the 2023 Private Placement with the purchase of 152,679,682 for $1,679,477.

Critical accounting estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.
Significant estimates and judgments made by management in the preparation of these consolidated financial statements are outlined below.

<u>Useful lives of PPE and intangible assets</u>
Depreciation and amortization of property, equipment and intangible assets are dependent upon estimates of useful lives, which are determined through the exercise of professional judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that consider factors such as economic and market conditions and the useful lives of the assets.

<u>Impairment testing</u>
At the date of each statement of financial position, the Company reviews the carrying amounts of its finite-life intangible assets and property, plant and equipment, carried at cost to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount, being its value in use or fair value less cost to sell of the cash-generating unit to which the asset belongs. Judgement is also applied in determining the Company's CGUs.

As part of the impairment testing, estimations would be involved in establishing a recoverable amount, including but not limited to, cash flow forecasts and discount rates.

Expected credit losses
In calculating the expected credit loss on financial instruments, management is required to make a number of judgments including the probability of possible outcomes regarding credit loss, the discount rate to use for time value of money and whether the financial instrument's credit risk has increased significantly since initial recognition.

Convertible debentures
The accounting for convertible debentures involves discounted cash flow technique which includes both inputs that are not based on observable market data and inputs that are available from observable market data. Where available, the Company seeks comparable interest rates and, if unavailable, uses those considered appropriate based on management's assessment of the Company's risk profile.

Derivative liability on convertible debentures
The valuation of the derivative liability involves using the Monte-Carlo simulation model and inputting the current share price of the underlying stock, the interest rate for the option, a risk-free interest rate for the option, the expected conversion option price, and the expected life of the option. The derivative liability is valued at FVPL at each reporting date.

Lease liabilities and right-of-use assets
A lease liability and a corresponding right-of-use asset is recognized at the commencement date of a lease at the present value of the lease payments over the lease term. The Company uses the implicit rate within the lease, if readily available, or the incremental borrowing rate when the rate implicit is not known. The discount rate is based on judgements including economic environment, terms, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use asset, lease liability, and resulting interest expense and depreciation expense, may differ due to changes in the market conditions. The lease term is also subject to certain assumptions including the Company's intent regarding extension and termination options of a lease.

New, amended and future accounting pronouncements

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements that clarified the classification of liabilities as current or non-current is based on contractual rights that are in existence at the end of the reporting period. In October 2022, the IASB issued amendments to IAS 1 that specified how an entity assesses whether it has the right to defer settlement of a liability when that right is subject to compliance with covenants within twelve months after the reporting period. These amendments were effective January 1, 2024, with early adoption permitted. Retrospective application is required on adoption. These amendments did not have a material effect on the Company's financial statements.

The following standards, amendments and interpretations have been issued but are not yet effective:

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). These amendments updated classification and measurement requirements in IFRS 9 Financial Instruments and related disclosure requirements in IFRS 7 Financial Instruments: Disclosures. The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the solely payments of principal and interest criterion, including financial assets that have environmental, social and corporate governance ("ESG")-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at FVOCI. The amendments are effective for annual periods beginning on or after January 1, 2026 with early adoption permitted. This amendment is not expected to have a material impact on the Company.

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements which will replace IAS 1, Presentation of Financial Statements. The new standard on presentation and disclosure in financial statements focuses on updates to the statement of earnings (loss). The key new concepts introduced in IFRS 18 relate to the structure of the statement of earnings (loss), required disclosures in the financial statements for certain earnings (loss) performance measures that are reported outside an entity's financial statements and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. The Company is currently evaluating the impact of the adoption of this standard.

BUSINESS RISKS

Limited Operating History

Blueberries is an early-stage company and has a limited operating history upon which its business and future prospects may be evaluated. Blueberries will be subject to all the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals. For Blueberries to meet future operating and debt service requirements, Blueberries will need to be successful in its growing, marketing and sales efforts. Additionally, where Blueberries experiences increased sales, Blueberries' current operational infrastructure may require changes to scale the Company's business efficiently and effectively to keep pace with demand and achieve long-term profitability, including the possibility to upgrade the operation to be compliant with EU-GMP pharma grade certification. If Blueberries' new products and services are not accepted by new customers, the Company's operating results may be materially and adversely affected.

Managing Growth

In order to manage growth and change in strategy effectively, the Company must (i) maintain adequate systems to meet customer demand; (ii) expand sales and marketing, distribution capabilities and administrative functions; (iii) expand the skills and capabilities of its current management team; and (iv) attract and retain qualified employees. While it intends to focus on managing its costs and expenses over the long term, Blueberries expects to invest to support its growth and may have additional unexpected costs. It may not be able to expand quickly enough to exploit potential market opportunities.

Retention and Acquisition of Skilled Personnel

The loss of any member of the Company's management team, could have a material adverse effect on its business and results of operations. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on the Company's business and operating results. At present and for the near future, Blueberries will depend upon a relatively small number of employees to develop, market, sell and support its products. The expansion of marketing and sales of its products will require Blueberries to find, hire and retain additional capable employees who can understand, explain, market and sell its products. There is intense competition for capable personnel in all of these areas and Blueberries may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take considerable time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, as the Company moves into new jurisdictions, it will need to attract and recruit skilled employees in those areas.

Legal Proceedings

From time to time, Blueberries may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. Blueberries will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on Blueberries' financial results.

Regulatory Compliance Risks

Achievement of Blueberries' business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. Blueberries may not be able to obtain or maintain the necessary licenses, permits, quotas, authorizations, or accreditations, or may only be able to do so at great cost, to operate its business. Blueberries cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by local governmental authorities. The impact of the compliance regime, any delays in obtaining, or failure to obtain or keep the regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, results of operations and financial condition of Blueberries.

The officers and directors of Blueberries must rely primarily on Blueberries' Colombian legal counsel and local consultants retained by Blueberries in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect Blueberries' business operations, and to assist Blueberries with its governmental relations. Blueberries must rely, to some extent, on those members of management and the board who have previous experience working and conducting business in Colombia to enhance its understanding of and appreciation for the local business culture and practices in Colombia.

Blueberries also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing and tax matters in Colombia. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices in Colombia are beyond the control of Blueberries and may adversely affect its business.

Blueberries will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Blueberries may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to Blueberries' operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of Blueberries.

Canadian Regulatory and Civil Proceedings

The sale and distribution of Cannabis products for medicinal use by licensed producers is legal in certain Canadian provinces. The Canadian federal government legalized marijuana effective October 17, 2018.

Blueberries operates in Colombia pursuant to the Blueberries Licenses and authorizations granted by the Ministry of Justice and the Ministry of Health. Consequently, certain activities conducted by Blueberries are permissible under one regulatory regime while not under another. In the past, Canadian courts and regulatory authorities have taken the view that it is not contrary to Canadian federal or provincial law for a person to be engaged in, or for an entity to hold interests in affiliates that are engaged in, certain regulated activities where such activities may be regulated differently than in the home jurisdictions and have enforced extra-territorial laws even where such laws (or regulatory regimes applicable to certain activities or industries) differs from those in the Canadian jurisdiction. There is a risk however that the Canadian courts or applicable Canadian or other governmental authorities may take a contrary view with respect to the business of Blueberries and view Blueberries as having violated their local laws, despite Blueberries having obtained all applicable Colombian licenses or authorizations and despite that Blueberries does not carry on business in Canada. Therefore, there is a risk that civil and criminal proceedings, including class actions, could be initiated against Blueberries. Such potential proceedings could involve substantial litigation expense, penalties, fines, seizure of assets, injunctions or other restrictions being imposed upon Blueberries or its business partners, while diverting the attention of key executives. Such proceedings could have a material adverse effect on Blueberries' business, revenues, operating results and financial condition as well as impact upon Blueberries' reputation.

Change of Cannabis Laws, Regulations and Guidelines

Cannabis laws and regulations are dynamic and subject to evolving interpretations which could require Blueberries to incur substantial costs associated with compliance or alter certain aspects of its business plan. It is also possible that regulations may be enacted in the future that will be directly applicable to certain aspects of Blueberries' businesses. Blueberries cannot predict the nature of any future laws, regulations, interpretations or applications, nor can it determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on Blueberries' business. Management expects that the legislative and regulatory environment in the Cannabis industry in Colombia and internationally will continue to be dynamic and will require innovative solutions to try to comply with this changing legal landscape in this nascent industry for the near future. Compliance with any such legislation may have a material adverse effect on Blueberries' business, financial condition and results of operations.

Public opinion can also exert a considerable influence over the regulation of the Cannabis industry. A negative shift in the public's perception of the Cannabis industry could affect future legislation or regulation in different jurisdictions.

Reliance on Blueberries Licenses and Authorizations

Blueberries' ability to grow, store and sell Cannabis in Colombia is dependent on Blueberries' ability to sustain and/or obtain the necessary licenses and authorizations by certain authorities in Colombia.

The pending licenses and authorizations are subject to ongoing compliance and reporting requirements and the ability of Blueberries to obtain, sustain or renew any such licenses and authorizations on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions. Failure to comply with the requirements of the licenses or authorizations or any failure to maintain the licenses or authorizations would have a material adverse impact on the business, financial condition and operating results of Blueberries.

Although Blueberries believes that it will meet the requirements to obtain, sustain or renew the necessary licenses and authorizations, there can be no guarantee that the applicable authorities will issue these licenses or authorizations. Should the authorities fail to issue the necessary licenses or authorizations, Blueberries may be curtailed or prohibited from the production and/or distribution of Cannabis or from proceeding with the development of its operations as currently proposed and the business, financial condition and results of the operation of Blueberries may be materially adversely affected.

Reliance on One Facility

The cultivation facility is currently only licensed facility under the Licenses. The Licenses held by Blueberries are specific to the Cultivation Facility. Adverse changes or developments affecting the cultivation facility, including but not limited to a breach of security, could have a material and adverse effect on Blueberries' business, financial condition and prospects. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by Colombian regulatory authorities, could have an impact on Blueberries' ability to receive or hold the licenses.

Certain contemplated capital expenditures of Blueberries may require approval of Colombian regulatory authorities. There is no guarantee that Colombian Regulatory Authorities will approve any contemplated expansion and/or renovation, which could adversely affect the business, financial condition and results of Blueberries' operations.

Unexpected disruptions affecting operations, whether due to labor disruptions, supply disruptions, power disruptions, damage to equipment or otherwise

Blueberries' operations may be disrupted by a variety of risks and hazards that are beyond its control, including, but not limited to, fires, power outages, labour disruptions, supply disruptions, flooding, and the inability to obtain suitable or adequate machinery, equipment or labour as well as other risks involved in the cultivation and production of medicinal Cannabis.

Demand for Cannabis and Derivative Products

The legal Cannabis industry in Colombia is at an early stage of its development. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of medicinal Cannabis are mixed and evolving and can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medicinal Cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medicinal Cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for medicinal Cannabis and on the business, results of operations, financial condition and cash flows of Blueberries. Further, adverse publicity reports or other media attention regarding Cannabis in general or associating the consumption of medicinal Cannabis with illness or other negative effects or events, could have such a material adverse effect. Public opinion and support for medicinal Cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support are rising for legalizing medicinal Cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization. Blueberries' ability to gain and increase market acceptance of its business may require substantial expenditures on investor relations, strategic relationships and marketing initiatives. There can be no assurance that such initiatives will be successful, and their failure may have an adverse effect on Blueberries.

Liability, Enforcement, Complaints, etc.

Blueberries' participation in the Cannabis industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by third parties, other companies and/or various governmental authorities against Blueberries. Litigation, complaints, and enforcement actions involving Blueberries could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on Blueberries' future cash flows, earnings, results of operations and financial condition.

Product Liability

As a distributor of products designed to be ingested by humans, Blueberries faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused damages, loss or injury. In addition, the sale of Blueberries' products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Adverse reactions resulting from human consumption of Blueberries' products alone or in combination with other medications or substances could occur. Blueberries may be subject to various product liability claims, including, among others, that Blueberries' products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning health risks, side effects or interactions with other substances. A product liability claims or regulatory action against Blueberries could result in increased costs, could adversely affect Blueberries' reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of Blueberries. There can be no assurances that Blueberries will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of Blueberries' potential products.

Insurance Coverage

Blueberries' production is, in general, subject to different risks and hazards, including adverse weather conditions, fires, plant diseases and pest infestations, other natural phenomena, industrial accidents, labour disputes, changes in the legal and regulatory framework applicable to Blueberries and environmental contingencies.

Blueberries is in the process of obtaining additional insurance coverage over Blueberries' growing production and facilities. Blueberries is seeking insurance against a variety of risks, including losses and damages relating to its plants, equipment and buildings. Any insurance that Blueberries is successful in obtaining may only cover part of the losses it may incur and may not cover losses on crops due to drought or floods. Furthermore, certain types of risks may not be covered by the future policies. There is a risk that any claims to be paid by an insurer due to the occurrence of a casualty covered may not be sufficient to compensate Blueberries for all the damages suffered. Blueberries may not be able to maintain or obtain insurance of the type and amount desired at a reasonable cost. If Blueberries were to incur significant liability for which it was not fully insured, it could have a materially adverse effect on Blueberries' business, financial condition and results of operations.

Ability to Establish and Maintain Bank Accounts

While Blueberries does not anticipate dealing with banking restrictions, there is a risk that banking institutions in countries where Blueberries operates will not accept payments related to the Cannabis industry. Such risks could increase costs for Blueberries. In the event financial service providers do not accept accounts or transactions related to the Cannabis industry, it is possible that Blueberries may be required to seek alternative payment solutions, including but not limited to cryptocurrencies such as Bitcoin. There are risks inherent in cryptocurrencies, most notably its volatility and security issues. If the industry were to move towards alternative payment solutions and accept payments in cryptocurrency Blueberries would have to adopt policies and protocols to manage its volatility and exchange rate risk exposures. Blueberries' inability to manage such risks may adversely affect Blueberries' operations and financial performance.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of Blueberries' products are recalled due to an alleged product defect or for any other reason, Blueberries could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. Blueberries may lose a considerable number of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although Blueberries has detailed procedures in place for evaluating its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if Blueberries is subject to recall, the image of Blueberries could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for Blueberries' products and could have a material adverse effect on the results of operations and financial condition of Blueberries. Additionally, product recalls may lead to increased scrutiny of Blueberries' operations by regulatory agencies, requiring further management attention, potential loss of applicable licenses and potential legal fees and other expenses.

Risks Inherent in an Agricultural Business

Blueberries' business involves the growing of blueberries with the prospect of growing Cannabis in the future. Both of which are agricultural products and grown outdoors. The occurrence of severe adverse weather conditions, especially droughts, hail, floods or frost, is unpredictable and may have a potentially devastating impact on agricultural production and may otherwise adversely affect the supply of Cannabis. Adverse weather conditions may be exacerbated by the effects of climate change and may result in the introduction and increased frequency of pests and diseases. The effects of severe adverse weather conditions may reduce Blueberries' yields or require Blueberries to increase its level of investment to maintain yields. Additionally, higher than average temperatures and rainfall can contribute to an increased presence of insects and pests, which could negatively affect crops. Future droughts could reduce the yield and quality of Blueberries' production, which could materially and adversely affect Blueberries' business, financial condition and results of operations.

The occurrence and effects of plant disease, insects and pests can be unpredictable and devastating to agricultural, potentially rendering all or a substantial portion of the affected harvests unsuitable for sale. Even when only a portion of the production is damaged, Blueberries' results of operations could be adversely affected because all or a substantial portion of the production costs may have been incurred. Although some plant diseases are treatable, the cost of treatment can be high and such events could adversely affect Blueberries' operating results and financial condition. Furthermore, if Blueberries fails to control a given plant disease and the production is threatened, Blueberries may be unable to supply its customers, which could adversely affect its business, financial condition and results of operations. There can be no assurance that natural elements will not have a material adverse effect on any such production.

Risks Inherent in Rural Real Estate

The Colombian Constitution protects the right to own private property and related rights acquired in compliance with civil regulations. According to Colombian Constitution, legally acquired private property ownership rights cannot be affected if the owner follows applicable laws.

Except in the case of public necessity or social interest, subject to due process and the payment of an indemnification, expropriations without just cause or on a discriminatory basis are restricted.
In August 2011, Colombia and Canada entered into a Free Trade Agreement (CCOFTA), which outlines the issue of expropriations in Article 811 as well as dispute settlements in Chapter 21. The Free Trade Agreement provides that Canadian investments in Colombia will be granted fair and equitable treatment with full protection and security and will be accorded no less favorable treatment than Colombia grants to its own investors or investors of any other country. It also provides that an investment will not be expropriated except in a non-discriminatory manner in accordance with due process of law with prompt and adequate compensation. The expropriation provisions cover both traditional "direct" takings and so-called "indirect" or "creeping" expropriation, which results from a measure or a series of measures by a government that have an effect equivalent to direct expropriation without a formal transfer of title or outright seizure of the investment. An investor-state dispute resolution process is provided for in the event that the investment is not provided the protections set out in the CCOFTA. Through this process, a Canadian investor can challenge a Colombian measure through binding international arbitration instead of relying on the Colombian local courts.

Energy Prices and Supply

Blueberries requires substantial amounts of electric energy and other resources for its harvest activities and transport of Cannabis. Blueberries relies upon third parties for its supply of energy resources used in its operations. The prices for and availability of energy resources may be subject to change or curtailment, respectively, due to, among other things, new laws or regulations, imposition of new taxes or tariffs, interruptions in production by suppliers, imposition of restrictions on energy supply by government, worldwide price levels and market conditions. If energy supply is cut for an extended period of time and Blueberries is unable to find replacement sources at comparable prices, or at all, Blueberries' business, financial condition and results of operations would be materially and adversely affected.

Supply of Cannabis Seeds

If for any reason the supply of Cannabis seeds is ceased or delayed, Blueberries would have to seek alternate suppliers and obtain all necessary authorization for the new seeds. If replacement seeds cannot be obtained at comparable prices, or at all, or if the necessary authorizations are not obtained, Blueberries' business, financial condition and results of operations would be materially and adversely affected.

Changes in Corporate Structure

Colombian Cannabis licenses are granted on a non-transferable, non-exchangeable and non- assignable basis. Any breach of this restriction may give rise to unilateral termination of the license by the governmental authority.

Notwithstanding the above, Colombian laws do not provide for specific regulations or restrictions regarding the effects of a change in control, modification of the corporate structure, issuance of shares, or any changes in holders or final beneficiaries of Cannabis licenses.

Colombian legislation gives special attention to the identification and background of the legal representatives of licensees. Licensees must file a declaration of the legality of the proceeds of the legal representatives. Furthermore, Decree 613 of 2017 provides a set of resolutory conditions, which enable the Ministry of Health or the Ministry of Justice, as applicable, to terminate a license if the licensee fails to request the amendment of the license within 30 calendar days following any changes in (i) the legal representation of the licensee; or (ii) the declaration that a legal representative is criminally liable for drug trafficking or related crimes, after having issued the respective license.

Emerging Market Risks

Emerging market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments.

All of Blueberries' operations are in Colombia. Colombia has a history of economic instability or crises (such as inflation or recession). While there is no current political instability, and historically there has been no change in laws and regulations, this is subject to change in the future and could adversely affect Blueberries' business, financial condition, and results of operations.

Fluctuations in the Colombian economy and actions adopted by the Government of Colombia have had and may continue to have a significant impact on companies operating in Colombia, including Blueberries. Specifically, Blueberries may be affected by inflation, foreign currency fluctuations, regulatory policies, business, and tax regulations and in general, by the political, social and economic scenarios in Colombia and in other countries that may affect Colombia.

Global economic crises could negatively affect investor confidence in emerging markets or the economies of the principal countries in Latin America, including Colombia. Such events could materially and adversely affect Blueberries' business, financial condition and results of operations.

Global Economy

Financial and securities markets in Colombia are influenced by the economic and market conditions in other countries, including other South American and emerging market countries and other global markets. Although economic conditions in these countries may differ significantly from economic conditions in Colombia, investors' reactions to developments in these other countries, such as the recent developments in the global financial markets, may substantially affect the capital flows into, and the market value of securities of issuers with operations in Colombia.

An economic downturn or volatility could have a material adverse effect on Blueberries' business, financial condition, and results of operations. The economy of Colombia, where Blueberries' operations are located, has experienced significant economic uncertainty and volatility during recent years. A weakening of economic conditions could lead to reductions in demand for Blueberries' products. For example, its revenues can be adversely affected by high unemployment and other economic factors. Further, weakened economic conditions or a recession could reduce the amount of income customers can spend on Blueberries' products. In addition, because of volatile or uncertain economic conditions, Blueberries may experience the negative effects of increased financial pressures on its clients. For instance, Blueberries' business, financial condition, and results of operations could be negatively impacted by increased competitive pricing pressure, which could result in Blueberries incurring increased bad debt expenses. If Blueberries is not able to timely and appropriately adapt to changes resulting from a weak economic environment, its business, results of operations, and financial condition may be materially and adversely affected.

A crisis in other emerging market countries could dampen investor enthusiasm for securities of issuers with South American operations. Financial conditions in Argentina, Brazil, or other emerging market countries could negatively impact Colombia's economy in the future. If such fluctuations were to occur, Blueberries' business, financial condition, and results of operations could be materially and adversely affected.

Management monitors recent developments in relation to global tariffs and does not anticipate any material impact on the financial position of the Company at this point.

CSE Restrictions on Business

As a condition to initially listing on the CSE, the CSE required that Blueberries deliver an undertaking (the "Undertaking") confirming that, while listed on CSE, Blueberries will only conduct the business of the production, sale, and distribution of medicinal marijuana in Colombia pursuant to the Licenses and in accordance with applicable law, unless prior approval is obtained from CSE. The Undertaking could have an adverse effect on Blueberries' ability to do business or operate outside of Colombia and on its ability to expand its business into other areas, including the provision of non-medical marijuana in the event that the laws were to change to permit such sales, if Blueberries is still listed on the CSE and remains subject to the Undertaking at such time. The Undertaking may prevent Blueberries from expanding into new areas of business when Blueberries' competitors have no such restrictions. All such restrictions could materially and adversely affect the growth, business, financial condition, and results of Blueberries' operations.

Risks Related to Investment in a Colombian Company

Operational Risks

Operations in Colombia are subject to risk due to the potential for social, political, economic, legal and fiscal instability. The government in Colombia faces ongoing problems including but not limited to inflation, unemployment and inequitable income distribution. Colombia is also home to South America's largest and longest running insurgency and large swaths of the countryside are under guerrilla influence. In addition, Colombia experiences narcotics-related violence, a prevalence of kidnapping and extortionist activities and civil unrest in certain areas of the country. Such instability may require Blueberries to suspend operations on its properties. Although Blueberries is not presently aware of any circumstances or facts which may cause the following to occur, other risks may involve matters arising out of the evolving laws and policies in Colombia, any future imposition of special taxes or similar charges, as well as foreign exchange fluctuations and currency convertibility and controls, the unenforceability of contractual rights or the taking or nationalization of property without fair compensation, restrictions on the use of expatriates in Blueberries' operations, or other matters. Blueberries also bears the risk that changes can occur in the government of Colombia and a new government may void or change the laws and regulations that Blueberries is relying upon.

Currently there are no restrictions on the repatriation from Colombia of earnings to foreign entities and Colombia has never imposed such restrictions. However, there can be no assurance that restrictions on repatriation of earnings from Colombia will not be imposed in the future. Exchange control regulations require that any proceeds in foreign currency originated on exports of goods from Colombia (including minerals) be repatriated to Colombia. However, purchase of foreign currency is allowed through any Colombian authorized financial entities for purposes of payments to foreign suppliers, repayment of foreign debt, payment of dividends to foreign stockholders and other foreign expenses.

Inflation in Colombia

Colombia has in the past experienced double-digit rates of inflation. If Colombia experiences substantial inflation in the future, Blueberries' costs in Colombian peso terms will increase significantly, subject to movements in applicable exchange rates. Inflationary pressures may also curtail Blueberries' ability to access global financial markets in the longer term and its ability to fund planned capital expenditures, and could materially adversely affect Blueberries' business, financial condition, and results of operations. The Colombian government's response to inflation or other significant macro- economic pressures may include the introduction of policies or other measures that could increase Blueberries' costs, reduce operating margins, and materially adversely affect its business, financial condition, and results of operations.

Operations in Spanish

As a result of Blueberries conducting its operations in Colombia, the books and records of Blueberries, including key documents such as material contracts and financial documentation are principally negotiated and entered in the Spanish language and English translations may not exist or be readily available.

Enforcement of Judgments

Blueberries is incorporated under the laws of Canada; however, all its assets are located outside Canada. Furthermore, many of Blueberries' directors and officers reside outside Canada. As a result, investors may not be able to effect service of process within Canada upon Blueberries' directors or officers or enforce against them in Canadian courts judgments predicated on Canadian securities laws. Likewise, it may also be difficult for an investor to enforce in Canadian courts judgments obtained against these persons in courts located in jurisdictions outside Canada.

As a result of the above, public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the Board or controlling shareholders than they would as public shareholders of a Canadian company.

Financial and Accounting Risks

Access to Capital

In executing its business plan, Blueberries makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. Since its incorporation, Blueberries has financed these expenditures through offerings of its equity securities. Blueberries will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. Blueberries may incur major unanticipated liabilities or expenses. Blueberries can provide no assurance that it will be able to obtain financing to meet the growth needs of Blueberries.

Foreign Sales

Blueberries' functional currency is denominated in Canadian dollars. Blueberries currently expects that sales will be denominated in Colombian pesos and may, in the future, have sales denominated in the currencies of additional countries in which it establishes sales offices. In addition, Blueberries incurs most of its operating expenses in Colombia Pesos. In the future, the proportion of Blueberries' sales that are international may increase. Such sales may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the exchange rates of foreign currencies may negatively impact the Company's business, financial condition and results of operations. Blueberries has not previously engaged in foreign currency hedging. If the Company decides to hedge its foreign currency exposure, it may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets. In addition, those activities may be limited in the protection they provide the Company from foreign currency fluctuations and can themselves result in losses.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with International Financial Reporting Standards, or IFRS, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Blueberries bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the notes to the Blueberries Financial Statements, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. Blueberries' operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause Blueberries' operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of the Company. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share-based payments, impairment of non-financial assets, fair value of biological assets, as well as revenue and cost recognition.

Tax Risks

The Company will operate and will be subject to income tax and other forms of taxation (which are not based upon income) in multiple tax jurisdictions. Taxation laws and rates which determine taxation expenses may vary significantly in different jurisdictions, and legislation governing taxation laws and rates is also subject to change. Therefore, the

Company's earnings may be impacted by changes in the proportion of earnings taxed in different jurisdictions, changes in taxation rates, changes in estimates of liabilities and changes in the number of other forms of taxation. The Company may have exposure to greater than anticipated tax liabilities or expenses. The Company will be subject to income taxes and non-income taxes in a variety of jurisdictions and its tax structure is subject to review by both domestic and foreign taxation authorities and the determination of the Company's provision for income taxes and other tax liabilities will require significant judgment.

The Company will be subject to different taxes imposed by the Colombian government and any changes within such tax legal and regulatory framework may have an adverse effect on our financial results. All current tax legislation is a matter of public record, and the Company will be unable to predict which additional legislation or amendments may be enacted.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide sufficient knowledge to support representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented in the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

The Company utilizes the Venture Issuer Basic Certificate, which certificate does not include representations related to the establishment and maintenance of disclosure controls and procedures ("DC&P) or internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers do not make any representations related to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

NON-GAAP MEASURES

Certain financial measures in this document do not have a standardized meaning as prescribed by IFRS and therefore are considered non-GAAP measures. These measures may not be comparable to similar measures presented by other issuers. These measures have been described and presented in order to provide shareholders and potential investors with additional measures for analyzing our ability to generate funds to finance our operations and information regarding our liquidity. The additional information should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. The definition and reconciliation of each non-GAAP measure is presented in the Discussion of Operations and Liquidity and Capital Resources sections of this MD&A.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward Looking Statements	Assumptions	Risk Factors
The Company will be able to continue its business activities.	The Company has anticipated all material costs and the operating activities of the Company, and such costs and activities will be consistent with the Company's current expectations; the Company will be able to obtain equity funding when required.	COVID-19 caused closures and other unforeseen costs to the Company will arise; any particular operation cost increase or decrease from the date of the estimation; and due to COVID-19 capital markets not being favourable for funding resulting in the Company not being able to obtain financing when required or on acceptable terms.
The Company will be able to conduct anticipated business plans.	In the next twelve months, the operating activities of the Company will be consistent with the Company's current expectations; debt and equity markets, interest rates and other applicable economic conditions are favourable to the Company.	COVID-19 related uncertainty continuing; sufficient funds not being available; increases in costs, the Company may be unable to retain key personnel to develop or enhance its business, take advantage of future opportunity or respond to competitive pressures.
Management's outlook regarding future trends.	Financing will be available for the Company's future business, continuing development, and maintenance of operations.	COVID-19 situation and general economic conditions could adversely impact spending by the Company's clients, put downward pressure on prices which could adversely impact the business, financial condition or results of operations and the Company may be unable to retain personnel.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also refer to those risk factors discussed further below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of latest information or future events or otherwise, except as may be required by law. If the Company does update one or more forward looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

April 23, 2025

"Facundo Garreton"
Facundo Garreton
Chairman, Chief Executive Officer and Director

"Thomas Rodriguez Prats"
Thomas P. Rodriguez,
Chief Financial Officer