FORM 2A

LISTING STATEMENT

STOCK TREND CAPITAL INC.

(formerly, World Class Extractions Inc.)

Dated as at February 27, 2023

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Listing Statement may contain “forward-looking information” within the meaning of applicable Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “may”, “will,” “should”, “could”, “anticipate”, “believe”, “expect”, “intend”, “plan”, “potential”, “continue” and similar expressions. The forward-looking information contained in this Listing Statement is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Although the management believes that the assumptions and expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because the management can give no assurance that such expectations will prove to be correct. Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information including, but not limited to, limited operating history and history of no earnings; competition, project risks, industry conditions, changes to government laws and regulations, dependence on key personnel, general economic conditions, political and foreign exchange risks in the jurisdictions in which the Issuer conducts its business activities, commodity prices, actual results of current projects, interest rates, availability of financing, insurance limitations, and risks and uncertainties including those discussed within Section 17 “*Risk Factors*” and elsewhere in this Listing Statement. Although the forward-looking information contained herein is based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with such forward looking information. Investors should not place undue reliance on forward-looking information.

Forward-looking information included in this Listing Statement include, but is not limited to:

- the ability of the Issuer to obtain necessary financing;
- the performance of the Issuer’s business and operations as it relates to any of the Issuer’s investments;
- the Issuer’s expected market and the profitability thereof;
- the Issuer’s future liquidity and financial capacity;
- anticipated and unanticipated costs;
- the Issuer’s ability to identify new opportunities;
- costs, timing and future plans concerning the business and operations of the Issuer;
- results and expectations concerning various partnerships, strategic alliances, projects and marketing strategies of the Issuer; and
- the economy generally.

Some of the risks and other factors, which could cause results to differ materially from those expressed in the forward-looking information contained in this Listing Statement include, but are not limited to:

- the Issuer’s ability to raise capital;
- costs, timing and future plans concerning operations of the Issuer and/or its Investments being consistent with current expectations; and
- the other factors outlined in Section 17 “*Risk Factors*” to this Listing Statement.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this Listing Statement are expressly qualified by this cautionary statement.

The forward-looking information contained in this Listing Statement is made as of the date of this Listing Statement, and the Issuer disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required under applicable securities laws.

Market and Industry Data

Any market data or industry forecasts used in this Listing Statement, unless otherwise specified, were obtained from publicly available sources. Although the Issuer believes these sources to be generally reliable, the accuracy and completeness of such information is not guaranteed and has not been independently verified.

Statistical information included in this Listing Statement and other data relating to the industry in which the Issuer intends to operate is derived from recognized industry reports published by industry analysts, industry associations and independent consulting and data compilation organizations. Although the Issuer believes these sources to be generally reliable, the accuracy and completeness of such information is not guaranteed and has not been independently verified.

1. GLOSSARY OF TERMS

Unless otherwise indicated, the following terms used in this Listing Statement and the Appendices hereto shall have the meanings ascribed to them as set forth below:

"**Alkaline Debentures**" means the 2,000 senior secured convertible debentures of Alkaline Spring acquired by the Issuer on April 8, 2019.

"**Alkaline Spring**" means Alkaline Spring Inc., a privately-held corporation, incorporated under the laws of the Province of Alberta on October 18, 2017.

"**Alkaline Warrants**" means the 11,111,111 common share purchase warrants of Alkaline Spring acquired by the Issuer on April 8, 2019.

"**April 2020 Options**" means the 20,106,000 incentive stock options the Issuer granted to certain directors, officers, consultants, and employees of the Issuer on April 23, 2020.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**BCSC**" means the British Columbia Securities Commission.

"**Cannaworld**" means CannaWorld Ventures Inc., a private corporation incorporated under the laws of the Province of British Columbia on December 13, 2018.

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**Change of Business**" means a redeployment of the Issuer's assets or resources which occurred on February 27, 2023, approved by the Issuer's shareholders on April 29, 2022 by way of a special resolution at the annual general and special meeting of the Issuer's shareholders held on April 29, 2022, and resulted in the change of the Issuer's business from cannabis to an investment company under the rules of the CSE without a major acquisition or change of control, and a change of name of the Issuer from World Class Extractions Inc., to "Stock Trend Capital Inc., on February 27, 2023.

"**Cobra**" means Cobra Ventures Inc., a formerly wholly owned subsidiary of the Issuer.

“**CSE**” or “**Exchange**” means the Canadian Securities Exchange.

“**CTO**” means a cease trade order.

“**Exchange Requirements**” means the by-laws, policies, circulars, rules, guidelines, orders, notices, rulings, forms, decisions and regulations of the Exchange as from time to time enacted, any instructions, decisions and directions of the Exchange (including those of any committee of the Exchange as appointed from time to time), and all applicable provisions of the securities laws of any other jurisdiction.

“**Fire & Flower**” means Fire & Flower Holdings Corp., a publicly traded corporation listed on the Toronto Stock Exchange under the symbol ‘FAF’, incorporated under the *Business Corporations Act* (Canada) on December 7, 2017, and operating as an independent cannabis retailer.

“**Investment Committee**” means the investment committee established by the Issuer Board in accordance with the Investment Policy that consists of Anthony Durkacz, Michael Galloro, and Binyomin Posen.

“**Investment Policy**” means the Issuer’s investment policy, a complete copy of which is attached hereto as Appendix “A”, as may be amended from time to time.

“**Issuer**” or “**Stock Trend**” means Stock Trend Capital Inc. (formerly known as World Class Extractions Inc.), a corporation continued into British Columbia under the *Business Corporations Act* (British Columbia) on October 25, 2004.

“**Issuer Board**” means the board of directors of the Issuer.

“**Issuer Shares**” mean the common shares in the capital of the Issuer.

“**Issuer Shareholders**” mean holders of the Issuer Shares.

“**Issuer Warrants**” mean the common share purchase warrants of the Issuer.

“**Listing**” means the listing of the Issuer Shares on the CSE following the Change of Business.

“**Listing Statement**” means this Listing Statement including the Appendices hereto.

“**MD&A**” means management’s discussion and analysis of financial condition and operating results.

“**Options**” mean incentive stock options to purchase Issuer Shares granted to directors, officer, key employees, and consultants of the Issuer under the Stock Option Plan.

“**Person**” means an Issuer or individual.

“**Pineapple Express**” means Pineapple Express Delivery Inc., a privately held corporation incorporated under the laws of Canada on February 2, 2018, and whose equity interest was sold by the Issuer to Fire & Flower Holdings Corp., on January 25, 2022.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval.

“**Soma**” means Soma Labs Scientific Inc., a previously held subsidiary of the Issuer, which was incorporated under the BCBCA on January 8, 2016 and whose equity interest was sold by the Issuer to Cannaworld on April 28, 2022.

"**The Hash Corporation**" means The Hash Corporation (formerly known as Senternet Phi Gamma Inc.), a publicly traded corporation listed on the CSE under the symbol 'REZN', incorporated under the *Business Corporations Act* (Ontario) on March 28, 1967 and focused on the production of hashish and other cannabis products.

"**US**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

Unless otherwise specified, all dollar amounts in this Listing Statement and the Appendices, including the symbol "$", are expressed in Canadian dollars.

2. CORPORATE STRUCTURE

2.1 Corporate Name

The full corporate name of the Issuer is "Stock Trend Capital Inc." The head and registered office is located at 9080 University Crescent, Suite 308, Burnaby, British Columbia, V5A 0B7.

The Issuer is a reporting issuer in the Provinces of British Columbia, Alberta, Ontario.

2.2 Incorporation

The Issuer was incorporated under the laws of British Columbia on December 2, 1965, under the name "Luaaron Metals Ltd.", by the filing of its memorandum and articles, with the British Columbia Registrar of Companies.

The Issuer changed its name, on July 10, 1981, to "Lynx Resources Ltd."; on January 21, 1987, to "Avatar Resource Corporation"; and on December 21, 1993, to "Blackline Oil Corporation". On February 20, 2001, the Issuer changed its name to Resourcexplorer Inc. and continued its jurisdiction of incorporation into the Province of Alberta. On July 23, 2002, the Issuer changed its name to "Exchequer Resource Corp."; and on October 25, 2004, the Issuer was continued into British Columbia under the *Business Corporations Act* (British Columbia). The Issuer changed its name to "CBD Med Research Corp." on July 17, 2014.

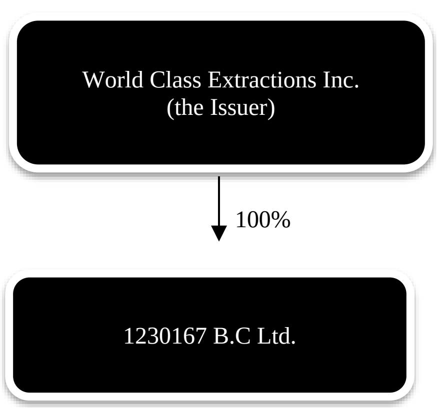
The Issuer completed its going public transaction and commenced trading Issuer Shares on the CSE on March 21, 2019, under the trading symbol "PUMP". In connection with the going public transaction, the Issuer changed its name to World Class Extractions Inc., on February 26, 2019.

On April 17, 2019, the Issuer began trading on the Frankfurt Stock Exchange under the trading symbol "WCF" and "WKN:A2PF9C", and on January 22, 2020, the Issuer began trading on the OTCQB Venture Market under the trading symbol "WCEXF".

The Issuer completed the Change of Business on February 27, 2023.

2.3 Inter-corporate Relationships

The corporate structure of the Issuer is as follows:



1230167 B.C Ltd. was incorporated under the BCBCA on November 13, 2019. It is an inactive subsidiary with no active operations.

On December 23, 2020, the Issuer dissolved its wholly-owned subsidiary, Greenmantle Products Limited, a company that had sales of premium disposable vaporizer cartridges, pens and related materials.

On October 21, 2019, Cobra was incorporated as a 100% wholly owned subsidiary, to serve as a holding company for new business ventures of the Issuer. During the year ended April 30, 2021, an arm's length party purchased a 50% equity investment in Cobra. During the year ended April 30, 2021, the Issuer entered into a share purchase agreement, whereby World-Class sold its remaining 50% equity investment in Cobra to the arm's length party.

On April 28, 2022, the Issuer sold its entire equity interest in Soma to Cannaworld (the "**Soma Disposition**"). Soma was incorporated under the BCBCA on January 8, 2016, and was a designer, manufacturer, and supplier of extraction and processing equipment and solutions used by the Issuer, including the BOSS System, a proprietary, automated and scalable extraction system which can extract up to 200 lbs of dry biomass per day (the "**BOSS System**").

2.4 Requalification following a Fundamental Change

The Issuer has not undergone a Fundamental Change.

2.5 Non-Corporate Issuers and Issuers Outside of Canada

The Issuer is a corporate Issuer insider Canada, and therefore this section does not apply to the Issuer.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development

Corporate Development of the Issuer's Business

The Issuer previously focused on research and development, with a focus on the cannabis and hemp industries. Specifically, the Issuer previously deployed and managed custom-built extraction centers and utilized its custom systems, technology, and processes to produce high-quality cannabis and hemp concentrates and end-products. The Issuer also used to offer delivery of government regulated products, including medical and recreation cannabis, in Ontario, Manitoba, and Saskatchewan.

2019

On March 11, 2019, the Issuer completed a business combination (the "**Business Combination**") with an Ontario corporation, formerly known as World Class Extractions Inc. ("**Old World Class**"). Pursuant to the Business Combination, the Issuer changed its name to World Class Extractions Inc., and completed a three-cornered amalgamation whereby Old World Class amalgamated with CBD Acquisition Corp., a wholly owned subsidiary of the Issuer. Following the completion of the Business Combination, the Issuer adopted the business of Old World Class.

On March 21, 2019, the Issuer commenced trading Issuer Shares on the CSE under the trading symbol "PUMP".

On March 21, 2019, the Issuer granted an aggregate of 10,600,000 Issuer Share purchase options and 5,600,000 Issuer Share purchase warrants to certain directors, officers, employees and consultants. These stock options and warrants expired on March 21, 2021.

On March 20, 2019, the Issuer entered into a revenue collaboration agreement (the "**Parity Collaboration Agreement**") with Parity Partners PBC. ("**Parity**"), a corporation doing business in the State of North Carolina. The Parity Collaboration Agreement set forth the terms on which Parity would assist the Issuer in expanding its hemp and cannabis large scale extraction business in the US. Pursuant to the Parity Collaboration Agreement, the parties agreed to split the net income arising out of the venture, with 75% being allocated to the Issuer and 25% to Parity. The downturn in the cannabis and hemp industries which began in 2019 was further amplified by the arrival of the global COVID-19 pandemic. These market circumstances impacted some of the Issuer's previously announced ventures and, as a result, on May 19, 2020 the Issuer announced that the Revenue Collaboration Agreement with Parity Partners PBC, would not proceed.

On April 8, 2019, the Issuer invested $2,000,000 in Alkaline Spring, a privately-held, Alberta-based natural alkaline water company, and obtained the Alkaline Debentures and the Alkaline Warrants, and acquired certain investor rights. The Alkaline Debentures were priced at $1,000 per debenture, bear interest at 9% per annum, and were convertible into common shares of Alkaline Spring at an initial price of $0.18 per share, subject to downward adjustment in certain circumstances. On April 8, 2020, the Issuer entered into an agreement to modify the terms of the Alkaline Debentures. The conversion feature was removed and thus, the loan was reverted into a simple loan with accrued interest. The Alkaline Warrants matured on April 8, 2021. The Alkaline Warrants expired on April 8, 2022. In addition to the Alkaline Debentures and Alkaline Warrants, the Issuer received certain rights as a substantial investor, including (i) a right of first refusal to supply any cannabis or hemp extracts required in Alkaline Spring's business; (ii) the exclusive right to license future formulations of Alkaline Spring's planned cannabis and hemp infused waters and to market and sell, on a white label basis, its products in certain markets other than Canada; and (iii) the right to appoint two directors to the board of Alkaline Spring.

On April 15, 2019, the Issuer entered into an arrangement agreement (the "**Quadron Arrangement Agreement**") with Quadron Cannatech Corporation ("**Quadron**"). Quadron through its wholly owned subsidiaries, provides turn-key extraction and processing solutions for the cannabis industry including proprietary industrial grade equipment, custom build processing facilities, ancillary products, and scientific services.

On April 18, 2019, the Issuer retained the services of Research Capital Corporation (formerly known as Mackie Research Capital Corporation), to act as financial advisor to the Issuer. As part of the compensation for its services, the Issuer granted 3,000,000 common share purchase warrants ("**Mackie Warrants**") to Research Capital Corporation. Each Mackie Warrant is exercisable for one (1) Issuer Share at an exercise price of $0.18 until April 18, 2022.

On May 1, 2019, the Issuer granted 5,000,000 stock options each to two officers of Quadron (the "**May 2019 Quadron Options**"). The May 2019 Quadron Options were cancelled on April 24, 2020.

On June 17, 2019, the Issuer completed the plan of arrangement (the "**Quadron Arrangement**") with Quadron pursuant to the Quadron Arrangement Agreement, and under the provisions of the BCBCA. Pursuant to the Quadron Arrangement, the Issuer acquired all of the common shares of Quadron, following Quadron's amalgamation with the Issuer's wholly-owned subsidiary, 1212476 B.C. Ltd., to form a new wholly owned subsidiary of the Issuer continuing as "Quadron Cannatech Corporation." Under the terms of the Quadron Arrangement, each former Quadron shareholder received two Issuer Shares for each

Quadron Share held prior to the Quadron Arrangement. Upon completion of the Quadron Arrangement, the Issuer Board was reconstituted to consist of nominees of Quadron and the Issuer.

On September 24, 2019, the Issuer obtained additional provincial Canadian Registration Number pressure-vessel certification for Soma's proprietary and automated BOSS System, making the BOSS System officially certified in British Columbia, Alberta and Ontario. The BOSS System is a scalable extraction solution in with premium fabrication and integrated safety features, which can extract up to 200 lbs of dry biomass per day.

On September 25, 2019, the Issuer entered into a multi-year joint venture agreement (the "**FV Pharma JV Agreement**") with FV Pharma Inc. ("**FV Pharma**") a wholly owned subsidiary of FSD Pharma Inc., to establish a joint venture to develop, manage and operate a large capacity extraction and processing facility for cannabis and hemp in Cobourg, Ontario (the "**FV Pharma Facility**"). Pursuant to the FV Pharma JV Agreement,, the Issuer through Soma deployed its extraction systems, including the BOSS Extraction System, for the preparation, refining and distillation of the biomass, and FV Pharma provided its Standard Processing license under the *Cannabis Act* (Canada). The downturn in the cannabis and hemp industries which began in 2019 was further amplified by the arrival of the global COVID-19 pandemic. These market circumstances impacted some of the Issuer's previously announced ventures and, as a result, on May 19, 2020, the Issuer announced that the deployment of an extraction centre with FV Pharma Inc. in Cobourg, Ontario would not be proceeding.

2020

On January 22, 2020, the Issuer began trading on the OTCQB Venture Market under the trading symbol "WCEXF".

On March 27, 2020, the Issuer entered into a definitive investment agreement outlining the terms and conditions with respect to the Issuer's acquisition of Pineapple Express, an arm's length, privately held, Toronto-based company offering different types of legal delivery services to the cannabis sector in Canada (the "**Pineapple Express Acquisition**"). Under the terms of the Pineapple Express Acquisition, the Issuer obtained a 21.55% equity interest in Pineapple Express by purchasing 8,333,333 units (the "**Pineapple Units**") of Pineapple Express, at a price of $0.15 per Pineapple Unit for aggregate gross proceeds of $1,250,000. Each Pineapple Unit consists of one common share and one half of one share purchase warrant, with each full warrant exercisable at $0.30 for a period of two years

The Issuer also purchased a $500,000 secured convertible debenture from Pineapple Express, convertible at the option of the Issuer at $0.15 per common share of Pineapple Express (the "**Pineapple Convertible Debenture**"). The Pineapple Convertible Debentures has a two-year term and bears interest at 12% per annum, compounded monthly in advance. As part of the Pineapple Express Acquisition, Pineapple utilized a portion of the financing proceeds to purchase 25,000,000 Issuer Shares at a price of $0.05 per Issuer Share.

On April 23, 2020, the Issuer granted a total of 20,160,000 incentive stock options to certain directors, officers, consultants and employees of the Issuer (the "**April 2020 Options**"). The April 2020 Options have an exercise price of $0.05 per share and expire April 23, 2024. The April 2020 Options will vest at a rate of 50% upon the date of the grant and the remaining 50% six months thereafter.

On May 26, 2020, the Issuer granted a total of 9,010,000 incentive stock options to certain directors, officers, consultants and employees of the Issuer (the "**May 2020 Options**"). The May 2020 Options have an exercise price of $0.05 per share and expire May 26, 2024. The May 2020 Options will vest at a rate of 50% upon the date of the grant and the remaining 50% six months thereafter.

On June 3, 2020, the Issuer received approval from the Depository Trust Company ("**DTC**") to make Issuer Shares, traded on the OTCQB under the symbol WCLEXF, eligible for electronic clearing and settlement through DTC's automated processes.

October 1, 2020, the Issuer's subsidiary Cobra acquired a senior secured convertible debenture of HydRx Farms Ltd. o/a Scientus Pharma ("**HydRx**") in the principal amount of CDN$11,500,000, plus accrued and unpaid interest and charges (the "**HydRx Debenture**") from Aphria Inc. (TSX: APH or USOTCQB: APHQF). The HydRx Debenture is secured against all of the assets of HydRx, including its real estate assets consisting of a 45,000 square foot manufacturing and distribution facility located on a 2.3 acre parcel of land in Whitby, Ontario. The Debenture is currently in default. The Issuer loaned Cobra $2,500,000 with respect to the debenture purchase (the "**Cobra $2.5 Million Loan**").

On December 1, 2020, the United States Patent and Trademark Office ("**USPTO**") issued U.S. Patent No. 10,851,077 in relation to the Issuer's methods for extracting and concentrating cannabinoids and other target compounds from cannabis using ultrasound-enhanced solvent extraction. The Issuer's patented plant processing technology allows for prompt cannabinoid extraction following harvest, including the root and all other parts of the hemp plant and further utilizes ethanol for extraction, as opposed to the use of toxic hydrocarbon solvents.

<u>2021</u>

On January 20, 2021, the Issuer sold its 50% interest in Cobra, which sale included all funds previously advanced by the Issuer to Cobra, for $2,500,000 in cash (which repaid the Cobra $2.5 Million Loan).

On March 16, 2021, the Issuer received the USPTO issued U.S. Patent No. 10,946,306 in relation to the the Issuer's methods for the systematic extraction and concentration of cannabinoids and other target compounds via solvent extraction from large scale harvests of cannabis and hemp crops. World-Class' patented plant processing technology allows for the solvent-based extraction of cannabinoids from virtually all types of cannabis plant materials, including hemp, derived from largescale commercial farming operations.

On June 1, 2021, the Issuer granted a total of 2,000,000 incentive stock options to certain consultants and employees of the Company (the "**June 2021 Options**"). The June 2021 Options have an exercise price of $0.05 per share and expire June 1, 2026. The June 2021 Options will vest at a rate of 50% upon the date of the grant and an additional 25% vesting every six months thereafter.

On July 20, 2021, the Issuer entered into a marketing services agreement with the Wall Street Report to increase investor awareness. As compensation, the Issuer paid the Wall Street Report a one-time fee of USD $12,500.

On December 8, 2021, the Issuer entered into a definitive agreement with Fire & Flower and its wholly owned subsidiary Hifyre™ Inc, in order to sell the Issuer's share interest in Pineapple Express (the "**Pineapple Express Disposition**"). The Pineapple Express Disposition closed on January 25, 2022.

<u>2022</u>

On January 25, 2022, the Issuer completed the Pineapple Express Disposition, whereby all of the Issuer's shares in Pineapple Express have been exchanged for common shares of Fire & Flower. As consideration for the purchase of Pineapple Express, Fire & Flower assumed and repaid approximately $5.15 million in debt owed by Pineapple Express. The Issuer received $1,911,984 in cash and an aggregate of 316,995 common shares of Fire & Flower, with 62,800 released on closing and the remainder placed in escrow pending completion of customary working capital adjustments and subject to achievement of certain performance-based milestones in the fiscal 2022 year. Haywood Securities Inc. acted as exclusive financial advisor to Pineapple Express in connection with the Pineapple Express Disposition.

On April 28, 2022, the Issuer competed the Soma Disposition by selling its entire equity interest in Soma to Cannaworld. As consideration, the Issuer received 15 million common shares of Cannaworld, and $100,000 from Soma's bank account. Cannaworld assumed all the liabilities of Soma in the approximate amount of $455,000.

On April 29, 2022, the Issuer Shareholders approved by way of special resolution the Change of Business at a shareholders meeting held on April 29, 2022.

2023

On February 27, 2023, following receipt of approval from the Issuer Shareholders with respect to the Change of Business on April 29, 2022 at a shareholders meeting held on April 29, 2022, and receipt of conditional approval for the listing of the Issuer Shares on the CSE, the Issuer changed its name from World Class Extractions Inc., to "Stock Trend Capital Inc.

On February 24, 2023, the Issuer subscribed for a secured convertible debenture (the **"Hash Debenture"**) of The Hash Corporation in the amount of $750,000. The Hash Debenture bears interest at five (5) percent per annum, and is payable on maturity. The maturity date is May 31, 2023. On maturity, the Hash Debenture is convertible into common shares of The Hash Corporation at $0.05 per common share, at the option of the Issuer. The Hash Debenture is secured. The use of proceeds of the Hash Debenture will be to fund The Hash Corporation's purchase orders.

Currently, the Issuer's investments are limited to those set out in the table located under Section 4.1 – *General Business of the Issuer*. All other interests of the Issuer have been disposed of or written down.

The Issuer is currently exploring expanding its investment portfolio, while continuing to oversee its current investments and managing its public company and corporate affairs.

3.2 Significant Acquisitions or Disposition

Other than as detailed herein, the Issuer has not completed any significant acquisitions or dispositions since the beginning of its most recently completed financial year ended April 30, 2021.

3.3 Transition to an Investment Issuer

Following the Pineapple Express Disposition, and following a thorough evaluation of the Issuer's existing resources and a review of its strategic options, the Issuer made a decision to refocus its business operations from a cannabis company to an investment company, and competed the Change of Business.

The Issuer Board believes that its network of business contacts and its depth of investment experience will enable the Issuer to identify and capitalize on investment opportunities in accordance with the Investment Policy.

There are significant risks associated with the business of the Issuer, as described above and in Section 17 "*Risk Factors"*. Readers are strongly encouraged to carefully read all of the risk factors contained in Section 17 "*Risk Factors"*. In addition, readers encouraged to review the forward-looking statements that are outlined on page iii of this Listing Statement.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 General Business of the Issuer

Overview

The Issuer is an investment company whose primary objective is to invest its funds for purposes of generating returns from capital appreciation and investment income. It intends to accomplish these goals through the identification of and investment in securities of private and publicly listed entities that are involved in or connected with the cannabis and cannabis related industries.

The Issuer anticipates primarily to invest in entities formed in Canada and operating only in Canada.

The Issuer may consider investments in jurisdictions where cannabis and cannabis entities are legal.

Before making investments, the Issuer will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment.

The Issuer's Investment Policy is set out in Schedule "A" hereto.

As of the date of this Listing Statement, the Issuer holds investments in three (3) investees, as described in the below table, all of which are incorporated in a Canadian jurisdiction and operate only in Canada. The Issuer does not invest in, and will not in the future invest in any entities with marijuana-related practices or activities (including the cultivation, possession or distribution of marijuana) in the US.

Investee	Type of Business	Jurisdiction of Formation Operating Jurisdiction	Investment	Investment Date & Cost	Estimated Market Value	Ownership Control and Influence
Cannaworld(1)	Cannabis	Incorporated under the laws of the Province of British Columbia Operates in British Columbia	15,000,000 shares $400,000 of Debt(3)	April 29, 2022 $750,000 $400,000	$300,000(2) $421,245(4)	22.01% Arm's Length
The Hash Corporation(5)	Cannabis	Incorporated under the laws of the Province of Ontario Operates Ontario	Secured Debenture(6)	February 24, 2023 $750,000	$750,000	N/A Arm's Length

Fire & Flower[(7)]	Cannabis	Incorporated under the laws of Canada Operates across Canada	183,113[(8)] shares	January 21, 2022 Deemed value $970,344[(9)]	$278,332[(10)]	0.75% Arm's Length

(1) A private corporation incorporated under the laws of the Province of British Columbia on December 13, 2018.
(2) Valued by management as at January 31, 2023.
(3) $400,000 loan owed by Cannaworld to the Issuer, to be convertible into common shares of Cannaworld at $0.10 per common shares of Cannaworld, at the option of Cannaworld, subject to a prior financing by Cannaworld at $0.10 per common shares of Cannaworld. The maturity date is October 13, 2023.
(4) Inclusive of $21,245 of accrued but unpaid interest on the debt owed by Cannaworld to the Issuer, as of January 31, 2023.
(5) A publicly traded corporation listed on the CSE under the symbol 'REZN', and incorporated under the *Business Corporations Act* (Ontario) on March 28, 1967.
(6) The Hash Debenture is a secured convertible debenture, bearing interest at five (5) percent per annum, and convertible into common shares of The Hash Corporation at $0.05 per common share, at the option of the Issuer on May 31, 2023. The maturity date is May 31, 2023.
(7) A publicly traded corporation listed on the Toronto Stock Exchange under the symbol "FAF", and incorporated under the *Business Corporations Act* (Canada) on December 7, 2017.
(8) The Issuer acquired 316,995 common shares of Fire & Flower in connection with the Pineapple Express Disposition. 216,145 shares were placed in escrow pending completion of customary working capital adjustments and subject to achievement of certain performance-based milestones in the fiscal 2022. As of the date of this Listing Statement, 199,196 common shares of Fire & Flower are still under escrow, of which 65,314 are to be released in February 2023, with the balance cancelled, resulting in a total of 183,113 shares of Fire & Flower owned by the Issuer.
(9) Deemed value of FAF shares upon issuance.
(10) Valued at the close of market on January 31, 2023, being $1.52.

(1) Fire & Flower

Fire & Flower is a publicly traded corporation listed on the Toronto Stock Exchange under the symbol 'FAF', incorporated under the *Business Corporations Act* (Canada) on December 7, 2017.

The Issuer acquired 316,995 common shares of Fire & Flower in connection with the Pineapple Express Disposition. 216,145 shares were placed in escrow pending completion of customary working capital adjustments and subject to achievement of certain performance-based milestones in the fiscal 2022. As of the date of this Listing Statement, 199,196 common shares of Fire & Flower are still under escrow of which 65,314 are to be released in February 2023, with the balance cancelled, resulting in a total of 183,113 common shares of Fire & Flower owned by the Issuer.

Fire & Flower is a technology-powered, adult-use cannabis retailer with more than 100 corporate-owned stores in its network. Fire & Flower leverages its wholly-owned technology development subsidiary, Hifyre, to continually advance its proprietary retail operations model while also providing additional independent high-margin revenue streams. Fire & Flower guides consumers through the complex world of cannabis through education-focused, best-in-class retailing while the Hifyre digital retail and analytics platform empowers retailers to optimize their connections with consumers. Its leadership team combines extensive experience in the technology, logistics, cannabis and retail industries.

(2) Cannaworld

CannaWorld Ventures Inc., is a private corporation incorporated under the laws of the Province of British Columbia on December 13, 2018.

In connection with the Soma Disposition, the Issuer received as consideration 15,000,000 common shares of Cannaworld. In addition, on August 18, 2022, the Issuer agreed to amend the terms of a $400,000 loan owed by Cannaworld to the Issuer, to be convertible into common shares of Cannaworld at $0.10 per common shares of Cannaworld, at the option of Cannaworld, subject to a prior financing by Cannaworld at $0.10 per common shares of Cannaworld. The maturity date is October 13, 2023.

Cannaworld is an early-stage company engaged in the development of cannabis growing facilities dedicated to providing self-contained Cultivation MicroPods to independent micro-cultivators. Cannaworld is currently building a “CannaPark” in Pitt Meadows in the lower Fraser Valley in British Columbia. The CannaPark is expected to have a central licensed nursery operated by the park and a community of micro-growers, each in their own, self-contained, stand alone, MicroPod.

(3) The Hash Corporation

The Hash Corporation is a publicly traded corporation listed on the CSE under the symbol ‘REZN’, incorporated under the *Business Corporations Act* (Ontario) on March 28, 1967.

On February 24, 2023, the Issuer subscribed for a secured convertible debenture (the **“Hash Debenture”**) of The Hash Corporation in the amount of $750,000. The Hash Debenture bears interest at five (5) percent per annum, and matures on May 31, 2023. The Hash Debenture is convertible into common shares of The Hash Corporation at $0.05 per common share.

The Hash Corporation is an early-stage company that is focused on the production and sale of cannabis-based hashish and other cannabis products. It applies its separation and curing techniques to produce a suite of high-quality cannabis resin products, which are all-natural and free of additive and carcinogenic solvents. At present, The Hash Corporation does not possess the licences required to carry on its business in producing and selling cannabis-based hashish and other cannabis concentrates. In particular, it does not have a Standard Processing Licence and a Cannabis Licence under the Cannabis Act. The company does not intend to apply for both these licences and instead relies on a collaboration agreement with Medz Cannabis Inc., an Ontario-based, privately-owned company, licensed for the cultivation, processing and sale of medical cannabis under the Cannabis Act.

Investment Committee

The Issuer has established an investment committee (the “**Investment Committee**”) tasked with monitoring the Issuer’s investment portfolio on an ongoing basis and reviewing the status of each investment at least once a month or more frequently on an as needed basis. Nominees for the Investment Committee shall be recommended by the Issuer’s Board and shall be appointed annually by the Board.

The Investment Committee is presently comprised of Anthony Durkacz, Michael Galloro, and Binyomin Posen.

Each member of the Investment Committee has a track record of acquiring and divesting interests in arm’s-length enterprises in a manner that can be characterized as conducting an active business, and each specially has experience doing so in the cannabis industry. For more information on the background and experience of the Investment Committee members, please refer to Section 13.11 – *Management*.

Management Experience

Please refer to Item 13.1 – *Directors and Officers* for more information on the experience of management.

Competition

The Issuer faces competition when pursing investments from other cannabis companies seeking full acquisitions and from cannabis-focused ETFs, other investment companies, and institutional investors. Examples of such competitors include Captor Capital Corp., a publicly traded Canadian company focused on acquiring cash-flowing established cannabis companies and organizations; The Arcview Group, an angel investing network focused on the cannabis industry; Canopy, Casa Verde Capital, an investor company focused on early stage investments in the ancillary businesses in the cannabis industry.

Laws Applicable to Cannabis

As of the date of this Listing Statement, the Issuer holds investments in three (3) investees, all of which are incorporated in a Canadian jurisdiction and operate only in Canada. However the Issuer may consider investments in jurisdictions where cannabis and cannabis entities are legal. The Issuer does not invest in, and will not in the future invest in any entities with marijuana-related practices or activities (including the cultivation, possession or distribution of marijuana) in the US.

On October 17, 2018, cannabis became legal in all provinces and territories of Canada for adults 18 and over, making Canada the second country in the world to legalize recreational use of cannabis.[1] The production, distribution, sale and possession of cannabis, cannabis extracts, and cannabis topicals is governed by the *Cannabis Act* (Canada) (the "**Cannabis Act**"), and its related Cannabis Regulations. The Cannabis Act put in place a new, strict framework for controlling the production, distribution, sale and possession of recreational cannabis in Canada. The objectives of the Cannabis Act are to prevent youth access to cannabis, protect public health and safety, and reduce criminal activity and the burden on the criminal justice system.[2]

Initially, the Cannabis Act legalized the sale of cannabis oil, fresh cannabis, dried cannabis, cannabis plant seeds, and cannabis plants. On October 17, 2019, amendments to the Cannabis Regulations came into force, and legalized cannabis extracts (such as hashish), cannabis edibles and cannabis topical.[3] Under the Cannabis Act and the Cannabis Regulations, an individual is required to obtain various licences, issued by Health Canada, dependent on the type of activity they wish to engage in.

Each province and territory is responsible for developing its own regulations for sales and distribution of cannabis, and can add additional restrictions to the federal legislation, such as increasing the age of access. In addition, individual municipalities can pass bylaws to regulate the use of cannabis locally.

Employees

As of the date of this Listing Statement, the Issuer has three (3) full time employees. At the current stage of development, the Issuer is focused on maintaining a lean corporate structure and utilizing independent contractors and consultants, on an "as needed" basis.

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[1]CBC News, "The pros, cons and unknowns of legal cannabis in Canada 3 years" accessed via https://www.cbc.ca/news/politics/cannabis-changed-canada

[2] Canadian Centre on Substance Use and Addiction "Policy and Regulations (Cannabis)" accessed via https://www.ccsa.ca/policy-and-regulations-cannabis.

[3]Government of Canada, "Regulations under the Cannabis Act" accessed via https://www.canada.ca/en/health-canada/services/drugs-medication/cannabis/laws-regulations/regulations-support-cannabis-act.html

Investments in Foreign Jurisdictions

For information on the Issuer’s approach to investments in foreign jurisdictions, please refer to the Investment Policy.

Renegotiation or Termination of Material Agreements

As of the date of this Listing Statement, the Issuer does not expect to renegotiate or terminate any of its material agreements.

Bankruptcy and Receivership

Neither Issuer nor any subsidiary has ever been the subject of any bankruptcy or any receivership or similar proceedings, nor has the Issuer or any subsidiary ever been the subject of any voluntary bankruptcy or similar proceeding since its incorporation on December 2, 1965.

Material Restructuring Transactions

Aside from the Change of Business, the Issuer has not completed a material restructuring transaction within the three most recently completed financial years, or in the current financial year, and it has no material restructuring transactions proposed for the current financial year.

4.1.2 Business Objectives and Milestones

Over the next 12-month period, the Issuer’s objectives are to:

(1) investigate and make additional investments in the cannabis and cannabis-related business sectors;

(2) continue to monitor its current investment portfolio and evaluate whether the Issuer’s Investments should continue to be held in whole or in part or be divested of.

The Issuer does not have any additional investments identified as of the date of this Listing Statement, and as such (i) the number and dollar amount of future investments is uncertain, and (ii) there is no assurance the Issuer will be successful in identifying any additional investments in the next 12 months. If an investment is sourced and favourably evaluated, the Issuer will likely require additional funds, as it does not have a significant cash reserve. However, once the Issuer’s Shares are publicly traded, it may be able to acquire investments by issuing Shares and/or debt securities.

In order to meet the Issuer’s key objectives, management will need to source and identify investment opportunities to present to the Investment Committee. Management intends to devote a significant amount of time over the next year in working to identify investments for review by the Investment Committee. In order to grow the Issuer’s investment portfolio, the Issuer will need additional investment capital. While the Issuer will initially have approximately $1,996,004 in working capital available to acquire investments, it is expected that more capital will be needed throughout the year to continue to acquire new investments. The Issuer will obtain such capital either from the divestiture of existing Investments or from the sale of its own securities. There can be no assurance that the Issuer will be successful in raising additional capital. Please refer to Section 17 “Risk Factors”.

4.1.3 Use of Available Funds

As of January 31, 2023, the only funds available to the Issuer is its working capital; the Issuer has a working capital position of approximately of $1,996,004. The Issuer anticipates that the following funds will be used to fund the Issuer's estimated expenditures during the next twelve-month period:

Description of Funds	Amount
Working Capital	$1,996,004
Hash Debenture	$750,000
General and Administrative Expenses	$485,000
Total Unallocated Working Capital Intended for Future Investments	$761,004

The Issuer's general and administrative expenses are expected to consist of the following:

G&A Expense	Amount
Accounting and Audit	$45,000
Legal and corporate	$50,000
Management wages and fees(1)	$210,000
Salaries and benefits(1)	$100,000
Rent and other office costs	$20,000
Shareholder communication	$20,000
CSE and SEDAR fees	$20,000
Miscellaneous	$20,000
Total	**$485,000**

(1) The Issuer will be assessing these expenses in the coming months and considering a potential reduction of staff and potential for having compensation tied to performance of investments.

4.2 Asset Backed Securities

This section is not applicable to the Issuer as the Issuer does not have any asset-backed securities outstanding.

4.3 Companies with Mineral Projects

This section is not applicable to the Issuer as the Issuer does not have any mineral projects.

4.4 Companies with Oil and Gas Operations

This section is not applicable to the Issuer as the Issuer does not have any oil and gas operations.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Selected Consolidated Financial Information

The following selected financial information has been derived from and is qualified in its entirety by the Issuer's comparative annual financial statements for the fiscal year ended April 30, 2022 attached as Appendix "B" to this Listing Statement, and should be read in conjunction with such financial statements and the related notes thereto, included in Appendix "B" of this Listing Statement, along with the related MD&As thereto attached as Appendix "C" to this Listing Statement. All financial statements of the Issuer are prepared in accordance with International Financial Reporting Standards.

	As at and for the year April 30, 2022 (audited) (CAD$)	As at and for the year ended April 30, 2021 (audited) (CAD$)	As at and for the year ended April 30, 2020 (audited) (CAD$)
Statement of operations			
Total revenue	Nil.	9,642,757	1,108,292
Operating Profit (Loss)	(1,309,643)	(4,938,598)	(47,362,862)
Net Profit (Loss)	(8,219,850)	(4,486,318)	(48,563,523)
Statement of financial position			
Total Assets	3,743,735	15,646,030	20,211,055
Total Long-Term Liabilities	36,713	877,958	920,866
Total Liabilities	252,462	5,905,495	6,414,283
Shareholder's Equity (Deficiency)	3,491,273	9,740,535	13,796,772

See Appendix "B" – *Issuer comparative annual financial statements for the fiscal year ended April 30, 2022.*

5.2 Quarterly Information

The following table sets out selected historical financial information of the Issuer for each of the eight most recently completed quarters.

	October 30, 2022	July 31, 2022	January 31, 2022	October 31, 2021	July 31, 2021	April 30, 2021	January 31, 2021	October 31, 2020
Total Revenues	-	-	-	-	100,000	-	-	-
Loss before other Income (Expense)	(357,573)	(221,288)	(6,484,549)	(1,112,058)	(362,158)	(1,959,715)	(626,878)	(877,189)
Net Loss	(280,629)	(339,946)	(6,484,549)	(1,112,058)	(262,158)	(1,959,715)	(626,878)	(877,189)
Loss per share-basic and diluted	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00

5.3 Dividends

There are no restrictions in the Issuer's articles or by-laws or pursuant to any agreement or understanding which could prevent the Issuer from paying dividends. The Issuer has not declared or paid any dividends on any class of securities. It is expected that the Issuer will retain future earnings, if any, to fund the development and growth of its business and does not intend to pay any cash dividends on the Issuer Shares for the foreseeable future. Any decision to pay dividends on the Issuer Shares in the future will be made by the Issuer Board on the basis of earnings, financial requirements and other conditions existing at the time.

5.4 Foreign GAAP

The financial statements included in this Listing Statement have been, and the future financial statements of the Issuer shall be, prepared in accordance with IFRS.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Issuer's MD&A as at and for the fiscal year ended April 30, 2022, and for the interim period ended October 31, 2022, are attached as Appendix "B" hereto.

7. MARKET FOR SECURITIES

The Issuer Shares were listed on the CSE under the stock symbol "PUMP" on March 21, 2019. Please refer to Section 10.8 - "*Stock Exchange Price*" of this Listing Statement.

The Issuer Shares are also listed on the Frankfurt Stock Exchange under the trading symbol "WCF" and "WKN:A2PF9C", and the OTCQB Venture Market under the trading symbol "WCEXF".

8. CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Issuer as of April 30, 2022, and as of the date of this Listing Statement.

Designation of Security	Amount Outstanding as of April 30, 2022	Amount Outstanding as of the date of this Listing Statement
Issuer Shares	**625,196,572**	**625,196,572**
Issuer Options	**29,600,000**	**24,000,000**(1)
Issuer Warrants	**18,910,575**	**Nil.**
Debt issued by the Issuer	**Nil**	**Nil**

Notes:

(1) Issuer Options comprised of 90,000 Options exercisable at $0.20 until March 9, 2023, 15,900,000 April 2020 Options exercisable at $0.05 until April 23, 2024, 8,010,000 May 2020 Options exercisable at $0.05 until May 26, 2024.

9. OPTIONS TO PURCHASE SECURITIES

9.1 Outstanding Options

The Issuer's shareholders approved the stock option plan at the Issuer's annual shareholder meeting held on October 24, 2018 (the "**Stock Option Plan**"). The Stock Option Plan provides that the aggregate number of securities reserved for issuance will be 10% of the number of common shares of the Issuer issued and outstanding from time to time. The Stock Option Plan was established to provide incentive to qualified parties to increase their proprietary interest in the Issuer and thereby encourage their continuing association with the Issuer. Management proposes stock option grants to the Board of Directors based on such criteria as performance, previous grants, and hiring incentives.

The Stock Option Plan is administered by the Issuer's Board of Directors, which has full and final authority with respect to the granting of all options thereunder. Options may be granted under the Stock Option Plan to certain qualified parties, such as directors, senior officers, employees and consultants of the Issuer or its subsidiaries. The exercise prices will be determined by the Board of Directors, provided that it is not less than such minimum price as is permitted by the policies of any stock exchange on which the Issuer Shares may be listed. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options granted under the Stock Option Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession. The terms of an option may not be amended once issued. If an option is cancelled prior to its expiry date, the Issuer must post notice of the cancellation and shall not grant new options to the same person until 30 days have elapsed from the date of cancellation.

The terms of any options issued pursuant to the Stock Option Plan may not be amended once issued.

The following tables sets out all of the Issuer Options, as at the date of this Listing Statement:

	Category of Issuer Option Holder	**Number of Holders in Group**	**Description of securities**	**Exercise Price (CAD$)**	**Expiry Date**	**Number of Issuer Options to Acquire Issuer Shares held as a Group**
(a)	All executive officers of the Company (past and present as a group)	5	11,540,000 7,510,000	$0.05 $0.05	April 23, 2024 May 26, 2024	**19,050,000**
(b)	All directors of the Company who are not executive officers (past and present) as a group	2	1,500,000 500,000	$0.05 $0.05	April 23, 2024 May 26, 2024	**2,000,000**
(c)	All other employees of the Company (past and present) as a group	1	130,000	$0.05	April 23, 2024	**130,000**
(d)	All consultants of the Company as a group as a group	8	90,000 2,730,000	$0.20 $0.05	March 9, 2023 April 23, 2024	**2,820,000**
Total Number of Outstanding Issuer Options:						**24,000,000**

10. DESCRIPTION OF SECURITIES

10.1 General

Issuer Shares

The Issuer's authorized share capital consists of an unlimited number of Issuer Shares. As of the date of this Listing Statement, the Issuer has 625,196,572 Issuer Shares issued and outstanding.

Except as otherwise prescribed by the *Business Corporations Act* (British Columbia), at a meeting of shareholders of the Issuer, each Issuer Share entitles the holder thereof to one vote in respect of each Issuer Share held at such meetings. The holders of Issuer Shares are entitled to receive dividends if, as and when declared by the Board of Directors of the Issuer. In the event of liquidation, dissolution or winding-up of the Issuer, the holders of the Issuer Shares are entitled to share rateably in any distribution of the property or assets of the Issuer.

There are no pre-emptive rights, no conversion or exchange rights, no redemption, retraction, purchase for cancellation or surrender provisions. There are no sinking or purchase fund provisions, no provisions permitting or restricting the issuance of additional securities or any other material restrictions, and there are no provisions, which are capable of requiring a security holder to contribute additional capital.

Miscellaneous Securities Provisions

The only securities of the Issuer being listed are the Issuer Shares. All of the attributes of the Issuer Shares are set out in Section 10.1 of the Listing Statement.

10.7 Prior Sales

The Issuer has issued no Issuer Shares in the last 12 months.

10.8 Stock Exchange Price

The Issuer Shares are listed on the CSE under the symbol "PUMP". The following table sets forth, for the periods indicated, the reported high and low prices and the aggregate volume of trading of the Issuer Shares on the CSE.

Period	High (CAD$)	Low (CAD$)	Trading Volume
February 1, 2023 to February 21, 2023	$0.015	$0.01	10,959,135
January 1, 2023 to January 31, 2023	$0.015	$0.005	4,248,309
December 1, 2022 to December 31st, 2022	$0.015	$0.005	16,918,160
November 1, 2022 to November 30st, 2022	$0.015	$0.005	4,307,473
October 1, 2022 to October 31st, 2022	$0.015	$0.005	10,509,186
Quarter ended October 30, 2022	$0.015	$0.005	31,734,819
Quarter ended July 31, 2022	$0.02	$0.01	43,390,919
Quarter ended April 30, 2022	$0.015	$0.005	15,378,362
Quarter ended January 31, 2022	$0.015	$0.005	50,693,750
Quarter ended October 31, 2021	$0.025	$0.01	55,294,447
Quarter ended July 31, 2021	$0.035	$0.015	58,202,803
Quarter ended April 30, 2021	$0.035	$0.02	23,640,189

11. ESCROWED SECURITIES

No Issuer Shares are escrowed.

12. PRINCIPAL SHAREHOLDERS

As of the Listing Statement, there are no persons who own, directly or indirectly, or exercise control or direction over, more than 10% of the outstanding securities of the Issuer.

13. DIRECTORS AND OFFICERS

13.1 to 13.5. Directors, Officers and Management of the Issuer

The following table sets forth the name, municipality and country of residence, position or offices of the directors and officers of the Issuer, date appointed or elected, principal occupation and the number of Issuer Shares that each of the directors and executive officers own, of record or beneficially, directly or indirectly, or over which they exercise control or direction, as of the date of this Listing Statement.

Name and Municipality and Country of Residence	Position Director(s) or Office(s) held with the Issuer and Date Appointed/Elected	Principal Occupation During Five Preceding Years	Number of Issuer Shares Owned/ Controlled/ Directed
Anthony Durkacz, Toronto, Canada[1]	Chair of Board of Directors from June 17, 2019; Chief Executive Officer from February 15, 2023	Director and Executive Vice President at First Republic Capital Corporation	44,731,852 7.15%
Navchand Jagpal, Surrey, Canada	Director from June 17, 2019; Chief Financial Officer from February 1, 2023	Director and Officer of Albert Labs International Corp.	Nil. 0%
Binyomin Posen[1][2] Toronto, Canada	Director from February 15, 2023	Independent consultant. Senior Analyst at Plaza Capital. Director of Red Light Holland Corp., High Tide Inc., The Hash Corporation., i3 Interactive Inc., RDARS Inc., Cumberland Resources Nickel Corp., Nuran Wireless Inc., Gamelancer Media Corp.	Nil 0%
Michael Galloro, Toronto, Canada[1][2][3]	Director from April 8, 2020	President at Aloe Finance Inc., CEO of AF2 Capital Corp, Simply Better Brands Corp.	Nil. 0%
Shimmy Posen, Toronto, Canada	Corporate Secretary since March 20, 2019	Partner at Garfinkle Biderman LLP	2,613,000 0.42%

Notes:

(1) Member of the Audit Committee
(2) Independent director within the meaning of NI 52-110.
(3) Chair of Audit Committee

The term of office of the directors expires annually at the time of the Issuer's annual general meeting. The term of office of the executive officers expires at the discretion of the Issuer Board.

The directors and executive officers of the Issuer, as a group, beneficially own, directly or indirectly, or exercise control or direction over 47,344,852 Issuer Shares, representing approximately 7.57% of the issued and outstanding Issuer Shares.

Audit Committee

The Issuer's Audit Committee is comprised of three directors: Michael Galloro (Chair), Anthony Durkacz, and Binyomin Posen. Mr. Galloro and Mr. Binyomin Posen of the Audit Committee are independent as defined by National Instrument 52-110 — *Audit Committees* ("**NI 52-110**"). All members of the Audit Committee are financially literate as defined by NI 52-110.

13.6 Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, none of the Issuer's directors or officers or shareholder holding a sufficient number of securities to affect materially the control of the Issuer is, or within 10 years before the date of the Listing Statement has been, a director or officer of any other issuer, that while acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(d) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed

Mr. Binyomin Posen was a director and officer of Prominex Resource Corp. ("Prominex") when it was subject to cease trade orders issued by the British Columbia Securities Commission on September 10, 2015, for failure to file annual audited financial statements for the year ended April 30, 2015 and the related management's discussion and analysis and certificates. The cease trade order was revoked on February 18, 2020, after Prominex completed certain continuous disclosure filings. Mr. Binyomin Posen was not a director or officer at the time the cease trade orders were issued, and became a director and officer on March 17, 2019. He is no longer director or officer of this issuer.

Mr. Binyomin Posen was a director and officer of TransGlobe Internet and Telecom Co., Ltd. ("Transglobe") when it was subject to cease trade orders issued by the British Columbia Securities Commission on November 6, 2012, and by the Alberta Securities Commission on May 2, 2013, for failure to file its interim unaudited financial statements, interim management's discussion and analysis and related certification of interim filings for the interim period ended 28 February 2013. The cease trade orders were revoked on August 24, 2020, after Transglobe completed certain continuous disclosure filings. Mr.

Binyomin Posen was not a director or officer at the time the cease trade orders were issued, and became a director and officer on December 13, 2019. He is no longer a director or officer of this issuer.

Mr. Binyomin Posen was a director and officer of Sniper Resources Ltd. (“Sniper”) when it was subject to cease trade orders issued by the British Columbia Securities Commission on February 5, 2016 and by the Ontario Securities Commission on February 11, 2016, for failure to file annual audited financial statements for the year ended September 30, 2015, and the related management’s discussion and analysis and certificates. The cease trade order was revoked on March 31, 2020, after Sniper completed certain continuous disclosure filings. Mr. Binyomin Posen was not a director or officer at the time the cease trade orders were issued, and became a director and officer on December 19, 2018. He remains a director and officer of this issuer.

Mr. Binyomin Posen was a director and officer of Agau Resources Inc. (“Agau”) when it was subject to cease trade orders issued by the Alberta Securities Commission on February 3, 2011, and the British Columbia Securities Commission on February 10, 2011, for failure to file interim financial statements for the financial period ended November 30, 2010 and its related management’s discussion and analysis. The cease trade orders were revoked on June 28, 2018 after Agau completed certain continuous disclosure filings. Mr. Binyomin Posen was not a director or officer at the time the cease trade orders were issued and became a director and officer on March 21, 2018. He is no longer director or officer of this issuer.

Mr. Binyomin Posen was a director of Nuran Wireless Inc. (“Nuran”) when it was subject to a cease trade order issued by the British Columbia Securities Commission on May 19, 2022 (the “Nuran CTO”) for Nuran having failed to file annual audited financial statements for the year ended December 31, 2021 accompanied by an auditor’s report that expresses a modified audit opinion. The cease trade order was revoked on June 29, 2022 after Nuran filed the annual audited financial statements for the year ended December 31, 2021, accompanied by an auditor’s report that expresses an unmodified opinion. Mr. Binyomin Posen was a director of Nuran at the time of the Nuran CTO, and remains a director as of the date hereof.

Mr. Binyomin Posen was a director of i3 Interactive Inc. (“i3”) when on June 29, 2022, the BCSC issued a management cease trade order (the “i3 MCTO”) against i3 and insiders of i3, for failure to file its audited annual financial statements and related management’s discussion and analysis for the year ended February 28, 2022 and corresponding certifications of the foregoing within the time prescribed under National Instrument 51-102 – Continuous Disclosure Obligations (“NI 51-102”). Mr. Binyomin Posen was a director of i3 at the time of the i3 MCTO, and remains a director as of the date hereof. The i3 MCTO remains in effect as of the date hereof.

Mr. Binyomin Posen was a director of Ryah Group Inc. (“Ryah”) when on July 5, 2022, the Ontario Securities Commission (the “OSC”) issued a cease trade order (the “Ryah CTO”) against Ryah, to replace the management cease trade order issued by the OSC on May 5, 2022 (the “Ryah MCTO”), for failure to file its (i) audited annual financial statements and related management’s discussion and analysis for the year ended December 31, 2021 and corresponding certifications of the foregoing (the “2021 Annual Records”); and (ii) interim financial statements and related management’s discussion and analysis for the interim period ended March 31, 2022 and corresponding certifications of the foregoing (the “2022 Interim Records”) within the time prescribed under NI 51-102. Mr. Binyomin Posen was a director of Ryah at the time of the Ryah CTO and Ryah MCTO, and remains a director as of the date hereof. The Ryah CTO remains in effect as of the date hereof.

Mr. Galloro was a director of Simply Inc., when on June 14, 2022, Simply announced that it commenced bankruptcy proceedings (the “Chapter 7 Case”) by filing a voluntary petition for relief under the provisions of Chapter 7 of Title 11 of the United States Code, 11 U.S.C. §101 et seq. (the “Bankruptcy Code”). The

Chapter 7 Case was filed in the United States Bankruptcy Court for the District of Utah, Case No. 22-22242-KRA (the "Bankruptcy Filing"). With the appointment of the Chapter 7 Trustee and concurrent with the Bankruptcy Filing, on June 14, 2022, all directors resigned as members of the board of directors of Simply Inc.

13.7 Penalties or Sanctions

No director or officer of the Issuer or a shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, is, or has been subject to:

(a) any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

13.8 Settlement Agreements

No settlement agreements have been entered into.

13.9 Bankruptcies

As at the date of this Listing Statement, no director or officer of the Issuer, or a shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.10 Conflicts of Interest

The Issuer recognizes that its directors, officers are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with their duties to the Issuer. These include serving as directors, officers, promoters, advisers or agents of other public and private companies, including investee companies. These persons may also engage in transactions with the Issuer where any one or more of them is acting in a capacity as financial advisor, broker, intermediary, principal, or counterparty, provided that such transactions are carried out on terms similar to those which would apply in a like transaction between parties not connected with any one of them and such transactions are carried out on normal commercial terms as if negotiated at arm's length.

The Issuer has no prohibition with respect to investing in investees in which a director or member of management may already have an interest. However, directors and officers are required to disclose any conflicts of interest, including holding any interest in a potential investment. Further, where a conflict is determined to exist, the person having an interest shall abstain from making further decisions or recommendations concerning such matter, and any potential investments where there is a conflict of interest involving an employee, officer or director of the Issuer may only proceed after receiving approval from the disinterested directors of the Board.

The Issuer will also be subject to "related party" transaction policies of applicable securities regulators as well as securities exchange(s) on which its shares are listed for trading. Such policies may require disinterested shareholder approval and valuations for certain investment transactions.

The Issuer has adopted procedures for checking for potential conflicts of interest, which include, but are not limited to, prior to making any investment commitment, a circulation of the names of a potential target entity and its affiliates to the Board and management.

13.11 Management

The following biographies provide certain selected information in respect of persons who will be serving as directors and/or officers of the Issuer as well as their roles:

Anthony Durkacz — Chief Executive Officer, Director and Chairman of Board of Directors, Age 46

Anthony Durkacz's principal business is director and Executive Vice President at First Republic Capital Corporation ("FRCC"), an exempt market dealer actively engaged in financing and acquiring and investing in arm's length enterprises, all of which are considered active business for FRCC by both the Canada Revenue Agency and the securities regulators in Canada. Mr. Durkacz and FRCC regularly engage M&A mandates, and also both take an active role in acquiring businesses and technologies to incubate them to prepare for public exits. Mr. Durkacz is also the owner and President of Fortius Research & Trading Corp., which provides financial and investor relations consulting services to micro and small cap companies in various sectors and develops investment strategies for high net worth individuals. He also served as COO and CFO of MKU Canada Inc. engaging in mergers and acquisitions globally, and from 2002 to 2006 he served as the CFO of Astris Energi Inc., a dually listed public company in the USA and Canada which was acquired by an international conglomerate. He began his career at TD Securities on the capital markets trading floor. Mr. Durkacz holds an Honours Bachelor of Business Administration from Brock University with a major in Accounting and Finance.

Mr. Durkacz has a track record of acquiring and divesting interests in arm's-length enterprises in a manner that can be characterized as conducting an active business, including investments in the cannabis section, such as overseeing the initial investments in FV Pharma Inc. (a cannabis grower), High Tide Inc. (a cannabis retailer), Huge Shops Inc. (a cannabis retailer) and IM Cannabis Corp. (an Israeli cannabis grower and distributor).

Mr. Durkacz is the chief executive officer, director and chairman of the Board of Directors of the Issuer, and 25% of his time will be devoted to the Issuer.

Binyomin Posen – Director, Age 31

Mr. Posen is a currently an independent consultant. He was previously a Senior Analyst at Plaza Capital, where he focused on corporate finance, capital markets and helping companies go public. He returned to Toronto to complete his baccalaureate degree in Judaic Law after three and a half years of studies overseas. Mr. Posen currently focuses identifying target investments, business development for portfolio companies, client relations and eventual exits from these investments.

Mr. Posen has a track record of acquiring and divesting interests in arm's-length enterprises in a manner that can be characterized as conducting an active business, including during his time at Plaza Capital, High Tide Inc., and in his current role, Mr. Posen has been involved in sourcing, evaluating, and exiting investments in arm's-length portfolio companies, and has had a specific focus on the cannabis industry.

Mr. Posen is a director of the Issuer, and approximately 10% of his time will be devoted to the Issuer.

Navchand Jagpal — Chief Financial Officer and Director, Age 54

Mr. Japgal is a founder, director, CFO of Albert Labs International Corp, a CSE listed laboratory based, clinical research and drug development enterprise, focused on improving patient access to psychedelic assisted therapies through accelerated regulatory approval pathways. Past experience includes being the CEO and Director of Grand Peak Capital Corp., an investment issuer listed on the TSX-V and investing in a portfolio of Resource and Technology Companies. Mr. Jagpal has over 20 years of experience in public company management in the medical cannabis, agriculture, biotech, nutraceuticals, real estate development and business software systems industries. Previously, Mr. Jagpal was Director and CEO of Grand Peak Capital Corp., a publicly listed investment issuer on the TSX-V. Mr. Jagpal has his Honours Bachelor in Economics from Simon Fraser University.

Mr. Jagpal is the chief financial officer and a director of the Issuer, and approximately 10% of his time will be devoted to the Issuer.

Michael Galloro — Director, Age 48

Michael Galloro is an accomplished executive with over 27 years of experience. Michael is the president of ALOE Finance, a transaction services boutique firm, focusing on the small and mid-cap space, and working closely with emerging private and publicly listed companies operating globally, assisting and overseeing their mergers and acquisitions, financings, corporate structuring and go public transactions, both in the Canadian and the US securities markets. In his role as president, Michael closely oversees the operations of ALOE Finance. Michael is also currently the CEO of AF2 Capital Corp, a capital pool company on the TSX Venture Exchange. Michael earned his Chartered Professional Accountant, Chartered Accountant (CPA, CA) designation while working in the financial institutions practice for KPMG LLP and has his Honours Bachelor of Accounting (BAcc) Degree from Brock University.

Mr. Galloro has a track record of acquiring and divesting interests in arm's-length enterprises in a manner that can be characterized as conducting an active business, including investments in the cannabis section, such as overseeing the initial investments in Liberty Health Sciences Inc. (a US chain of medical cannabis dispensaries) and Simply Better Brands Corp. (a CBD brand in the United States).

Mr. Galloro is a director of the Issuer, and 10% of his time will be devoted to the Issuer.

Shimmy Posen — Corporate Secretary, Age 37

Shimmy Posen is a lawyer at Garfinkle Biderman LLP, where he focuses on corporate finance, mergers and acquisitions (M&A), and securities law. He acts for public and private companies, securities dealers, and financial institutions, on a number of public and private financings, and commercial transactions. Mr. Posen holds a JD from Osgoode Hall Law School and a BA in political science from York University.

Mr. Posen is the corporate secretary of the Issuer, and 10% of his time will be devoted to the Issuer.

None of the directors or officers of the Issuer have entered into non-competition or non-disclosure agreements with the Issuer and are independent contractors of the Issuer. Please refer to Section 13.1 "*Directors, Officers and Management of the Issuer*" to this Listing Statement for further information.

13.12 Other Reporting Issuer Experience

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

Name of Director or Officer	Reporting Issuer and Name of Trading Market(s)	Position	Time of Involvement
Anthony Durkacz	FSD Pharma Inc.	Director & Executive Vice President	Present
Michael Galloro	AF2 Capital Corp.	CEO	Present
	Fountain Asset Corp.	Director	Present
	Simply Better Brands Corp. (formerly	Director	Present
	PureK Holdings Corp.)	Director	Present
	Atomifizer Technologies Inc	Director	Present
	Eviana Health Corporation	Director	2017/08/31 – 2018/11/30
	Yangaroo Inc.	CFO	2010/12/10 – 2019/02/19
	Liberty Health Sciences Inc.	Director	2016/11/22 – 2019/02/28
	Bragg Gaming Group Inc.	Director	2018/12/20 – 2019/03/14
	Bluma Wellness Inc.	Director/CFO/CEO	2012/09/12 – 2020/06/11
	Universal PropTech Inc.	Director	2012/03/23 – 2020/07/28
	Simply Inc.	Director	2018/06/04 – 2022/06/14
Navchand Jagpal	Albert Labs International Corp	Director and Officer	Present
	Global Wellness Strategies Inc.	Director and Officer	Present
Binyomin Posen	Red Light Holland Corp.	Director	Present
	The Hash Corporation	Director	Present
	RDARS Inc.	Director	Present
	Cumberland Resources Nickel Corp.	Director	Present
	i3 Interactive Inc.	Director	Present
	Titus Energy Corp.	Director and Officer	Present
	Nuran Wireless Inc.	Director	Present
	Madi Minerals Ltd.	Director	Present
	Waraba Gold Limited	Director	Present
	RYAH Group Inc.	Director	Present
	Pacific Iron Ore Corporation	Director and Officer	Present
	Jiminex Inc.	Director and Officer	Present
	Newfoundland Goldbar Resources Inc.	Director and Officer	Present
	Metaville Labs Inc.	Director and Officer	Present
	DevvStream Holdings Inc.	Director and Officer	2021/12/08 – 2022/11/04
	Empatho Holdings Inc.	Director and Officer	2019/12/13 – 2021/12/13
	Green Scientific Labs Holdings Inc.	Director and Officer	2019/03/17 – 2021/11/15
	High Tide Inc.	Director	2019/07/24 – 2020/11/18
	Novamind Inc.	Director and Officer	2019/03/04 – 2020/12/24
	BellRock Brands Inc.	Director and Officer	2018/06/25 – 2018/11/27
	The Well Told Company Inc.	Director and Officer	2018/03/21 – 2021/10/14
	Gamelancer Media Corp.	Director and Officer	2019/12/13 – 2021/05/03
	Enthusiast Gaming Properties Inc.	Director	2018/06/18 – 2018/09/21
Shimmy Posen	BellRock Brands Inc.	Officer	2018/06/25 – 2018/11/27
	Indiva Limited	Officer	2016/05/27 – 2017/12/19

14. CAPITALIZATION

14.1 Capitalization

There are 625,196,572 Issuer Shares issued and outstanding as at the date of this Listing Statement.

The following tables set forth capitalization of the Issuer as at the date of this Listing Statement. All references are to the Issuer Shares.

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	625,196,572	649,196,572	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	47,344,852	53,344,852	7.57%	8.22%
Total Public Float (A-B)	577,851,720	595,851,720	92.43%	91.78%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	-	-	-	-
Total Tradeable Float (A-C)	625,196,572	649,196,572	100%	100%

Public Securityholders (Registered)

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	76	1,778
100 – 499 securities	17	4,650
500 – 999 securities	4	2,604
1,000 – 1,999 securities	1	1,500
2,000 – 2,999 securities	1	2,250
3,000 – 3,999 securities	4	13,575
4,000 – 4,999 securities	1	4,500
5,000 or more securities	83	46,394,548
Total	187	46,425,405

Public Securityholders (Beneficial)

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	235	6,842
100 – 499 securities	426	109,946
500 – 999 securities	286	188,610
1,000 – 1,999 securities	493	613,228
2,000 – 2,999 securities	469	1,024,159
3,000 – 3,999 securities	235	763,028
4,000 – 4,999 securities	246	1,023,448
5,000 or more securities	3,130	570,869,352
Unable to confirm	Unable to confirm(1)	3,253,107
Total	5,520	577,851,720

Notes:
(1) Shares are held by an unknown number of participants (intermediaries) through CDS & Co., the Canadian depository for securities.

Non-Public Securityholders (Registered)

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	2	47,344,852
Total	2	47,344,852

14.2 Securities Convertible or Exchangeable for Issuer Shares

The following tables set forth the securities convertible or exchangeable for the Issuer Shares.

Description of Security (include conversion/exercise terms, including conversion/exercise price)			Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Type of security	**Exercise Price**	**Expiry Date**		
Issuer Options	See Note 1	See Note 1	24,000,000	24,000,000

Notes:

(1) Issuer Options comprised of 90,000 options exercisable at $0.20 until March 9, 2023, 15,900,000 April 2020 Options exercisable at $0.05 until April 23, 2024, 8,010,000 May 2020 Options exercisable at $0.05 until May 26, 2024.

Please also refer to Section 10 "*Description of Securities*" of this Listing Statement for details on Issuer Shares reserved for issuance.

15. EXECUTIVE COMPENSATION

15.1 Compensation Discussion and Analysis

Please refer to the Issuer's management information circular dated March 21, 2022, which was filed on the Issuer's SEDAR on March 29, 2022.

In the months to come, the Issuer will be assessing the compensation structure of management, and may be reducing the number of people employed and/or engaged with the Issuer and potentially having compensation tied to performance of investments. This may lead the Issuer to reduce executive compensation. The Issuer does have any other intentions to materially change the executive compensation.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Issuer, nor any proposed nominee for election as a director of the Issuer, and no associate of any such director, executive officer or proposed nominee,

a) is, or at any time since the beginning of the most recently completed financial year of the Issuer has been, indebted to the Issuer or any of its subsidiaries, or
b) is or has been indebted to another entity which indebtedness is or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Issuer or any of its subsidiaries.

17. RISK FACTORS

The Issuer's business, operating results and financial condition could be adversely affected by any of the risks outlined below. These risks and uncertainties are not the only ones facing the Issuer. Additional risks and uncertainties not currently known to the Issuer, or that the Issuer currently deems immaterial, may also impair the operations of the Issuer. If any such risks actually occur, the financial condition, liquidity and results of operations of the Issuer could be materially adversely affected and the ability of the Issuer to implement its growth plans could be adversely affected.

An investment in the Issuer's Shares is speculative and will be subject to material risks; and investors should not invest in securities of the Issuer unless they can afford to lose their entire investment.

Risks Related to Holding Securities of the Issuer

Market Risk for Securities

There can be no assurance that an active trading market for the Issuer's Shares will be sustained. The market price for the Issuer's Shares is presently subject to wide fluctuations. Factors such as the on-going war in Ukraine and other forms of geopolitical unrest, inflation, rising interest rates, worldwide supply chain issues, the recent COVID-19 pandemic, government regulation and demand for cannabis, share price movements of peer companies and competitors, as well as overall market movements, may continue to have a significant impact on the market price of the Issuer's securities. The stock market has experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Covid-19 Outbreak

On March 11, 2020, the World Health Organization declared the outbreak of novel strain of coronavirus ("COVID-19") a global pandemic. In response to the outbreak, governmental authorities in Canada and other countries introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. An expanded global spread of COVID-19 could have an adverse impact on the Issuer's investments and financial results. The continued spread of COVID-19 globally could also lead to a deterioration of general economic conditions including a possible global recession.

Volatile Market Price for Issuer Shares

The market price for the Issuer Shares may continue to be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Issuer's control, including the following:

- actual or anticipated fluctuations in the Issuer's quarterly results of operations;
- geopolitical unrest;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Issuer operates;
- addition or departure of the Issuer's executive officers and other key personnel;
- release or expiration of transfer restrictions on outstanding Issuer Shares;
- sales or perceived sales of additional Issuer Shares;
- operating and financial performance that vary from the expectations of management, securities analysts and investors;
- regulatory changes affecting the cannabis industry

- announcements of developments and other material events by the Issuer or its competitors;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as rising interest rates;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Issuer or its competitors;
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the cannabis industry.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of Issuer Shares may decline even if the Issuer's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are lasting and not temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in share price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Issuer's operations could be adversely impacted and the trading price of the Issuer Shares may be materially adversely affected.

Litigation Associated with Share Price Volatility

In the past, certain companies that have experienced volatility in their share value, have been the subject of securities class action litigation. The Issuer might become involved in securities class action litigation in the future. Such litigation often results in substantial costs and diversion of management's attention and resources and could have a negative effect on business and results of operation.

Possible Dilution

Making additional investments will require additional capital; and the ongoing costs of operations may not generate positive cash flow for the near or long term. The Issuer's ability to secure any required financing to expand operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Issuer will be successful in its efforts to secure any additional financing on terms satisfactory to management. If additional financing is raised by issuance of additional shares from treasury, control may change and shareholders may suffer dilution.

Risks Related to the Issuer's Business General Matters

Limited operating history

The Issuer is in the early stage of development and has no history of operations as an investment company. The Issuer will be subject to many risks common to start-up enterprises and its viability must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of development in the cannabis industry. This includes under-capitalization, cash shortages, limitations with respect to personnel, lack of revenues and financial and other resources. There is no assurance that the Issuer will develop its business profitably, and the likelihood of success of the Issuer must be considered in light of the Issuer's early stage of operations. There is no assurance that the Issuer will be successful in achieving a return on shareholders' investment.

Limited Size of Investments

The Issuer currently has a relatively small number of investments, and limited resources to make additional investments. Its investments are restricted to a narrow range of businesses and industry in which it can invest. This limited diversification may hinder the growth of the Issuer.

Additional Funding Requirements

Making additional investments will require additional capital; and the ongoing costs of operations may not generate positive cash flow for the near or long term. The Issuer's ability to secure any required financing to expand operations will depend in part upon prevailing capital market conditions and business success. There can be no assurance that the Issuer will be successful in its efforts to secure any additional financing on terms satisfactory to management. If additional financing is raised by issuance of additional shares from treasury, control may change and shareholders may suffer dilution. If adequate funds are not available, or are not available on acceptable terms, the Issuer may be required to scale back its current business plan or cease operating.

Limited Management Experience

The existing directors and officers of the Issuer have limited experience in operating a public investment company. While each director has actively been involved in investment companies, they have not collectively operated a public investment company of the nature being undertaken by the Issuer. Further, management has not previously operated an investment company focused solely on cannabis. As management is the key component of any investment company's success, prospective investors should carefully evaluate the skills of management prior to investing.

Reliance on Key Personnel

The management and governance of the Issuer depends on the services of the executive officers of the Issuer. The Issuer relies on its executive officers with respect to the sourcing, acquiring and divesting of investments, as well as advising Investees. Consequently, the Issuer's ability to achieve its investment objectives depends in large part on the Issuer's executive offices and their ability to identify and advise the Issuer on attractive investment opportunities. Each of the Issuer's current director and officers will spend only a fraction of their available time on the Issuer's business. As such the Issuer has very limited management capacity in terms of depth and available time. The loss of the services of any key personnel, could have a material adverse effect on the Issuer and materially adversely affect the Issuer's financial condition and results of operations. The Issuer may be unable to duplicate the quality and depth of its current management. Prospective investors should not purchase any securities of the Issuer unless they are prepared to rely on the Issuer's executive officers.

Allocation of Personnel

The Issuer's officers and employees are not able to devote all of their business time and attention to the Issuer as they will continue to be involved in the operations of other businesses. The Issuer's officers and employees devote such time and attention to the business of the Issuer as they reasonably consider necessary to effectively carry out the operations of the Issuer.

Potential Conflicts of Interest

The Issuer will rely on management's expertise in identifying and advising on investment opportunities, transaction execution and asset management capabilities. Certain executives may also provide similar services to other entities, and there are no restrictions on members of management from providing similar services to other entities, or from engaging in other activities in the future (whether or not their investment objectives, strategies and policies are similar to those of the Issuer). Consequently, the Issuer may, from time to time, not be provided the opportunity of participating in an investment that would otherwise be compatible with the Issuer's investment objectives and restrictions. Applicable corporate law contains conflict of interest provisions requiring the directors to disclose their interests in certain contracts and transactions and to refrain from voting on those matters.

Costs of Operating as a Public Company

As a public company whose securities are listed on the CSE, the Issuer will continue to incur significant legal, accounting and related continuous disclosure expenses. The Issuer will continue to be subject to the reporting requirements of Canadian securities laws the rules and regulations thereunder, the rules and regulations of the CSE, and the provisions of securities laws that apply to public companies such as the Issuer. The expenses that will continue to be required in order to adequately comply with the various reporting and other requirements applicable to public companies will continue to require considerable expense, time and the attention of management.

Uninsured or Uninsurable Risks

The Issuer intends to insure its operations in accordance with industry practice. However, given the nature of the Issuer's business, such insurance may not be available, may be uneconomical for the Issuer, or may be insufficient to provide adequate coverage. The Issuer may become subject to liability for losses against which it cannot insure or against which it may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which the Issuer does not carry insurance may have a material adverse effect on its financial position.

Dividend Risk

The Issuer has not paid dividends in the past and does not anticipate paying dividends in the near future. The Issuer expects to retain earnings to finance further growth and, where appropriate, retire debt.

Litigation Risk

The Issuer or its investees may be the subject of litigation as it pertains to any aspect of their business. The Issuer or its investees may not be successful with respect to any actions it initiates, and may not be successful in defending any claims brought against them. Financial losses resulting from unsuccessful litigation may have a material adverse impact on the Issuer or its investees. Any claims, with or without merit, often result in substantial costs and diversion of management's attention and resources and could have a negative effect on business and results of operations.

Foreign Exchange Risk

The Issuer is a Canadian company, and most of its expenses and fund raising have been and are expected to continue to be in Canadian dollars. All the Issuer's present investments are in entities formed and operating in Canada. In the future, some of the expenses and revenues of the investee entities may be denominated in currencies other than Canadian dollars. As a result, the Issuer may be subject to foreign exchange risks relating to the relative value of the applicable foreign currency as compared to the Canadian dollar.

Any fluctuations in the value of any of these currencies relative to the Canadian dollar may have an adverse impact on the Issuer's financial condition and/or operating results. The Issuer may or may not in the future engage in hedging activities.

Repatriation of Funds

Certain countries impose or may impose restrictions upon the ability to transfer funds out of such country. All of the Issuer's present investments are in entities formed and operating in Canada, but in the future the Issuer may invest in entities formed and operating in other countries. As such, the Issuer may be subject to restrictions on its ability to transfer funds out of some foreign countries. However, any change in a country's laws in that regard could materially impact on an investee's ability to carry on business in that country and may preclude it from paying dividends to the Issuer, and similarly the Issuer's ability to receive dividends or any return of capital, and so materially impact on the value of the Issuer's investment.

Risks Related to Operating as an Investment Company

Cannabis Industry

The cannabis industry is still a relatively new industry, having been legalized in Canada in 2018. The further development and acceptance of the cannabis industry is subject to a variety of factors that are difficult to anticipate and evaluate The market for cannabis is therefore uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of marijuana may have a material adverse effect on the operational results, consumer base and financial results of the investees.

Any slowing or stopping of the development in the acceptance of cannabis may adversely affect the business of the investees, and in turn the Issuer's business. The future operating results of the Issuer will depend on certain factors specific to the cannabis, many of which are beyond the control of the Issuer, including the continued market demand for cannabis, legal and regulatory developments, and other factors that the Issuer is unable to predict. Given the dynamic evolution of the cannabis industry, it can be difficult to identify strategic developments, and it is possible that the Issuer's competitors will be more successful than the Issuer in identifying and acquiring investments consistent with its objectives.

For a number of reasons, cannabis activities may in fact prove in the long run to be unprofitable businesses. Factors affecting the further development of the cannabis industry include: (i) continued consumer demand for cannabis (ii) changes in consumer demographics and public tastes and preferences; and (iii) the regulatory environment and general economic conditions related to cannabis. A decline in the popularity or acceptance of cannabis would harm the business and affairs of the investees, and in turn the financial performance of the Issuer.

Changes in the value of cannabis companies

The markets for cannabis companies have experienced much larger fluctuations than other markets, and there can be no assurances that erratic swings in valuations and prices will slow in the future. In the event that the value of cannabis companies declines, the value of an investment in the Issuer will likely decline. Several factors may affect the price and valuation of cannabis companies including, but are not limited to global consumer demand. As well, momentum pricing is typically associated with assets whose valuation, as determined by the investing public, accounts for anticipated future appreciation in value. Momentum pricing of the Issuer's investees may result in speculation regarding future appreciation in the value of cannabis companies. As a result, changing investor confidence could adversely affect an investment in the Issuer.

Available Opportunities and Competition for Investments

The Issuer's business plan as an investment company depends upon, among other things: (i) the availability of appropriate investment opportunities; (ii) its ability to identify, select and acquire successful investments; and (iii) its ability to generate or obtain funds for future investments. The Issuer expects to encounter competition from other entities having similar investment objectives, including institutional investors and strategic investors. These groups may compete for the same investments as the Issuer, and will likely have a longer operating history, be better capitalized, and have a broader pool of management skills and experience, including expertise in operating a public investment company involved in cannabis. There are no barriers to entry into the Issuer's business. As a result, the Issuer may not be able to compete successfully for investments.

There can be no assurance that the Issuer will have access to a sufficient number of suitable investment opportunities or that such investments can be made within a reasonable period of time. There can also be no assurance that the Issuer will be able to complete investments at acceptable prices or on acceptable terms. Identifying attractive opportunities is difficult, highly competitive and involves a high degree of uncertainty. Potential returns will be diminished to the extent that the Issuer is unable to find and make a sufficient number of investments.

Operating and Financial Risks of Investments

Businesses in which the Issuer invests could deteriorate as a result of, among other factors, an adverse development in their business operations, a change in the competitive environment or an economic downturn. As a result, investees which the Issuer expects to be stable may operate at a loss or have significant variations in operating results, will require substantial additional capital to support their operations or to maintain their competitive position, or may otherwise have a weak financial condition or experience financial distress. In some cases, the success of the Issuer's investment strategy will depend, in part, on the ability of the Issuer to restructure and effect improvements in the operations of an investee. The activity of identifying and implementing restructuring programs and operating improvements at businesses entails a high degree of uncertainty. There can be no assurance that the Issuer will be able to successfully identify and implement such restructuring programs or improvements.

Shareholders Are Not Entitled to Vote on the Company's Proposed Investments

Shareholders will not be afforded the opportunity to either approve or oppose an investment opportunity of the Issuer. Thus, the Issuer may consummate any such investment even if a majority of the holders of its outstanding equity securities do not favour the particular investment.

Long-Term Nature of Investments

An investment in Issuer Shares requires a long-term commitment with no certainty of return. Most significant investments to be made by the Issuer are not expected to generate current income. Therefore, the return of capital to the Issuer and the realization of gains, if any, from the Issuer's investments will generally occur only upon the partial or complete realization or disposition of such investment. While an investment of the Issuer may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of the Issuer's investments will not occur for a number of years after each such investment is made.

Lack of Diversification

The Issuer's investments are restricted to the cannabis industry. As such the Issuer's investments may be more susceptible to fluctuations in value resulting from adverse economic conditions affecting the cannabis industry than would not be the case if the Issuer's investment guidelines allowed for more diversity.

Market Fluctuations

The Issuer invests in both private businesses and publicly traded businesses. With respect to publicly traded businesses, fluctuations in the market prices of such securities may negatively affect the value of such investments. In addition, general instability in the public securities markets may impede the ability of an Investee to sell new securities, or the ability of the Issuer to sell its securities held in an Investee, thereby limiting the Issuer's investment options with regard to a particular Investee.

Depending on market conditions, the Issuer may incur substantial realized and unrealized losses in future periods, all of which may materially adversely affect its results of operations and the value of the Issuer Shares.

Pace of Completing Investments

The Issuer's business is to identify suitable investment opportunities, pursue such opportunities and consummate such investment opportunities. If the Issuer is unable to source and manage its investments effectively, it would adversely impact the Issuer's financial position and earnings. There can be no assurance as to the pace of finding and implementing investment opportunities. Conversely, there may only be a limited number of suitable investment opportunities at any given time. This may cause the Issuer to hold greater percentages of uninvested capital, for longer periods of time, than desired, which may adversely affect the Issuer's overall performance.

Minority Investments

All of the current investments held by the Issuer are minority equity investments or convertible debt. While the Issuer intends to participate in the management or otherwise seek to influence the business or affairs of the Issuer's investees, day-to-day operations will primarily be the responsibility of each Issuer's investee's management team and the Issuer may have a limited ability to influence such operations.

Ranking of the Issuer's Investments and Structural Subordination

The Issuer will invest in public and private equity securities and debt instruments. Equity positions typically rank last in terms of priority in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of an Investee. Debt investments may have, or may be permitted to allow, other debt that ranks equally with, or senior to, the debt in which the Issuer invests. By their terms, such debt instruments may entitle the holders to receive payment of interest or principal on or before the dates on which the Issuer is entitled to receive payments with respect to the debt instruments in which the Issuer invests. Also, in the event of insolvency, liquidation, dissolution, reorganization or bankruptcy of an Investee, holders of debt instruments ranking senior to the Issuer's investment in that investee would typically be entitled to receive payment in full before the Issuer receives any distribution. After repaying such senior creditors, such investee may not have any remaining assets to use to repay its obligation to the Issuer. In the case of debt ranking equally with debt instruments in which the Issuer invests, the Issuer would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the investee.

Follow-On Investments

Following the initial investment in a business, the Issuer may be called upon to provide additional funds or have the opportunity to increase its investment in such business through the exercise of a warrant or other right to purchase securities or to fund additional investments through such business. There is no assurance that the Issuer will make follow-on investments or that the Issuer will have sufficient funds to make any such investment. Even if the Issuer has sufficient capital to make a desired follow-on investment, the Issuer may elect not to make such investment, as the Issuer may not want to increase its level of risk, the Issuer may prefer other opportunities, or the Issuer may be restricted from doing so under its investment guidelines. Any decision by the Issuer not to make follow-on investments or its inability to make such follow-on investments may have a negative impact on the investee in need of such investment, may result in a missed opportunity for the Issuer to increase its participation in a successful operation or may reduce the expected return on the investment.

Failure to comply with laws, regulations and standards

Cannabis is presently highly regulated in Canada, which is the only country the Issuer currently holds an investment in. Any changes to the existing Canadian regulatory framework, or future foreign regulatory framework in which the Issuer may have an investment, as applicable, or the imposition of new legislation or regulations applicable to cannabis in any of these jurisdictions in which the Issuer currently holds or in the future may hold, an investment, may adversely affect the financial and operating performance of the applicable investee, and the Issuer. Changes to government regulations, including those relating to taxes and other government licenses and levies, could significantly affect the financial condition of Investees, and thereby the Issuer. Regulatory reform could significantly delay, hamper or otherwise adversely impact the development of the cannabis industry, as well as have a material adverse effect on the business, results of operations, and financial condition of the Issuer's investees.

Exposure to Investment Portfolio Risks

Given the nature of the Issuer's investment activities, the results of operations and financial condition of the Issuer will be dependent upon the financial condition and performance of the investees. The performance of these businesses can be affected by the general market conditions that affect the cannabis industry, and by specific factors which impact the underlying businesses.

Private Issuers and Illiquid Securities

The Issuer invests in securities of private issuers. The value of these investments may be affected by factors such as investor demand, resale restrictions, general market trends and regulatory restrictions. Fluctuation in the market value of such investments may occur for a number of reasons beyond the control of the Issuer and there is no assurance that an adequate market will exist for investments made by the Issuer, such that the Issuer may experience difficulty in exiting investment positions on favourable terms or at all. Many of the investments made by the Issuer will be relatively illiquid and may decline in price if a significant number of such investments are offered for sale by the Issuer or other investors.

Due Diligence and Conduct of Potential Investment Entities

Before making investments, the Issuer will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues.

Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third party advisers or consultants may present a number of risks primarily relating to the Issuer's reduced control of the functions that are outsourced. In addition, if the Issuer is unable to timely engage third-party providers, its ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, the Issuer will rely on the resources available to it, including publicly available information, information provided by the potential investee and, in some circumstances, third-party investigations. The due diligence investigation that the Issuer carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments will achieve their desired effect and potential investors should regard an investment in the Issuer as being speculative and having a high degree of risk.

In addition, when assessing an investment opportunity for the Issuer, investment analyses and decisions by the Issuer may be undertaken on an expedited basis in order to take advantage of what it perceives to be short-lived investment opportunities. In such cases, the available information at the time of an investment may be limited, inaccurate or incomplete.

There can be no assurance that the Issuer will be able to detect or prevent irregular accounting, employee misconduct or other fraudulent practices during the due diligence phase or during its efforts to monitor the investment on an ongoing basis. In the event of fraud by any Investee, the Issuer may suffer a partial or total loss of capital invested in that business. An additional concern is the possibility of material misrepresentation or omission on the part of the investee. Such inaccuracy or incompleteness may adversely affect the value of the Issuer's securities or investments in such business. The Issuer will rely upon the accuracy and completeness of representations made by the investee in the due diligence process to the extent reasonable when it makes its investments, but cannot guarantee such accuracy or completeness. As a result, there can be no assurance that the due diligence investigations carried out by the Issuer will reveal or highlight all relevant facts that may be necessary or helpful in evaluating investment opportunities. Any failure to identify relevant facts may result in inappropriate investment decisions, which may have a material adverse effect on the value of any investment in the Issuer.

Unknown Merits and Risks of Future Investments

Although the Issuer's officers and directors endeavour to evaluate the risks inherent in a particular investment, there can be no assurance that the Issuer will properly ascertain or assess all of the significant risks. Furthermore, some of these risks may be outside of the Issuer's control and leave the Issuer with no ability to control or reduce the chances that those risks will adversely impact an investee.

Investments May Be Made In Private Businesses Where Information Is Unreliable or Unavailable

In pursuing the Issuer's investment strategy, the Issuer may seek to make one or more investments in privately-held businesses. As minimal public information exists about private businesses, the Issuer could be required to make investment decisions on whether to pursue a potential investment in a private business on the basis of limited information, which may result in an investment in a business that is not as profitable as the Issuer initially suspected, if at all. Investments in private businesses pose certain incremental risks as compared to investments in public businesses, including that they:

- have reduced access to the capital markets, resulting in diminished capital resources and ability to withstand financial distress;
- may have limited financial resources and may be unable to meet their obligations under any debt securities that the Issuer may hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of the Issuer realizing any guarantees that it may have obtained in connection with its investment;
- may have shorter operating histories and smaller market shares than larger businesses, which tend to render them more vulnerable to competitors' actions and changing market conditions, as well as general economic downturns;
- are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on a portfolio investment and, as a result, the Issuer; and
- generally have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing business environments, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position.

Investments May Be Made In Foreign Businesses

In pursuing the Issuer's investment strategy, the Issuer may seek to make one or more investments in businesses outside of Canada. As public information available for businesses outside of Canada may be minimal, the Issuer could be required to make investment decisions on whether to pursue a potential investment in a foreign business on the basis of limited information, which may result in an investment in a business that is not as profitable as the Issuer initially suspected, if at all. Investments in foreign businesses pose certain incremental risks as compared to investments in Canadian businesses, including that they:

- foreign jurisdictions may have laws, customs, business culture, language, and politics which differ markedly from Canada;
- there is a heightened possibility of imposition of withholding taxes on interest or dividend income generated from foreign jurisdictions.
- governments of foreign jurisdictions may engage in confiscatory taxation or expropriation of income and/or assets to raise revenues or to pursue a domestic political agenda. In the past, foreign jurisdictions have nationalized assets, companies and even entire sectors, including the assets of foreign investors, with inadequate or no compensation to the prior owners. There can be no assurance that the Issuer will not suffer a loss of any or all of its investments or, interest or dividends thereon, due to adverse fiscal or other policy changes in foreign jurisdictions;
- governments of many foreign jurisdictions have exercised and continue to exercise substantial influence over many aspects of the private sector. In some cases, the government owns or controls many companies, including some of the largest in the country. Accordingly, government actions could have a significant effect on economic conditions in a foreign jurisdiction;
- bankruptcy law and creditor reorganization processes may differ substantially from those in Canada and the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain foreign jurisdictions, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain. In addition, it may be impossible to seek legal redress against an issuer that is a sovereign state;
- other heightened risks associated with investments in foreign jurisdictions include without limitation: (i) risks due to less social, political and economic stability, including the risk of war, terrorism, nationalization, limitations on the removal of funds or other assets, or diplomatic developments that affect investments in these countries; (ii) certain national policies which may restrict the Issuer's investment opportunities, including restrictions on investing in entities or industries deemed sensitive to relevant national interests and requirements that government approval be obtained prior to investment by foreign persons; (iii) certain national policies that may restrict the Issuer's repatriation of investment income, capital or the proceeds of sales of securities, including temporary restrictions on foreign capital remittances; (iv) the lack of uniform accounting and auditing standards and/or standards that may be significantly different from the standards required in Canada; (v) less publicly available financial and other information regarding entities; (vi) potential difficulties in enforcing contractual obligations; and (vii) higher rates of inflation, higher interest rates and other economic concerns.

Illiquidity of Investments

Some of the investments of the Issuer are expected to be in private businesses and, in turn, highly illiquid. Accordingly, there can be no assurance that the Issuer will be able to realize on its investments in a timely manner or at all, which may also make the Issuer's investees and the Issuer difficult to accurately value. Illiquidity may result from the absence of an established market for the investments as well as legal or contractual restrictions on their resale. In addition, private equity investments by their nature are often difficult and time consuming to liquidate. If the Issuer is required to liquidate all or a portion of its portfolio investments quickly, it may realize significantly less than the value at which the Issuer previously recorded such investments.

Furthermore, it is possible that unlisted investees in which the Issuer invests will consider having their securities listed on an overseas stock exchange, as a means of creating liquidity for its investors. However, there can be no assurance that the listing of these securities will provide a viable exit mechanism, as these securities may experience low trading volumes and a low market capitalization at the time of intended disposal. Further, applicable regulations may impose a lock-in period on promoters' holdings in businesses seeking listing through initial public offerings, which would reduce secondary market liquidity. Although the Issuer would generally endeavour to avoid or minimize such lock-in restrictions on its shareholdings in Investees, there can be no assurance that it will be able to do so.

Competition from other Cannabis and Investment Entities

The Issuer competes with a large number of other investors focused on cannabis, such as private equity funds, mezzanine funds, investment banks and other equity and non-equity based public and private investment funds, and other sources of financing, including traditional financial services companies, such as commercial banks. Competitors may have a lower cost of funds and may have access to funding sources that are not available to the Issuer. In addition, certain competitors of the Issuer may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships and build their respective market shares. Competitors may also have more management depth and experience than the Issuer. There can be no assurance that the competitive pressures faced by the Issuer will not have a material adverse effect on its activities, financial condition and results of operations. In addition, as a result of this competition, the Issuer may not be able to take advantage of attractive investment opportunities that are consistent with its investment objectives and restrictions, from time to time and there can be no assurance that it will be able to identify and make investments.

The success of the Issuer will depend on the availability of appropriate investment opportunities and the ability of management to identify, source and make investments. As a result of the competition noted above, there can be no assurance that the Issuer will be able to locate suitable additional investment opportunities, acquire such investments on acceptable terms, or achieve an acceptable rate of return.

Use of Leverage

The Issuer may rely on the use of leverage when making its investments. As such, the ability to achieve attractive rates of return on such investments will significantly depend on the Issuer's continued ability to access sources of financing on attractive terms. A further increase in either market interest rates or in the risk spreads demanded by lenders would make it more expensive for the Issuer to finance its investments and, in turn, would reduce net returns therein. Increases in interest rates could also make it more difficult for the Issuer to locate and consummate investments because other potential buyers, including operating companies acting as strategic buyers, may be able to bid for an asset at a higher price due to a lower overall cost of capital. Availability of capital from debt capital markets is subject to significant volatility and the Issuer may not be able to access those markets on attractive terms, or at all, when completing an investment. Any of the foregoing circumstances could have a material adverse effect on the financial condition and results of operations of the Issuer.

Investing in Leveraged Businesses

The Issuer may invest in highly leveraged businesses which may involve a high degree of risk and may increase the exposure of the Issuer to adverse economic factors, such as downturns in the economy or deteriorations in the condition of the investee or the cannabis industry. In the event that any investee cannot generate adequate cash flow to meet its debt service obligations, the Issuer may suffer a partial or total loss of capital invested in such business. Such an occurrence may materially adversely affect the Issuer's return on its investment.

Valuation Methodologies

For purposes of IFRS-compliant financial reporting, the Issuer's financial assets and liabilities will be valued in accordance with IFRS. Accordingly, the Issuer is required to follow a specific framework for measuring the fair value of its assets and liabilities and, in its audited financial statements, to provide certain disclosures regarding the use of fair value measurements.

The fair value measurement accounting guidance establishes a hierarchal disclosure framework that ranks the observability of market inputs used in measuring financial instruments at fair value. The observability of inputs depends on a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily quoted prices, or for which fair value can be measured from quoted prices in active markets, generally will have a high degree of market price observability and less judgment applied in determining fair value.

A portion of the Issuer's portfolio investments are in the form of securities that are not publicly traded. The fair value of securities and other investments that are not publicly traded may not be readily determinable. The Investment Committee of the Issuer will value these securities monthly at fair value as determined in good faith by the Investment Committee. However, the Investment Committee may be required to value the Issuer's securities at fair value more often and to the extent necessary, as determined in good faith by the boards of directors, to reflect significant events affecting the value of its securities. The Issuer may utilize the services of an independent valuation firm to aid it in determining the fair value of these securities. The types of factors that may be considered in fair value pricing of the Issuer's investments include the nature and realizable value of any collateral, the investees' ability to make payments and its earnings, the markets in which the investee does business, comparison to publicly traded companies, discounted cash flow and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, such valuations may fluctuate over short periods of time and may be based on estimates, and the Issuer's determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. The value of the Issuer's total assets could be materially adversely affected if the Issuer's determinations regarding the fair value of its investments were materially higher than the values that it ultimately realizes upon the disposition of such securities.

The value of the Issuer's investment portfolio may also be affected by changes in accounting standards, policies or practices. From time to time, the Issuer may be required to adopt new or revised accounting standards or guidance. It is possible that future accounting standards that the Issuer is required to adopt could change the valuation of the Issuer's assets and liabilities.

Due to a wide variety of market factors and the nature of certain securities to be held by the Issuer, there is no guarantee that the value determined by the Issuer or any third-party valuation agents will represent the value that will be realized by the Issuer on the eventual disposition of the investment or that would, in fact, be realized upon an immediate disposition of the investment. Moreover, the valuations to be performed by the Issuer or any third-party valuation agents are inherently different from the valuation of the Issuer's securities that would be performed if the Issuer were forced to liquidate all or a significant portion of its securities, which liquidation valuation could be materially lower.

Cybersecurity risk and network security

The Issuer and each investee's operations rely on the secure processing, storage and transmission of confidential and other information in computer systems and networks. While protective measures may be taken, computer systems, sensitive data, software and networks may be vulnerable to cyber-attacks, unauthorized access, computer viruses or other malicious code and events that could have a security impact. The Issuer relies on third party information technology vendors and there is the risk that third parties could expose it to cybersecurity breaches. If one or more of these events occur, this could potentially jeopardize the Issuer's or an investee's confidential and other personal information processed and stored in, and transmitted through, computer systems and networks, or otherwise cause interruptions or malfunctions in their operations. The Issuer may be required to expend significant additional resources to modify protective measures or to investigate and remediate vulnerabilities or other exposures. As a result, the Issuer may be subject to financial losses, litigation or liability for failure to comply with privacy and regulations. These all may lead to reputational harm affecting investor confidence. A cyber attack could also compromise any proprietary, confidential or sensitive information or systems that the Issuer or an Investee maintains for the purpose of competitive advantage and such a compromise could lead to lost revenues while it attempts to recover or replace the lost information or systems.

Risk Factors Related to Investments in Emerging Markets

The Issuer holds investments in investees located and operating in Canada. The Issuer may in the future hold investments in other countries outside of Canada. Such foreign jurisdictions may have laws, customs, business culture, language, and politics which differ markedly from Canada. While the Issuer will not itself be carrying on operations in any foreign jurisdiction, and so is not required to comply with the laws and regulations of such jurisdictions, it is aware of the risks associated with holding investments in companies operating in foreign jurisdictions.

18. PROMOTERS

Anthony Durkacz can be considered the promoter of the Issuer. Mr. Durkacz has ownership and control of 44,731,852 Issuer Shares, representing 7.15% of the issued and outstanding Issuer Shares as of the date of this Listing Statement. In addition, his spouse, Jacqueline Burns, holds 8,908,000 Issuer Shares, representing 1.42% of the issued and outstanding Issuer Shares as of the date of this Listing Statement.

No asset was acquired within the two years before the date of the Listing Statement or thereafter, or is to be acquired, by the Issuer from Mr. Durkacz.

For further information regarding Mr. Durkacz, please refer to Section 13 – *Directors and Officers* and Section 15 – *Executive Compensation*.

19. LEGAL PROCEEDINGS

As of the date of this Listing Statement, there are no legal proceedings material to the Issuer to which the Issuer or a subsidiary of the Issuer is a party or of which any of their respective property is the subject matter, and there are no such proceedings known to the Issuer to be contemplated.

The Issuer has not be subject to any (i) penalties or sanctions imposed against it by a court relating to provincial or territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date hereof; (ii) other penalties or sanctions imposed by a court or regulatory body against the Issuer necessary to contain full, true and plain disclosure of all material facts relating to the securities being listed; or (iii) settlement agreements entered into before a court relating to provincial or territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Listing Statement.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Issuer, or any person or company that has direct or indirect beneficial ownership of, or who exercises control or direction over, more than 10% of the Issuer Shares, nor any associate or affiliate of any of such persons or companies, has had any interest in any transaction within the three years preceding the date of this Listing Statement, or has any interest in any proposed transaction, except for any compensation they receive for their roles as directors and officers of the Issuer, that has materially affected or will materially affect the Issuer.

21. AUDITORS, TRANSFER AGENT AND REGISTRAR

21.1 Auditors

The auditors of the Issuer are Dale Matheson Carr-Hilton Labonte LLP Chartered Professional Accountants, with their office located at 1140 W Pender St #1500, Vancouver, British Columbia, V6E 4G1.

21.2 Transfer Agent and Registrar

The transfer agent and registrar of the Issuer is Computershare Investor Services Inc., located on the 3rd Floor at 510 Burrard Street, Vancouver, British Columbia.

22. MATERIAL CONTRACTS

During the two years preceding the date of this Listing Statement, other than contracts entered into in the ordinary course of business, the Issuer has entered into the following material contracts:

- Amalgamation Agreement entered into on December 8, 2021 with Fire & Flower Holdings Corp., with respect to the Issuer's sale of its share interest in Pineapple Express Delivery Inc.
- Share Purchase Agreement entered into on April 29, 2022 with CannaWorld Ventures Inc., with respect to the Issuer's sale of its share interest in Soma Labs Scientific Inc.
- Hash Debenture issued by The Hash Corporation to the Issuer on February 24, 2023.

Copies of the material contracts are available under the Issuer's profile on SEDAR at www.sedar.com.

23. INTEREST OF EXPERTS

The only persons who are named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described or included in this Listing Statement are the Issuer's auditors, Dale Matheson Carr-Hilton Labonte LLP Chartered Professional Accountants. The auditors have advised the Issuer that they are independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

No direct or indirect interest in any property of the Issuer or of a Related Person of the Issuer has been received or is to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described or included in this Listing Statement.

24. OTHER MATERIAL FACTS

There are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

25. FINANCIAL STATEMENTS

The annual comparative financial statements of the Issuer for the fiscal year ended April 30, 2022, and the interim financial statements for the period ended October 31, 2022, are attached hereto as Appendix “B”.

The MD&A of the Issuer for as at and for the fiscal year ended April 30, 2022, and for the interim period ended October 31, 2022, are attached hereto as Appendix “C”.

APPENDIX "A"

INVESTMENT POLICY

[See attached.]

SCHEDULE "A"

INVESTMENT POLICY

STOCK TREND CAPITAL INC.

(the "Company")

Summary

The Company is an investment company whose primary objective is to invest its funds for purposes of generating returns from capital appreciation and investment income. It intends to accomplish these goals through the identification of and investment in securities of private and publicly listed entities that are involved in or connected with the cannabis and cannabis related industries.

Investments will be acquired and held for short-term gains, income generation, or long-term capital appreciation, dependent upon the specific investment. The paramount goal of the Company will be to generate maximum returns from its investments.

The Company will operate as an investment company, rather than an investment fund. That is, the Company intends to be active in managing its investments and active with respect to each entity in which it holds an interest (each an "Investee"). It will do this by doing one or more of (i) holding a significant equity interest, (ii) having representation on the board of directors, or observer status on board meetings; (iii) appointing a member of management, (iv) imposing restrictions on the management, or holding approval or veto rights over decisions made by management, and (v) having a right to restrict transfer of shares of other shareholders, or the right to issue new shares.

The Company will have an investment committee to oversee the identification, review and implementation of investments. The Company may also engage one or more investment managers or third party consultants to assist with identifying and executing upon investments, as well as monitoring investments over time.

The Company's focus will be on making investments in businesses that are involved, directly or indirectly in the cannabis and cannabis related industry. Should the Company seek to amend its investment objectives, investment strategy or investment restrictions in such a manner that the Company would no longer be principally involved in such industries, it will seek the approval of its shareholders prior to implementing such change(s).

The Company anticipates re-investing the profits realized from its investments to further the growth and development of the Company's investment portfolio. The declaration and payment of dividends to shareholders will become a priority once Company has achieved steady or continuous cash flow from its investments.

Investment Objectives

The principal investment objectives of the Company are as follows:

- to maximize the return to the Company on each of its investments;
- to preserve its capital and limit the downside risk of its capital;
- to minimize the risk associated with each form of investment; and
- to seek liquidity in its investments.

Investment Strategy

To achieve the investment objectives as stated above, the Company shall employ the following disciplines:

- The Company will obtain detailed knowledge of the relevant business in which the investment will be made, as well as the Investee.
- The Company will seek to retain management or consultants having cannabis expertise within the cannabis industry.
- The Company will work closely with the Investee's management and board, and in most cases, assist in sourcing experienced and qualified persons to add to the board and/or management of the Investee; which may, in certain circumstances, be a representative of the Company.
- Investments may include:
  - equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, streaming investments, net profit interests and other hybrid instruments;
  - acquisitions, partnership interests, or joint venture interests with Investees;
  - acquisition of a business or its assets, directly or via a wholly owned subsidiary, and subsequent managing or assisting in developing the underlying business;
  - capital investment in private companies, and assistance in moving them to an acquisition or merger transaction with a larger company or to the public stage through initial public offering, reverse takeover or other liquidity event;
  - early stage equity investments in public companies believed to have favourable management and business; and
  - where appropriate, acting as a third party advisor for opportunities in target or other companies, in exchange for a fee.
- The Company will actively review and monitor all of its investments on an ongoing basis. Investees will be required to provide continuous disclosure of operations and financial status. In most instances the Company will insist on board or management representation on Investees.
- The Company will continually seek liquidity opportunities for its investments, with a view to optimizing the return on its investment; recognizing that no two investments will be alike in terms of the duration held or the best means of exiting an investment.
- The Company may acquire interests in Investees within the framework of the above guidelines, which from time to time may result in the Company holding a control or complete ownership position in an Investee.
- The Company may utilize the services of both independent organizations and securities dealers to gain additional information on target investments where appropriate.

Pending investment of available funds, monies will be held in bank or trust accounts with Schedule A financial institutions.

Investment Restrictions

Industries: The Company will restrict its investments to the cannabis industry including entities involved in providing goods or services to the industries; or other investment companies that hold a portfolio of various business interests within those sectors.

Composition: The actual composition of the Company's investment portfolio will vary over time as investments are made and liquidated. With the exception of marijuana-related practices or activities (including the cultivation, possession or distribution of marijuana) in the US, management will not be bound or restricted as to the geographic, percentage diversity, number of investments, or other restrictive parameters; but may exercise flexibility in its approach to and investment of available funds.

Types: The Company will maintain a flexible position with respect to the form of investments taken, and may employ a wide range of investment instruments, including equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, joint ventures, partnerships, net profit interests and other hybrid instruments.

Jurisdictions: The Company anticipates that it will primarily focus on entities formed in, and with operations only in, Canada. However, the Company may consider investments in jurisdictions where cannabis and cannabis related activities are legal. The Company does not invest in, and will not in the future invest in any entities with marijuana-related practices or activities (including the cultivation, possession or distribution of marijuana) in the US.

Timing: The timing of the Company's investments will depend, in part, on available capital at any particular time, and the investment opportunities identified and available to the Company. Subject to the availability of capital, the Company intends to create a suitably diversified portfolio of investments and not retain available cash (other than as needed for ongoing general administrative expenses). Management will not be bound or restricted as to the timing to invest available capital; but will seek to fully deploy available capital in as expeditious a manner as possible.

Notwithstanding the above, the Company will seek to invest at least 60% of its available capital resources in Investees, in accordance with the investment objectives and strategy outlined herein, at all times (subject to a reasonable period of time following each raising of additional capital). In the event it fails to meet this requirement for a period of 180 days or more, it will forthwith call a meeting of its shareholders for the purpose of seeking majority of the minority approval (excluding management and insiders) to one of (i) continue to seek investment opportunities in accordance with the investment policies and strategies outlined herein, or (ii) discontinue its operations as an investment company and seek alternative opportunities, or (iii) liquidate and discontinue all operations and return the proceeds therefrom to the minority shareholders as a return of capital or cash dividend.

Size: The Company will not be bound or restricted as to the overall size of its investment portfolio. The Company may raise additional funds from time to time, for purposes of expanding its investment portfolio; or may choose to limit its size based on available management time or investment opportunities. Nor will the Company be limited as to the size of any particular investment it may make or the percentage interest any one investment may be of the Company's overall portfolio. As such, the Company may hold a material or majority of its investments in one Investee or a relatively few number of Investees. Further, the Company will not be limited as to the percentage interest it may hold in any Investee, which may result in the Company holding a control position or even complete ownership of an Investee.

Investee Structures: The Company will not be bound or restricted as to the nature or structure of Investees. Investees may be public or private corporations, partnerships, joint ventures or other legal entities.

Compliance: The Company will be use its reasonable commercial efforts to ensure that with respect to every investment made by the Company that the Investee is in full compliance with all applicable regulatory requirements enacted by the applicable regulatory authorities in the jurisdiction in which it operates.

Management Participation

The Company will, in most instances, seek an active role in Investees, and provide such entities with financial and personnel resources, as well as strategic counsel. The Company will normally ask for board or management representation. The Company's nominee(s) shall be determined by the Board as appropriate in such circumstances.

Registration Status

The Company will aim to structure its investments in such a way that the Company is not deemed to be either an investment fund or mutual fund, as defined by applicable securities laws, thereby avoiding the requirement to register as an investment fund manager or investment advisor.

Conflicts of Interest

The Company recognizes that its directors, officers are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with their duties to the Company. These include serving as directors, officers, promoters, advisers or agents of other public and private companies, including Investees. These persons may also engage in transactions with the Company where any one or more of them is acting in a capacity as financial advisor, broker, intermediary, principal, or counterparty, provided that such transactions are carried out on terms similar to those which would apply in a like transaction between parties not connected with any one of them and such transactions are carried out on normal commercial terms as if negotiated at arm's length.

The Company has no prohibition with respect to investing in Investees in which a director or member of management may already have an interest. However, directors and officers will be required to disclose any conflicts of interest, including holding any interest in a potential investment. Further, where a conflict is determined to exist, the person having an interest shall abstain from making further decisions or recommendations concerning such matter, and any potential investments where there is a conflict of interest involving an employee, officer or director of the Company may only proceed after receiving approval from the disinterested directors of the Board.

The Company will also be subject to "related party" transaction policies of applicable securities regulators as well as securities exchange(s) on which its shares are listed for trading. Such policies may require disinterested shareholder approval and valuations for certain investment transactions.

The Company has adopted procedures for checking for potential conflicts of interest, which include, but not be limited to, prior to making any investment commitment, a circulation of the names of a potential target entity and its affiliates to the Board and management.

Procedures and Implementation

The Company shall have an investment committee (the "**Committee**") comprising of at least one (1) member of the Board and/or management to monitor its investment portfolio on an ongoing basis and review the status of each investment at least once a month or more frequently on an as needed basis. The Committee will be responsible for assisting the Board in discharging the Board's oversight responsibilities relating to investment opportunities.

Nominees for the Committee shall be recommended by the Board. The members of the Committee shall be appointed annually by the Board at the first directors' meeting subsequent to the annual meeting of the Company's shareholders or on such other date as determined by the Board. The nominees are expected to have a knowledge of, and have a broad range of business experience, in the cannabis industry, and have their own networks of business partners, financiers, venture capitalists and finders through whom potential investments may be identified, in the cannabis industry.

Members of the Committee may be removed or replaced by the Board. Officers of the Company may be members of the Committee. Each member of the Committee shall be financially literate.

Prospective investments will be channeled through the Committee. The Committee will make an assessment of whether each proposal fits with the investment strategy and restrictions of the Company as set out herein, and then proceed with preliminary due diligence, leading to a decision to reject or move the proposal to the next stage of detailed due diligence.

Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment.

Once a decision has been reached to recommend investing in a particular situation, a summary of the rationale behind the investment decision will be prepared by the Committee and submitted to the Board. This summary is expected to include, among other things, the estimated return on investment, timeline of investment, guidelines against which future progress can be measured, and risks associated with the investment.

All investments will be submitted to the Board for final approval.

The Committee will value the Company's securities monthly at fair value as determined in good faith by the Committee. However, the Committee may be required to value the Company's securities at fair value more often and to the extent necessary, as determined in good faith by the Board, to reflect significant events affecting the value of its securities.

The representative(s) of the Company involved in negotiating the structure of the Company's investment will be determined in each case by the circumstances of the investment opportunity.

Amendment

The Company's investment objectives, investment strategy and investment restrictions may be amended from time to time on the recommendation of the investment committee or senior management and approval by the Board, provided that if such amendments are material in nature, the same will require the prior approval of the shareholders of the Company.

Dividends

The Company does not anticipate the declaration of dividends to shareholders during its initial stages and plans to reinvest any profits of its investments to further the growth and development of the Company's investment portfolio. As part of the Company's overall objective of maximizing returns on its investments, it will seek to maximize value to its shareholders. As such the declaration and payment of dividends to shareholders may become a priority once Company has achieved steady or continuous cash flow from its investments.

APPENDIX "B"

ISSUER'S CONSOLIDATED FINANCIAL STATEMENTS

(the annual comparative financial statements of the Issuer for the fiscal year ended April 30, 2022, and interim financial statements for the period ended October 31, 2022)

[See attached.]

WORLD-CLASS
Extractions
FRA: WCF OTCQB: WCEXF CSE: PUMP

WORLD CLASS EXTRACTIONS INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the Years ended April 30, 2022 and 2021

(Expressed in Canadian Dollars)

INDEX

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of World Class Extractions Inc.

Opinion

We have audited the consolidated financial statements of World Class Extractions Inc. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2022 and 2021, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies ("collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that the Company incurred a net loss of $8,219,850 during the year ended April 30, 2022 and, as of that date, had an accumulated deficit of $60,385,396. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

October 27, 2022

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

AS AT	Note	April 30, 2022 $	April 30, 2021 $
ASSETS			
Current assets			
Cash		**2,534,189**	2,377,635
Accounts receivable (net)	6	**-**	1,760,325
Consideration receivable	5	**53,108**	-
Sales tax receivable	7	**7,717**	15,349
Other receivable	4	**100,000**	-
Inventory		**-**	100,000
Prepaid expenses and deposits	9	**1,150**	362,036
Total current assets		**2,696,164**	4,615,345
Non-current assets			
Loan receivable	8	**408,715**	-
Investments	5	**638,856**	-
Goodwill	4, 11	**-**	8,767,399
Right-of-use assets	4, 20	**-**	613,346
Property and equipment (net)	10	**-**	971,851
Intangible assets (net)	4, 11	**-**	678,089
Total non-current assets		**1,047,571**	11,030,685
TOTAL ASSETS		**3,743,735**	15,646,030

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

AS AT	Note	April 30, 2022 $	April 30, 2021 $
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	12	**213,936**	1,014,802
Customer deposits	13	**-**	341,211
Due to related parties	27	**136**	437,991
Current portion of lease obligations	4, 21	**-**	191,706
Convertible debt	4, 16	**-**	2,255,249
Derivative liabilities	4, 16	**-**	633,950
Loans payable	4, 14	**-**	143,750
Liabilities of discontinued operations	29	**1,677**	8,878
Total current liabilities		**215,749**	5,027,537
Non-current liabilities			
Non-current portion of lease obligations	4, 21	**-**	782,340
Government grant loan	15	**36,713**	95,618
Total non-current liabilities		**36,713**	877,958
Total liabilities		**252,462**	5,905,495
SHAREHOLDERS' EQUITY			
Share capital	17	**61,756,937**	61,756,937
Reserves	18, 19	**2,119,732**	3,374,192
Deficit		**(60,385,396)**	(60,574,718)
Equity attributable to holders of the parent		**3,491,273**	4,556,411
Non-controlling interest	4, 29	**-**	5,184,124
Total shareholders' equity		**3,491,273**	9,740,535
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**3,743,735**	15,646,030

Nature of operations and going concern (Note 1)
Subsequent events (Note 31)

APPROVED BY THE BOARD:

Signed "Chand Jagpal", Director   Signed "Michael Galloro", Director

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

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	Notes	For the years ended April 30, 2022 $	April 30, 2021 [i] $
Operating expenses			
Selling expenses	22	**-**	16,443
General and administrative expenses	22	**1,058,711**	2,217,748
Impairment loss	8, 9, 10	**231,873**	508,070
Depreciation and amortization	10, 20, 21	**19,059**	51,414
Loss before other expenses		**(1,309,643)**	(2,793,675)
Other income (expenses)			
Interest expenses and bank charges	14, 15, 23	**(5,269)**	181,235
Loss on sale of subsidiaries	4, 23, 29	**(4,719,708)**	-
Write-off of accounts payable		**-**	53,553
Other income	23	**9,279**	164,903
Change in fair value of investment	5	**(578,380)**	-
Total other income (expenses)		**(5,294,078)**	399,691
Loss from continuing operations		**(6,603,721)**	(2,393,984)
Loss from discontinued operations	29	**(1,616,129)**	(2,092,334)
Net loss and comprehensive loss for the year		**(8,219,850)**	(4,486,318)
Allocation of net loss and comprehensive loss for the year:			
Equity holders of the parent		**(6,856,409)**	(4,241,047)
Non-controlling Interest	4, 29	**(1,363,441)**	(245,271)
Net loss for the year		**(8,219,850)**	(4,486,318)
Weighted average number of common shares outstanding - basic and diluted		**625,196,572**	625,196,572
Loss per share for net loss attributable to equity holders of the parent			
From continuing operations		**(0.01)**	(0.00)
From discontinued operations		**(0.00)**	(0.00)
Basic and diluted loss per share		**(0.01)**	(0.00)

i) *The comparative figures have been restated to conform with the current year's presentation, see Notes 2 and 30..*

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

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian Dollars)

		Equity attributable to holders of the Parent							
		ISSUED CAPITAL		RESERVES					
	Note	Number of Common Shares	Share Capital $	Options $	Warrants $	Fair value revaluation $	Deficit $	Non-controlling Interest $	Total Shareholders' Equity $
Balance, April 30, 2020		**625,196,572**	**61,756,937**	**5,270,728**	**2,246,614**	**-**	**(60,914,506)**	**5,436,999**	**13,796,772**
Pineapple Express Delivery (PED) shares issued for settlement of debt		-	-	-	-	-	-	24,896	24,896
PED shares issued for finder's fee		-	-	-	-	-	-	67,500	67,500
PED shares purchased from related party		-	-	-	-	-	-	(100,000)	(100,000)
Cancellation or expiry of stock options		-	-	(3,929,746)	-	-	3,929,746	-	-
Expiry of warrants		-	-	-	(651,089)	-	651,089	-	-
Share-based payments		-	-	437,685	-	-	-	-	437,685
Net loss for the year		-	-	-	-	-	(4,241,047)	(245,271)	(4,486,318)
Balance, April 30, 2021		**625,196,572**	**61,756,937**	**1,778,667**	**1,595,525**	**-**	**(60,574,718)**	**5,184,124**	**9,740,535**
Cancellation or expiry of stock options	18	-	-	(957,961)	-	-	957,961	-	-
Expiry of warrants		-	-	-	(322,322)	-	322,322	-	-
WCE shares sold by PED	4	-	-	-	-	101,279	-	298,721	400,000
Share-based payments	18	-	-	25,823	-	-	-	-	25,823
Net loss from discontinued operations	29	-	-	-	-	-	(252,688)	(1,363,441)	(1,616,129)
Gain on sale of PED attributable to NCI	29	-	-	-	-	-	-	1,544,765	1,544,765
Disposition of PED	29	-	-	-	-	(101,279)	5,765,448	(5,664,169)	-
Net loss from continuing operations for the year		-	-	-	-	-	(6,603,721)	-	(6,603,721)
Balance, April 30, 2022		**625,196,572**	**61,756,937**	**846,529**	**1,273,203**	**-**	**(60,385,396)**	**-**	**3,491,273**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

	For the years ended	
	April 30, 2022	April 30, 2021 [i]
	$	$
Cash flows used in operating activities:		
Net loss	**(8,219,850)**	(4,486,318)
Items not involving cash:		
Write-off of accounts payable	**-**	53,553
Depreciation and amortization	**19,059**	51,414
Loss on disposition of subsidiaries	**4,719,708**	-
Impairment loss	**231,873**	507,986
Change in fair value of investment	**578,380**	
Foreign exchange loss	**-**	35,350
Lease interest	**22,740**	3,834
Share-based payments	**25,823**	437,685
Loss on sale of equipment	**-**	16,443
Interest	**(3,817)**	(11,814)
Other income	**-**	(13,120)
Change in non-cash operating working capital:		
Accounts receivable	**-**	15,001
Accounts payable and accrued liabilities	**(57,321)**	(634,686)
Due to related parties	**(24,136)**	(130,139)
Sales tax receivable	**(3,879)**	484,145
Liabilities from discontinued operations	**-**	1,677
Prepaid expenses	**17,327**	34,563
Cash used in operating activities - continuing operations	**(2,694,093)**	(3,634,426)
Cash from operating activities - discontinued operations	**1,618,288**	1,215,504
Cash flows from investing activities:		
Issuance of loan to Cobra	**-**	(2,500,000)
Issuance of loan receivable	**(400,000)**	-
Disposition of loan receivable	**-**	2,500,000
Disposal of PED, cash payment	**1,911,984**	-
Cash disposed of from sale of subsidiaries	**(152,048)**	
Disposal of property and equipment	**-**	213
Cash flows from investing activities - continuing operations	**1,359,936**	213
Cash flows (used in) from investing activities - discontinued operations	**26,983**	(547,912)
Cash flows used in financing activities:		
Repayment of lease obligation	**(39,813)**	(24,057)
Cash flows used in financing activities - continuing operations	**(39,813)**	(24,057)
Cash flows used in financing activities - discontinued operations	**(114,747)**	(263,847)
Change in cash for the year	**156,554**	(3,254,525)
Cash, beginning of the year	**2,377,635**	5,632,160
Cash, end of the year	**2,534,189**	2,377,635

i) *The comparative figures have been restated to conform with the current year's presentation, see Note 2.*

Supplemental cash flow information (Note 27)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

World Class Extractions Inc. ("World-Class" or "WCE" or "the Company") was incorporated under the laws of British Columbia on December 2, 1965. The head office of the Company is located at Suite 308 - 9080 University Crescent, Burnaby, BC, V5A 0B7. The registered office is located at 2200 - 885 W Georgia St. Vancouver, BC, V6C 3E8.

The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol "PUMP", the Frankfurt Stock Exchange under the symbol "WCF" and "WKN:A2PF9C", and the OTCQB Venture Market, under the symbol: "WCEXF".

The Company was an innovation-driven company previously operating through its wholly-owned subsidiary Soma Labs Scientific Inc. ("Soma Labs" or "Soma") based in the Lower Mainland of British Columbia and partially-owned subsidiary, Pineapple Express Delivery Inc. ("PED") based in Burlington, Ontario. PED specializes in compliant and secure delivery of government regulated products, including legal cannabis delivery within select provinces in Canada and liquor delivery in certain jurisdictions in Saskatchewan and was disposed of during the year ended April 30, 2022 (Note 4). Soma Labs was a designer, manufacturer, and supplier of extraction and processing equipment and solutions and was disposed of during the year ended April 30, 2022. The shareholders approved a special resolution to change the Company's business. The proposed change of business would refocus the Company's business operations from a cannabis and hemp company to an investment company focused on the raising of money and investing in the cannabis and cannabis related sectors without getting involved in the mind and management of the investee companies. The proposed change of business is subject to regulatory approval.

Going Concern

The Company incurred a net loss and comprehensive loss of $8,219,850 for the year ended April 30, 2022. As at April 30, 2022, the Company had a history of losses and an accumulated deficit of $60,385,396. Total cash for the year ended April 30, 2022, amounted to $2,534,189.

The ability of the Company to continue as a going concern is dependent on achieving profitable operations, positive operating cash flows and obtaining the necessary financing. The outcome of these matters cannot be predicted at this time. The Company will continue to review the prospects of raising additional debt and equity financing to support its operations until such time that its operations become self-sustaining, to fund its operating activities and to ensure the realization of its assets and discharge of its liabilities. While the Company is exerting its best efforts to achieve the above plans, there is no assurance that any such activity will generate sufficient funds for future operations. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future rather than a process of forced liquidation. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of Compliance and Presentation

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"), and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies set out in Note 3 have been applied consistently to all periods presented in these consolidated financial statements.

As a result of the disposition of PED and Soma disclosed in Note 4, the net earnings of the subsidiaries have been reported as discontinued operations. Management has restated the comparative figures in the consolidated statements of loss and comprehensive loss and cash flows to conform to this presentation.

These consolidated financial statements are presented in Canadian dollars (CAD), except where otherwise indicated. CAD is the Company's and its subsidiaries' functional currency.

These consolidated financial statements were approved and authorized for issue by the directors of the Company on October 27, 2022.

Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss at fair value through other comprehensive income, share-based compensation, consideration and acquisitions, which are stated at their fair value.

Significant Estimates, Assumptions and Judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable at the time such estimates or assumptions are made. Actual results may differ from these estimates.

2. BASIS OF PRESENTATION (continued)

Significant Estimates, Assumptions and Judgments (continued)

The information about significant areas of estimates considered by management in preparing the consolidated financial statements is as follows:

Income taxes
Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Stock options and warrants
Determining the fair value of warrants and stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

Fair value of financial instruments
Certain of the Company's financial assets and liabilities are measured at fair value. In estimating fair value the Company uses market-observable data to the extent it is available. In applying the valuation technique, management is required to determine and make assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate. Such assumptions are inherently uncertain and changes in these assumptions affect the fair value estimates.

Convertible debt conversion option
The identification of convertible debt components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent measurement of interest on the liability component. The determination of fair value of the liability is also based on a number of assumptions, including contractual future cash flows, discount rates, and the presence of any derivative financial instruments. Additionally, significant judgment is required when accounting for the redemption, conversion or modification of these instruments.

Inventory
Net realizable value for inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provisions are made in the statement of loss and comprehensive loss in the period for any difference between book value net realizable value.

The impairment loss of inventory assessment requires a degree of estimation and judgment. The level of the provision is assessed by taking into account recent sales experience, the ageing of inventories, damaged, obsolete, slow moving inventories and other factors that affect inventory obsolescence.

2. BASIS OF PRESENTATION (continued)

Significant Estimates and Judgments (continued)

Useful lives of property and equipment, right-of-use assets, and intangible assets
The estimated useful lives of assets are reviewed by management and adjusted if necessary. To estimate the useful life, management must use its past experience with the same or similar assets and may review engineering estimates and industry practices for similar pieces of equipment and assets and apply statistical methods to assist in its determination of useful life.

For intangible assets, the useful lives have been determined based on management estimated attrition rates related to the associated asset. Any subsequent change in these estimates would affect the amount of amortization recorded over future periods.

Impairment of non-financial assets
Determining the amount of impairment of non-financial assets requires an estimation of the recoverable amount, which is defined as the higher of fair value less the cost of disposal or value in use. Many of factors used in assessing recoverable amounts are outside of the control of management and it is reasonably likely that assumptions and estimates will change from period to period. These factors include economic and market conditions, discount rates, growth rates and the future cash flows of the cash generating units (CGU's) to which the asset belongs to. The changes may result in future impairments in the Company's long-term assets.

Goodwill and intangible assets are reviewed annually for impairment, or more frequently when there are indicators that impairment may have occurred, by comparing the carrying value to their recoverable amount. When impairment indicators are present, the recoverable amount of the CGU or the group of CGUs, which is the higher of its estimated fair value less costs to sell and its value in use, is determined. Significant judgment is involved in estimating the model inputs used to determine the recoverable amount of the CGUs, in particular future cash flows, discount rates and terminal growth rates, due to the uncertainty in the timing and amount of cash flows and the forward-looking nature of these inputs. Future cash flows are based on financial plans agreed by management, which are estimated based on forecast results, business initiatives, planned capital investments and returns to shareholders. The use of different assumptions and estimates could influence the determination of the existence of impairment and the valuation of goodwill.

Determination of CGUs
CGUs are determined based on the smallest identifiable group of assets that generate cash inflows that are largely independent of cash inflows from other assets or groups of assets. Management judgment is required to identify the cash generating units ("CGU") of the Company.

Allowance for expected credit loss (ECL)
The Company recognizes an impairment loss allowance for ECL on accounts receivable, using a probability-weighted estimate of credit losses. In its assessment, management estimates the expected credit losses based on actual credit loss experience and informed credit assessment, taking into consideration forward-looking information. If actual credit losses differ from estimates, future earnings would be affected.

2. BASIS OF PRESENTATION (continued)

Significant Estimates and Judgments (continued)

Leases
The application of IFRS 16 Leases, requires the Company to make judgments and estimates that affect the measurement of right-of-use assets and liabilities. In determining the lease term, all facts and circumstances that create an economic incentive to exercise renewal options (or not exercise termination options) are considered. Assessing whether a contract includes a lease also requires judgment. Estimates are required to determine the incremental borrowing rate to measure liabilities where the interest rate in the lease is not readily available.

The information about significant areas of judgment considered by management in preparing the consolidated financial statements is as follows:

i. the determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management;
ii. the determination of whether non-controlling interest is material for purposes of IFRS 12, *Disclosure of Interest in Other Entities*;
iii. assessing control and significant influence over an investee;
iv. the determination of functional currency;
v. the assessment of whether a contract is or contains a lease, whether the Company obtains substantially all the economic benefits from the use of that asset and whether the Company has the right to direct the use of the asset;
vi. factors that are used in determining the discount rates applied to investments with inherent lack of liquidity in the Company's investments held in escrow; and
vii. the Company's assessment of its ability to continue as a going concern requires judgments about the Company's ability to execute its strategy by funding future working capital requirements (Note 1). The Company's objectives are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funding to support its ongoing operations and development such that it can continue to provide returns to shareholders and benefits for other stakeholders.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents include cash on deposit and highly liquid short-term interest-bearing variable rate investments which are readily convertible into a known amount of cash. Cash and cash equivalents are held with Canadian financial institutions.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries of which it has control. All significant intercompany balances, transactions and any unrealized gains and losses arising from intercompany transactions, have been eliminated. The Company's subsidiaries are as follows:

Entity	Country of Incorporation	Operations	Interest
1230167 BC Ltd.	Canada	Inactive	100%

On December 23, 2020, Greenmantle Products Limited, a company that had sales of premium disposable vaporizer cartridges, pens and related materials, was dissolved.

On October 21, 2019, Cobra Ventures Inc. ("Cobra") was incorporated as a 100% wholly owned subsidiary, to serve as a holding company for new business ventures of WCE. During the year ended April 30, 2021, the Company sold its 100% equity investment in Cobra to an arm's length party.

As at the year ended April 30, 2021, the Company held a 25.32% economic interest of PED and a voting interest of 80% until March 27, 2022. The voting interest effectively gave WCE the right to control business decisions of PED that can directly affect the return of its investment. During the year ended April 30, 2022, the Company, PED, Fire & Flower Holdings Corp. ("FFHC") and its wholly owned subsidiary Hifyre™ Inc. ("Hifyre") entered into agreements whereby Hifyre acquired 100% of the issued and outstanding shares of PED (the "Transaction"). As a result of the sale, all of the Company's shares in PED have been exchanged for common shares of FFHC (Note 4). PED's financials were consolidated in accordance with IFRS 10 Consolidated Financial Statements up to the sale of PED.

During the year ended April 30, 2022, Soma and 1323194 BC Ltd. Amalgamated and were sold to CannaWorld Ventures Inc. ("CannaWorld") (Note 4).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Consolidation (continued)

Control

The Company controls an investee if and only if the Company has:

- Power over an investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support the presumption and when the Company has less than a majority of the voting rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- the contractual arrangements with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Company's voting rights and potential voting rights

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. Assets, liabilities, revenues and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of WCE and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies. All intra-Company asset, liabilities, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

Non-controlling Interests

Non-controlling interests represent the portion of profit or loss and net assets not held by the Company. Non-controlling interests are presented separately in the consolidated statement of loss and comprehensive loss and within equity in the consolidated statement of financial position and consolidated statement of changes in equity, separate from equity attributable to equity holders of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Goodwill

Goodwill is initially measured as the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. Separately recognized goodwill is tested for impairment on an annual basis or when there is an indication of impairment. Impairment losses on goodwill are not reversed.

For the purpose of impairment testing, goodwill is allocated to the CGU or CGUs which are expected to benefit from the synergies of the combination.

d) Property and equipment

On initial recognition, property and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

Property and equipment are subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in the statements of loss and comprehensive loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statements of loss and comprehensive loss during the financial period in which they occurred. Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognized net within other income in the statements of loss and comprehensive loss.

Depreciation is recognized in the statements of loss and comprehensive loss and is based on the estimated useful lives of the assets is provided as follows:

Facility equipment	20% declining balance
Computer software and equipment	30% - 55% declining balance
Leasehold improvements and office furniture	20% declining balance
Automobile	20% declining balance

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Revenue recognition

The Company's revenue is comprised of the delivery of cannabis and sale of extraction systems. Revenues are recognized when delivery of cannabis has occurred and are accepted by the customer. The Company recognizes revenue in an amount that reflects the consideration the Company expects to receive taking into account any variation that may result from rights of return. Areas of judgment include identifying the customer per the definition within IFRS 15 Revenue from Contracts with Customers and determining whether control has passed to the customer.

The Company uses the following five-step contract-based analysis of transactions to determine if, when and how much revenue can be recognized:
1. Identify the contract with a customer;
2. Identify the performance obligation(s) in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and
5. Recognize revenue when or as the Company satisfies the performance obligation(s).

Sale of extraction systems and delivery of cannabis. These revenue-generating activities of the Company have a single performance obligation and revenue is recognized at the point in time when control of the product transfers and the Company's obligations have been fulfilled. This generally occurs when the product is shipped or delivered to the customer, depending upon the method of distribution and shipping terms set forth in the contract. Revenue is measured as the amount of consideration the Company expects to receive in exchange for the services rendered by the Company.

f) Inventory

Inventory is recorded at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

All inventories are periodically reviewed for impairment due to slow-moving and obsolete inventory. The provisions for obsolete, slow-moving or defective inventories are recognized in profit or loss. Previous write-downs to net realizable value are reversed to the extent there is a subsequent increase in the net realizable value of the inventories.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Leases

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a lease liability and a right-of-use asset at the lease commencement date. The lease liability is initially measured as the present value of future lease payments discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's applicable incremental borrowing rate. The incremental borrowing rate is the rate which the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company 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 Company expects to exercise an option to terminate the lease.

The lease liability is subsequently measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

The right-of-use asset is initially measured at cost, which comprises the following:

- the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company; and
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The right-of-use asset is subsequently measured at cost, less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liability. It is depreciated in accordance with the depreciation requirements of IAS 16 Property, from the commencement date to the earlier of the end of its useful life or the end of the lease term. Each lease payment is allocated between the lease liability and finance cost. The finance cost is charged to net earnings over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the date of the relevant transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Translation gains and losses are included in foreign exchange gain (loss) of the period in which they occur. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

i) Impairment of non-financial assets

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. For the purpose of impairment testing, assets that cannot be individually tested are grouped together into the smallest Company of assets that generate cash inflows or CGUs.

Impairment losses are recognized in impairment in the statement of loss and comprehensive loss for the period. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimated recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

j) Related party transactions

Parties are considered to be related if one party has control or joint control over the Company, has significant influence over the Company or is a member of key management personnel of the Company. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

k) Share-based payments

The stock option plan allows the directors, officers, employees and consultants of the Company to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in shareholders' equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from share-based payment reserve to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

l) Share-based payments (continued)

In situations where equity instruments are issued to non-employees and some or all of the services received by the entity as consideration cannot be specifically identified, they are all measured at the fair value of the share-based payments, otherwise, measured at the fair value of the services received.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest. When vested options are forfeited or are not exercised at the expiry date, the amount previously recognized in share-based payments is transferred to accumulated losses (deficit).

m) Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) and at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows, its contractual terms give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding, and it is not designated as FVTPL.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

<u>Financial assets at FVTPL</u>
Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise. None of the Company’s financial assets are classified at FVTPL.

<u>Financial assets at FVTOCI</u>
Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. The Company’s investments are classified as FVTOCI.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Financial instruments (continued)

(i) Financial assets (continued)

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value (including transaction costs) and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. The Company's financial assets at amortized cost comprise cash and cash equivalents, accounts receivable, other receivable, and loans receivable.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial Assets	Classification
Cash	**Amortized cost**
Accounts receivable	**Amortized cost**
Consideration receivable	**FVTPL**
Loans receivable	**Amortized cost**
Other receivable	**Amortized cost**
Investments	**FVTPL**

(ii) Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A financial liability is defined as any contractual obligation to deliver cash or another financial asset to another entity. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

n) Financial instruments (continued)

(ii) Financial liabilities and equity instruments (continued)

Financial Liabilities	Classification
Accounts payable	**Amortized cost**
Accrued liabilities	**Amortized cost**
Due to related parties	**Amortized cost**
Loans payable	**Amortized cost**
Liabilities of discontinued operations	**Amortized cost**
Government grant loan	**Amortized cost**
Convertible debt	**Amortized cost**
Derivative liabilities	**FVTPL**

(iii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For interest receivables and loans receivable the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decreases can be objectively related to an event occurring after the impairment was recognized.

(iv) Compound financial instruments

Convertible debentures are compound financial instruments whose components may be allocated between a financial liability component and an equity instrument component. The identification of such components embedded within a convertible debenture requires significant judgement given that it is based on the interpretation of the substance of the contractual arrangement. Where the conversion option is fixed, the financial liability, represents the discounted obligation to repay the cash component and is initially measured at fair value and subsequently measured at amortized cost. The residual amount is recognized in equity. Where the conversion option is variable, the derivative liability is measured first and carried at fair value and the residual balance represents the financial liability measured at amortized cost. Transaction costs are apportioned to the debt liability and equity components in proportion to the allocation of proceeds.

Interest related to the financial liability is recognized in statement of loss and comprehensive loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Loss per share

Basic loss per share represents the loss for the period, divided by the weighted average number of common shares issued and outstanding during the period. Diluted earnings represents the profit or loss for the period, divided by the weighted average number of common shares issued and outstanding during the period plus the weighted average number of dilutive shares that could result from the exercise of stock options, warrants and other similar instruments where the inclusion of these items would not be anti-dilutive. When a loss per share calculation based on the fully diluted number of shares would be less than the loss per share calculated on the basic number of shares, diluted loss per share is anti-dilutive and accordingly, the diluted loss per share would be the same as basic loss per share.

p) Income tax

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in shareholders' equity, in which case it is recognized in shareholders' equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to investments in subsidiaries and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date applicable to the period in which realization or settlement can reasonably be expected.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

q) Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from share capital.

The proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to common shares based on the fair value of a common share at the issuance date of the unit offering and any residual remaining is allocated to common share purchase warrants. Subsequent to the initial recognition of warrants, any modification to the original terms of the warrants attached to units that were initially recognized in accordance with the residual value approach does not result in a re-measurement adjustment.

r) Intangible assets

Expenditures on the research phase of projects are recognized as an expense as incurred. Development costs not meeting the criteria for capitalization are expensed as incurred.

Directly attributable costs include employee costs incurred on equipment and machine development along with an appropriate portion of relevant overheads and borrowing costs.

All finite-lived intangible assets, including capitalized internally developed assets, are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. Any capitalized internally developed asset that is not yet complete is not amortized but is subject to impairment testing.

Subsequent expenditures on the maintenance of developed assets are expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognized in statement of loss and comprehensive loss within other income or other expenses.

Amortization is calculated on software and technology straight line over 5 years.

s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of WCE acts as the chief operating decision maker which assesses the financial performance and position of the Company and makes strategic decisions with inputs from top management which consists of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO).

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

t) Discontinued operations

The Company classifies disposal groups as discontinued operations if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

A disposal Company qualifies as discontinued operations if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations
- Is a subsidiary acquired exclusively with a view to re-sell

Loss from discontinued operations are excluded from net loss from continuing operations and are presented as a single amount under “loss from discontinued operations” account in the consolidated statement of loss and comprehensive loss.

u) Government grants

Government grants are recognized at fair value once there is reasonable assurance that the Company will comply with the conditions attached to the grants and that the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. A forgivable loan from government is treated as a government grant when there is reasonable assurance that the entity will meet the terms for forgiveness of the loan.

v) Recent accounting pronouncements

Certain pronouncements were issued by the International Accounting Standards Board (“IASB”) or the International Financial Reporting Interpretation Committee (“IFRIC”) that are not yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded.

4. SALE OF SUBSIDIARIES

Cobra

During the year ended April 30, 2021, the Company completed the sale of its wholly owned subsidiary, Cobra, to arm’s length parties. In connection with the disposition, the Company received cash consideration of $1 and a payment of $2,500,000 for the settlement of the Cobra demand promissory note (Note 8).

PED

On January 21, 2022, the Company completed the sale of its partially owned subsidiary, PED, to FFHC, whereby the Company received $1,911,984 for settlement of debt owed by PED to WCE and an aggregate of up to 316,995 FFHC common shares (“FFHC Common Shares”) with a fair value of $970,344. 62,800 FFHC Common Shares were released on closing (“Initial Release Shares”) with a fair value of $243,144 and 216,145 FFHC Common Shares were placed in escrow. 16,949 FFHC Common Shares will be released at such time as the effective date net working capital is finalized (“Working Capital Holdback Shares”) and agreed upon and 199,196 shares being released upon the trailing nine-month revenue is agreed upon (“Revenue Holdback Shares”).

(Expressed in Canadian Dollars)

4. SALE OF SUBSIDIARIES (continued)

PED (continued)

Revenue Holdback Shares were valued using Monte Carlos Simulation ("MCS") with level 3 inputs, which uses the baseline revenue forecast, as at acquisition date, through the end of the performance period. MCS captures the expected cumulative revenue, which is variable based on both randomness in the simulation coupled with volatility expectations around revenue generation. Within each iteration of the simulation, an expected present value of the payout is calculated. The model assumes the CCC Corporate Bond Credit spread of 9.93%, volatility of 50.34%, risk free rate of 0.78%, and discount rate of 15%.

Working Capital Holdback Shares were valued using the Black Scholes option pricing model that assumes no expected dividends, weighted average expected life remaining of 0.79, weighted volatility of 68.21% and risk-free rate of 1.22%.

At January 21, 2022, the fair value of the escrowed shares are $569,319.

The Initial Release Shares and the Working Capital Holdback Shares are subject to restrictions on transfer for a period of three months following the Effective Date and the Revenue Holdback Shares shall be subject to restrictions on transfer for a period of twelve months following the Effective Date.

Within 90 days after January 21, 2022, FFHC shall provide a calculation of an effective date net working capital statement. The Working Capital Holdback Shares will be released from escrow no earlier than 20 business days after receipt of the effective date net working capital statement and no later than 20 business days after the parties engage an independent accountant to resolve any objections in the effective date net working capital statement. Subsequent to the year end, FFHC and the Company agreed on additional shares of 38,050 for excess working capital. As the subsequent event is a result of existing condition before the year end, the value of the shares is $157,880.

Within 30 days after September 30, 2022, FFHC shall provide an income statement and trailing nine-month revenue statement ("Revenue Statement"). The Revenue Holdback Shares will be released from escrow no earlier than 20 business days after receipt of the Revenue Statement and no later than 20 business days after the parties engage an independent accountant to resolve any objections in the Revenue Statement. If the trailing nine-month revenue exceeds the earn-out target, the Revenue Holdback Shares will be released. If the trailing nine-month revenue is less than the earn out target, the aggregate consideration amount shall be decreased, dollar for dollar, by the amount of such difference and those shares shall be cancelled, with any remaining shares released from escrow.

Prior to the sale of PED, PED sold 25,000,000 common shares of WCE for $400,000. As a result, the proceeds were recognized in shareholders' equity split between the equity holders of the Parent for $101,279 and non-controlling shareholders for $298,721.

During the year ended April 30, 2022, the Company recorded a loss on disposal of PED of $5,361,311 as outlined below:

	April 30, 2022 $
Net liabilities disposed attributable to equity holders of the parent (Note 29)	**(523,740)**
Goodwill disposed (Notes 11 and 29)	**8,767,399**
Fair value of FFHC investment received	**(970,344)**
Cash received, net overpayment	**(1,911,984)**
Loss on sale of PED	**5,361,331**

(Expressed in Canadian Dollars)

4. SALE OF SUBSIDIARIES (continued)

Soma Labs
On April 29, 2022, the Company completed the sale of Soma Labs to CannaWorld, whereby the Company received 15,000,000 CannaWorld common shares with a fair value of $300,000. These shares are valued using the share subscription price of the most recent capital financing prior to the disposition which are considered as a level 3 input. In the event that at any time until CannaWorld lists its common shares for trading on a stock exchange, CannaWorld issues common shares less than $0.075 to any person, other than common shares issued pursuant to this agreement, CannaWorld shall issue to the Company additional common shares that equals the difference between $750,000 divided by the lower per price share, less the number of common shares previously issued to the Company.

As at April 30, 2022, amounts due from Soma totaled $100,000 (April 30, 2021 - $nil) were unsecured, receivable on demand, and without interest. Subsequent to April 30, 2022, the full balance was collected.

During the year ended April 30, 2022, the Company recorded a gain on disposal of Soma Labs of $641,623 as outlined below:

	April 30, 2022 $
Net liabilities disposed attributable to equity holder of the parent (Note 29)	**(341,623)**
Fair value of CannaWorld investment received	**(300,000)**
Gain on sale of Soma Labs	**(641,623)**

5. INVESTMENTS

Investments consists of 316,955 FFHC Common Shares and 15,000,000 CannaWorld common shares.

The Company acquired 316,955 FFHC Common Shares in connection with the sale of PED with a fair value of $970,344 (Note 4). Of 316,955 FFHC Common Shares, 16,949 Working Capital Holdback Shares and 199,196 Revenue Holdback Shares are in escrow pending completion of customary working capital adjustments and subject to PED's achievement of certain performance-based milestones in the nine-month period subsequent to the disposition of PED.

16,949 Working Capital Holdback Shares were valued at $53,108 using the Black Scholes option pricing model that assumes no expected dividends, weighted average expected life remaining of 0.52, weighted volatility of 67.87% and risk-free rate of 2.60%.

199,196 Revenue Holdback Shares were valued at $nil using Monte Carlos Simulation ("MCS") with level 3 inputs, which uses the baseline revenue forecast, as at acquisition date, through the end of the performance period. MCS captures the expected cumulative revenue, which is variable based on both randomness in the simulation coupled with volatility expectations around revenue generation. Within each iteration of the simulation, an expected present value of the payout is calculated. The model assumes the CCC Corporate Bond Credit spread of 10.74%, volatility of 50.34%, risk free rate of 1.66%, and discount rate of 15%.

Subsequent to April 30, 2022, 16,949 FFHC Common Shares were released from the escrow. As at April 30, 2022, such FFHC Common Shares with a fair value of $53,108 are classified as consideration receivable.

During the year ended April 30, 2022, the Company recorded an unrealized loss on investment through profit and loss of $578,380, of which $505,120 pertains to the change in the fair value of the Revenue Holdback Shares.

(Expressed in Canadian Dollars)

5. INVESTMENTS (continued)

Pursuant to the disposition of Soma, the Company acquired 15,000,000 common shares of CannaWorld, a private company incorporated in British Columbia, with a fair value of $300,000 (Note 4). As at April 30, 2022, CannaWorld common shares are valued at $300,000.

	April 30, 2022 $	April 30, 2021 $
Balance, beginning of year	**-**	-
Addition	**1,270,344**	-
Unrealized loss in FVTPL	**(578,380)**	-
Reclassed to consideration receivable	**(53,108)**	-
Balance, end of year	**638,856**	-

6. ACCOUNTS RECEIVABLE

	April 30, 2022 $	April 30, 2021 $
Trade receivables	**-**	1,826,529
Less: Allowance for expected credit loss	**-**	(66,204)
Accounts receivable - net of allowance	**-**	1,760,325

Trade receivables arise from sales in the normal course of business and usually has a 30-day credit term. These are non-interest bearing and are carried at amortized cost.

7. SALES TAX RECEIVABLE

The balance as at April 30, 2022 is $7,717 (April 30, 2021 – $15,349) which consists of the refunds claimed for goods and services taxes

8. LOANS RECEIVABLE

(a) On July 30, 2019, a supplier issued a promissory note to the Company for the principal sum up to US$500,000 or lesser with interest at 5% per annum. This secured loan was due and payable on July 31, 2020. As at April 30, 2021, the Company loaned US$250,000 and recorded accrued interest of US$21,918 for a total of US$271,918 due. The balance of the promissory note amounted to $341,463. As at April 30, 2021, the supplier has been unable to pay the loan, and has been unable to come to any settlement with the Company. There is significant uncertainty on the collectability of the loan, and as such, the total value of the loan amounting to $341,463 was charged to impairment loss for the year ended April 30, 2021. As at April 30, 2022, there has been no change to the collectability of the loan.

(b) During the year ended April 30, 2021, Cobra borrowed $5,000,000 in the form of demand promissory notes which the Company advanced $2,500,000 to Cobra. Interest is payable at a rate of 10% per annum, compounded monthly. During the year ended April 30, 2021, the Company entered into a share purchase agreement, whereby the remaining 50% equity investment in Cobra was sold and the full balance of the note receivable was settled with cash proceeds of $2,500,000.

(c) During the year ended April 30, 2022, a promissory note with a principal balance of $400,000 was issued to the Company, it is, as amended, due on or before October 14, 2023 ("Maturity Date"). Interest is payable at a rate of 4% per annum on the Maturity Date. As at April 30, 2022, the loan receivable consists of $400,000 principal and $8,715 accrued interest. In the subsequent period, the loan receivable is assigned to a new debtor (Note 29).

(Expressed in Canadian Dollars)

9. PREPAID EXPENSES AND DEPOSITS

	April 30, 2022	April 30, 2021
	$	$
Rent security deposit	**1,150**	82,475
Equipment deposits	**-**	134,934
Other prepayments to vendors	**-**	144,627
Prepaid Expenses and Deposits	**1,150**	362,036

Rent security deposits

Rent security deposits pertain to prepaid amounts for damages that might be claimed against a leased property. These can be claimed in full or in part at the end of the lease subject to actual charges.

Equipment deposits

Equipment deposits refer to payments made for the extraction equipment ordered but were not yet delivered and for future equipment purchases. During the year ended April 30, 2022, the Company decided not to pursue business in the hemp extraction field and impaired equipment deposit of $134,934 to profit or loss.

Deposit for hemp supply

On February 25, 2019, the Company and two other entities, one party being a medical standard processing entity and the other being a research and development license holder (collectively, the “Purchasers”), entered supply agreements with a supplier. Pursuant to the agreement, the Company advanced $166,667 to the supplier on May 7, 2019.

During the year ended April 30, 2021, the Company decided not to pursue the project, and impaired the deposit of $166,667 to profit or loss.

Other prepayments

Other prepayments include various advance payments to suppliers for purchases and services, including insurance premiums, which were delivered or rendered after the end of the reporting period. During the year ended April 30, 2022, the Company impaired other prepayments of $10,000 to profit or loss.

(Expressed in Canadian Dollars)

10. PROPERTY AND EQUIPMENT

	Facility Equipment $	Computer Software and Equipment $	Leasehold Improvements and Office Furniture $	Leasehold Improvements not yet in use $	Automobile $	Total $
Costs:						
Balance, April 30, 2020	260,502	99,687	809,381	-	129,390	1,298,960
Additions	-	-	175,030	257,257	16,000	448,287
Impairment	(174,003)	(43,477)	(380,051)	-	-	(597,531)
Disposals	-	(3,794)	(25,000)	-	(9,000)	(37,794)
Balance, April 30, 2021	86,499	52,416	579,360	257,257	136,390	1,111,922
Additions	67,065	-	71,576	-	-	138,641
Impairment	(29,589)	(52,416)	(27,749)	-	-	(109,754)
Disposal of subsidiaries	(123,975)	-	(623,187)	(257,257)	(136,390)	(1,140,809)
Balance, April 30, 2022	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated Depreciation:						
Balance, Apr 30, 2020	50,020	31,589	63,856	-	2,845	148,310
Amortization	30,714	18,421	170,884	-	25,582	245,601
Impairment	(80,640)	(26,914)	(129,079)	-	-	(236,633)
Disposals	-	(2,252)	(9,011)	-	(5,944)	(17,207)
Balance, Apr 30, 2021	94	20,844	96,650	-	22,483	140,071
Amortization	14,025	1,910	68,609	-	16,268	100,812
Impairment	(94)	(22,754)	33	-	-	(22,815)
Disposal of subsidiaries	(14,025)	-	(165,292)	-	(38,751)	(218,068)
Balance, April 30, 2022	**-**	**-**	**-**	-	**-**	**-**
Net Book Value:						
April 30, 2021	86,405	31,572	482,710	257,257	113,907	971,851
April 30, 2022	**-**	**-**	**-**	**-**	**-**	**-**

Additions
Additions for the period pertain to leasehold improvements on PED's facilities in Ontario and new facility equipment purchased for Soma that were derecognized on the date the Company lost control of PED and Soma.

Impairment
During the year ended April 30, 2022, the Company determined that the equipment, computer software and equipment, and leasehold improvements and office furniture are unable to generate economic benefit as at April 30, 2022 and hence recorded an impairment loss of $86,939.

Disposal of subsidiary
The Company sold its interest in PED and Soma; therefore, on the date the Company lost control of PED and Soma, leasehold improvements and office furniture, leasehold improvements not yet in use and automobile of $922,741 was derecognized (Notes 4 and 29).

(Expressed in Canadian Dollars)

11. GOODWILL AND INTANGIBLE ASSETS

	Goodwill $	Software and Technology $	Total $
Costs:			
Balance, April 30, 2020 and April 30, 2021	8,767,399	865,653	**9,633,052**
Disposal of subsidiary	(8,767,399)	(865,653)	(9,633,052)
Balance, April 30, 2022	-	-	**-**
Accumulated Depreciation:			
Balance, April 30, 2020	-	14,428	14,428
Amortization	-	173,136	173,136
Balance, April 30, 2021	-	187,564	187,564
Amortization	-	129,852	129,852
Disposal of subsidiary	-	(317,416)	(317,416)
Balance, April 30, 2022	-	-	**-**
Net Book Value:			
April 30, 2021	8,767,399	678,089	9,445,488
April 30, 2022	**-**	**-**	**-**

Goodwill

During the year ended April 30, 2020, the Company recognized goodwill resulting from the acquisition of PED amounting to $8,767,399. As at April 30, 2021, impairment assessments were done on the CGU by determining the fair value less costs of disposal using a discounted cash flow approach. It was determined that there was no impairment of goodwill. During the year ended April 30, 2022, the Company sold its interest in PED, therefore, goodwill of $8,767,399 was derecognized (Notes 4 and 29).

Software and Technology

Upon acquisition of PED, the Company gained access to PED's software and technology. The fair values of these assets were determined to be $865,653 as at March 31, 2020. During the year ended April 30, 2022, the Company sold its interest in PED, therefore, software and technology of $548,237 was derecognized (Notes 4 and 29).

(Expressed in Canadian Dollars)

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	April 30, 2022 **$**	April 30, 2021 $
Accounts payable	**32,145**	591,802
Accrued liabilities	**181,791**	423,000
Accounts payable and accrued liabilities	**213,936**	1,014,802

Accounts payable are generally trade payables, non-interest bearing and are settled on 30 to 60-day payment terms. Accruals include liabilities for remuneration and benefits, interest, and other expenses billed after the reporting period. As of April 30, 2022, an accrual of $100,756 was recorded for an overpayment pursuant to the PED credit facility agreement. Accrued liabilities are generally settled within 12 months from end of reporting period.

13. CUSTOMER DEPOSITS

Customer deposits refer to amounts paid by customers in advance for goods they have ordered. As at April 30, 2022, the balance of the deposits was $Nil (April 30, 2021, - $341,211).

14. LOANS PAYABLE

Loans payable pertain to two promissory notes entered into by the Company's subsidiary, PED. The details of the loans are as follows. During the year ended April 30, 2022, the Company derecognized the two promissory notes due to the sale of PED (Notes 4 and 29).

	Interest	**Commencement**	**Maturity**	**Principal and interest owing as at April 30, 2022 $**	**Principal and interest owing as at April 30, 2021 $**
Promissory Note 1	12%	October 31, 2019	March 31, 2021	-	71,875
Promissory Note 2	12%	October 31, 2019	March 31, 2021	-	71,875
Loans Payable				**-**	**143,750**

15. GOVERNMENT GRANT LOAN

	April 30, 2022 **$**	April 30, 2021 $
CEBA Loan – WCE	36,713	31,849
CEBA Loan – Soma Labs	-	31,816
CEBA Loan – PED	-	31,953
Government Grant Loan	**36,713**	**95,618**

(Expressed in Canadian Dollars)

15. GOVERNMENT GRANT LOAN (continued)

Due to the global outbreak of Novel Coronavirus ("COVID-19"), the federal government of Canada introduced the Canada Emergency Business Account ("CEBA"). CEBA provides an interest-free loan ("CEBA Loan") of $40,000 to eligible businesses. The CEBA Loan has an initial term that expires on December 31, 2022, throughout which, the CEBA Loan remains interest free. Repayment of $30,000 by December 31, 2022, results in a $10,000 loan forgiveness. If the balance is not paid prior to December 31, 2022, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025. WCE, Soma and PED each received $40,000 loans from the Government as part of the CEBA. During the year ended April 30, 2022, the Company sold its interest in PED and Soma Labs, therefore, the PED and Soma Labs loan from the Government as part of the CEBA was derecognized (Notes 4 and 30).

Pursuant to IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, the benefit of a government loan at below – market rate is treated as a government grant and measured in accordance with IFRS 9, Financial Instruments. The benefit of below market rate shall be measured as the difference between the initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received. The initial carrying value of each CEBA loan was $26,880, discounted at 15%, which was the estimated market rate for a similar loan without the interest-free component. The difference of $13,120 is accreted to CEBA Loan liability over the term and offset to profit or loss. During the year ended April 30, 2022, total interest expense of $4,897 (April 30, 2021– $4,937) was recorded.

As a result of COVID-19, some governments made available wage-subsidy programs for eligible entities who meet certain criteria. During the year ended April 30, 2022, the Company, through Soma Labs, applied for the Canada Emergency Wage Subsidy ("CEWS") and received $Nil (April 30, 2021- $96,923) from CEWS.

As a result of COVID-19, the federal government of Canada introduced the Canada Emergency Rent Subsidy ("CERS") to cover part of commercial rent or property expenses. During the year ended April 30, 2022, the Company, through Soma Labs, received $Nil (April 30, 2021 - $22,208) from CERS.

16. CONVERTIBLE DEBT AND DERIVATIVE LIABILITIES

	Interest	Maturity	Principal owing as at April 30, 2022 $	Principal owing as at April 30, 2021 $
Convertible debt*	3%	December 31, 2021	-	610,941
Convertible note	12%	December 31, 2021	-	1,624,895
Balance			**-**	**2,235,836**

*Amounts due to a company controlled by a Director include $Nil (April 30, 2021 - $112,941) of principal owing (Note 26).

(Expressed in Canadian Dollars)

16. CONVERTIBLE DEBT AND DERIVATIVE LIABILITIES (continued)

A) Convertible debt

	Convertible debt $	Convertible note $	Total $
Balance, April 30, 2020	452,921	1,543,484	1,996,405
Reclass to related parties	(105,192)	-	(105,192)
Revaluation	-	(81,999)	(81,999)
Interest accretion	18,328	197,148	215,476
Accretion	98,547	132,012	230,559
Balance, April 30, 2021	464,604	1,790,645	2,255,249
Reclass from related parties	105,192	-	105,192
Revaluation	-	(45,484)	(45,484)
Interest accretion	31,037	210,735	241,772
Accretion	48,244	84,181	132,425
Disposal of subsidiary	(649,077)	(2,040,077)	(2,689,154)
Balance, April 30, 2022	**-**	**-**	**-**

Upon acquisition of PED, included in the liabilities assumed are convertible debentures to arm's length investors. The conversion of the loans to shares in PED is subject to WCE's pre-emptive rights. Due to the sale of PED, during the year ended April 30, 2022, the Company derecognized the PED convertible debentures to arm's length investors (Notes 4 and 29).

For accounting purposes, the convertible debentures are hybrid financial instruments and were allocated into corresponding debt and derivative liability (conversion feature) components at the date of issue. The Company used the fair value method, which allocated the values based on their fair market value at date of issue. Upon issuance of the unsecured debentures, the fair value of the debt component was $477,365. Transaction costs of $32,400 were incurred on the unsecured convertible debentures, all allocated to the debt component.

Also upon acquisition of PED, included in the liabilities assumed is a promissory note to an investor with a conversion feature. The loan bears a 12% interest and is convertible to PED shares subject to the Company's pre-emptive rights. The secured loan carries with it a pledge to the lender of PED's assets as collateral. Due to the sale of PED, during the year ended April 30, 2022, the Company derecognized PED promissory note to an investor with a conversion feature (Notes 4 and 29).

For accounting purposes, the promissory note with a conversion feature is a hybrid financial instrument and was bifurcated into corresponding debt and derivative liability (conversion feature) components at the date of issue. The Company used the fair value method, which allocated the values based on their fair market value at date of issue. Upon issuance of the secured note, the fair value of the debt component was $1,518,181. During the year ended April 30, 2021, the Company, through PED, renegotiated the promissory note whereby the maturity date of March 31, 2021 was moved to September 30, 2021. All other terms remained the same. The remeasured fair value of the debt component as at March 31, 2021 was $1,762,923, resulting in an unrealized gain of $81,999. Prior to the sale of PED, the promissory note was renegotiated whereby the maturity date was extended to December 31, 2021. All other terms remained the same. The remeasured fair value of the debt component as at September 30, 2021 was $1,895,932, resulting in a gain of $45,484.

(Expressed in Canadian Dollars)

16. CONVERTIBLE DEBT AND DERIVATIVE LIABILITIES (continued)

B) Derivative liabilities

	Convertible debentures		Convertible note	
	April 30, 2022	April 30, 2021	**April 30, 2022**	April 30, 2021
Number of options	-	4,238,233	-	12,401,139
Stock price	$ -	$ 0.15	$ -	$ 0.15
Exercise price	$ -	$ 0.15	$ -	$ 0.15
Term (year)	-	0.65	-	0.42
Volatility	-%	100%	-%	100%
Annual rate of quarterly dividends	-%	0%	-%	0%
Risk-free rate	-%	0.29%	-%	0.29%
Fair Value	$ -	$199,077[1]	$ -	$471,675

[1] As at April 30, 2021 - $36,802 of the $199,077 has been reclassified to due to related parties.

Convertible Debentures
The derivative component of the convertible debentures is classified as a liability since the instruments has multiple conversion features and will not be settled with a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments. The derivative component was determined using the Black-Scholes option pricing model and debt component was calculated at the present value of cash flows, which consist of the interest and principal payments. Upon acquisition, the fair value of the derivative was valued at $323,812. The derivative was re-measured at each reporting period using the key assumptions listed above. Due to the sale of PED, during the year ended April 30, 2022, the Company derecognized the full balances of the derivative component (Notes 4 and 29).

As at April 30, 2022, the balance of the derivative was $Nil (April 30, 2021 - $199,077) of which $Nil (April 30, 2021 - $36,802) was reclassed to due to related parties since one of the holders of the instrument is a Company controlled by a Director (Note 26).

Convertible Notes
The derivative component of the convertible note was determined using the Black-Scholes option pricing model and debt component was calculated at the present value of cash flows, which consist of the interest and principal payments. Upon acquisition, the fair value of the derivative was valued at $732,932. The derivative was re-measured at each reporting period using the key assumptions listed above. Due to the sale of PED, during the year ended April 30, 2022, the Company derecognized the full balances of the derivative component (Notes 4 and 29).

17. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value. The holders of the common shares are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets. The shares issued by the Company prior to the reverse takeover are not reflected in the statements of changes in equity as the number of shares have been revised to reflect the number of shares of WCE.

No capital activity was initiated during the years ended April 30, 2022 and April 30, 2021.

(Expressed in Canadian Dollars)

17. SHARE CAPITAL (continued)

Shares held in escrow

Pursuant to an escrow agreement dated March 11, 2019, a total of 10,500,000 common shares, held by principals of the Company, are held in escrow and shall be released from escrow on the following dates:

Number of Common Shares	% of Outstanding Common Shares	Release Schedule
10,500,000	1.70%	10% released on March 13, 2019; 15% released 6 months from Listing (listing to the CSE); 15% released 12 months from Listing; 15% released 18 months from Listing; 15% released 24 months from Listing; 15% released 30 months from Listing; 15% released 36 months from Listing.

As at April 30, 2022, a total of 10,500,000 escrowed shares have been released to the escrowed shareholders (April 30, 2021 – 7,350,000).

18. SHARE-BASED COMPENSATION

Stock Option Plan ("SOP")

The Company maintains a stock option plan under which directors, officers, employees and consultants of the Company (the "Grantees") and its affiliates are eligible to receive stock options. Pursuant to the SOP, the Board may in its discretion grant to eligible Grantees, the option to purchase common shares at the fixed price over a defined future period. Generally, the options vest over six months from the date of grant. The SOP is a rolling plan under which the maximum number of common shares reserved for issuance is 10% of the issued shares of the Company at the time of granting the options. At April 30, 2022, there are a total of 37,519,657 (April 30, 2021 – 19,909,657) stock options available for granting under the SOP.

The SOP is intended to enhance the Company's ability to attract and retain highly qualified officers, directors, key employees and consultants, and to motivate such persons to serve the Company and to expend maximum effort to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company.

Stock Options

During the year ended April 30, 2022:

i) On June 1, 2021, the Company granted a total of 2,000,000 incentive stock options to certain officers of the company's subsidiary. The options have an exercise price of $0.05 per share and expire on June 1, 2026. The options vested at a rate of 50% upon the date of the grant and the remaining 50% six months thereafter.

ii) The Company recognized share-based payments of $25,823. (Note 26).

(Expressed in Canadian Dollars)

18. SHARE-BASED COMPENSATION (continued)

Stock Options (continued)

iii) 19,610,000 stock options were cancelled/forfeited.

During the year ended April 30, 2021:

i) On May 27, 2020, the Company granted a total of 9,010,000 incentive stock options to certain directors, officers, consultants and employees of the Company. The options have an exercise price of $0.05 per share and expire on May 26, 2024. The options vested at a rate of 50% upon the date of the grant and the remaining 50% six months thereafter.

ii) The Company recognized share-based payments of $437,685.

iii) 5,560,000 stock options were cancelled/forfeited.

The following summarizes the stock options activity:

	April 30, 2022		April 30, 2021	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Outstanding, beginning of year	**42,610,000**	**0.06**	39,160,000	0.07
Grant and issuance	**2,000,000**	**0.05**	9,010,000	0.05
Cancelled/Forfeited	**(19,610,000)**	**0.08**	(5,560,000)	0.08
Total Outstanding	**25,000,000**	**0.05**	42,610,000	0.06
Total Outstanding and Exercisable	**25,000,000**	**0.05**	42,610,000	0.06

During the year ended April 30, 2022, the Company transferred $957,961 (2021 - $3,929,746) from reserves to deficit for stock options forfeited and options that expired unexercised.

The following summarizes the stock options outstanding at April 30, 2022:

Expiry Date	Exercise Price	Weighted Average Contractual Life (Years)	Number of Options Issued and Outstanding	Number of Options Exercisable
March 9, 2023	$ 0.20	0.86	90,000	90,000
April 23, 2024	$ 0.05	1.98	16,900,000	16,900,000
May 26, 2024	$ 0.05	2.07	8,010,000	8,010,000
	$ 0.05	2.01	25,000,000	25,000,000

(Expressed in Canadian Dollars)

18. SHARE-BASED COMPENSATION (continued)

Stock Options (continued)

For valuation purposes, the fair values of compensation options granted were estimated on their dates of issue using the Black-Scholes option pricing model and the following assumptions:

	April 30, 2022	April 30, 2021
Volatility Rate	**115%**	157%
Risk-free rate	**0.91%**	0.35%
Forfeiture rate	**0%**	0%
Exercise price	**0.05**	0.05
Share price	**0.02**	0.025
Dividend yield rate	**0%**	0%
Weighted average life	**5.00 years**	4.00 years

19. WARRANTS

No warrant activity was initiated during the year ended April 30, 2022.

During the year ended April 30, 2022, 3,000,000 (April 30, 2021 - 15,924,825) warrants expired unexercised.

The following is a summary of warrant transactions:

	April 30, 2022		April 30, 2021	
	Number of Warrants	**Weighted Average Exercise Price $**	Number of Warrants	Weighted Average Exercise Price $
Balance, beginning of year	**18,910,575**	**0.14**	34,835,400	0.14
Expired	**(3,000,000)**	**0.18**	(15,924,825)	0.13
Balance, end of year	**15,910,575**	**0.13**	18,910,575	0.14

During the year ended April 30, 2022, the Company transferred $322,322 (April 30, 2021 - $651,089) from reserves to deficit for warrants that expired unexercised.

The following warrants were outstanding and exercisable as at April 30, 2022:

Expiry Date	Exercise Price	Weighted Average Contractual Life (Years)	Number of Warrants
September 22, 2022	$ 0.13	0.40	15,910,575

20. RIGHT-OF-USE ASSET

Langley Facility

On March 6, 2018, the Company through Soma, entered into a 5-year lease agreement for leased premises in Langley, British Columbia, commencing June 1, 2018 and ending on May 31, 2023. The minimum base rent is $13,350 per month. In accordance with IFRS 16, the Company recognized right-of-use asset of $468,918 as at May 1, 2019 equal to the present value of all remaining lease payments discounted at an incremental borrowing rate of 14%. The Company depreciates the right-of-use assets on a straight-line basis, over the remaining lease term. During the year ended April 30, 2021, The Company determined that the right-of-use asset was unable to generate economic benefit, and impaired the full balance. On October 31, 2021, the lease was terminated. The related security deposit of $36,116 was retained by the landlord, the amount was written off in profit and loss.

Richmond Facility

On October 26, 2021, the Company, through PED, entered into a 5-year lease agreement for leased premises in Richmond, British Columbia, commencing November 1, 2021 and ending on October 31, 2026. The minimum base rent is $6,555 per month with increment of $0.5/sq. per annum. In accordance with IFRS 16, the Company recognized right-of-use asset of $310,402 as at November 1, 2020 equal to the present value of all remaining lease payments discounted at an incremental borrowing rate of 12%. The Company depreciates the right-of-use assets on a straight-line basis, over the remaining lease term. Due to the sale of PED, during the year ended April 30, 2022, the Company derecognized the right-of-use assets asset relating to the Richmond Facility (Notes 4 and 29).

Equipment Lease

On November 25, 2019, the Company leased equipment for a monthly fee of $1,874, with first month payment of $4,464. The term is for 24 months starting on December 1, 2019 and the Company has the option to buy the equipment at the end of the lease term for a price of $4,933. The Company recognized right-of-use asset of $47,221 as at December 1, 2019 equal to the present value of all remaining lease payments discounted at an incremental borrowing rate of 14%. The lease expired during the year ended April 30, 2022.

Ontario Facility

Upon acquisition of PED, the Company acquired the right to use the leased premises in Burlington, Ontario. The lease is for 10 years and commenced on October 1, 2019. The minimum base rent per month for years 1 to 10 of the 10-year lease are respectively $7,520 for year 1, $7,725 for year 2, $7,929 for year 3, $8,133 for year 4, $8,338 for year 5, $8,542 for year 6, $8,746 for year 7, $8,951 for year 8, $9,155 for year 9, and $9,359 for year 10. The fair value on March 31, 2020 recognized upon acquisition was $523,861, equal to the present value of all remaining lease payments discounted at PED's incremental borrowing rate of 12%. The Company depreciates the right-of-use assets on a straight-line basis, over the remaining lease term. Due to the sale of PED, during the year ended April 30, 2022, the Company derecognized the right-of-use asset relating to the Ontario Facility (Notes 4 and 29).

Manitoba Facility

Upon acquisition of PED, the Company acquired the right to use the leased premises in Winnipeg, Manitoba. The lease is for three years and commenced on November 1, 2018. The monthly rent per month for years 1 to 3 for the 3-year lease are respectively $1,600 for year 1, $1,700 for year 2, and $1,800 for year 3. As at March 31, 2020, the right-of-use asset recognized was $28,602, equal to the present value of all remaining lease payments discounted at PED's incremental borrowing rate of 12%. The Company depreciates the right-of-use assets on a straight-line basis, over the remaining lease term. The lease expired during the year ended April 30, 2022

20. RIGHT-OF-USE ASSET (continued)

Manitoba Facility (continued)

During the year ended April 30, 2022, PED entered into a five-year lease for a 1,600 square foot facility in Winnipeg, Manitoba. The lease is for five years and commenced on August 1, 2021, renewable for another five years. The annual lease payment is $17,520 for years one (1) to three (3) and $19,120 for years four (4) and five (5). On August 1, 2020, the right-of-use asset recognized amounted to $107,788, equal to the present value of all remaining lease payments discounted at PED's incremental borrowing rate of 12%. The Company depreciates the right-of-use assets on a straight-line basis, over the remaining lease term, including the renewal term. Due to the sale of PED, during the year ended April 30, 2022, the Company derecognized the right-of-use asset relating to the Manitoba Facility (Notes 4 and 29).

Ottawa Facility

On April 30, 2020, PED entered into a five-year lease agreement for a 1,803 sq. ft facility in Ottawa, Ontario, renewable for another five years commencing on May 1, 2020 and ending on April 30, 2025. The annual lease payment is $21,636 with an escalation rate of $0.25 per sq. ft. per year. On May 1, 2020, the right-of-use asset recognized amounted to $139,887, equal to the present value of all remaining lease payments discounted at PED's incremental borrowing rate of 12%. The Company depreciates the right-of-use assets on a straight-line basis, over the remaining lease term, including the renewal term. Due to the sale of PED, during the year ended April 30, 2022, the Company derecognized the right-of-use asset relating to the Ottawa Facility (Notes 4 and 29).

(Expressed in Canadian Dollars)

20. RIGHT-OF-USE ASSETS (continued)

Cost	Langley Facility $	Richmond Facility $	Equipment Lease $	Ontario Facility $	Manitoba Facility $	Ottawa Facility $	Total $
Balance, April 30, 2020	468,918	-	47,221	523,861	28,602	-	1,068,602
Additions	-	-	-	-	-	139,887	139,887
Impairment	(468,918)	-	-	-	-	-	(468,918)
Balance, April 30, 2021	-	-	47,221	523,861	28,602	139,887	739,571
Additions	-	310,402	-	-	107,788	-	418,190
Disposal of subsidiary	-	(310,402)	-	(523,861)	(136,390)	(139,887)	(1,110,540)
Balance, April 30, 2022	**-**	-	**47,221**	**-**	**-**	**-**	**47,221**
Accumulated depreciation							
Balance, April 30, 2020	(114,837)	-	(9,838)	(4,555)	(1,505)	-	(130,735)
Additions	(114,837)	-	(23,610)	(54,663)	(18,065)	(13,989)	(225,164)
Impairment	229,674	-	-	-	-	-	229,674
Balance, April 30, 2021	-	-	(33,448)	(59,218)	(19,570)	(13,989)	(126,225)
Additions	-	-	(13,773)	(40,998)	(14,421)	(10,492)	(79,684)
Disposal of subsidiary	-	-	-	100,216	33,991	24,481	158,688
Balance, April 30, 2022	-	-	**(47,221)**	**-**	**-**	**-**	**(47,221)**
Carrying value							
Balance, April 30, 2021	-		13,773	464,643	9,032	125,898	613,346
Balance, April 30, 2022	**-**		**-**	**-**	**-**	**-**	**-**

(Expressed in Canadian Dollars)

21. LEASE OBLIGATIONS

The lease liability is initially measured at the present value of the lease payments to be made over the lease term, using the effective interest method for the present value determination. As the rate implicit in the lease cannot be readily determined, the Company applied an average incremental borrowing rate. The Company used discount rates of 12-14% to calculate the present value of its lease payments. Total interest expense on lease liabilities for the year ended April 30, 2022 was $976 (April 30, 2021 - $3,834). During the year ended April 30, 2022, due to the sale of subsidiaries, the Company derecognized lease obligations relating to subsidiaries (Notes 4 and 29).

The following table represents lease obligation for the Company:

	April 30, 2022 **$**	April 30, 2021 $
Current	-	191,706
Non-current	-	782,340
Total lease obligation	-	974,046

The following table shows the rollforward of lease obligations:

	April 30, 2022 **$**	April 30, 2021 $
Beginning balance	**974,046**	1,015,719
Additions	**418,190**	131,989
Interest expense	**976**	3,834
Interest expense from discontinued operations	**64,126**	142,508
Reversals	**(211,105)**	-
Lease payments	**(203,148)**	(320,004)
Disposal of subsidiary	**(1,043,085)**	-
Ending balance	-	974,046

The following table presents the contractual undiscounted cashflows for lease obligation:

	April 30, 2022 **$**	April 30, 2021 $
Less than one year	-	300,323
One to five years	-	773,826
More than 5 years	-	367,432
Total undiscounted lease obligation	-	1,441,581

22. OPERATING EXPENSES

Selling expenses

	Years ended	
	April 30, 2022 **$**	April 30, 2021 $
Investor relations	-	5,770
Marketing and research	-	10,167
Travel and marketing	-	506
	-	16,443

(Expressed in Canadian Dollars)

22. OPERATING EXPENSES (continued)

General and administrative expenses

	Note	Years ended April 30, 2022 $	April 30, 2021 $
Consulting fees	26	**93,385**	146,632
Filing fees		**74,786**	89,544
Lease interest	21	**976**	3,834
Office expenses		**66,259**	132,373
Management fees	26	**135,000**	222,000
Professional fees		**163,669**	337,655
Remuneration and benefits	26	**454,718**	755,793
Rent		**44,095**	92,232
Share-based payments	18, 26	**25,823**	437,685
		1,058,711	2,217,748

Impairment loss

	Note	Years ended April 30, 2022 $	April 30, 2021 $
Loan receivable	8	**-**	341,463
Prepaid expenses and deposits	9	**144,934**	166,607
Property and equipment	10	**86,939**	-
		231,873	508,070

23. OTHER INCOME (EXPENSES)

	Note	Years ended April 30, 2022 $	April 30, 2021 $
Interest expense and bank charges	16,17	**(5,269)**	181,235
Interest income		**9,279**	20,764
Loss on sale of PED	4	**(5,361,331)**	-
Gain on sale of SOMA	4	**641,623**	
Government grant	17	**-**	13,120
Unrealized loss in FVTPL	5	**(578,380)**	-
Reversal of impairment on deposit		**-**	205,277
Write-off of accounts payable			53,553
Foreign exchange gain (loss)		**-**	(74,790)
Others		**-**	532
		(5,294,078)	399,691

(Expressed in Canadian Dollars)

24. FINANCIAL INSTRUMENTS

As at April 30, 2022 and April 30, 2021, the carrying value of all financial instruments carried at amortized cost are equivalent to fair value. The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk and market risk.

Credit risk
Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The risk for cash and cash equivalents cash is mitigated by holding these instruments with highly rated Canadian financial institutions. Accounts receivable primarily consist of trade accounts receivable and other receivables.

The Company provides credit to certain customers in the normal course of business and has established credit evaluation and monitoring processes to mitigate credit risk. The Company's credit risk exposure lies on its ability to collect from its business partners for advances made for new business deals. The Company's ECL on its trade receivables as at April 30, 2022 is nominal (April 30, 2021 – $66,204).

Liquidity risk
Liquidity risk is the risk that the Company may not be able to meet its contractual obligations and financial liabilities as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2022, the Company had a cash balance of $2,534,189 (April 30, 2021 - $2,377,635) to settle current liabilities of $215,749 (April 30, 2021 - $5,027,537). All of the Company's current financial liabilities have contractual maturities of less than a year and are subject to normal trade terms.

Current liabilities	**Note**	**April 30, 2022 $**	April 30, 2021 $
Accounts payable and accrued liabilities	12	**213,936**	1,014,802
Customer deposits	13	**-**	341,211
Due to related parties	27	**136**	437,991
Current portion of lease obligations	21	**-**	191,706
Convertible debt	16	**-**	2,255,249
Derivative liability	16	**-**	633,950
Loans payable	14	**-**	143,750
Liabilities of discontinued operations	29	**1,677**	8,878
Total current liabilities		**215,749**	5,027,537

(Expressed in Canadian Dollars)

24. FINANCIAL INSTRUMENTS (continued)

The tables summarize the maturity profile of the Company's financial liabilities used for liquidity management and liabilities as at April 30, 2022 based on contractual undiscounted receipts and payments.

April 30, 2022	<1 year	1-5 years	>5years
Financial liabilities at amortized cost			
Accounts payable and accrued liabilities	$ 213,936	$ -	$ -
Due to related parties	136	-	-
Government grant loan	-	36,713	-
Liabilities of discontinued operations	1,677	-	-
Total financial liabilities at amortized cost	$ 215,749	$ 36,713	$ -
Financial liabilities at fair value			
Derivative liability	$ -	$ -	$ -

Market risk

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

(a) Interest rate risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The interest rate risk on bank deposits is insignificant as the deposits are short term. The Company is not exposed to interest rate risk in respect of any loans payable and receivable which are subject to a fixed rate of interest.

(b) Foreign currency risk

The functional currency of the Company is Canadian dollar. The Company does not hedge its exposure to currency fluctuations. However, Management believes that the Company is subject to minimal foreign exchange risk as most transactions incurred are in CAD.

(b) Price risk

The Company's investments are subject to fair value fluctuations. As at April 30, 2022, if the fair value of the Company's investment had decreased/increased by 10% with all other variables held constant, other comprehensive profit or loss for the year ended April 30, 2022 would have been approximately $69,196 higher/lower.

(Expressed in Canadian Dollars)

24. FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy
The Company applied the following fair value hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels.

The three levels are defined as follows:
- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

During the year ended April 30, 2022 and year ended April 30, 2021, there were no transfers between the three levels of fair value measurements. The fair value of the convertible debts is affected by market rates which are applicable to them on the dates of issuance. A change in those discount rates may result in significantly higher or lower fair value measurements. Financial assets measurement in the fair value hierarchy are presented below:

April 30, 2022	Level 1	Level 2	Level 3
Financial assets at fair value			
Investment in shares	$ 338,856	$ 53,108	$ 300,000
Financial liabilities at fair value			
Derivative liability	$ -	$ -	$ -

April 30, 2021	Level 1	Level 2	Level 3
Financial assets at fair value			
Investment in shares	$ -	$ -	$ -
Financial liabilities at fair value			
Derivative liability	$ -	$ -	$ 633,950

Valuation of Assets / Liabilities that use Level 1 Inputs ("Level 1 Assets / Liabilities"). Consists of the Companys investments in public company common stock without trading resection, where quoted prices in active markets are available.

Valuation of Assets / Liabilities that use Level 2 Inputs ("Level 2 Assets / Liabilities"). Consists of the Company's investments in public company common stock with trading restriction, where quoted prices in active markets are note available directly. (Note 4)

Valuation of Assets / Liabilities that use Level 3 Inputs ("Level 3 Assets / Liabilities"). Consists of the Company's investments in common stock,
- For investment in private company common shares, fair value was determined utilizing the share subscription price of the most recent capital financing prior to the transaction (Note 4).
- For investment in public company common shares, whose receipts is contingent on whether PDE's trailing nine-month revenue exceeds the earn-out target. The fair value is calculated using Monte Carlos Simulation ("MCS") with level 3 inputs, which uses the baseline revenue forecast till the end of the performance period. MCS captures the expected cumulative revenue, which is variable based on both randomness in the simulation coupled with volatility expectations around revenue generation (Note 4).

(Expressed in Canadian Dollars)

25. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maintain flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company is primarily dependent on the capital markets as its source of operating capital and the Company's capital resources are largely determined by the strength of the cannabis company markets and its ability to compete for investor support of its technical capability. The Company's total managed capital cash of $2,534,189 (April 30, 2021 - $2,377,635) and equity attributable to holders of the parent of $3,491,273 (April 30, 2021 - $4,556,411).

There was no change to the Company's management of capital during the year ended April 30, 2022. The Company is not subject to any externally imposed capital requirements.

26. RELATED PARTY TRANSACTIONS

As at April 30, 2022, amounts due to related parties totaled $136 (April 30, 2021 - $437,991) of which $136 (April 30, 2021 - $45,906) are unsecured, payable on demand, and without interest.

	April 30, 2022 **$**	April 30, 2021 $
CEO of WCE	**136**	11,601
Former President of WCE	**-**	14,082
CFO of WCE	**-**	5,250
CEO of PED	**-**	250,091
CFO of PED	**-**	14,973
Director*	**-**	141,994
Total	**136**	437,991

*Amounts due to a company controlled by a Director include $Nil ($141,994 – April 30, 2021) of convertible debt and derivative liabilities (Note 16).

Included in the due to the CEO of PED above is a promissory note entered into by the Company's subsidiary, PED, with a carrying value as at April 30, 2022 of $Nil (April 30, 2021 - $250,091). The details of the loan are as follows:

	Interest	**Commencement**	**Maturity**	**Principal owing as at April 30, 2022 $**	**Principal owing as at April 30, 2021 $**
Promissory note	12%	March 30, 2020	March 31, 2022	-	240,945

Pursuant to the disposal of subsidiary, the due to related party in connection with PED has been derecognized during the year ended April 30, 2022.

(Expressed in Canadian Dollars)

26. RELATED PARTY TRANSACTIONS (continued)

During the years ended April 30, 2022 and 2021, the Company entered into the following transactions with related parties:

	April 30, 2022 $	April 30, 2021 $
Management fees	**135,000**	222,000
Consulting fees	**-**	5,000
Accounting fees	**2,396**	35,640
Finders' fee from discontinued operations	**-**	67,500
Legal fees from discontinued operations	**-**	3,700
Remuneration and benefits	**153,042**	222,942
Remuneration and benefits from discontinued operations	**444,190**	726,150
Research and development from discontinued operations	**-**	4,373
Other income	**-**	79,001
Share-based payments	**25,823**	377,758
	760,451	1,744,064

- Management fees reported as part of general and administrative expenses (Note 22) consist of $75,000 (2021 - $150,000) paid to a company of which the former President of the Company has significant interest and $60,000 (2021 - $72,000) was paid to a company controlled by the CFO.
- Consulting fees included as part of general and administrative expenses (Note 22) consist of $Nil (2021 - $5,000 to a company of which the former President of the Company has significant interest).
- Accounting fees presented as part of professional fees (Note 22) consist of $2,396 (2021 - $35,640) to a company controlled by the CFO.
- Remuneration and benefits reported as part of general and administrative expenses (Note 22) consist of $153,042 to the CEO (2021 - $157,846 to CEO and $65,096 to the Former CIO).
- Remuneration and benefits from discontinued operations reported as part of discontinued operations (Notes 4 and 29) consist of $231,690 to the CEO of PED, $106,250 to the CFO of PED and $106,250 to the CTO of PED (2021 - $321,200 to CEO of PED, $150,000 to the CFO of PED and $143,767 to the CTO of PED and $111,183 to the former President of Soma Labs).
- Share-based payments reported as part of general and administrative expenses (Note 18) consist of $12,912 to the CEO of PED and $12,911 to the CTO of PED (2020: $26,829 to former director, $92,274 to directors, $114,540 to the former President, $10,697 to the CFO, $114,540 to the CEO, $12,585 to the Former CIO and $6,293 to the Former President of Soma).

As at April 30, 2022, PED owes $Nil (April 30, 2021 - $580,340) to the Company for advances and interest in accordance with the credit facility agreement between the Company and the subsidiary. This is subject to an annual interest rate of 12%, compounded monthly. During the year ended April 30, 2022, in connection with the disposal of subsidiary, $676,784 was repaid to the Company (Notes 4 and 29).

On February 3, 2021, the Company entered into a share purchase agreement with the CEO of PED whereby, the Company purchased 1,000,000 common shares of PED for $100,000. The transaction took place prior to the sale of PED.

(Expressed in Canadian Dollars)

27. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred the following non-cash financing transactions during the years ended April 30, 2022 and 2021:

	April 30, 2022 $	April 30, 2021 $
Shares issued for settlement of debt of PED	-	24,896

Cash payments for the year ended April 30, 2022 amounted to $203,149 (April 30, 2021: $320,004). Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Convertible debentures $	Convertible note $	Lease obligations $	Government grant $	Total $
April 30, 2020	452,921	1,543,484	1,015,719	80,000	3,092,124
Cash items:					
Payments	-	-	(185,095)	-	(185,095)
Payments*	-	-	(134,909)	-	(134,909)
Non-cash items:					
Reclass*	(105,192)	(81,999)	-	(26,242)	(213,433)
Additions*	-	-	131,989	27,215	159,204
Interest expense*	18,328	197,148	93,567	4,737	313,780
Interest expense			52,775	9,908	62,683
Accretion*	98,547	132,012	-	-	230,559
April 30, 2021	464,604	1,790,645	974,046	95,618	3,324,913
Cash items:					
Payments	-	-	(18,047)	-	(18,047)
Payments*	-	-	(185,101)	-	(185,101)
Non-cash items:					
Reclass*	105,192	(45,484)	-	-	59,708
Additions*	-	-	107,788	-	107,788
Reversal*	-	-	(211,105)	-	(211,105)
Interest expense*	31,037	210,735	60,955	8,346	311,073
Interest expense	-	-	976	4,898	5,874
Accretion*	48,244	84,181	-	-	132,425
Disposal of subsidiary	(649,077)	(2,040,077)	(729,512)	(72,149)	(3,490,815)
April 30, 2022	**-**	**-**	**-**	**36,713**	**36,713**

*from discontinued operations

(Expressed in Canadian Dollars)

28. SEGMENTED INFORMATION

During the year ended April 30, 2022, the Company's principal reporting segments are corporate and development and discontinued operations which makes up the previous segments: development and deployment of extraction technology and services, delivery, sale of disposable vaporizer pens and cartridges and sale of automation solution equipment (April 30, 2021 – corporate and development, development and deployment of extraction technology and services (discontinued during the year ended April 30, 2022), delivery (discontinued during the year ended April 30, 2022), segments sale of disposable vaporizer pens and cartridges (discontinued during the year ended April 30, 2021), and sale of automation solution equipment (discontinued during the year ended April 30, 2020). The reportable segments were determined based on the nature of the services provided and goods sold. All of the Company's assets are situated in Canada.

Reportable segments are defined as components of an enterprise about which discrete financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

April 30, 2022	Corporate and development $	Discontinued operations $	Total $
Corporate general and administrative expenses	(1,037,180)	-	(1,037,180)
Change in FV of investment	(578,380)	-	(578,380)
Impairment	(231,873)	-	(231,873)
Interest income	9,279	-	9,279
Depreciation and amortization	(19,059)	-	(19,059)
Stock-based compensation	(25,823)	-	(25,823)
Loss on sale of subsidiaries	(4,719,708)	-	(4,719,708)
Lease interest	(977)	-	(977)
Loss from continuing operations	(6,603,721)	-	(6,603,721)
Loss from discontinued operations	-	(1,616,129)	(1,616,129)
Reportable segment assets	3,743,735	-	3,743,735
Reportable segmented liabilities	250,785	1,677	252,462

(Expressed in Canadian Dollars)

28. SEGMENTED INFORMATION (continued)

April 30, 2021	Corporate and development $	Development and deployment of extraction equipment, technology and services $	Delivery $	Discontinued operations $	Total $
Selling, general and administrative expenses	(16,443)	-	-	-	(16,443)
Corporate general and administrative expenses	(1,397,302)	-	-	-	(1,397,302)
Impairment	(508,070)				(508,070)
Depreciation and amortization	(51,414)	-	-	-	(51,414)
Stock-based compensation	(437,685)	-	-	-	(437,685)
Interest income	20,764	-	-	-	20,764
Lease interest	(3,834)	-	-	-	(3,834)
Net loss from continuing operations	(2,393,984)	-	-	-	(2,393,984)
Income (loss) from discontinued operations	-	(2,257,335)	165,001	-	(2,092,334)
Reportable segment assets	2,413,232	234,026	4,231,373	-	6,878,631
Reportable segmented liabilities	164,666	757,262	4,974,689	8,878	5,905,495

29. DISCONTINUED OPERATIONS

During the year ended April 30, 2022, the Company sold its subsidiaries, PED and Soma (Note 4). The sale of the subsidiaries meets the criteria of a discontinued operation under IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. The subsidiaries were not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statements of comprehensive loss has been restated to show the discontinued operation separately from continuing operations.

(Expressed in Canadian Dollars)

29. DISCONTINUED OPERATIONS (continued)

As at April 30, 2022, the liabilities of discontinued operations recognized in the consolidated statements of financial position relate to the customer deposits and accounts payable amounting to $1,677 (April 30, 2021 – $8,878).

Liabilities of discontinued operations	April 30, 2022 $	April 30, 2021 $
Sales of automation on control solution equipment – customer deposits	-	7,201
Sales of disposable vaporizer pens – accounts payable	1,677	1,677
Total	**1,677**	**8,878**

The financial performance results of the discontinued operations, which are presented as a net amount on the consolidated statements of loss and comprehensive loss, are summarized below:

PED	Period from May 1, 2021 to January 21, 2022 $	Year ended April 30, 2021 $
Sales	**7,074,315**	9,642,757
Cost of sales	**(5,641,119)**	(6,818,968)
Gross profit	**1,433,196**	2,823,789
Selling Expense	-	12,752
Depreciation	**278,751**	383,713
Administrative expenses	**1,034,720**	948,719
Lease interest	**60,955**	93,567
Professional fees	**230,820**	85,044
Transaction costs	**144,119**	-
Rent	**187,172**	159,408
Remunerations and benefits	**1,082,635**	1,230,949
Total operating expense	**3,019,172**	2,914,152
Loss before other expenses	**(1,585,976)**	(90,363)
Other income (expenses)		
Acquisition fees	**-**	(67,500)
Interest and bank charges	**(602,309)**	(689,493)
Unrealized gain on conversion feature	**362,581**	504,979
Other income	**-**	12,785
Total other income (expenses)	**(239,728)**	(239,229)
Loss from discontinued operations	**(1,825,704)**	(329,592)
Allocation of income (loss) from discontinued operations:		
Equity holder of the parent	**(462,263)**	(84,321)
Non-controlling interest	**(1,363,441)**	(245,271)
Income (loss) from discontinued operations	**(1,825,704)**	(329,592)

(Expressed in Canadian Dollars)

29. DISCONTINUED OPERATIONS (continued)

Soma Labs	Period form May 1, 2021 to April 29, 2022 $	Year ended April 30, 2021 $
Sales	**100,000**	-
Cost of sales	**(100,000)**	-
Gross profit	**-**	-
Selling	-	4,384
Consulting	**5,527**	2,220
Depreciation	**12,538**	208,776
Administrative expenses	**10,569**	83,072
Impairment	**-**	1,089,368
Lease interest	**3,172**	48,940
Professional fees	-	2,628
Rent	**67,363**	75,338
Bad debt expenses	**48,989**	
Research and development	**-**	222,631
Remunerations and benefits	**13,030**	314,861
Shop expense	**-**	2,342
Total operating expense	**161,188**	2,054,560
Loss before other expenses	**(161,188)**	(2,054,560)
Other income (expenses)		
Interest and bank charges	**(5,966)**	(7,829)
Gain on lease liability	**211,105**	-
Gain on asset disposal	**165,624**	-
Customer deposit write-down	**-**	135,238
Government grant	**-**	13,121
CEWS	**-**	96,923
CERS	**-**	22,208
Other income	**-**	32,157
Total other income (expenses)	**370,763**	291,818
Income (loss) from discontinued operations	**209,575**	(1,762,742)
Allocation of income (loss) from discontinued operations:		
Equity holder of the parent	**209,575**	(1,762,742)
Non-controlling interest	**-**	-
Income (loss) from discontinued operations	**209,575**	(1,762,742)

(Expressed in Canadian Dollars)

29. DISCONTINUED OPERATIONS (continued)

As at January 21, 2022, the date of disposition, the net assets (liabilities) of PED derecognized totaled $6,698,895 as detailed below:

PED	$
Cash	8,385
Accounts receivables	595,656
Other receivables	316,365
Prepaids	266,829
Plant and equipment	868,216
Right-of-use-assets	951,852
Intangibles	548,237
Accounts payable and accrued liability	(977,476)
Current portion of lease obligations	(46,460)
Long term portion of lease obligations	(996,625)
Derivative liability	(353,652)
Government grant	(35,448)
Convertible debenture	(2,689,154)
Due to related party	(299,875)
Factoring loan	(70,354)
Loans payable	(155,000)
Net assets (liabilities)	(2,068,504)
Net assets (liabilities) attributable non controlling interest	(1,544,764)
Net assets (liabilities) attributable to equity holder of the parent	(523,740)
Total net assets (liabilities)	(2,068,504)
Goodwill	8,767,399
Total net assets (liabilities) derecognized	**6,698,895**

As at January 21, 2022, the date of disposition, the non-controlling interest and reserves that were derecognized to deficit totaled $5,765,448, as detailed below:

	$
Fair value revaluation reserve	101,279
Non-controlling interest	5,664,169
Total	**5,765,448**

(Expressed in Canadian Dollars)

29. DISCONTINUED OPERATIONS (continued)

The financial information of PED, WCE's subsidiary that was disposed of during the year ended April 30, 2022, that had a material non-controlling interest is provided below. As at April 30, 2022, WCE has Nil% (April 30, 2021 – 25.32%) economic interest in PED and non-controlling stockholders have 100% in PED (April 30, 2021 – 74.68%).

PED	**April 30, 2022 $**	April 30, 2021 $
Current assets	-	2,953,711
Noncurrent assets	-	1,626,185
Current liabilities	-	3,486,772
Noncurrent liabilities	-	654,131

The table below summarizes the movements in NCI:

PED	**April 30, 2022 $**	April 30, 2021 $
Beginning balance	**5,184,124**	5,436,999
Addition (reduction)	**298,721**	(7,604)
Net loss from discontinued operations	**(1,363,441)**	(245,271)
Gain on sale of PED	**1,544,765**	-
Disposition of subsidiary	**(5,664,169)**	-
Ending balance	-	5,184,124

As at April 29, 2022, the date of disposition, the net assets (liabilities) of Soma Labs derecognized totaled $341,623, as detailed below:

Soma Labs	$
Cash	143,663
Sales tax receivable	10,970
Prepaids	2,296
Plant and equipment	54,527
Accounts payable and accrued liability	(167,967)
Liabilities of discontinued operations	(7,201)
Customer deposits	(341,211)
Government grant	(36,700)
Total net assets (liabilities) derecognized	(341,623)

The financial information of Soma Labs, WCE's subsidiary that was disposed of during the year ended April 30, 2022, is provided below. As at April 30, 2022, WCE has Nil% (April 30, 2021 – 100%) interest in Soma Labs.

Soma Labs	**April 30, 2022 $**	April 30, 2021 $
Current assets	-	173,685
Noncurrent assets	-	-
Current liabilities	-	558,050
Noncurrent liabilities	-	192,011

(Expressed in Canadian Dollars)

30. DEFERRED INCOME TAX

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statement of operations and comprehensive loss for the period ended April 30, 2022 and April 30, 2021:

	2022 $	2021 $
Net loss before tax	(8,219,849)	(4,486,317)
Statutory tax rate	27.0%	27.0%
Expected income tax (recovery)	(2,219,000)	(1,211,000)
Non-deductible items and other	1,352,000	264,000
Change in estimates	(1,226,000)	(2,345,000)
Adjustment to prior years provision versus statutory tax returns	(421,000)	-
Disposition of subsidiaries	5,887,000	-
Change in deferred tax assets not recognized	(3,373,000)	3,292,000
Total income tax expense (recovery)	-	-

The unrecognized deductible temporary differences as at April 30, 2021 and April 30, 2020 is comprised of the following:

	2022 $	2021 $
Non-capital losses	18,314,815	36,162,963
Property and equipment	355,556	688,889
Intangible assets	13,766,667	13,940,741
Debt with accretion	-	(11,112)
Capital losses	7,740,741	1,092,885
Lease obligation	-	925,926
Financing costs	-	7,407
Total unrecognized deductible temporary differences	40,177,778	52,807,699

The Company has not recognized a deferred tax asset in respect of non-capital loss carryforwards of approximately $18,316,383 (2021: $36,192,963) which may be carried forward to apply against future income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

Expiry	$	Expiry	$
2026	115,393	2035	199,371
2027	132,810	2036	173,370
2028	112,197	2037	138,825
2029	115,495	2038	165,930
2030	764,903	2039	77,742
2031	114,626	2040	13,323,249
2032	140,219	2041	1,251,964
2033	135,075	2042	1,225,821
2034	127,825		
Grand Total			18,314,815

31. SUBSEQUENT EVENTS

16,949 FFHC Common Shares have been released from escrow leaving 199,196 in escrow pending PED's achievement of certain performance-based milestones in the nine-month period subsequent to the transaction. Pursuant to the working capital being greater than the target working capital, 38,050 additional FFHC Common Shares were issued to the Company that was equal that was equal to the working capital adjustment amount divided by the deemed share price.

The promissory note with principal of $400,000 (Note 8c), was reassigned to a new debtor, and the term has been amended whereby the note can be converted into debtor's shares.

1,000,000 stock options expired unexercised.

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the periods ended October 31, 2022 and 2021

(Expressed in Canadian Dollars)
(Unaudited)

INDEX

WORLD CLASS EXTRACTIONS INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited - Expressed in Canadian Dollars)

AS AT	Note	October 31, 2022 $	April 30, 2022 $ (Audited)
ASSETS			
Current assets			
Cash		**2,082,558**	2,534,189
Consideration receivable	5	**131,391**	53,108
Sales tax receivable	6	**15,669**	7,717
Other receivable	4	**-**	100,000
Prepaid expenses and deposits	8	**11,808**	1,150
Total current assets		**2,241,426**	2,696,164
Non-current assets			
Loan receivable	7	**417,026**	408,715
Investments	5	**492,624**	638,856
Total non-current assets		**909,650**	1,047,571
TOTAL ASSETS		**3,151,076**	3,743,735
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	9	**239,520**	213,936
Due to related parties	16	**-**	136
Liabilities of discontinued operations	19	**1,677**	1,677
Total current liabilities		**241,197**	215,749
Non-current liabilities			
Government grant loan	10	**39,181**	36,713
Total non-current liabilities		**39,181**	36,713
Total liabilities		**280,378**	252,462
SHAREHOLDERS' EQUITY			
Share capital	11	**61,756,937**	61,756,937
Reserves	12, 13	**820,358**	2,119,732
Deficit		**(59,706,597)**	(60,385,396)
Total shareholders' equity		**2,870,698**	3,491,273
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**3,151,076**	3,743,735

Nature of operations and going concern (Note 1)
Subsequent events (Note 20)

APPROVED BY THE BOARD:

____Signed "Chand Jagpal", Director____ ____Signed "Michael Galloro", Director__

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Unaudited - Expressed in Canadian Dollars)

	Note	For the three months ended October 31, 2022 $	For the three months ended October 31, 2021[i] $	For the six months ended October 31, 2022 $	For the six months ended October 31, 2021[i] $
Operating expenses					
Consulting fees		**56,033**	4,455	**110,893**	15,525
Depreciation and amortization		**-**	5,902	**-**	17,091
Filing fees		**15,097**	12,359	**26,853**	18,317
Lease interest		**-**	358	**-**	897
Office expenses		**4,564**	22,554	**15,024**	54,075
Management fees		**15,000**	52,500	**30,000**	105,000
Professional fees		**170,017**	22,493	**207,189**	61,306
Remuneration and benefits		**87,862**	132,640	**179,519**	239,668
Rent		**9,000**	9,000	**18,000**	18,000
Share-based payments		**-**	5,313	**-**	22,857
Loss before other expenses		**(357,573)**	(267,574)	**(587,478)**	(552,736)
Other income (expenses)					
Interest and bank charges	7, 10	**2,834**	703	**5,713**	835
Impairment loss		**-**	(86,939)	**-**	(86,939)
Foreign Exchange gain (loss)		**20,522**	(2,496)	**29,139**	(1,781)
Unrealized gain (loss) in FVTPL	5	**53,588**	-	**(67,949)**	-
Total other income (expenses)		**76,944**	(88,732)	**(33,097)**	(87,885)
Loss from continuing operations		**(280,629)**	(356,306)	**(620,575)**	(640,621)
Loss from discontinued operations		**-**	(755,752)	**-**	(733,595)
Net loss and comprehensive loss for the period		**(280,629)**	(1,112,058)	**(620,575)**	(1,374,216)
Attributable to:					
Equity holders of the parent		**(280,629)**	(543,803)	**(620,575)**	(688,974)
Non-controlling Interests		**-**	(568,255)	**-**	(685,242)
Net loss and comprehensive loss for the period		**(280,629)**	(1,112,058)	**(620,575)**	(1,374,216)
Weighted average number of common shares outstanding - basic and diluted		**625,196,572**	625,196,572	**625,196,572**	625,196,572
From continuing operations		**(0.00)**	(0.00)	**(0.00)**	(0.00)
From discontinued operations		**-**	(0.00)	**-**	0.00
Basic and diluted loss per share		**(0.00)**	(0.00)	**(0.00)**	(0.00)

i) The comparative figures have been reclassified to conform with the current period presentation, see Notes 4 and 19.

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Unaudited - Expressed in Canadian Dollars)

	Equity attributable to holders of the Parent							
	ISSUED CAPITAL		RESERVES					
	Number of Common Shares	Share Capital $	Options $	Warrants $	Fair value revaluation	Deficit $	Non-controlling Interest $	Total Shareholders' Equity $
Balance, April 30, 2021	**625,196,572**	**61,756,937**	**1,778,667**	**1,595,525**	**-**	**(60,574,718)**	**5,184,124**	**9,740,535**
Cancellation or expiry of stock options	-	-	(669,694)	-	-	669,694	-	-
WCE shares sold by PED	-	-	-	-	101,279	-	298,721	400,000
Share-based payments	-	-	22,857	-	-	-	-	22,857
Net loss for the period	-	-	-	-	-	(688,974)	(685,242)	(1,374,216)
Balance, October 31, 2021	**625,196,572**	**61,756,937**	**1,131,830**	**1,595,525**	**101,279**	**(60,593,998)**	**4,797,603**	**8,789,176**
Balance, April 30, 2022	**625,196,572**	**61,756,937**	**846,529**	**1,273,203**	**-**	**(60,385,396)**	**-**	**3,491,273**
Expiry of warrants	-	-	-	(1,273,203)	-	1,273,203	-	-
Cancellation or expiry of stock options	-	-	(26,171)	-	-	26,171	-	-
Net loss for the period	-	-	-	-	-	(620,575)	-	(620,575)
Balance, October 31, 2022	**625,196,572**	**61,756,937**	**820,358**	**-**	**-**	**(59,706,597)**	**-**	**2,870,698**

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

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Expressed in Canadian Dollars)

	For the period ended	
	October 31, 2022	October 31, 2021[i]
	$	$
Cash flows used in operating activities:		
Net loss for the period	**(620,575)**	(1,374,216)
Items not involving cash:		
Depreciation and amortization	**-**	17,091
Lease interest	**-**	897
Share-based payments	-	22,857
Interest	**(5,843)**	1,732
Impairment loss	-	86,939
Change in fair value of investments	**67,949**	-
Change in non-cash operating working capital:		
Other receivable	**100,000**	-
Accounts payable and accrued liabilities	**25,584**	61,513
Due to related parties	**(136)**	(24,271)
Sales tax receivable	**(7,952)**	(3,833)
Prepaid expenses and deposits	**(10,658)**	17,327
Cash used in operating activities - continuing operations	**(451,631)**	(1,193,964)
Cash provided by operating activities - discontinued operations	**-**	334,593
Cash flows used in investing activities:		
Issuance of loan receivable	-	(400,000)
Cash flows used in investing activities - continuing operations	**-**	(400,000)
Cash flows used in investing activities - discontinued operations	**-**	(72,301)
Cash flows used in financing activities:		
Repayment of lease obligation	**-**	(11,242)
Cash flows used in financing activities - continuing operations	**-**	(11,242)
Cash flows provided by financing activities - discontinued operations	**-**	331,589
Change in cash for the period	**(451,631)**	(1,011,325)
Cash, beginning of the period	**2,534,189**	2,377,635
Cash, end of the period	**2,082,558**	1,366,310

ii) The comparative figures have been reclassified to conform with the current period presentation, see Notes 4 and 19.

Supplemental cash flow information (Note 17)

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

1. NATURE OF OPERATIONS AND GOING CONCERN

World Class Extractions Inc. ("World-Class" or "WCE" or "the Company") was incorporated under the laws of British Columbia on December 2, 1965. The head office of the Company is located at Suite 308 - 9080 University Crescent, Burnaby, BC, V5A 0B7. The registered office is located at 2200 - 885 W Georgia St. Vancouver, BC, V6C 3E8.

The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol "PUMP", the Frankfurt Stock Exchange under the symbol "WCF" and "WKN:A2PF9C", and the OTCQB Venture Market, under the symbol: "WCEXF".

The Company was an innovation-driven company previously operating through its wholly-owned subsidiary Soma Labs Scientific Inc. ("Soma Labs" or "Soma") based in the Lower Mainland of British Columbia and partially-owned subsidiary, Pineapple Express Delivery Inc. ("PED") based in Burlington, Ontario. PED specializes in compliant and secure delivery of government regulated products, including legal cannabis delivery within select provinces in Canada and liquor delivery in certain jurisdictions in Saskatchewan and was disposed of during the year ended April 30, 2022 (Note 4). Soma Labs was a designer, manufacturer, and supplier of extraction and processing equipment and solutions and was disposed of during the year ended April 30, 2022 (Note 4). The shareholders approved a special resolution to change the Company's business. The proposed change of business would refocus the Company's business operations from a cannabis and hemp company to an investment company focused on the raising of money and investing in the cannabis and cannabis related sectors. The proposed change of business is subject to regulatory approval.

Going Concern

The Company incurred a net loss and comprehensive loss of $620,575 for the period ended October 31, 2022. As at October 31, 2022, the Company had a history of losses and an accumulated deficit of $59,706,597. Total cash as at October 31, 2022, amounted to $2,082,558.

The ability of the Company to continue as a going concern is dependent on achieving profitable operations, positive operating cash flows and obtaining the necessary financing. The outcome of these matters cannot be predicted at this time. The Company will continue to review the prospects of raising additional debt and equity financing to support its operations until such time that its operations become self-sustaining, to fund its operating activities and to ensure the realization of its assets and discharge of its liabilities. While the Company is exerting its best efforts to achieve the above plans, there is no assurance that any such activity will generate sufficient funds for future operations. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future rather than a process of forced liquidation. These interim condensed consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of Compliance and Presentation

These interim condensed consolidated financial statements including comparatives, have been prepared by the Company's management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, "Interim Financial Reporting". The accounting policies set out in Note 3 have been applied consistently to all periods presented in these interim condensed consolidated financial statements. These interim condensed consolidated financial statements do not include all disclosures required for full IFRS financial statements, and should be read in conjunction with the most recent audited annual financial statements for the year ended April 30, 2022, which were prepared in accordance with IFRS as issued by IASB.

These interim condensed consolidated financial statements are presented in Canadian dollars except where otherwise indicated.

As a result of the disposition of PED and Soma disclosed in Note 4, the net earnings of the subsidiaries for the period ended October 31, 2021 have been reported as discontinued operations. The comparative figures have been reclassified in the interim condensed consolidated statements of loss and comprehensive loss and interim condensed cash flows to conform to this presentation.

These interim condensed consolidated financial statements were approved and authorized for issue by the directors of the Company on December 23, 2022.

Basis of Measurement

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss at fair value through other comprehensive income, share-based payments, which are stated at their fair value.

Significant Estimates, Assumptions and Judgments

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. Estimates and associated assumptions applied in determining asset or liability values are based on historical experience and various other factors including other sources that are believed to be reasonable under the circumstances but are not necessarily readily apparent or recognizable at the time such estimates or assumptions are made. Actual results may differ from these estimates.

2. BASIS OF PRESENTATION (continued)

Significant Estimates, Assumptions and Judgments (continued)

The information about significant areas of estimates considered by management in preparing the interim condensed consolidated financial statements is as follows:

Income taxes
Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

Stock options and warrants
Determining the fair value of warrants and stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

Fair value of financial instruments
Certain of the Company's financial assets and liabilities are measured at fair value. In estimating fair value the Company uses market-observable data to the extent it is available. In applying the valuation technique, management is required to determine and make assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate. Such assumptions are inherently uncertain and changes in these assumptions affect the fair value estimates.

The information about significant areas of judgment considered by management in preparing the consolidated financial statements is as follows:

i. the determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management;
ii. the determination of functional currency;
iii. factors that are used in determining the discount rates applied to investments with inherent lack of liquidity in the Company's investments held in escrow; and
iv. the Company's assessment of its ability to continue as a going concern requires judgments about the Company's ability to execute its strategy by funding future working capital requirements (Note 1). The Company's objectives are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funding to support its ongoing operations and development such that it can continue to provide returns to shareholders and benefits for other stakeholders.

(Unaudited- Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents include cash on deposit and highly liquid short-term interest-bearing variable rate investments which are readily convertible into a known amount of cash. Cash and cash equivalents are held with Canadian financial institutions.

b) Consolidation

The interim condensed consolidated financial statements include the accounts of the Company and its subsidiaries of which it has control. All significant intercompany balances, transactions and any unrealized gains and losses arising from intercompany transactions, have been eliminated. The Company's subsidiaries are as follows:

Entity	Country of Incorporation	Operations	Interest
1230167 BC Ltd.	Canada	Inactive	100%

As at the year ended April 30, 2021, the Company held a 25.32% economic interest of PED and a voting interest of 80% until March 27, 2022. The voting interest effectively gave WCE the right to control business decisions of PED that can directly affect the return of its investment. During the year ended April 30, 2022, the Company, PED, Fire & Flower Holdings Corp. ("FFHC") and its wholly owned subsidiary Hifyre™ Inc. ("Hifyre") entered into agreements whereby Hifyre acquired 100% of the issued and outstanding shares of PED (the "Transaction"). As a result of the sale, all of the Company's shares in PED have been exchanged for common shares of FFHC. PED's financials were consolidated in accordance with IFRS 10 Consolidated Financial Statements up to the sale of PED (Note 4).

During the year ended April 30, 2022, Soma and 1323194 BC Ltd. were amalgamated and were sold to CannaWorld Ventures Inc. ("CannaWorld") (Note 4).

Control
The Company controls an investee if and only if the Company has:

- Power over an investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support the presumption and when the Company has less than a majority of the voting rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- the contractual arrangements with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Company's voting rights and potential voting rights

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Consolidation (continued)

Control (continued)

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control over the subsidiary. Assets, liabilities, revenues and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of WCE and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies. All intra-Company asset, liabilities, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

Non-controlling Interests
Non-controlling interests represent the portion of profit or loss and net assets not held by the Company. Non-controlling interests are presented separately in the consolidated statement of loss and comprehensive loss and within equity in the consolidated statement of financial position and consolidated statement of changes in equity, separate from equity attributable to equity holders of the Company.

c) Foreign currencies

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the date of the relevant transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Translation gains and losses are included in foreign exchange gain (loss) of the period in which they occur. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

d) Impairment of non-financial assets

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit. For the purpose of impairment testing, assets that cannot be individually tested are grouped together into the smallest Company of assets that generate cash inflows or CGUs.

Impairment losses are recognized in impairment in the statement of loss and comprehensive loss for the period. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU on a pro rata basis. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimated recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Related party transactions

Parties are considered to be related if one party has control or joint control over the Company, has significant influence over the Company or is a member of key management personnel of the Company. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

f) Share-based payments

The stock option plan allows the directors, officers, employees and consultants of the Company to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in shareholders' equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from share-based payment reserve to share capital.

In situations where equity instruments are issued to non-employees and some or all of the services received by the entity as consideration cannot be specifically identified, they are all measured at the fair value of the share-based payments, otherwise, measured at the fair value of the services received.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest. When vested options are forfeited or are not exercised at the expiry date, the amount previously recognized in share-based payments is transferred to accumulated losses (deficit).

g) Financial instruments

(i) Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") and at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition. A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold assets and collect contractual cash flows, its contractual terms give rise on specified dates that are solely payments of principal and interest on the principal amount outstanding, and it is not designated as FVTPL.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, the Company can make an irrevocable election (on an instrument by-instrument basis) on the day of acquisition to designate them as at FVTOCI.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments (continued)

(i) Financial assets (continued)

Financial assets at FVTPL
Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the income statement. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise. None of the Company's financial assets are classified at FVTPL.

Financial assets at FVTOCI
Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. The Company's investments are classified as FVTOCI.

Financial assets at amortized cost
Financial assets at amortized cost are initially recognized at fair value (including transaction costs) and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date. The Company's financial assets at amortized cost comprise cash and cash equivalents, accounts receivable, other receivable, and loan receivable.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities at fair value through profit or loss are immediately recognized in profit or loss.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial Assets	Classification
Cash	**Amortized cost**
Consideration receivable	**FVTPL**
Loan receivable	**Amortized cost**
Other receivable	**Amortized cost**
Investments	**FVTPL**

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Financial instruments (continued)

(ii) Financial liabilities and equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A financial liability is defined as any contractual obligation to deliver cash or another financial asset to another entity. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL as is the case for held for trading or derivative instruments. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or they expire.

Financial Liabilities	Classification
Accounts payable	**Amortized cost**
Accrued liabilities	**Amortized cost**
Due to related parties	**Amortized cost**
Liabilities of discontinued operations	**Amortized cost**
Government grant loan	**Amortized cost**

(iii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the loss allowance for the financial asset is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the loss allowance is measured for the financial asset at an amount equal to twelve month expected credit losses. For interest receivables and loan receivable the Company applies the simplified approach to providing for expected credit losses, which allows the use of a lifetime expected loss provision. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decreases can be objectively related to an event occurring after the impairment was recognized.

h) Loss per share

Basic loss per share represents the loss for the period, divided by the weighted average number of common shares issued and outstanding during the period. Diluted earnings represent the profit or loss for the period, divided by the weighted average number of common shares issued and outstanding during the period plus the weighted average number of dilutive shares that could result from the exercise of stock options, warrants and other similar instruments where the inclusion of these items would not be anti-dilutive. When a loss per share calculation based on the fully diluted number of shares would be less than the loss per share calculated on the basic number of shares, diluted loss per share is anti-dilutive and accordingly, the diluted loss per share would be the same as basic loss per share.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Income tax

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in shareholders' equity, in which case it is recognized in shareholders' equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The Company does not provide for temporary differences relating to investments in subsidiaries and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date applicable to the period in which realization or settlement can reasonably be expected.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

IFRIC 23, Uncertainty Over Income Taxes - In June 2017, the IASB issued a new IFRIC interpretation to specify how to reflect the effects of uncertainty in accounting for income taxes. IAS 12 Income Taxes provides requirements on the recognition and measurement of current or deferred income tax liabilities and assets. However, it does not provide a specific requirement for the accounting for income tax when the application of tax law to a particular transaction or circumstance is uncertain. As a result, the interpretation aims to reduce the diversity in how entities recognize and measure a tax liability or tax asset when there is uncertainty over income tax treatments. The new interpretation is effective for annual periods beginning on or after January 1, 2019. Management has concluded that there is no impact on the adoption of this guidance because there is no significant uncertainty in accounting for income taxes of the Company.

j) Share capital

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from share capital.

The proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to common shares based on the fair value of a common share at the issuance date of the unit offering and any residual remaining is allocated to common share purchase warrants. Subsequent to the initial recognition of warrants, any modification to the original terms of the warrants attached to units that were initially recognized in accordance with the residual value approach does not result in a re-measurement adjustment.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of WCE acts as the chief operating decision maker which assesses the financial performance and position of the Company and makes strategic decisions with inputs from top management which consists of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO).

l) Discontinued operations

The Company classifies disposal groups as discontinued operations if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

A disposal company qualifies as discontinued operations if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations
- Is a subsidiary acquired exclusively with a view to re-sell

Loss from discontinued operations are excluded from net loss from continuing operations and are presented as a single amount under “loss from discontinued operations” account in the consolidated statement of loss and comprehensive loss.

m) Government grants

Government grants are recognized at fair value once there is reasonable assurance that the Company will comply with the conditions attached to the grants and that the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. A forgivable loan from government is treated as a government grant when there is reasonable assurance that the entity will meet the terms for forgiveness of the loan.

n) Recent accounting pronouncements

Certain pronouncements were issued by the International Accounting Standards Board (“IASB”) or the International Financial Reporting Interpretation Committee (“IFRIC”) that are not yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded.

4. SALE OF SUBSIDIARIES

PED

On January 21, 2022 (the "Disposition Date"), the Company completed the sale of its partially owned subsidiary, PED, to FFHC, whereby the Company received $1,911,984 for settlement of debt owed by PED to WCE and an aggregate of up to 316,995 FFHC common shares ("FFHC Common Shares") with a fair value of $970,344. 62,800 FFHC Common Shares were released on closing ("Initial Release Shares") with a fair value of $243,144 and 216,145 FFHC Common Shares were placed in escrow. 16,949 FFHC Common Shares will be released at such time as the effective date net working capital is finalized ("Working Capital Holdback Shares") and agreed upon and 199,196 FFHC Common Shares being released upon the trailing nine-month revenue is agreed upon ("Revenue Holdback Shares").

Revenue Holdback Shares were valued using Monte Carlos Simulation ("MCS") with level 3 inputs, which uses the baseline revenue forecast, as at acquisition date, through the end of the performance period. MCS captures the expected cumulative revenue, which is variable based on both randomness in the simulation coupled with volatility expectations around revenue generation. Within each iteration of the simulation, an expected present value of the payout is calculated. The model assumes the CCC Corporate Bond Credit spread of 9.93%, volatility of 50.34%, risk free rate of 0.78%, and discount rate of 15%.

Working Capital Holdback Shares were valued using the Black Scholes option pricing model that assumes no expected dividends, weighted average expected life remaining of 0.79 year, weighted volatility of 68.21% and risk- free rate of 1.22%.

On the Disposition Date, the fair value of the Revenue Holdback Shares and Working Capital Holdback Shares are $569,319.

The Initial Release Shares and the Working Capital Holdback Shares are subject to restrictions on transfer for a period of three months following January 21, 2022 (the "Effective Date") and the Revenue Holdback Shares shall be subject to restrictions on transfer for a period of twelve months following the Effective Date.

Within 90 days after January 21, 2022, FFHC shall provide a calculation of an effective date net working capital statement. The Working Capital Holdback Shares will be released from escrow no earlier than 20 business days after receipt of the effective date net working capital statement and no later than 20 business days after the parties engage an independent accountant to resolve any objections in the effective date net working capital statement. Subsequent to April 30, 2022, FFHC and the Company agreed on additional shares of 38,050 for excess working capital. As the subsequent event is a result of existing condition before April 30, 2022, the value of the shares is $157,881.

Within 30 days after September 30, 2022, FFHC shall provide an income statement and trailing nine-month revenue statement ("Revenue Statement"). The Revenue Holdback Shares will be released from escrow no earlier than 20 business days after receipt of the Revenue Statement and no later than 20 business days after the parties engage an independent accountant to resolve any objections in the Revenue Statement. If the trailing nine-month revenue exceeds the earn-out target, the Revenue Holdback Shares will be released. If the trailing nine-month revenue is less than the earn out target, the aggregate consideration amount shall be decreased, dollar for dollar, by the amount of such difference and those shares shall be cancelled, with any remaining shares released from escrow. The trailing nine-month revenue has not yet been agreed upon.

(Unaudited- Expressed in Canadian Dollars)

4. SALE OF SUBSIDIARIES (continued)

PED (continued)

Prior to the sale of PED, PED sold 25,000,000 common shares of WCE for $400,000. As a result, the proceeds were recognized in shareholders' equity split between the equity holders of the Parent for $101,279 and non-controlling shareholders for $298,721.

During the year ended April 30, 2022, the Company recorded a loss on disposal of PED of $5,361,311 as outlined below:

	April 30, 2022 $
Net liabilities disposed attributable to equity holder of the parent (Note 19)	(523,740)
Goodwill disposed	8,767,399
Fair value of FFHC investment received	(970,344)
Cash received, net overpayment	(1,911,984)
Loss on sale of PED	5,361,331

Soma Labs
On April 29, 2022, the Company completed the sale of Soma Labs to CannaWorld, whereby the Company received 15,000,000 CannaWorld common shares with a fair value of $300,000. These shares are valued using the share subscription price of the most recent capital financing prior to the disposition which are considered as a level 3 input. In the event that at any time until CannaWorld lists its common shares for trading on a stock exchange, CannaWorld issues common shares less than $0.075 to any person, other than common shares issued pursuant to this agreement, CannaWorld shall issue to the Company additional common shares that equals the difference between $750,000 divided by the lower per price share, less the number of common shares previously issued to the Company.

As at October 31, 2022, amounts due from Soma totaled $Nil (April 30, 2022 - $100,000) were unsecured, receivable on demand, and without interest.

During the year ended April 30, 2022, the Company recorded a gain on disposal of Soma Labs of $641,623 as outlined below:

	April 30, 2022 $
Net liabilities disposed attributable to equity holder of the parent (Note 19)	(341,623)
Fair value of CannaWorld investment received	(300,000)
Gain on sale of Soma Labs	(641,623)

5. INVESTMENTS

Investments consists of 316,995 FFHC Common Shares and 15,000,000 CannaWorld common shares.

The Company acquired 316,995 FFHC Common Shares in connection with the sale of PED with a fair value of $970,344 (Note 4). Of 316,995 FFHC Common Shares, 16,949 Working Capital Holdback Shares and 199,196 Revenue Holdback Shares are in escrow pending completion of customary working capital adjustments and subject to PED's achievement of certain performance-based milestones in the nine-month period subsequent to the disposition of PED.

(Unaudited- Expressed in Canadian Dollars)

As at October 31, 2022, 16,949 Working Capital Holdback Shares were valued at $29,957 (April 30, 2022 - $53,108) using the Black Scholes option pricing model that assumes no expected dividends, weighted average expected life remaining of 0.04 (April 30, 2022 - 0.52), weighted volatility of 93.46% (April 30, 2022 - 67.87%) and risk-free rate of 3.92% (April 30, 2022 - 2.60%). The Working Capital Holdback Shares are classified as consideration receivable. Subsequent to October 31, 2022, these shares were released from escrow.

As at October 31, 2022, 199,196 Revenue Holdback Shares were valued at $101,434 (April 30, 2022 - $Nil) using the Revenue Statement (April 30, 2022 - MCS) with level 2 inputs (April 30, 2022 - level 3 inputs which uses the baseline revenue forecast, as at acquisition date, through the end of the performance period) using the Black Scholes option pricing model that assumes no expected dividends, weighted average expected life remaining of 0.22, weighted volatility of 93.50% and risk-free rate of 3.92%. As at April 30, 2022, MCS captures the expected cumulative revenue, which is variable based on both randomness in the simulation coupled with volatility expectations around revenue generation. Within each iteration of the simulation, an expected present value of the payout is calculated. As at April 30, 2022, the model assumes the CCC Corporate Bond Credit spread of 10.74%, volatility of 50.34%, risk free rate of 1.66%, and discount rate of 15%. As at October 31, 2022 the Revenue Holdback Shares are classified as consideration receivable.
During the period ended October 31, 2022, the Company recorded an unrealized loss on investment through profit and loss of $67,949 (October 31, 2021 - $Nil).

Pursuant to the disposition of Soma, the Company acquired 15,000,000 common shares of CannaWorld, a private company incorporated in British Columbia, with a fair value of $300,000 (Note 4). As at October 31, 2022, CannaWorld common shares are valued at $300,000 (April 30, 2022 - $300,000).

	October 31, 2022 **$**	April 30, 2022 $
Balance, beginning	**638,856**	-
Acquisition of investments	**-**	1,270,344
Unrealized loss in FVTPL	**(67,949)**	(578,380)
Reclassed to consideration receivable	**(78,283)**	(53,108)
Investments	**492,624**	638,856

6. SALES TAX RECEIVABLE

This account consists of the refunds claimed for goods and services tax from the government. The balance as at October 31, 2022 is $15,669 (April 30, 2022 – $7,717).

(Unaudited- Expressed in Canadian Dollars)

7. LOAN RECEIVABLE

During the year ended April 30, 2022, a promissory note with a principal balance of $400,000 was issued to the Company, it is, as amended, due on or before October 14, 2023 ("Maturity Date"). Interest is payable at a rate of 4% per annum on the Maturity Date. During the period ended October 31, 2022, the promissory note was reassigned to a new debtor (the "Debtor"). The term has been amended whereby in the event that the Debtor raises at any time an aggregate of $5,000,000 in cash through the sale of common shares in the capital of the Debtor at a price of at least $0.10 per Debtor share, the Debtor shall repay the amount outstanding under the promissory note, inclusive of principal and interest (the "Debt Amount") owing through the issuance of the Debtor's shares at a deemed price of $0.10 per Debtor share. In the event that at any time until the Debtor lists its shares for trading on a stock exchange or other alternative trading system, Debtor issues common shares less than $0.10 to any person, the Debtor shall issue to the Company additional common shares that equals the difference between the Debt Amount divided by the lower per price share, less the number of common shares previously issued to the Company.

As at October 31, 2022, the loan receivable consists of $400,000 (April 30, 2022 - $400,000) principal and $17,026 (April 30, 2022 - $8,715) accrued interest.

8. PREPAID EXPENSES AND DEPOSITS

	October 31, 2022 **$**	April 30, 2022 $
Rent security deposit	**1,150**	1,150
Other prepayments to vendors	**10,658**	-
Prepaid Expenses and Deposits	**11,808**	1,150

Rent security deposits
Rent security deposits pertain to prepaid amounts for damages that might be claimed against a leased property. These can be claimed in full or in part at the end of the lease subject to actual charges.

Other prepayments
Other prepayments include various advance payments to suppliers for purchases and services.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31, 2022 **$**	April 30, 2022 $
Accounts payable	**194,071**	32,145
Accrued liabilities	**45,449**	181,791
Accounts payable and accrued liabilities	**239,520**	213,936

Accounts payable are generally trade payables, non-interest bearing and are settled on 30 to 60-day payment terms. Accruals include liabilities for remuneration and benefits, interest, and other expenses billed after the reporting period. As of October 31, 2022, an accrual of $Nil (April 30, 2022 - $100,756) was recorded for an overpayment pursuant to the PED credit facility agreement. Accrued liabilities are generally settled within 12 months from end of reporting period.

(Unaudited- Expressed in Canadian Dollars)

10. GOVERNMENT GRANT LOAN

	October 31, 2022 **$**	April 30, 2022 $
CEBA Loan	39,181	36,713
Government Grant Loan	**39,181**	**36,713**

Due to the global outbreak of Novel Coronavirus ("COVID-19"), the federal government of Canada introduced the Canada Emergency Business Account ("CEBA"). CEBA provides an interest-free loan ("CEBA Loan") of $40,000 to eligible businesses. The CEBA Loan has an initial term that expires on December 31, 2022, throughout which, the CEBA Loan remains interest free. Repayment of $30,000 by December 31, 2022, results in a $10,000 loan forgiveness. The CEBA Loan initial term has been extended to December 31, 2023. If the balance is not paid prior to December 31, 2023, the remaining balance will be converted to a 3-year term loan at 5% annual interest, paid monthly effective January 1, 2023. The full balance must be repaid by no later than December 31, 2025. WCE received $40,000 loans from the Government as part of the CEBA.

Pursuant to *IAS 20, Accounting for Government Grants and Disclosure of Government Assistance*, the benefit of a government loan at below – market rate is treated as a government grant and measured in accordance with IFRS 9, Financial Instruments. The benefit of below market rate shall be measured as the difference between the initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received. The initial carrying value of each CEBA loan was $26,880, discounted at 15%, which was the estimated market rate for a similar loan without the interest-free component. The difference of $13,120 is accreted to CEBA Loan liability over the term and offset to profit or loss. During the period ended October 31, 2022, total interest expense of $2,468 (October 31, 2021– $2,469) was recorded.

11. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value. The holders of the common shares are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets. The shares issued by the Company prior to the reverse takeover are not reflected in the statements of changes in equity as the number of shares have been revised to reflect the number of shares of WCE.

No capital activity was initiated during the periods ended October 31, 2022 and October 31, 2021.

12. SHARE-BASED COMPENSATION

Stock Option Plan ("SOP")

The Company maintains a stock option plan under which directors, officers, employees and consultants of the Company (the "Grantees") and its affiliates are eligible to receive stock options. Pursuant to the SOP, the Board may in its discretion grant to eligible Grantees, the option to purchase common shares at the fixed price over a defined future period. Generally, the options vest over six months from the date of grant. The SOP is a rolling plan under which the maximum number of common shares reserved for issuance is 10% of the issued shares of the Company at the time of granting the options. At October 31, 2022, there are a total of 38,519,657 (April 30, 2022 – 37,519,657) stock options available for granting under the SOP.

The SOP is intended to enhance the Company's ability to attract and retain highly qualified officers, directors, key employees and consultants, and to motivate such persons to serve the Company and to expend maximum effort to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company.

(Unaudited- Expressed in Canadian Dollars)

12. SHARE-BASED COMPENSATION (continued)

Stock Options

During the period ended October 31, 2022:

i) there were no stock options granted and share-based payments recognized.

ii) 1,000,000 stock options were cancelled/forfeited.

During the year ended April 30, 2022:

i) On June 1, 2021, the Company granted a total of 2,000,000 stock options to certain officers of the company's subsidiary. The options have an exercise price of $0.05 per share and expire on June 1, 2026. The options vested at a rate of 50% upon the date of the grant and the remaining 25% six months thereafter.

ii) The Company recognized share-based payments of $25,823 in statement of loss and comprehensive loss for the year ended April 30, 2022.

iii) 19,610,000 stock options were cancelled/forfeited.

The following summarizes the stock options activities:

	October 31, 2022		April 30, 2022	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Outstanding, beginning of year	**25,000,000**	**0.05**	42,610,000	0.06
Grant and issuance	**-**	**-**	2,000,000	0.05
Cancelled/Forfeited	**(1,000,000)**	**0.05**	(19,610,000)	0.08
Total Outstanding	**24,000,000**	**0.05**	25,000,000	0.05
Total Outstanding and Exercisable	**24,000,000**	**0.05**	25,000,000	0.05

During the period ended October 31, 2022, the Company transferred $26,171 (October 31, 2021 - $669,694) from reserves to deficit for stock options forfeited and options that expired unexercised.

The following summarizes the stock options outstanding at October 31, 2022:

Expiry Date	Exercise Price	Weighted Average Contractual Life (Years)	Number of Options Issued and Outstanding	Number of Options Exercisable
March 9, 2023	$ 0.20	0.35	90,000	90,000
April 23, 2024	$ 0.05	1.48	15,900,000	15,900,000
May 26, 2024	$ 0.05	1.57	8,010,000	8,010,000
	$ 0.05	1.51	24,000,000	24,000,000

(Unaudited- Expressed in Canadian Dollars)

12. SHARE-BASED COMPENSATION (continued)

Stock Options (continued)

For valuation purposes, the fair values of compensation options granted were estimated on their dates of issue using the Black-Scholes option pricing model and the following assumptions:

	October 31, 2022	April 30, 2022
Volatility Rate	-	115%
Risk-free rate	-	0.91%
Forfeiture rate	-	0%
Exercise price	-	$0.05
Share price	-	$0.02
Dividend yield rate	-	0%
Weighted average life	-	5.00 years

The expected price volatilities were based on the average historic volatility of three similar companies adjusted for any expected changes to future volatility, since there is no historical price data for the Company.

13. WARRANTS

No warrant activity was initiated during the period ended October 31, 2022 and year ended April 30, 2022.

During the period ended October 31, 2022, 15,910,575 warrants expired unexercised and during the year ended April 30, 2022, 3,000,000 warrants expired unexercised.

The following is a summary of warrant transactions:

	October 31, 2022		April 30, 2022	
	Number of Warrants	**Weighted Average Exercise Price $**	Number of Warrants	Weighted Average Exercise Price $
Balance, beginning of period	**15,910,575**	**0.13**	18,910,575	0.14
Expired	**(15,910,575)**	**0.13**	(3,000,000)	0.18
Balance, end of period	-	-	15,910,575	0.13

During the period ended October 31, 2022, the Company transferred $1,273,203 (October 31, 2021 - $Nil) from reserves to deficit for warrants that expired unexercised.

(Unaudited- Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS

As at October 31, 2022 and April 30, 2022, the carrying value of all financial instruments carried at amortized cost are equivalent to fair value. The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk and market risk.

Credit risk
Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The risk for cash and cash equivalents cash is mitigated by holding these instruments with highly rated Canadian financial institutions.

Liquidity risk
Liquidity risk is the risk that the Company may not be able to meet its contractual obligations and financial liabilities as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2022, the Company had a cash balance of $2,082,558 (April 30, 2022 - $2,534,189) to settle current liabilities of $241,197 (April 30, 2022 - $215,749). The Company's future financial success will be dependent upon the ability to monetize its technologies or obtain necessary financing to meet its contractual obligations. All of the Company's current financial liabilities have contractual maturities of less than a year and are subject to normal trade terms.

Current liabilities	Note	October 31, 2022 $	April 30, 2022 $
Accounts payable and accrued liabilities	9	**239,520**	213,936
Due to related parties	16	**-**	136
Liabilities of discontinued operations	19	**1,677**	1,677
Total current liabilities		**241,197**	215,749

The tables summarize the maturity profile of the Company's financial liabilities used for liquidity management and liabilities as at October 31, 2022 and April 30, 2022 based on contractual undiscounted receipts and payments.

October 31, 2022	<1 year	1-5 years	>5years
Financial liabilities at amortized cost			
Accounts payable and accrued liabilities	$ 239,520	$ -	$ -
Due to related parties	-	-	-
Government grant loan	-	39,181	-
Liabilities of discontinued operations	1,677	-	-
Total financial liabilities at amortized cost	$ 241,197	$ 39,181	$ -

April 30, 2022	<1 year	1-5 years	>5years
Financial liabilities at amortized cost			
Accounts payable and accrued liabilities	$ 213,936	$ -	$ -
Due to related parties	136	-	-
Government grant loan	-	36,713	-
Liabilities of discontinued operations	1,677	-	-
Total financial liabilities at amortized cost	$ 215,749	$ 36,713	$ -

14. FINANCIAL INSTRUMENTS (continued)

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

(a) Interest rate risk
The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The interest rate risk on bank deposits is insignificant as the deposits are short term. The Company is not exposed to interest rate risk in respect of any loans payable and receivable which are subject to a fixed rate of interest.

(b) Foreign currency risk
The functional currency of the Company is Canadian dollar. The Company does not hedge its exposure to currency fluctuations. However, Management believes that the Company is subject to minimal foreign exchange risk as most transactions incurred are in CAD.

(c) Price risk
The Company’s investments are subject to fair value fluctuations. As at October 31, 2022, if the fair value of the Company’s investments had decreased/increased by 10% with all other variables held constant, other comprehensive profit or loss for the period ended October 31, 2022 would have been approximately $62,402 higher/lower.

Fair value hierarchy
The Company applied the following fair value hierarchy which prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels.

The three levels are defined as follows:
- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

(Unaudited- Expressed in Canadian Dollars)

14. FINANCIAL INSTRUMENTS (continued)

Financial assets measurement in the fair value hierarchy are presented below:

October 31, 2022	Level 1 $	Level 2 $	Level 3 $
Financial assets at fair value			
Investment in shares			
FFHC	192,624	131,391	-
CannaWorld	-	-	300,000
Total	**192,624**	**131,391**	**300,000**

April 30, 2022	Level 1 $	Level 2 $	Level 3 $
Financial assets at fair value			
Investment in shares			
FFHC	338,856	53,108	-
CannaWorld	-	-	300,000
Total	**338,856**	**53,108**	**300,000**

During the period ended October 31, 2022, $101,434 (April 30, 2022 - $Nil) was transferred between Level 2 and Level 3 for the investment in public company common shares, whose receipts is contingent on whether PED's trailing nine-month revenue exceeds the earn-out target. As at October 31, 2022, the fair value is calculated using the Black Scholes option pricing model with level 2 inputs, where quoted prices in active markets are not available directly and based on the Revenue Statement. As at April 30, 2022, the fair value is calculated using MCS with level 3 inputs, which uses the baseline revenue forecast till the end of the performance period. MCS captures the expected cumulative revenue, which is variable based on both randomness in the simulation coupled with volatility expectations around revenue generation. (Note 4).

Investment in shares	Level 2	Level 3
Fair value at April 30, 2022	**53,108**	**300,000**
Unrealized gain (loss) in FVTPL	(23,151)	101,434
Transfers	101,434	(101,434)
Fair value at October 31, 2022	**131,391**	**300,000**

The fair value of the Company's investment in shares is determined as follows:

Valuation of Assets / Liabilities that use Level 1 Inputs ("Level 1 Assets / Liabilities"). Consists of the Company's investments in public company common stock without trading resection, where quoted prices in active markets are available.

Valuation of Assets / Liabilities that use Level 2 Inputs ("Level 2 Assets / Liabilities"). Consists of the Company's investments in public company common stock with trading restriction, where quoted prices in active markets are not available directly. (Note 4)

Valuation of Assets / Liabilities that use Level 3 Inputs ("Level 3 Assets / Liabilities"). Consists of the Company's investments in common stock,

- For investment in private company common shares, fair value was determined utilizing the share subscription price of the most recent capital financing prior to the transaction (Note 4).

(Unaudited- Expressed in Canadian Dollars)

15. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to maintain flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash. The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

The Company is primarily dependent on the capital markets as its source of operating capital and the Company's capital resources are largely determined by the strength of the cannabis company markets and its ability to compete for investor support of its technical capability. The Company's total managed capital cash of $2,082,558 (April 30, 2022 - $2,534,189) and equity of $2,870,698 (April 30, 2022 - $3,491,273).

16. RELATED PARTY TRANSACTIONS

As at October 31, 2022, amounts due to related parties totaled $Nil (April 30, 2022 - $136) to the CEO of WCE which are unsecured, payable on demand, and without interest.

The Company entered into the following transactions with related parties:

	October 31, 2022 $	October 31, 2021 $
Management fees	**30,000**	105,000
Accounting fees	**-**	847
Legal fees	**22,442**	-
Remuneration and benefits	**75,600**	78,042
Remuneration and benefits from discontinued operations	**-**	310,800
Share-based payments	**-**	22,857
	128,042	517,546

- Management fees reported consist of $Nil (October 31, 2021- $75,000) paid to a company of which the former President of the Company has significant interest and $30,000 (October 31, 2021- $30,000) was paid to a company controlled by the CFO.
- Accounting fees presented as part of professional fees consist of $Nil (October 31, 2021 - $847) to a company controlled by the CFO.
- Legal fees presented as part of professional fees consist of $22,442 (October 31, 2021 - $Nil) paid to a company of which the Corporate Secretary is a partner.
- Remuneration and benefits consist of $75,000 to the CEO (October 31, 2021 - $78,042 to CEO) and $600 (October 31, 2021 - $Nil) to a director for director compensation.
- Remuneration and benefits from discontinued operations reported as part of discontinued operations consist of $Nil (October 31, 2021- $160,800 to CEO of PED, $75,000 to the CFO of PED and $75,000 to the CTO of PED).
- Share-based payments consist of $Nil (October 31, 2021- $22,857 to officers of the former subsidiary PED).

(Unaudited- Expressed in Canadian Dollars)

17. SUPPLEMENTAL CASH FLOW INFORMATION

Cash payments for the period ended October 31, 2022 amounted to $Nil. Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Government grant $	Total $
April 30, 2021	95,618	95,618
Cash items:		
Payments	-	-
Non-cash items:		
Interest expense*	8,346	8,346
Interest expense	4,898	4,898
Disposal of subsidiary	(72,149)	(72,149)
April 30, 2022	36,713	36,713
Cash items:		
Payments	-	-
Non-cash items:		
Interest expense	2,468	2,468
October 31, 2022	**39,181**	**39,181**

*from discontinued operations

18. SEGMENTED INFORMATION

During the period ended October 31, 2022, the Company's operations comprise of one principal reporting segment - corporate (October 31, 2021 – corporate, and development and discontinued operations). The reportable segments were determined based on the nature of the services provided and goods sold. All of the Company's assets are situated in Canada.

Reportable segments are defined as components of an enterprise about which discrete financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

October 31, 2021	Corporate and development $	Discontinued operations $	Total $
Corporate general and administrative expenses	(513,672)	-	(513,672)
Impairment loss	(86,939)	-	(86,939)
Interest income	835	-	835
Depreciation and amortization	(17,091)	-	(17,091)
Stock-based compensation	(22,857)	-	(22,857)
Lease interest	(897)	-	(897)
Net loss from continuing operations	(640,621)	-	(640,621)
Income (loss) from discontinued operations	-	(733,595)	(733,595)
Reportable segment assets	193,594	5,411,648	5,605,242
Reportable segmented liabilities	208,432	5,375,033	5,583,465

(Unaudited- Expressed in Canadian Dollars)

19. DISCONTINUED OPERATIONS

During the year ended April 30, 2022, the Company sold its subsidiaries, PED and Soma (Note 4). The sale of the subsidiaries meets the criteria of a discontinued operation under IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations. The subsidiaries were not previously classified as held-for-sale or as a discontinued operation. The comparative consolidated statements of comprehensive loss has been restated to show the discontinued operation separately from continuing operation.

As at October 31, 2022, the liabilities of discontinued operations recognized in the consolidated statements of financial position relate to the customer deposits and accounts payable amounting to $1,677 (April 30, 2022 – $1,677).

Liabilities of discontinued operations	October 31, 2022 $	April 30, 2022 $
Sales of disposable vaporizer pens – accounts payable	1,677	1,677
Total	**1,677**	1,677

The financial performance results of the discontinued operations, which are presented as a net amount on the consolidated statements of loss and comprehensive loss, are summarized below:

PED	Period ended October 31, 2022 $	Period ended October 31, 2021 $
Sales	-	4,939,876
Cost of sales	-	(4,023,452)
Gross profit	-	916,424
Depreciation	-	189,814
Administrative expenses	-	506,215
Lease interest	-	37,729
Professional fees	-	140,823
Rent	-	102,651
Remunerations and benefits	-	722,242
Total operating expense	-	1,699,474
Loss before other expenses	-	(783,050)
Other income (expenses)		
Impairment loss	-	(60,340)
Interest and bank charges	-	(351,221)
Loss on derecognizing accounts receivable		(83,001)
Unrealized gain on conversion feature	-	299,707
Total other income (expenses)	-	(194,855)
Loss from discontinued operations	-	(977,905)
Allocation of income (loss) from discontinued operations:		
Equity holder of the parent	-	(292,663)
Non-controlling interest	-	(685,242)
Loss from discontinued operations	-	(977,905)

(Unaudited- Expressed in Canadian Dollars)

19. DISCONTINUED OPERATIONS (continued)

SOMA	Period ended October 31, 2022 $	Period ended October 31, 2021 $
Sales	-	100,000
Cost of sales	-	(100,000)
Gross profit	-	-
Depreciation	-	5,960
Administrative expenses	-	86,627
Consulting	-	3,379
Lease interest	-	3,172
Remunerations and benefits	-	11,923
Total operating expense	-	111,061
Loss before other expenses	-	(111,061)
Other income (expenses)		
Gain on lease liability	-	211,105
Gain on asset disposal	-	144,266
Total other income (expenses)	-	355,371
Income from discontinued operations	-	244,310
Allocation of income (loss) from discontinued operations:		
Equity holder of the parent	-	244,310
Non-controlling interest	-	-
Income from discontinued operations	-	244,310

(Unaudited- Expressed in Canadian Dollars)

19. DISCONTINUED OPERATIONS (continued)

As at January 21, 2022, the date of disposition, the net assets (liabilities) of PED derecognized totaled $6,698,895 as detailed below:

PED	$
Cash	8,385
Accounts receivables	595,656
Other receivables	316,365
Prepaids	266,829
Plant and equipment	868,216
Right-of-use-assets	951,852
Intangibles	548,237
Accounts payable and accrued liability	(977,476)
Current portion of lease obligations	(46,460)
Long term portion of lease obligations	(996,625)
Derivative liability	(353,652)
Government grant	(35,448)
Convertible debenture	(2,689,154)
Due to related party	(299,875)
Factoring loan	(70,354)
Loans payable	(155,000)
Net assets (liabilities)	(2,068,504)
Net assets (liabilities) attributable non controlling interest	(1,544,764)
Net assets (liabilities) attributable to equity holder of the parent	(523,740)
Total net assets (liabilities)	(2,068,504)
Goodwill	8,767,399
Total net assets (liabilities) derecognized	**6,698,895**

As at January 21, 2022, the date of disposition, the non-controlling interest and reserves that were derecognized to deficit totaled $5,765,448, as detailed below:

	$
Fair value revaluation reserve	101,279
Non-controlling interest	5,664,169
Total	**5,765,448**

(Unaudited- Expressed in Canadian Dollars)

19. DISCONTINUED OPERATIONS (continued)

As at April 29, 2022, the date of disposition, the net assets (liabilities) of Soma Labs derecognized totaled $341,623, as detailed below:

Soma Labs	$
Cash	143,663
Sales tax receivable	10,970
Prepaids	2,296
Plant and equipment	54,527
Accounts payable and accrued liability	(167,967)
Liabilities of discontinued operations	(7,201)
Customer deposits	(341,211)
Government grant	(36,700)
Total net assets (liabilities) derecognized	(341,623)

20. SUBSEQUENT EVENTS

16,949 FFHC Common Shares have been released from escrow leaving 199,196 in escrow pending PED's achievement of certain performance-based milestones in the nine-month period subsequent to the transaction.

APPENDIX "C"

ISSUER'S MANAGEMENT'S DISCUSSION & ANALYSIS

(as at and for the fiscal year ended April 30, 2022, and for the interim period ended October 31, 2022)

[See attached.]

WORLD-CLASS Extractions

FRA: WCF OTCQB: WCEXF CSE: PUMP

WORLD CLASS EXTRACTIONS INC.

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

For the Year Ended April 30, 2022

(Expressed in Canadian Dollars unless otherwise indicated)

1. INTRODUCTION

The following Management's Discussion and Analysis ("**MD&A**") is a review of the financial condition and results of operations by the management ("**Management**") of World Class Extractions Inc. ("**World-Class**" "**WCE**" or the "**Company**") for the year ended April 30, 2022 (the "**Reporting Period**"). This MD&A is prepared as at October 27, 2022, unless otherwise indicated, and should be read in conjunction with the consolidated financial statements for the year ended April 30, 2022 and year ended April 30, 2021 ("**Financial Statements**") and the notes related thereto which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). This MD&A was reviewed by the Audit Committee and, on the Audit Committee's recommendation, approved by the Board of Directors of World-Class. All monies are expressed in Canadian dollars unless otherwise indicated. Additional information relevant to the activities of the Company has been filed electronically through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") – http://www.sedar.com and are also available on the Company's website https://worldclassextractions.com/.

2. CAUTIONARY NOTE ON FORWARD-LOOKING INFORMATION

This MD&A and the documents incorporated into this MD&A contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (forward-looking information and forward-looking statements being collectively hereinafter referred to as "**forward-looking statements**").

These forward-looking statements include statements regarding:

- the intentions, plans and future actions of the Company, including the completion of the Proposed COB (as defined herein) on the terms and conditions outlined in this MD&A;
- the intentions, plans and future actions of CannaWorld Ventures Inc. (the Company's investee) with respect to the build out of CannaPark;
- the ability of the Company to obtain necessary financing;
- the ability of the Company to locate, negotiate and make investments;
- performance of the Company's business and operations as it relates to its investees;
- the Company's future liquidity and financial capacity;
- costs, timing and future plans concerning the business and operations of the Company and its investees; and
- results and expectations concerning various and prospective investments of the Company.

Such forward-looking statements are based on expectations, estimates and projections as at the date of this report or the dates of the documents incorporated herein, as applicable. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends", or variations of such words and phrases, or stating that certain actions, events or results "may" or "could", "would", "should", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements.

The forward-looking statements made in this MD&A are made on a number of assumptions, risks, and material factors, which include but are not limited to: the Company's ability to obtain shareholder and CSE approval to complete the Proposed COB; estimated budgets; requirements for additional capital; the timing and possible outcome of regulatory and permitting matters; planned business activities and planned future acquisitions; the adequacy of financial resources; the Company's competitive position and the regulatory environment in which the Company operates; general risk of negative global financial consequences and heightened uncertainty as a result of COVID-19 (as defined herein), including but not limited to: the recent and future anticipated impact on operations in jurisdictions most impacted by the virus; the impact on demand for products and services, including positive impacts (for example, companies that are part of mitigation efforts or otherwise involved in addressing COVID-19); the triggering of force majeure clauses by third-party supplies or service providers; the effect on third-party suppliers or service providers; and other events or conditions that may occur in the future.

Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are based on the beliefs of the Company's Management, as well as on assumptions, which such Management believes to be reasonable based on information currently available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation those risks outlined in the "Risks and Uncertainties" section below.

The forward-looking statements contained herein are based on information available as of the date of this MD&A.

Management's Responsibility for Financial Statements

The information provided in this MD&A, including the information contained in the Financial Statements, are the responsibility of Management. In the preparation of the accompanying Financial Statements, estimates are sometimes necessary to make a determination of the future values for certain assets or liabilities. Management of the Company believes such estimates have been based on careful judgments and have been properly reflected in the accompanying Financial Statements. Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

3. DISCUSSION AND ANALYSIS

Nature of Operations and Company Focus

World-Class is an innovation-driven company. On April 29, 2022, the shareholders of WCE approved a special resolution to change WCE's business. WCE is determined to refocus its business operations from a cannabis and hemp company to an investment company. WCE's primary focus will be to seek returns through investments in equity, debt or other securities of publicly traded or private companies or other entities in the cannabis and cannabis related sectors with exceptional management and high growth potential, providing financing in exchange for financial appreciation and investment income. The Company will be looking to primarily invest its funds for purposes of generating returns from capital appreciation and investment income. It intends to accomplish these goals through the identification of an investment in securities of private and publicly listed entities that are involved in or connected with the cannabis and cannabis related industries. The Company will not invest in any companies with marijuana-related practices or activities (including the cultivation, possession or distribution of marijuana) in the United States of America.

During the year ended April 30, 2022, the Company, Fire & Flower Holdings Corp. ("**FFHC**") and its wholly owned subsidiary Hifyre™ Inc. ("**Hifyre**") entered into an agreement whereby Hifyre acquired 100% of the issued and outstanding shares of Pineapple Express Delivery Inc. ("**PED**") (the "**Transaction**"). As consideration for the Transaction, FFHC has assumed and repaid approximately $5.15 million in debt owed by PED and issued a total of 1,153,142 common shares of FFHC ("**Common Shares**"), of which a total of 313,708 were released on closing, with the remainder placed into escrow pending completion of customary working capital adjustments and subject to achievement of certain performance-based milestones in the fiscal 2022 year. FFHC is a technology-powered, adult-use cannabis retailer with more than 100 corporate-owned stores in its network. FFHC leverages its wholly-owned technology development subsidiary, Hifyre, to continually advance its proprietary retail operations model while also providing additional independent high-margin revenue streams. FFHC guides consumers through the complex world of cannabis through education-focused, best-in-class retailing while the Hifyre digital retail and analytics platform empowers retailers to optimize their connections with consumers. Its leadership team combines extensive experience in the technology, logistics, cannabis and retail industries. FFHC is a publicly traded company listed on the Toronto Stock Exchange under the symbol 'FAF'.

During the year ended April 30, 2022, the Company completed the sale of its wholly owned subsidiary, Soma Labs Scientific Inc. ("**Soma**"), to CannaWorld Ventures Inc. ("**CannaWorld**"), whereby the Company received 15,000,000 CannaWorld common shares with a fair value of $300,000. In the event that at any time until CannaWorld lists its common shares for trading on a stock exchange, CannaWorld issues common shares at less than $0.075 to any person, other than common shares issued pursuant to this agreement, CannaWorld shall issue to the Company additional common shares that equals the difference between $750,000 divided by the lower per price share, less the number of common shares previously issued to the Company. CannaWorld is an early-stage company engaged in the development of cannabis growing facilities dedicated to providing self-contained Cultivation MicroPods to independent micro-cultivators. CannaWorld is currently building a "CannaPark" in Pitt Meadows in the lower Fraser Valley in British Columbia. The CannaPark is expected to have a central licensed nursery operated by the park and a community of micro-growers, each in their own, self-contained, stand alone, MicroPod. The nursery will house specialist staff to help micro-cultivators, design, successfully grow and harvest unique cultivar, and ensure it remains healthy to harvest. The Pitt Meadows CannaPark is located on 22 acres of prime agricultural land and will feature 60 state of the art MicroPods, and an on-site full-service cannabis nursery.

Corporate Overview

World-Class was incorporated under the laws of British Columbia on December 2, 1965.

- World-Class Extractions Inc. was incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), under the name "Luaaron Metals Ltd." Subsequent to this, there were several name changes before changing to World-Class Extractions Inc.
- At the Annual General and Special Meeting of the Company held June 26, 2020, the shareholders approved an amendment to its Notice of Articles and Articles of the Company by adding Class A, Class B, Class C, Class D and Class E preferred shares, each issuable in one or more series (the "**Preferred Shares**") to its authorized share structure such that an unlimited number of Preferred Shares without par value and with the special rights or restrictions attached, may be issued. As at the date of the report, no preferred shares have been issued.
- On December 23, 2020, World-Class's wholly-owned subsidiary, Greenmantle Products Limited ("**GMP**") was dissolved and discontinued the sale of disposable vaporizer pens.
- During the year ended April 30, 2021, World-Class sold its 50% equity interest in Cobra Ventures Inc. ("**Cobra**") to the remaining shareholder of Cobra, the sale of which included the receipt of all funds ($2.5 million) previously advanced by World-Class to Cobra with respect to a debenture purchase of HydRx Farms Ltd. operating as Scientus Pharma ("**HydRx**"). World-Class will have no ongoing role or interest in Cobra or HydRx.
- As a result of COVID-2019, some governments made available wage-subsidy programs for eligible entities that met certain criteria. During the year ended April 30, 2021, the Company, through its subsidiary, Soma, applied for the Canada Emergency Wage Subsidy ("**CEWS**") and received $96,923 (April 30, 2020 - $Nil) from CEWS.
- As a result of COVID-19, the federal government of Canada introduced the Canada Emergency Rent Subsidy ("**CERS**") to cover part of commercial rent or property expenses. During the year ended April 30, 2021, the Company, through its subsidiary, Soma received $22,208 (April 30, 2020 - $Nil) from CERS.
- During the year ended April 30, 2022, Soma and 1323194 BC Ltd. amalgamated.
- On August 30, 2022, the British Columbia Securities Commission (the "BCSC") issued a temporary management cease trade order (the "MCTO") under National Policy 12-203 Management Cease Trade Orders, made at the request of the Company. This MCTO (citation: 2022 BCSECCOM 346) prohibits the chief executive officer and chief financial officer of World-Class from trading in the securities of the Company until such time as the Required Filings (i.e. the audited financial statements for the financial year ended April 30, 2022, the management's discussion and analysis, and the related Chief Executive Officer and Chief Financial Officer certificates) and all continuous disclosure requirements have been filed by the Company, and the MCTO has been lifted. During the period in which the MCTO is effective, the general public, who are not insiders of World-Class, will continue to be able to trade in the Company's listed securities. The Company's inability to file the Required Filings before the August 29, 2022 filing deadline (the "Filing Deadline") is due to a combination of factors including delays in the Company's year-end audit, which arose from delays in obtaining financial information with respect to the Company's interest in Pineapple Express Delivery Inc., which was disposed of

during the financial year ended April 30, 2022 to Fire & Flower Holdings Corp. and valuation of such disposition and assets. The Company anticipates that it will be in a position to remedy the default by filing the Required Filings on or before October 31, 2022. The MCTO will be in effect until the Required Filings are completed. The Company intends to satisfy the provisions of the alternative information guidelines set out in section 10 NP 12-203 so long as the Required Filings are outstanding

The Company's common shares trade under the trading symbol "**PUMP**" on the Canadian Securities Exchange, on the Frankfurt Exchange under symbol "**WCF**" and on the OTCQB Venture Market, under the symbol: "**WCEXF**".

Dissolution of GMP

On December 23, 2020, GMP was dissolved, and the sale of disposable vaporizer pen were discontinued. GMP specialized in cannabis product development with expertise in vape hardware design, formulation science, and packaging. GMP had curated a diverse array of ancillary products and service offerings to provide customized strategic solutions for emerging market demands.

Cobra's acquisition of Senior Secured Convertible Debenture

Cobra was incorporated on October 21, 2019. During the year ended April 30, 2021, an arm's length party purchased a 50% equity investment in Cobra for $1.00 from World-Class. During the year ended April 30, 2021, the Company entered into a share purchase agreement, whereby World-Class sold its remaining 50% equity investment in Cobra and the Cobra demand promissory note to an arm's length party for proceeds of $2,500,000.

During the year ended April 30, 2021, Cobra borrowed $5,000,000 in the form of demand promissory notes which, the Company advanced $2,500,000 to Cobra. Interest is payable on the promissory note issued to World-Class at a rate of 10% per annum, compounded monthly. Proceeds from the promissory notes were used to purchase the senior secured convertible debenture of HydRx. During the year ended April 30, 2021, the Company entered into a share purchase agreement, whereby World-Class sold its remaining 50% equity investment in Cobra and the Cobra demand promissory note to an arm's length party for proceeds of $2,500,000.

Sale of Interest in PED

On January 21, 2022, the Company completed the sale of its partially owned subsidiary, PED, to FFHC, whereby the Company received $1,911,984 for settlement of debt owed by PED to WCE and an aggregate of up to 316,995 FFHC Common Shares with a fair value of $970,344 in exchange for all of the Company's shares in PED. 62,800 FFHC Common Shares were released on closing ("**Initial Release Shares**") and 216,145 FFHC Common Shares were placed in escrow. 16,949 FFHC Common Shares will be released at such time as the effective date net working capital is finalized ("**Working Capital Holdback Shares**") and agreed upon and 199,196 being released upon the trailing nine month revenue is agreed upon ("**Revenue Holdback Shares**"). At January 21, 2022, the fair value of $970,344 was calculated using the Black Scholes option pricing model assuming no expected dividends, weighted average expected life remaining of 0.79, weighted volatility of 68.21% and risk-free rate of 1.22%.

The Initial Release Shares and the Working Capital Holdback Shares are subject to restrictions on transfer for a period of three months following the effective date and the Revenue Holdback Shares shall be subject to restrictions on transfer for a period of twelve months following the Effective Date.

Within 90 days after January 21, 2022, Hifrye shall provide a calculation of an effective date net working capital statement. The Working Capital Holdback Shares will be released from escrow no earlier than 20 business days after receipt of the effective date net working capital statement and no later than 20 business days after the parties engage an independent accountant to resolve any objections in the effective date net working capital statement.

If the working capital is a positive amount that is greater than the target working capital, all Working Capital Holdback Shares will be released and additional shares will be issued, dollar for dollar, that is equal to the working capital adjustment amount divided by the deemed share price. If the working capital is a negative amount, the aggregate amount shall decrease, dollar for dollar, resulting in a certain number of Working Capital Holdback Shares being cancelled. In the event that the negative working capital adjustment exceeds the Working Capital Holdback Shares, the difference shall be settled by accessing the Revenue Holdback Shares.

Subsequent to the year end, FFHC and the Company agreed on additional shares of 38,050 for excess working capital. As the subsequent event is result of existing condition before the year end, the value of the shares is included in the fair value of $970,344. Subsequent to the year ended April 30, 2022, 16,949 FFHC Common Shares have been released from escrow leaving 199,196 in escrow pending achievement of certain performance-based milestones in the fiscal 2022. The additional shares of 38,050 for the excess working capital have been issued.

Within 30 days after September 30, 2022, Hifrye shall provide an income statement and trailing nine month revenue statement ("**Revenue Statement**"). The Revenue Holdback Shares will be released from escrow no earlier than 20 business days after receipt of the Revenue Statement and no later than 20 business days after the parties engage an independent accountant to resolve any objections in the Revenue Statement. If the trailing nine month revenue exceeds the earn-out target, the Revenue Holdback Shares will be released. If the trailing nine month revenue is less than the earn out target, the aggregate consideration amount shall be decreased, dollar for dollar, by the amount of such difference and those shares shall be cancelled, with any remaining shares released from escrow.

Prior to the sale of PED, PED sold 25,000,000 common shares of WCE for $400,000. As a result, the proceeds were recognized in shareholders equity split between the equity holders of the Parent for $101,279 and non-controlling shareholders for $298,721. Due to the sale of PED, the Company has classified the revaluation to deficit.

Given evidence of control over PED, PED's financials were consolidated to WCE in accordance with IFRS 10 Consolidated Financial Statements up to the sale of PED. As at January 21, 2022, the date of disposition, the net assets (liabilities) of PED derecognized totaled $6,698,895, as detailed below:

	$
Cash	8,385
Accounts receivables	595,656
Other receivables	316,365
Prepaids	266,829
Plant and equipment	868,216
Right-of-use-assets	951,852
Intangibles	548,237
Accounts payable and accrued liability	(997,476)
Current portion of lease obligations	(46,460)
Long term portion of lease obligations	(996,625)
Derivative liability	(353,652)
Government grant	(35,448)
Convertible debenture	(2,689,154)
Due to related party	(299,875)
Factoring loan	(70,354)
Loans payable	(155,000)
Net assets (liabilities)	(2,068,504)
Net assets (liabilities) attributable non controlling interest	(1,544,764)
Net assets (liabilities) attributable to equity holder of the parent	(523,740)
Total net assets (liabilities)	(2,068,504)
Goodwill	8,767,399
Total net assets (liabilities) derecognized	**6,698,895**

As at January 21, 2022, the date of disposition, the non-controlling interest and reserves that were derecognized to deficit totaled $5,648,188, as detailed below:

	$
Fair value revaluation reserve	101,279
Non-controlling interest	5,664,169
Total	**5,765,448**

During the year ended April 30, 2022, the Company recorded a loss on disposal of PED of $5,361,331 as outlined below:

	April 30, 2022 $
Net assets disposed attributable to equity holder of the parent	**(523,740)**
Goodwill disposed	**8,767,399**
Fair value of FFHC investment received	**(970,344)**
Cash received, net overpayment	**(1,911,984)**
Loss on sale of PED	**5,361,331**

Sale of Interest in Soma

During the year ended April 30, 2022, the Company completed the sale of its wholly owned subsidiary, Soma to CannaWorld, whereby the Company received 15,000,000 CannaWorld common shares with a fair value of $300,000.

As at April 28, 2022, the date of disposition, the net assets (liabilities) of Soma derecognized totaled $341,623, as detailed below:

Soma Labs	**$**
Cash	143,663
Sales tax receivable	10,970
Prepaids	2,296
Plant and equipment	54,527
Accounts payable and accrued liability	(167,967)
Liabilities of discontinued operations	(7,201)
Customer deposits	(341,211)
Government grant	(36,700)
Total net assets (liabilities) derecognized	(341,623)

During the year ended April 30, 2022, the Company recorded a gain on disposal of Soma Labs of $641,623 as outlined below:

	April 30, 2022 $
Net assets disposed attributable to equity holder of the parent	**(341,623)**
Fair value of CannaWorld investment received	**(300,000)**
Gain on sale of Soma Labs	**(641,623)**

Directors, Officers and Management of the Company

As at the date of this report, the directors, officers, and Management of the Company are as follows:

- Anthony Durkacz, Director and Chair of the Board of Directors
- Chand Jagpal, Director
- Michael Galloro, Director
- Rosy Mondin, Chief Executive Officer (CEO) and Director
- Zara Kanji, Chief Financial Officer (CFO)
- Shimmy Posen, Corporate Secretary

As at the date of this report Leo Chamberland has resigned as President of the Company.

Registered and Records Office | Head Office

The Registered and Records Office of the Company is located at: 2200 - 885 W Georgia St. Vancouver, BC, V6C 3E8. Telephone: 1 (604) 691-6100.

The Head Office is located at: Suite 308 – 9080 University Crescent, Burnaby, BC, V5A 0B7.

Email: info@worldclassextractions.com | Website: https://worldclassextractions.com.

4. HIGHLIGHTS

Technical

Since the Company's acquisition of a controlling interest in PED and up to FFHC acquiring PED on January 21, 2022, PED achieved the following milestones:

- Expanded its CannDeliv software delivery solution technology footprint with a collaboration with Clearleaf Inc. (operating as "Buddi") to facilitate online sales and cannabis delivery services for licensed cannabis retailers.
- Launched its propriety CannDeliv technology in BC, through a licensing agreement with City Cannabis, a licensed cannabis retailer.
- Reached a key milestone, completing 1-Million deliveries.
- Partnered with CannTrust Inc. to provide deliveries for estoraTM medical cannabis products to CannTrust patients in Ontario, under the name "Trust Delivery – Powered by Pineapple Express". PED's delivery service allows estoraTM patients to take advantage of same-day deliveries in the Greater Toronto Area (GTA), and next-day deliveries across southern Ontario, including Ottawa, Kingston, Barrie, London, and Windsor.
- Provided software and support services to an arm's length party pursuant to a previously entered license agreement.
- Expanded its delivery services to provide same-day and next-day delivery of wine, spirits, and beer products from Saskatoon Co-op's Wine-Spirits-Beer retail stores in Saskatoon, Warman and Martensville and continued to offer premium delivery services for recreational and medical cannabis products.
- Offered same day cannabis delivery service and 3-day service within the province of Ontario, and expanded its services into the Ontario cities of Ottawa, Barrie, London and into the Windsor/Chatham region.
- Launched and commenced operations of PED cannabis depots (hubs) in Ottawa, Kingston, London and in the Windsor/Chatham region.
- Partnered with Medical Cannabis by Shoppers™ to offer same-day delivery to their medical cannabis patients in cities in and around the Greater Toronto Area (GTA). Medical Cannabis by Shoppers™ is Shoppers Drug Mart's online platform for the sale of medical cannabis.
- Partnered with Spectrum Therapeutics, the medical division of Canopy Growth Corporation to bring same-day delivery to medical cannabis patients in the GTA, from Hamilton to Scarborough. This builds on PED's existing services contract with Canopy Growth which offers same-day delivery services for Tweed and Tokyo Smoke retail stores in Manitoba and Saskatchewan.

- Entered into several contracts with Health Canada License Holders for delivery within select provinces in Canada.
- Applied to Health Canada to obtain a 'Sale for Medical Purposes' license for its facility located in the GTA.
- Expanded its services into British Columbia by entering into a licensing agreement with City Cannabis Corp. to facilitate its B2C sales.

5. OVERALL PERFORMANCE

Selected Annual Information

	Year ended		
	April 30, 2022	April 30, 2021	April 30, 2020
	$	$	$
Total assets	3,743,735	15,646,030	20,211,055
Total liabilities	252,462	5,905,495	6,414,283
Equity attributable to holders of the parent	3,491,273	4,556,411	8,359,773
Non-controlling interest	Nil	5,184,124	5,436,999
Cash and cash equivalents	2,534,189	2,377,635	5,632,160
Sales	Nil	Nil	1,108,292
Gross Profit	Nil	Nil	523,329
Operating expenses	1,309,643	2,793,675	47,886,191
Net loss and comprehensive loss for the year	8,219,850	4,486,318	(48,563,523)
Basic and diluted loss per share	(0.01)	(0.00)	(0.08)
Current ratio	12.50	0.92	1.55
Debt ratio	0.07	0.38	0.32

Financial Position

As at April 30, 2022, the Company had cash of $2,534,189 (April 30, 2021 - $2,377,635) to settle current liabilities of $215,749 (April 30, 2021 - $5,027,537). Total assets stood at $3,743,735, a decrease of $11,902,295 from April 30, 2021 assets of $15,646,030.

Significant changes were noted on the following balance sheet items:

- *Cash*. $2,534,189 (April 30, 2021 – $2,377,635). Cash increased due to the receipt of funds from repayment of PED debt pursuant to the sale of PED. This was partly offset by payments relating to operating expenses funded for the year.
- *Accounts receivable*. $Nil (April 30, 2021 – $1,760,325). Accounts receivable decreased due derecognizing of accounts receivable relating to the sale of PED and Soma Labs.
- *Sales tax receivable*. $7,717 (April 30, 2021 – $15,349). This account increased due to timing of collection of refunds and the derecognizing of sales tax receivable relating to the sale of Soma Labs.
- *Inventories*. $Nil (April 30, 2021 – $100,000). Inventories decreased during the year due to the derecognizing of inventories relating to the sale of Soma Labs. Soma Labs sold the previously

purchased equipment that was ready for resale relating to the newly purchased equipment that was ready for resale as at April 30, 2021.

- *Loans receivable*. $408,715 (April 30, 2021 - $Nil). During the year ended April 30, 2022, a promissory note, as amended was issued to the Company for the principal sum of $400,000 due on or before October 14, 2023 ("**Maturity Date**"). Interest is payable on the promissory note at a rate of 4% per annum, payable on the Maturity Date. As at April 30, 2022, the Company loaned $400,000 and recorded accrued interest of $8,715.

- *Prepaid expenses and deposits*. $1,150 (April 30, 2021 - $362,036). Prepaid expenses and deposits decreased during the year due to the derecognizing of prepaid expenses and deposits relating to the sale of PED and Soma Labs, and the Company impairing $10,000 of other prepayments to and $134,934 of equipment deposits to profit and loss.

- *Leases*. Right-of-use asset amounted to $Nil (April 30, 2021 – $613,346) and Lease liability totaled $Nil (April 30, 2021 - $974,046). The change from year-end pertains to the Company derecognizing of right-of-use asset and lease liability relating to the sale of PED and Soma labs termination and release agreement effective October 31, 2021.
- *Accounts payable and accrued liabilities*. $213,936 (April 30, 2021 – $1,014,802). The decrease from year end pertains to the payment of trade payables, non-interest bearing which are settled on 30-to-60-day payment terms, the derecognizing of accounts payable and accrued liabilities due to the sale of PED and Soma Labs, and recording an overpayment of the PED promissory note in connection with the sale of PED.

- *Convertible debt and derivative liability*. $Nil (April 30, 2021 – $2,255,249) and $Nil (April 30, 2021 - $633,950). The decrease from year end pertains to the derecognizing of convertible debt and derivative liability due to the sale of PED

- *Government Grant*. $36,713 (April 30, 2021 – $95,618). The CEBA loans have no maturity and has a feature, that if repaid by December 31, 2022, then 25% of the loan will be forgiven. The three CEBA loans were valued using the market interest rate at the date of the receipt of the loan following IAS 21, Accounting for Government Grants. This amount is being accreted to the CEBA loan liability over the life of the loan. The decrease is due to the derecognizing of government grant due to the sale of PED and Soma Labs.

- *Due to related parties*. $136 (April 30, 2021 – $437,991). The decrease from year end pertains to the derecognizing of due to related parties due to the sale of PED and Soma Labs, and payments of the amounts owed to the CEO, CFO and former President of WCE.

- *Equity attributable to holders of the parent*. $3,491,273 (April 30, 2021 – $4,556,411). The decrease during the year ended April 30, 2022 pertain to the net loss for the year.
- *Non-controlling interest*. $Nil (April 30, 2021 – $5,184,124). Non-controlling interest is a result of the Nil% (April 30, 2021 – 25.32%) ownership in PED. The decrease resulted in the reclass of non-controlling interest to deficit due to the sale of PED.

Cash Flows

For the years ended April 30, 2022 and 2021, the Company has the following cash flow activities:

Cash Flow Activities	Year Ended April 30, 2022 $	 April 30, 2021 $
Operating – continued operations	(2,694,093)	(3,634,426)
Operating – discontinued operations	1,618,288	1,215,504
Investing – continued operations	1,359,936	213
Investing – discontinued operations	26,983	(547,912)
Financing – continued operations	(39,813)	(24,057)
Financing – discontinued operations	(114,746)	(263,847)
Change in cash during the year	156,554	(3,254,525)

Operating Activities

Operating activities generated a net cash outflow of $2,694,093 (2021 - $3,634,426). The decreased use of cash is primarily attributable the derecognizing of PED and Soma Labs net assets due to the sale of PED during the year ended April 30, 2022 which is offset with management controlling costs, a significant layoff of the majority of WCE's operational team.

Investing Activities

Investing activities pertain to the issuance of a promissory note receivable and the receipt of payment of PED debt pursuant to the sale of PED during the year ended April 30, 2022.

Financing Activities

The cash outflows from financing activities for the year ended April 30, 2022 was $39,813 (2021- $24,057) pertaining to lease liability payments.

Result of Operations

The net loss and comprehensive loss for the year ended April 30, 2022 was $8,219,850 (April 30, 2021 - $4,486,318) with $6,856,409 net loss and comprehensive loss attributable to equity holders of the parent and $1,363,441 net loss attributable to non-controlling interest (year ended April 30, 2021 – $4,241,047 net loss and comprehensive loss attributable to equity holders of the parent and $245,271 net income attributable to non-controlling interest). The increase in net loss and comprehensive loss was driven by the following:

- *Impairment loss.* During the year ended April 30, 2022, the Company had $231,873 (2021 - $508,070) in impairment loss. The current year impairment loss relates to the Company determining that the equipment, computer software and equipment, and leasehold improvements and office furniture and other prepayments are unable to generate economic benefit. The previous year impairment loss related to the Company determining loan receivable and prepaid deposit are unable to generate economic benefit.

➢ *Selling expenses*.

	Year ended	
	April 30, 2022	**April 30, 2021**
	$	**$**
Investor relations	-	5,770
Marketing and research	-	10,167
Travel and marketing	-	206
	-	16,443

Selling expenses lowered mainly due to the hampering of business operations and consequent marketing efforts caused by the COVID-19 pandemic. Investor relations decreased over last year as the Company halted some of its promotional activities during the year. Marketing and research include the promotion of the company's technologies and specialties to interested parties and other stakeholders who could benefit from the Company's extractions systems. Travel and marketing related to business development.

➢ *General and administrative expenses*. $1,058,710 (2021 – $2,217,748). Significant movement is caused by the following.

	Years ended	
	April 30, 2022	April 30, 2021
	$	$
Consulting fees	**93,385**	146,632
Filing fees	**74,786**	89,544
Lease interest	**976**	3,834
Office expenses	**66,259**	132,373
Management fees	**135,000**	222,000
Professional fees	**163,669**	337,655
Remuneration and benefits	**454,718**	755,793
Rent	**44,095**	92,232
Share-based payments	**25,823**	437,685
	1,058,711	2,217,748

- *Consulting Fees.* Are related to payments to consultants for various services pertaining to business development and development of processes and equipment for the Company as well as some fees to related parties. Consulting fees decreased over the same period last year due to the termination/expiration of several consulting agreements.
- *Lease interest.* This relates to the interest expenses recognized in the amortization of the lease obligations. Lease interest expenses decreased in the current year due to the Company's lease ending and not being renewed.
- *Filing fees.* Relate to compliance and regulatory filings. The decrease is due to a decrease in corporate activity.
- *Office expenses.* Relate to general expenses incurred in the office from operations and regulatory compliance.

- *Management fees.* Relate to the former President and CFO fees. The decrease relates to a decrease in the CFO fees and the resignation of the President.
- *Professional Fees.* Mainly relate to legal related to patent applications and general corporate legal, audit fees and accounting fees. The decrease primarily relates to the decrease in audit fees associated with the change of auditors.
- *Rent.* These are payments to lessors whose lease agreement details did not meet the threshold required for IFRS 16 leases application (i.e. all short-term and low value lease agreements).
- *Remuneration and Benefits*. Are for wages paid to employees of the Company who are responsible for management, compliance, and operations. The amount also includes the salaries paid to related parties. The expense decreased due to a majority of WCE employees being terminated as of the date of this MD&A.
- *Share-based Payments*. These payments were recorded for the value of stock options vested during the year.

➢ *Other income (expense).* This item mostly relates to the following:

	Years ended	
	April 30, 2022	April 30, 2021
	$	$
Interest expense and bank charges	**(5,269)**	181,235
Interest income	**9,279**	20,764
Loss on sale of PED	**(5,361,331)**	-
Gain on sale of SOMA	**641,623**	
Government grant	**-**	13,120
Reversal of impairment on deposit	**-**	205,277
Unrealized loss on FVTPL	**(578,380)**	-
Write-off of accounts payable	**-**	53,553
Foreign exchange gain (loss)	**-**	(74,790)
Others	**-**	532
	(5,294,078)	399,691

- *Interest expense and bank charges.* These are primarily attributable to the interest amortization of the government grant and previous year primarily relates to interest earned on the Cobra promissory note issued during the year ended April 30, 2021.
- *Interest income.* Mostly relates to interest income from cash balance and the accrued interest relating to the promissory note entered into during the year ended April 30, 2022 and interest income from loans receivable during the year ended April 30, 2021.
- *Foreign exchange loss.* This primarily relates to the loan receivables denominated in US dollars and relates to the fluctuation in US and Canadian currencies. The loan receivable was charged to impairment loss for the year ended April 30, 2021 due to significant uncertainty on the collectability of the loan.
- *Loss on sale of PED and Soma Labs.* During the year ended April 30, 2022, the Company completed the sale of its partially owned subsidiary, PED, to FFHC resulting in a loss on

disposal of PED of $5,361,331 and the sale of its wholly-owned subsidiary, Soma Lab, to CannaWorld resulting in a gain on disposal of Soma Labs of $641,623 for a gain on disposal.

- *Government grant.* Relates to the Canada Emergency Business Account ("**CEBA**") loan offered by the federal government of Canada due to the COVID-19 pandemic. CEBA loan has been measured at below market rate and measured as the difference between the initial carrying value of the loan (being the present value of a similar loan at market rates) and the proceeds received. The difference between the initial carrying vale and the proceeds received is $13,120 and has been offset to other income.
- *Reversal of impairment on deposit.* This relates to equipment deposits for future extraction equipment purchases during the year ended April 30, 2021.
- *Others.* This relates to the selling of expensed equipment during the year ended April 30, 2021.

- *Income (loss) from Discontinued operations.* During the year ended April 30, 2022, the Company completed the sale of its partially owned subsidiary, PED, to FFHC and the sale of its wholly-owned susbisiary, Soma Labs, to CannaWorld. A discontinued operation is a component of the Company that either has been abandoned, disposed of, or is classified as held for sale, and: (i) represents a separate major line of business or geographical area of operation; (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation; or (iii) is a subsidiary acquired exclusively with a view to resell. The results of the discontinued operation relating to the disposition of PED and Soma Labs, which are presented as one net amount on the consolidated statements of loss and comprehensive loss are summarized below:

	PED Period from May 1, 2021 to January 21, 2022 $	Soma Labs Period from May 1, 2021 to April 29, 2022 $	Total Year ended April 30, 2022 $
Sales	7,074,315	100,000	7,174,315
Cost of sales	(5,641,119)	(100,000)	(5,741,119)
Gross profit	1,433,196	-	1,433,196
Bad debt expenses	-	48,989	48,989
Consulting	-	5,527	5,527
Depreciation	278,751	12,538	291,289
Administrative expenses	1,034,719	10,569	1,045,288
Lease interest	60,955	3,172	64,127
Professional fees	230,820	-	230,820
Transaction costs	144,119		144,119
Rent	187,173	67,363	254,536
Remunerations and benefits	1,082,635	13,030	1,095,665
Total operating expense	3,019,172	161,188	3,180,360
Income (loss) before other expenses	(1,585,976)	(161,188)	(1,747,164)
Other income (expenses)			
Interest and bank charges	(602,309)	(5,966)	(608,275)
Gain on lease liability	-	211,105	211,105
Gain on asset disposal	-	165,624	165,624
Unrealized gain on conversion feature	362,581	-	362,581
Total other income (expenses)	(239,728)	370,763	131,035
Income (loss) from discontinued operations	(1,825,704)	209,575	(1,616,129)
Allocation of income (loss) from discontinued operations:			
Equity holder of the parent	(462,263)	209,575	(252,688)
Non-controlling interest	(1,363,441)	-	(1,363,441)
Income (loss) from discontinued operations	(1,825,704)	209,575	(1,616,129)

	PED Year Ended April 30, 2021 $	Soma Labs Year ended April 30, 2021 $	Total Year Ended April 30, 2021 $
Sales	9,642,757	-	9,642,757
Cost of sales	(6,818,968)	-	(6,818,968)
Gross profit	2,823,789	-	2,823,789
Selling	-	4,384	4,384
Consulting	-	2,220	2,220
Depreciation	383,713	208,776	592,489
Administrative expenses	961,471	83,072	1,044,543
Impairment loss	-	1,089,368	1,089,368
Lease interest	93,567	48,940	142,507
Professional fees	85,044	2,628	87,672
Research and development	-	222,631	222,631
Rent	159,408	75,338	234,746
Remunerations and benefits	1,230,949	314,861	1,545,810
Shop expense	-	2,342	2,342
Total operating expense	2,914,152	2,054,560	4,968,712
Income (loss) before other expenses	(90,363)	-2,054,560	(2,144,923)
Other income (expenses)			
Acquisition fees	(67,500)	-	(67,500)
Interest and bank charges	(689,493)	(7,829)	(697,408)
Government grant	-	13,121	13,207
CEWS	-	96,923	96,923
CERS	-	22,208	22,208
Customer deposit write-down	-	135,238	135,238
Unrealized gain on conversion feature	504,979	-	504,979
Other income	12,785	32,157	51,277
Total other income (expenses)	(239,229)	291,818	52,589
Income (loss) from discontinued operations	(329,592)	(1,762,742)	(2,092,334)
Allocation of income (loss) from discontinued operations:			
Equity holder of the parent	(84,321)	(1,762,742)	(1,847,063)
Non-controlling interest	(245,271)	-	(245,271)
Income (loss) from discontinued operations	(329,592)	(1,762,742)	(2,092,334)

6. OPERATIONS REVIEW

During the year ended April 30, 2022, Management focused on:

- *Pandemic.* Due to COVID-19, Management is closely monitoring the global and Canadian situation and is actively taking steps to mitigate the impact and spread of COVID-19.
- *Business Practices*. Continues to implement internal audit, corporate governance and business conduct/ethics policies to guide corporate and financial practices in a transparent manner.
- *Deal-flow*. Negative market conditions in the Cannabis sector, exasperated by the impact of COVID-19, have caused delays, deferments, and cancellations in the establishment of such extraction and processing facilities.
- *Sale of PED*. FFHC through its subsidiary Hifyre acquired 100% of the issued and outstanding shares of PED.
- *Sale of Soma Labs*. CannaWorld acquired 100% of the issued and outstanding shares of Soma Labs.

General Description of the Business
World-Class is an innovation-driven company. On April 29, 2022, the shareholders of WCE approved a special resolution to change WCE's business. WCE is determined to refocus its business operations from a cannabis and hemp company to an investment company. WCE's primary focus will be to seek returns through investments in equity, debt or other securities of publicly traded or private companies or other entities in the cannabis and cannabis related sectors with exceptional management and high growth potential, providing financing in exchange for financial appreciation and investment income. WCE will be looking to focus its investment objectives in high growth companies and technologies, private companies that intend to go public, and companies requiring capital markets expertise and leadership.

Prior to the disposition of Soma, World-Classdeveloped equipment and technologies and custom technology and processes to produce cannabis and hemp concentrates and oils and end-products. World-Class continued to investigate opportunities to monetize its technology, including the extraction and processing systems, technology, and processes, manufactured and created by its subsidiary, Soma. Soma's technology and processes include:

- Biomass Preparation, Extraction and Storage: Systems create crude cannabis or hemp oil by removing active ingredients from biomass
- Processing: Refining crude to create refined concentrate (raw oil), the base ingredient for value added products
- Formulation; Clean, consistent products utilizing cannabinoid compounds and terpenes
- Production: Cannabis and hemp oil-based Consumer Products
- Creation of new extraction processes and continued refinement of current extraction methodologies

World-Class Technologies - Processing Equipment Development

Prior to the disposition, the Company's subsidiary, Soma, focused on production, quality and compliance of systems, technologies, processes and procedures for cannabis and hemp extraction and processing ("**World-Class Technologies**"), which includes the BOSS CO2 Extraction System.

Prior to the disposition, the Company continued to focus on monetizing its Soma assets, including the commercialization of the BOSS CO2 Extraction System:

- Prepared, submitted, and received Canadian Registration of the BOSS design in key Canadian markets: British Columbia, Alberta and Ontario. Such registrations prove that the Company's extraction equipment meets legal safety requirements and facilitates successful inspection and permitting of the installation sites of the Company's strategic partners.
- The Company has designed and verified system updates to further improve BOSS operations, including: in-house development of CO2 pump seals with significant lifetime improvement; design, development, and verification of Clean-In-Place (CIP) system (unique in cannabis CO2 extraction systems on-the-market); collaboration with CIP fluid company to test cannabis specific cleaning fluids; remote BOSS system data monitoring for near real-time assessment of runtime; data by Soma experts; data warehousing to track system performance over time; highlight operations improvements through training based on observed process performance.

Skill and Knowledge

Patents

The Company has previously filed patent applications directed to its proprietary systems and methods for producing cannabis and hemp extracts. Such systems and methods are believed to be novel and non-obvious.

The Company has succeeded in its efforts to patent its technology, and as such, the Company will likely have, subject to customary risks associated with intellectual properties, including those discussed elsewhere in this report, the ability to prevent competitors from making, using, selling and/or offering for sale the systems and methods as claimed by the Company's patent applications. Such IP assets, if obtained, are anticipated to play an important role to the Company's success and provide the Company with a significant competitive advantage in the marketplace.

On June 29, 2021 the U.S. Patent and Trademark Office ("**USPTO**") issued U.S. Patent No. 11,046,664 in relation to the Company's methods for extracting and concentrating cannabinoids and other target compounds from cannabis using ultrasound-enhanced solvent extraction. Provisions of the patent covers several broad steps throughout the extraction process ranging from: compound removal, purification, cannabinoid isolation, filtration, separation, solvent recovery, compound mixtures and more. This Patent No. 11,046,664 represents a divisional application of U.S. patent application Ser. No. 16/265,768, filed Feb. 1, 2019 (pending), which relates to and claims the benefit of U.S. Provisional Application No. 62/627,616 filed Feb. 7, 2018 and entitled "Methods for Extracting Compositions from Plants," the entire disclosure of each of which are wholly incorporated by reference to U.S Patent 11,046,664.

On March 16, 2021 USPTO issued U.S. Patent No. 10,946,306 in relation to the Company's methods for the systematic extraction and concentration of cannabinoids and other target compounds via solvent extraction from large scale harvests of cannabis and hemp crops. During the year ended April 30, 2022, this patent was sold to CannaWorld pursuant to the sale of Soma to CannaWorld.

7. SUMMARY OF QUARTERLY RESULTS

During the period ended April 30, 2022, the Company sold its interest in Soma Labs as a result Soma Labs operations were reclassified and included in loss from discontinued operations for all periods.

Quarters Ended	Revenue ($)	Net Loss (Income) and Comprehensive Loss (Income) ($)	Loss per Share ($)
April 30, 2022	-	523,634	0.00
January 31, 2022	-	6,322,000	0.01
October 31, 2021	-	1,112,058	0.00
July 31, 2021	-	262,158	0.00
April 30, 2021	-	1,959,715	0.00
January 31, 2021	-	626,878	0.00
October 31, 2020	-	877,189	0.00
July 31, 2020	-	1,022,536	0.00

Significant expenses during the quarter ended July 31, 2020 include office expenses of $169,889, professional fees of $113,503, remuneration and benefits of $632,315, research and development of $332,999 and share-based payments of $257,059. Professional fees decreased from last quarter due to the audit fees booked in the last quarter of prior year. Share-based payment was lower due to lower number of options vested for the period aggravated by the forfeitures and cancellations during the quarter. The total net loss also decreased mainly due to the absence of the impairment losses and write-downs recorded during the last quarter.

Significant expenses during the quarter ended October 31, 2020 include office expenses of $235,882, professional fees of $248,844, remuneration and benefits of $685,552 and share-based payments of $168,761. Share-based payments were lower mostly due to lower value of options vested for the period. Professional fees increased during the quarter due to additional audit fees accrued. Overall net loss was a bit lower due to the recognition of other income from the government grants and the customer deposit write-down booked during the quarter.

Significant expenses during the quarter ended January 31, 2021 include office expenses of $140,684, professional fees of $166,328, remuneration and benefits of $544,140. The Company received $96,923 from CEWS and $22,208 from CERS totaling $119,131. Overall net loss was a bit lower due to the recognition of other income from the government grants, share-based payments being lower due to the options being fully vested during the quarter and the customer deposit write-down booked during the quarter.

Significant expenses during the quarter ended April 30, 2021 include office expenses of $501,131, professional fees of $(103,348), remuneration and benefits of $439,596. Overall net loss was a higher due to the impairment of loans receivable of $341,463, inventory written down to its carry value resulting in a loss of $489,225, impairment of property and equipment of $360,898, right-of-use asset of $239,244 and prepaid deposit of $166,607. The Company recorded $66,204 in bad debt that relates to accounts receivable that is older than 90 days. These expenses were slightly offset from the reversal of year end audit accrual of $152,000 to put the accrual in line with the Company's year end auditor quote.

Significant expenses during the quarter ended July 31, 2021 include office expenses of $317,937, management fees of $52,500, professional fees of $77,983, remuneration and benefits of $476,399, and share-based payments of $17,544, which was offset with a gross profit of $586,174. Office expenses increased due to an increase in insurance premiums, compliance expenses and an increase in PED operations. Remuneration and Benefits decreased due all of Soma's employees and a majority of WCE employees being terminated as of the date of this MD&A. Professional fees decreased from last quarter due to the decrease in audit fees associated with the change of auditors. Share-based payment was lower due to lower number of options vested for the period aggravated by the forfeitures and cancellations during the quarter. The total net loss also decreased mainly due to the absence of the impairment losses and write-downs recorded during the last quarter.

Significant expenses during the quarter ended October 31, 2021 include office expenses of $348,761, management fees of $52,500, professional fees of $124,146, remuneration and benefits of $497,434, loss on derecognizing accounts receivable of $83,001, impairment loss of $147,279, rent expense of $48,542 and share-based payments of $5,313, which was offset with a gross profit of $330,250. Office expenses increased due to an increase in insurance premiums, compliance expenses and an increase in PED operations. Remuneration and Benefits decreased due all of Soma's employees and a majority of WCE employees being terminated as of the date of this MD&A. Professional fees decreased from last quarter due to the decrease in audit fees associated with the change of auditors. Share-based payment was lower due to lower number of options vested for the period aggravated by the forfeitures and cancellations during the quarter. Loss on derecognizing accounts receivable increased due to PED entering into a factoring agreement during the current period.

Significant expenses during the quarter ended January 31, 2022, include loss on sale of PED of $5,361,331, consulting fees of $42,388, management fees of $15,000, professional fees of $23,384, remuneration and benefits of $91,459, impairment loss of $10,001, and share-based payments of $2,966. Remuneration and benefits decreased due all of Soma's employees and a majority of WCE employees being terminated as of the date of this MD&A. Professional fees decreased from last quarter due to the decrease in audit fees associated with the change of auditors. Share-based payment was lower due to lower number of options vested for the period aggravated by the forfeitures and cancellations during the quarter.

Significant expenses during the quarter ended April 30, 2022, include gain on sale of Soma Labs of $641,623, consulting fees of $50,997, management fees of $15,000, professional fees of $78,979, remuneration and benefits of $124,144, impairment loss of $97,726. Remuneration and benefits decreased due to a majority of WCE employees being terminated as of the date of this MD&A. Professional fees increased from last quarter due the sale of PED and Soma Labs.

8. LIQUIDITY AND CAPITAL RESOURCES

The Company considers the capital that it manages to include share capital, reserves, and deficit, which at April 30, 2022 is $3,491,273 (April 30, 2021 - $4,556,411). The Company manages and makes adjustments to its capital structure based on the funds needed in order to support operations, business development and the commercialization of extraction technology. Management does this in light of changes in economic conditions and the risk characteristics of the underlying assets.

As at April 30, 2022, the Company had not yet achieved profitable operations and had an accumulated deficit since inception of $60,385,396 (April 30, 2021 – $60,574,718). During the year ended April 30, 2022, the Company had a net loss and comprehensive loss of $8,219,850 (2021 – $4,486,318) and spent $2,694,093 of cash on operating activities (2021 – $3,634,426), received $1,359,936 from investing activities (2021 – $213) and spent $39,813 on financing activities (2021 – $24,057). The Company expects to incur further losses in the development and operation of its businesses. The Company's ability to continue as a going concern is dependent upon its ability to monetize on its extraction equipment's and secure partnerships or acquisitions to deploy its extraction systems. All this will require necessary financing to develop and/or acquire business projects and to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. To date, the Company has relied on equity and debt financing to fund its acquisitions. The Company is evaluating its objectives given current conditions in the Cannabis sector. The remaining funds will be used to sustain operations and sustain current acquisitions. Additional funding will be required and could come in the form of equity, debt and or convertible debt; however, there is no assurance that such additional funding will be available when and as needed. The Company's access to sufficient capital will impact its ability to continue operations and fund acquisitions. For further information, see section "Financial Management Risk" below.

Funding Outlook

As at April 30, 2022, the Company may not be able to conduct its operations and meet its financial obligations. Depending on the strategies followed, revenue and technology opportunities, and any future expansion going forward, additional financing will be required. Management is considering different sources of potential funding, including further equity issuances, the issuance of debt, the sale of assets and the exercise of warrants and stock options.

9. FINANCIAL MANAGEMENT RISK

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and foreign exchange rate risk). Risk management is carried out by Management with guidance from the Audit Committee under policies approved by the Board. The Board also provides regular guidance for overall risk management. There have been no significant changes in the risks, objectives, policies and procedures during the Reporting Period.

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The risk for cash and cash equivalents cash is mitigated by holding these instruments with highly rated Canadian financial institutions. Accounts receivable primarily consist of trade accounts receivable and other receivables. The Company provides credit to certain customers in the normal course of business and has established credit evaluation and monitoring processes to mitigate credit risk. The Company's credit risk exposure lies on its ability to collect from its business partners for advances made for new business deals. The Company's ECL on its trade receivables as at April 30, 2022 is $nominal (April 30, 2021-– $66,204).

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its contractual obligations and financial liabilities as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2022, the Company had a cash balance of $2,534,189 (April 30, 2021 - $2,377,635) to settle current liabilities of $215,749 (April 30, 2021 - $5,027,537). The Company's future financial success will be dependent upon the ability to monetize its technologies or obtain necessary financing to meet its contractual obligations. All of the Company's current financial liabilities have contractual maturities of less than a year and are subject to normal trade terms.

Current liabilities	**April 30, 2022** **$**	April 30, 2021 $
Accounts payable and accrued liabilities	**213,936**	1,014,802
Customer deposits	**-**	341,211
Due to related parties	**136**	437,991
Current portion of lease obligations	**-**	191,706
Convertible debt	**-**	2,255,249
Derivative liability	**-**	633,950
Loans payable	**-**	143,750
Liabilities of discontinued operations	**1,677**	8,878
Total current liabilities	**215,749**	5,027,537

The tables summarize the maturity profile of the Company's financial liabilities used for liquidity management and liabilities as at April 30, 2022 and April 30, 2021 based on contractual undiscounted receipts and payments.

April 30, 2022	<1 year	1-5 years	>5years
Financial liabilities at amortized cost			
Accounts payable and accrued liabilities	$ 213,936	$ -	$ -
Due to related parties	136	-	-
Loans payable - current	-	-	-
Government grant	-	36,713	-
Convertible debt	-	-	-
Liabilities of discontinued operations	1,677		
Total financial liabilities at amortized cost	$ 215,749	$ 36,713	$ -
Financial liabilities at fair value			
Derivative liability	$ -	$ -	$ -

Market Risk

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

(a) Interest rate risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The interest rate risk on bank deposits is insignificant as the deposits are short term. The Company is not exposed to interest rate risk in respect of any loans payable and receivable which are subject to a fixed rate of interest.

(b) Foreign currency risk

The functional currency of the Company is Canadian dollar. The Company does not hedge its exposure to currency fluctuations. However, Management believes that the Company is subject to minimal foreign exchange risk as most transactions incurred are in CAD.

(c) Price risk

The Company's investments are subject to fair value fluctuations. As at April 30, 2022, if the fair value of the Company's investment had decreased/increased by 10% with all other variables held constant, other comprehensive profit or loss for the year ended April 30, 2022 would have been approximately $154,413 higher/lower.

Business Risks

Laws and Regulations are Subject to Change

The constant evolution of laws and regulations affecting the cannabis industry could detrimentally affect the operations of the Company's investment companies. Canadian federal, provincial and municipal cannabis laws and regulations, along with Canadian securities laws, are broad in scope and subject to changing interpretations. These changes may require the Company's investment companies to incur substantial costs associated with legal and compliance fees and ultimately require them to alter their business plans. Furthermore, violations of these laws, or alleged violations, could disrupt its business and result in a material adverse effect on operations. The Company cannot predict the nature of any future laws, regulations, interpretations or applications, and it is possible that regulations may be enacted that will be directly applicable to the business of its investment companies.

Financial Instrument measurement and valuation.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The measurement of the Company's financial instruments is disclosed in Note 27 to the Financial Statements. Any financial instrument that is valued using level 2 or 3 inputs will involve estimation uncertainty.

10. ACCOUNTING POLICIES

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 to the Financial Statements for the year ended April 30, 2022.

Recent accounting pronouncements
Certain pronouncements were issued by the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretation Committee ("IFRIC") that are note yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded.

11. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

As at April 30, 2022, amounts due to related parties totaled $136 (April 30, 2021 - $437,991) of which $136 (April 30, 2021 - $45,906) are unsecured, payable on demand, and without interest.

	April 30, 2022, 2022 $	April 30, 2021 $
CEO of WCE	136	11,601
Former President of WCE	-	14,082
CFO of WCE	-	5,250
CEO of PED	-	250,091
CFO of PED	-	14,973
Director*	-	141,994
Total	136	437,991

* Payable to a Company where Michael Galloro, Director is a principal. Amounts due to a company controlled by a Director include $Nil ($141,994 – April 30, 2021) of convertible debt and derivative liabilities.

Included in the due to the CEO of PED above is a promissory note entered into by the Company's subsidiary, PED, with a carrying value as at April 30, 2022 of $Nil (April 30, 2021 - $250,091). The details of the loan are as follows:

	Interest	Commencement	Maturity	Principal owing as at April 30, 2022 $	Principal owing as at April 30, 2021 $
Promissory Note	12%	March 30, 2020	March 31, 2022	-	240,945

Pursuant to the disposal of subsidiary, the due to related party in connection with PED has been derecognized during the year ended April 30, 2022.

During the years ended April 30, 2022 and April 30, 2021, the Company entered into the following transactions with related parties:

	April 30, 2022 $	April 30, 2021 $
Management fees	**135,000**	222,000
Consulting fees	**-**	5,000
Accounting fees	**2,396**	35,640
Finders' fee	**-**	67,500
Legal fees	**-**	3,700
Remuneration and benefits	**153,042**	222,942
Remuneration and benefits from discontinued operations	**444,190**	726,150
Research and development	**-**	4,373
Other income	**-**	79,001
Share-based payments	**25,823**	377,758
	760,451	**1,744,064**

- Management fees reported as part of general and administrative expenses consist of $75,000 (2021 - $150,500) paid to a company of which Leo Chamberland, former President of the Company has significant interest and $60,000 (2021 - $72,000) was paid to a company controlled by Zara Kanji CFO.
- Consulting fees included as part of general and administrative expenses consist of $Nil (2021: $5,000 to a company of which Leo Chamberland, former President of the Company has significant interest).
- Accounting fees presented as part of professional fees consist of $2,396 to a company controlled by Zara Kanji, CFO (2021: $35,640).
- Remuneration and benefits reported as part of general and administrative expenses consist of $153,042 to Rosy, Mondin, (2021: $157,846 to Rosy Mondin, CEO and $65,096 to Shane Lander, Former CIO)
- Remuneration and benefits from discontinued operations reported as part of discontinued operations (Notes 4 and 30) consist of $231,690 to the CEO of PED, $106,250 to the CFO of PED and $106,250 to the CTO of PED (2021 - $321,200 to CEO of PED, $150,000 to the CFO of PED and $143,767 to the CTO of PED and $111,183 to the former President of Soma Labs).
- Share-based payments reported as part of general and administrative expenses consist of $12,912 to Randy Rolph, CEO of PED and $12,911 to Michael Depault, CTO of PED (2021: $26,829 to former director, $92,274 to Michael Galloro, Chang Jagpal and Anthony Durkacz, directors, $114,540 to the former President, $10,697 to Zara Kanji, CFO, $114,540 to Rosy Mondin, CEO, $12,585 to the former CIO and $6,293 to the former President of Soma).

As at April 30, 2022, PED owes $Nil (April 30, 2021 - $580,340) to the Company for advances and interest in accordance with the credit facility agreement between the Company and the subsidiary. This is subject to an annual interest rate of 12%, compounded monthly. During the year ended April 30, 2022, in connection with the disposal of subsidiary, $676,784 was repaid to the Company.

On February 3, 2021, the Company entered into a share purchase agreement with the CEO of PED whereby, the Company purchased 1,000,000 common shares of PED for $100,000.

12. PROPOSED TRANSACTIONS

As at the date of this MD&A, the Company has resolved to redeploy its assets and resources in a way that would, without a major acquisition or change of control, result in a "change of business" under the rules and policies of the Canadian Securities Exchange (the "**Proposed COB**"). The Proposed COB would see the Company move from being a "Life Science" company focused on cannabis to an "investment company" focused on the raising of money and investing in companies without getting involved in the mind and management of the investee companies. The Proposed COB is subject to regulatory approval, including the approval of the Canadian Securities Exchange and the approval of the Company's Shareholders. Shareholder approval was received at the Annual General and Special Meeting of the Company held April 29, 2022.

13. CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For a detailed summary of the Company's significant accounting policies, the readers are directed to Notes 2 and 3 to the Financial Statements for the year ended April 30, 2022 on SEDAR at www.sedar.com and www.thecse.com.

14. RISKS AND UNCERTAINTIES

Although Management attempts to mitigate risks and minimize their effect on the Company's financial performance, there is no guarantee that the Company will be profitable in the future and the Company's common shares should be considered speculative.

Public Health Crisis. The Company's business, operations and financial condition could continue to be materially adversely affected by the outbreak of epidemics or pandemics or other health crises. In December 2019, the 2019 novel coronavirus ("**COVID-19**") surfaced in Wuhan, China. The World Health Organization declared a global emergency on January 30, 2020 with respect to the outbreak and characterized it as a pandemic on March 11, 2020. The outbreak has spread throughout the world and there continue to be escalating cases of COVID-19 in Canada and the United States, causing companies and various international jurisdictions to impose restrictions, such as quarantines, closures, cancellations and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. Such public health crises can result in volatility and disruptions in global supply chains, business operation and financial markets, as well as declining trade, market sentiment and reduced mobility of people, all of which could affect, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety and a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, labour shortages, travel and shipping disruption and shutdowns (including as a result of government regulation and prevention measures), decrease in sales, and delay, deferment or cancellation of potential partnerships and of the deployment of current and potential future extraction systems.

Change in Laws, Regulations and Guidelines. The operations of the companies the Company invests in are, and may in the future become, subject to various laws, regulations and guidelines relating to the manufacture, management, packaging/labelling, advertising, sale, transportation, storage and disposal of medical cannabis, including laws and regulations relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment. To the knowledge of Management, all of the companies the Company has invested in are currently in compliance with all such laws; however, changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to its investments.

The Company endeavors to comply with all relevant laws, regulations and guidelines. To the Company's knowledge, it is in compliance or in the process of being assessed for compliance with all such laws, regulations and guidelines.

Reliance on Management and Key Personnel. The Company believes that its success has depended, and continues to depend, on the efforts and talents of its executives and employees, including its Chief Executive Officer. The Company's future success depends on its continuing ability to attract, develop, motivate, and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. In addition, the loss of any of the Company's senior Management or key employees could materially adversely affect its ability to execute its business plan and strategy, and it may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of its employees.

Additional Financing. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of the Company's current business strategy or the Company ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may contain provisions, which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

Competition. There can be no assurance that potential competitors of the Company, which may have greater financial and personnel resources than the Company, are not currently developing, or will not in the future develop, products and strategies that are equally or more effective and/or economical as any products or strategies developed by the Company or which would otherwise render the Company's products or strategies obsolete. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

Management of Growth. The Company may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Operating Risk and Insurance Coverage. The Company has insurance to protect certain assets, operations, and employees. Such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future, or if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Conflicts of Interest. The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time-to-time deal with persons, firms, institutions or

Companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Unpredictable and Volatile Market Price for Common Shares. The market price for common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Company operates;
- addition or departure of the Company's executive officers and other key personnel;
- release or expiration of lock-up or other transfer restrictions on outstanding common shares;
- sales or perceived sales of additional common shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures, or capital commitments by or involving the Company or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Company;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies; and
- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the common shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely affected, and the trading price of the common shares might be materially adversely affected.

Future Sales of Common Shares by Existing Shareholders. Sales of a substantial number of common shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of common shares intend to sell common shares, could reduce the market price of our common shares. Holders of options to purchase common shares will have an immediate income inclusion for tax purposes when they exercise their options (that is, tax is not deferred until they sell the underlying common shares). As a result, these holders may need to sell common shares purchased on the exercise of options in the same year that they exercise their options. This might result in a greater number of common shares being sold in the public market, and fewer long-term holds of common shares by the Management and employees of the Company.

Execution of Strategies. The success of the Company's business depends, in part, on its ability to execute on its strategy and to retain key management and employees. The Company continues to evaluate opportunities that have the potential to support and strengthen its business as part of its ongoing growth strategy. The Company expects to evaluate transactions on an ongoing basis in the future. The Company expects to regularly make non-binding proposals, and it may enter into non-binding, confidential letters of intent from time to time in the future. The Company cannot predict the timing or size of any future transaction(s). To successfully execute on its strategies, the Company may need to raise additional equity and/or indebtedness, which could increase its leverage level. There can be no assurance that the Company will enter into definitive agreements with respect to any contemplated transaction or that any contemplated transaction will be completed. The investigation and negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require substantial management time and attention and substantial costs for accountants, attorneys, and others. If the Company fails to complete any transaction for any reason, including events beyond its control, the costs incurred up to that point for the proposed transaction likely would not be recoverable. The Company may actively pursue a number of opportunities simultaneously and may encounter unforeseen expenses, complications and delays, including difficulties in employing sufficient staff and maintaining operational and management oversight.

Future Acquisitions or Dispositions. Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Company's ongoing business, (ii) distraction of management, (iii) the Company may become more financially leveraged, (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected, (v) increasing the scope and complexity of the Company's operations, and (vi) loss or reduction of control over certain of the Company's assets. Additionally, the Company may issue additional equity interests in connection with such transactions, which would dilute a shareholder's holdings in the Company.

The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

The Company cannot guarantee that it will achieve synergies and cost savings in connection with future acquisitions. The Company cannot guarantee that there will be attractive acquisition opportunities at reasonable prices, that financing will be available or that it can successfully integrate acquired businesses into existing operations. The Company's inability to effectively manage the integration of its completed and future acquisitions could prevent it from realizing expected rates of return on an acquired business and could have a material and adverse effect on the Company's financial condition, results of operations or liquidity.

Information Technology Systems and Cyber Security Risks. The Company is susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks and/or technological malfunctions affecting the Company, or its service providers can result in, among other things, financial losses, the inability to process transactions, the unauthorized release of customer information or confidential information and reputational risk.

The Company has not experienced any material losses to date relating to cybersecurity attacks, other information breaches or technological malfunctions. However, there can be no assurance that the Company will not incur such losses in the future. As cybersecurity threats continue to evolve, the Company may be required to use additional resources to continue to modify or enhance protective measures or to investigate security vulnerabilities.

Additional issuance of Company Shares will Result in Dilution. The Company plans to issue additional securities in the future in connection with its planned acquisitions, offerings, and financing transactions, which will dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of common shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The Board of Directors has discretion to determine the price and the terms of further issuances. The Company cannot predict the effect that future issuances and sales of its securities will have on the market price of its common shares. Issuances of a substantial number of additional securities of the Company, or the perception that such issuances could occur, may adversely affect prevailing market prices for the common shares. With any additional issuance of the Company's securities, investors will suffer dilution to their voting power and the Company may experience dilution in its revenue per share.

Shareholders Have Little or No Rights to Participate in the Company's Affairs. With the exception of the limited rights of shareholders under applicable laws, the day-to-day decisions regarding the management of the Company's affairs will be made exclusively by the Board of Directors and its officers. Shareholders will have little or no control over the Company's future business and investment decisions, its business, and its affairs. The Company may also retain other officers and agents to provide various services to the Company, over which the shareholders will have no control. There can be no assurance that the Board of Directors, officers, or its other agents will effectively manage and direct the affairs of the Company.

Dividends. Holders of the Company Shares will not have a right to dividends on such shares unless declared by the Board of Directors. The Company has not paid dividends in the past, and it is not anticipated that the Company will pay any dividends in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings. The declaration of dividends is at the discretion of the Board of Directors, even if the Company has sufficient funds, net of its liabilities, to pay such dividends, and the declaration of any dividend will depend on the Company's financial results, cash requirements, future prospects and other factors deemed relevant by the Board of Directors.

Costs of Maintaining a Public Listing. As a public company there are costs associated with legal, accounting, and other expenses related to regulatory compliance. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. The Company may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

15. OUTSTANDING SHARES

As at April 30, 2022, the Company had 625,196,572 shares, 25,000,000 stock options and 15,910,575 warrants issued and outstanding.

As of the date of this report, the Company has 625,196,572 shares, 24,000,000 stock options and nil warrants issued and outstanding.

16. OFF-BALANCE SHEET ARRANGEMENT

To the best of Management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

WORLD-CLASS
Extractions

FRA: WCF OTCQB: WCEXF CSE: PUMP

WORLD CLASS EXTRACTIONS INC.

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

For the Period Ended October 31, 2022

(Expressed in Canadian Dollars unless otherwise indicated)

1. INTRODUCTION

The following Management's Discussion and Analysis ("**MD&A**") is a review of the financial condition and results of operations by the management ("**Management**") of World Class Extractions Inc. ("**World-Class**" "**WCE**" or the "**Company**") for the period ended October 31, 2022 (the "**Reporting Period**"). This MD&A is prepared as at December 23, 2022, unless otherwise indicated, and should be read in conjunction with the interim condensed consolidated financial statements for the period ended October 31, 2022 and period ended October 31, 2021 and annual consolidated financial statements for the year ended April 30, 2022 and year ended April 30, 2021 ("**Financial Statements**") and the notes related thereto which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). This MD&A was reviewed by the Audit Committee and, on the Audit Committee's recommendation, approved by the Board of Directors of World-Class. All monies are expressed in Canadian dollars unless otherwise indicated. Additional information relevant to the activities of the Company has been filed electronically through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") – http://www.sedar.com and are also available on the Company's website https://worldclassextractions.com/.

2. CAUTIONARY NOTE ON FORWARD-LOOKING INFORMATION

This MD&A and the documents incorporated into this MD&A contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (forward-looking information and forward-looking statements being collectively hereinafter referred to as "**forward-looking statements**").

These forward-looking statements include statements regarding:

- the intentions, plans and future actions of the Company, including the completion of the Proposed COB (as defined herein) on the terms and conditions outlined in this MD&A;
- the intentions, plans and future actions of CannaWorld Ventures Inc. (the Company's investee) with respect to the build out of CannaPark;
- the ability of the Company to obtain necessary financing;
- the ability of the Company to locate, negotiate and make investments;
- performance of the Company's business and operations as it relates to its investees;
- the Company's future liquidity and financial capacity;
- costs, timing and future plans concerning the business and operations of the Company and its investees; and
- results and expectations concerning various and prospective investments of the Company.

Such forward-looking statements are based on expectations, estimates and projections as at the date of this report or the dates of the documents incorporated herein, as applicable. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends", or variations of such words and phrases, or stating that certain actions, events or results "may" or "could", "would", "should", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements.

The forward-looking statements made in this MD&A are made on a number of assumptions, risks, and material factors, which include but are not limited to: the Company's ability to obtain shareholder and CSE approval to complete the Proposed COB; estimated budgets; requirements for additional capital; the timing and possible outcome of regulatory and permitting matters; planned business activities and planned future acquisitions; the adequacy of financial resources; the Company's competitive position and the regulatory environment in which the Company operates; general risk of negative global financial consequences and heightened uncertainty as a result of COVID-19 (as defined herein), including but not limited to: the recent and future anticipated impact on operations in jurisdictions most impacted by the virus; the impact on demand for products and services, including positive impacts (for example, companies that are part of mitigation efforts or otherwise involved in addressing COVID-19); the triggering of force majeure clauses by third-party supplies or service providers; the effect on third-party suppliers or service providers; and other events or conditions that may occur in the future.

Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive. Forward-looking statements are based on the beliefs of the Company's Management, as well as on assumptions, which such Management believes to be reasonable based on information currently available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation those risks outlined in the "Risks and Uncertainties" section below.

The forward-looking statements contained herein are based on information available as of the date of this MD&A.

Management's Responsibility for Financial Statements

The information provided in this MD&A, including the information contained in the Financial Statements, are the responsibility of Management. In the preparation of the accompanying Financial Statements, estimates are sometimes necessary to make a determination of the future values for certain assets or liabilities. Management of the Company believes such estimates have been based on careful judgments and have been properly reflected in the accompanying Financial Statements. Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

3. DISCUSSION AND ANALYSIS

Nature of Operations and Company Focus

World-Class was an innovation-driven company. On April 29, 2022, the shareholders of WCE approved a special resolution to change WCE's business. WCE is determined to refocus its business operations from a cannabis and hemp company to an investment company. WCE's primary focus will be to seek returns through investments in equity, debt or other securities of publicly traded or private companies or other entities in the cannabis and cannabis related sectors with exceptional management and high growth potential, providing financing in exchange for financial appreciation and investment income. The Company will be looking to primarily invest its funds for purposes of generating returns from capital appreciation and investment income. It intends to accomplish these goals through the identification of investment in securities of private and publicly listed entities that are involved in or connected with the cannabis and cannabis related industries. The Company will not invest in any companies with cannabis-related practices or activities (including the cultivation, possession or distribution of cannabis) in the United States of America.

During the year ended April 30, 2022, WCE, Fire & Flower Holdings Corp. ("**FFHC**") and its wholly owned subsidiary Hifyre™ Inc. ("**Hifyre**") entered into an agreement whereby Hifyre acquired 100% of the issued and outstanding shares of Pineapple Express Delivery Inc. ("**PED**") (the "**Transaction**"). As consideration for the Transaction, FFHC has assumed and repaid approximately $5.15 million in debt owed by PED and issued a total of 1,153,142 common shares of FFHC ("**Common Shares**"), of which a total of 313,708 were released on closing, with the remainder placed into escrow pending completion of customary working capital adjustments and subject to achievement of certain performance-based milestones in the fiscal 2022 year. FFHC is a technology-powered, adult-use cannabis retailer with more than 100 corporate-owned stores in its network. FFHC leverages its wholly-owned technology development subsidiary, Hifyre, to continually advance its proprietary retail operations model while also providing additional independent high-margin revenue streams. FFHC guides consumers through the complex world of cannabis through education-focused, best-in-class retailing while the Hifyre digital retail and analytics platform empowers retailers to optimize their connections with consumers. Its leadership team combines extensive experience in the technology, logistics, cannabis and retail industries. FFHC is a publicly traded company listed on the Toronto Stock Exchange under the symbol 'FAF'.

During the year ended April 30, 2022, the Company completed the sale of its wholly owned subsidiary, Soma Labs Scientific Inc. ("**Soma**"), to CannaWorld Ventures Inc. ("**CannaWorld**"), whereby the Company received 15,000,000 CannaWorld common shares with a fair value of $300,000. In the event that at any time until CannaWorld lists its common shares for trading on a stock exchange, CannaWorld issues common shares at less than $0.075 to any person, other than common shares issued pursuant to this agreement, CannaWorld shall issue to the Company additional common shares that equals the difference between $750,000 divided by the lower per price share, less the number of common shares previously issued to the Company. CannaWorld is an early-stage company engaged in the development of cannabis growing facilities dedicated to providing self-contained Cultivation MicroPods to independent micro-cultivators. CannaWorld is currently building a "CannaPark" in the lower Fraser Valley in British Columbia. The CannaPark is expected to have a central licensed nursery operated by the park and a community of micro-growers, each in their own, self-contained, stand alone, MicroPod. The nursery will house specialist staff to help micro-cultivators, design, successfully grow and harvest unique cultivar, and ensure it remains healthy to harvest. The Pitt Meadows CannaPark is located on 22 acres of prime agricultural land and will feature 60 state of the art MicroPods, and an on-site full-service cannabis nursery.

Corporate Overview

World-Class was incorporated under the laws of British Columbia on December 2, 1965:

- World-Class Extractions Inc. was incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), under the name "Luaaron Metals Ltd." Subsequent to this, there were several name changes before changing to World-Class Extractions Inc.
- During the year ended April 30, 2022, Soma and 1323194 BC Ltd. amalgamated.

The Company's common shares trade under the trading symbol "**PUMP**" on the Canadian Securities Exchange, on the Frankfurt Exchange under symbol "**WCF**" and on the OTCQB Venture Market, under the symbol: "**WCEXF**".

Sale of Interest in PED

On January 21, 2022, WCE completed the sale of its partially owned subsidiary, PED, to FFHC, whereby the Company received $1,911,984 for settlement of debt owed by PED to WCE and an aggregate of up to 278,945 FFHC Common Shares with a fair value of $970,344 in exchange for all of the Company's shares in PED. 62,800 FFHC Common Shares were released on closing ("**Initial Release Shares**") and 216,145 FFHC Common Shares were placed in escrow. 16,949 FFHC Common Shares will be released at such time as the effective date net working capital is finalized ("**Working Capital Holdback Shares**") and agreed upon and 199,196 being released upon the trailing nine month revenue is agreed upon ("**Revenue Holdback Shares**"). At January 21, 2022, the fair value of $970,344 was calculated using the Black Scholes option pricing model assuming no expected dividends, weighted average expected life remaining of 0.79, weighted volatility of 68.21% and risk-free rate of 1.22%.

The Initial Release Shares and the Working Capital Holdback Shares are subject to restrictions on transfer for a period of three months following the effective date and the Revenue Holdback Shares shall be subject to restrictions on transfer for a period of twelve months following the Effective Date.

Within 90 days after January 21, 2022, Hifrye shall provide a calculation of an effective date net working capital statement. The Working Capital Holdback Shares will be released from escrow no earlier than 20 business days after receipt of the effective date net working capital statement and no later than 20 business days after the parties engage an independent accountant to resolve any objections in the effective date net working capital statement.

If the working capital is a positive amount that is greater than the target working capital, all Working Capital Holdback Shares will be released and additional shares will be issued, dollar for dollar, that is equal to the working capital adjustment amount divided by the deemed share price. If the working capital is a negative amount, the aggregate amount shall decrease, dollar for dollar, resulting in a certain number of Working Capital Holdback Shares being cancelled. In the event that the negative working capital adjustment exceeds the Working Capital Holdback Shares, the difference shall be settled by accessing the Revenue Holdback Shares.

During the period ended October 31, 2022, FFHC and the Company agreed on additional shares of 38,050 for excess working capital. As the event is the result of existing condition before the year end, the value of the shares is included in the fair value of $970,344. Subsequent to the period ended October 31, 2022, 16,949 FFHC Common Shares have been released from escrow leaving 199,196 in escrow pending achievement of certain performance-based milestones in the fiscal 2022. As of the date of this MD&A, the additional shares of 38,050 for the excess working capital have been issued.

Pursuant to the agreement, Hifrye is to provide an income statement and trailing nine month revenue statement ("**Revenue Statement**") to WCE, which was received on October 31, 2022. WCE has 15 business days to review the Revenue Statement ad provide comments back to HiFyre. The Revenue Holdback Shares will be released from escrow no earlier than 20 business days after receipt of the Revenue Statement and no later than 20 business days after the parties engage an independent accountant to resolve any objections in the Revenue Statement. If the trailing nine month revenue exceeds the earn-out target, the Revenue Holdback Shares will be released. If the trailing nine month revenue is less than the earn out target, the aggregate consideration amount shall be decreased, dollar for dollar, by the amount of such difference and those shares shall be cancelled, with any remaining shares released from escrow. As of the date of this MD&A, the Company has delivered a statement of objection prior to the review period and is currently negotiating to resolve the Revenue Statement objections.

Prior to the sale of PED, PED sold 25,000,000 common shares of WCE for $400,000. As a result, this added value of $400,000 was recognized as a gain from revaluation of the WCE shares in the consolidated statements of changes in equity split between the equity holders of WCE for $101,279 and non-controlling shareholders for $298,721. Due to the sale of PED, the Company has classified the revaluation to deficit.

Given evidence of control over PED, PED's financials were consolidated to WCE in accordance with IFRS 10 Consolidated Financial Statements up to the sale of PED. As at January 21, 2022, the date of disposition, the net assets (liabilities) of PED derecognized totaled $6,698,895, as detailed below:

	$
Cash	8,385
Accounts receivables	595,656
Other receivables	316,365
Prepaids	266,829
Plant and equipment	868,216
Right-of-use-assets	951,852
Intangibles	548,237
Accounts payable and accrued liability	(977,476)
Current portion of lease obligations	(46,460)
Long term portion of lease obligations	(996,625)
Derivative liability	(353,652)
Government grant	(35,448)
Convertible debenture	(2,689,154)
Due to related party	(299,875)
Factoring loan	(70,354)

	$
Loans payable	(155,000)
Net assets (liabilities)	(2,068,504)
Net assets (liabilities) attributable non controlling interest	(1,544,764)
Net assets (liabilities) attributable to equity holder of the parent	(523,740)
Total net assets (liabilities)	(2,068,504)
Goodwill	8,767,399
Total net assets (liabilities) derecognized	**6,698,895**

As at January 21, 2022, the date of disposition, the non-controlling interest and reserves that were derecognized to deficit totaled $5,765,448, as detailed below:

	$
Fair value revaluation reserve	101,279
Non-controlling interest	5,664,169
Total	**5,765,448**

During the year ended April 30, 2022, the Company recorded a loss on disposal of PED of $5,361,331 as outlined below:

	April 30, 2022 $
Net assets disposed attributable to equity holder of the parent	**(523,740)**
Goodwill disposed	**8,767,399**
Fair value of FFHC investment received	**(970,344)**
Cash received, net overpayment	**(1,911,984)**
Loss on sale of PED	**5,361,331**

Sale of Interest in Soma

During the year ended April 30, 2022, the Company completed the sale of its wholly owned subsidiary, Soma to CannaWorld, whereby the Company received 15,000,000 CannaWorld common shares with a fair value of $300,000.

As at April 29, 2022, the date of disposition, the net assets (liabilities) of Soma derecognized totaled $341,623, as detailed below:

Soma Labs	**$**
Cash	143,663
Sales tax receivable	10,970
Prepaids	2,296
Plant and equipment	54,527
Accounts payable and accrued liability	(167,967)
Liabilities of discontinued operations	(7,201)
Customer deposits	(341,211)
Government grant	(36,700)
Total net assets (liabilities) derecognized	(341,623)

During the year ended April 30, 2022, the Company recorded a gain on disposal of Soma Labs of $641,623 as outlined below:

	April 30, 2022 $
Net assets disposed attributable to equity holder of the parent	(341,623)
Fair value of CannaWorld investment received	(300,000)
Gain on sale of Soma Labs	(641,623)

Directors, Officers and Management of the Company

As at the date of this report, the directors, officers, and Management of the Company are as follows:

- Anthony Durkacz, Director and Chair of the Board of Directors
- Chand Jagpal, Director
- Michael Galloro, Director
- Rosy Mondin, Chief Executive Officer (CEO) and Director
- Zara Kanji, Chief Financial Officer (CFO)
- Shimmy Posen, Corporate Secretary

Registered and Records Office | Head Office

The Registered and Records Office of the Company is located at: 2200 - 885 W Georgia St. Vancouver, BC, V6C 3E8. Telephone: 1-604-691-6100.

The Head Office is located at: Suite 308 – 9080 University Crescent, Burnaby, BC, V5A 0B7.

Email: info@worldclassextractions.com | Website: https://worldclassextractions.com

4. HIGHLIGHTS

- ***Proposed Change of Business***. Further to a shareholder approved special resolution (approved at the Company's AGM on April 29, 2022), the Company has resolved to redeploy its assets and resources in a way that would, without a major acquisition or change of control, result in a "change of business" under the rules and policies of the Canadian Securities Exchange (the "**Proposed COB**"). The Proposed COB would see the Company move from being a cannabis-focused company to that of an "investment company" focused on raising of money and investing in companies without getting involved in the mind and management of the investee companies.

- ***Sale of Soma Labs***. Effective April 29, 2022, the Company closed the sale of its wholly-owned subsidiary, Soma Labs Scientific Inc. ("**Soma Labs**") to CannaWorld Ventures Inc. ("**CannaWorld**"). Pursuant to a share purchase agreement, World-Class sold 100% of its issued and outstanding common shares of Soma Labs in exchange for 15,000,000 common shares in the capital of CannaWorld.

Temporary Management Cease Trade Order. On August 30, 2022 the British Columbia Securities Commission (the "**BCSC**") issued a temporary management cease trade order (the "**MCTO**") under *National Policy 12-203 Management Cease Trade Orders*, made at the request of the Company. This MCTO (citation: 2022 BCSECCOM 346) prohibited the chief executive officer and chief financial officer of World-Class from trading in the securities of the Company until such time as the Required Filings (i.e. the audited financial statements for the financial year ended April 30, 2022, the management's discussion and analysis, and the related Chief Executive Officer and Chief Financial Officer certificates) and all continuous disclosure requirements have been filed by the Company, and the MCTO has been lifted. During the period in which the MCTO is effective, the general public, who are not insiders of World-Class, were able to trade in the Company's listed securities. The Company's inability to file the Required Filings before the August 29, 2022 filing deadline was due to a combination of factors including delays in the Company's year-end audit, which arose from delays in obtaining financial information with respect to the Company's interest in Pineapple Express Delivery Inc., which was disposed of during the financial year ended April 30, 2022 to Fire & Flower Holdings Corp. and valuation of such disposition and assets. The Required Filings and all continuous disclosure requirements have been filed and the MCTO was revoked by the BSCS on November 3, 2022.

5. OVERALL PERFORMANCE

Financial Position

As at October 31, 2022, the Company had cash of $2,082,558 (April 30, 2022 - $2,534,189) to settle current liabilities of $241,197 (April 30, 2022 - $215,749). Total assets stood at $3,151,076 a decrease of $592,659 from April 30, 2022 assets of $3,743,735.

Significant changes were noted on the following balance sheet items:

- *Cash*. $2,082,558 (April 30, 2022 – $2,534,189). Cash decreased due to payments relating to operating expenses funded for the period.
- *Consideration receivable.* $131,391 (April 30, 2022 - $53,108). Relates to the fair value of the Working Capital Holdback Shares and Revenue Holdback Shares held in escrow pursuant to the sale of PED.
- *Sales tax receivable*. $15,669 (April 30, 2022 – $7,717). This account increased due to timing of collection of refunds.
- *Loans receivable*. $417,026 (April 30, 2022 - $408,715). Relates to a promissory note, as amended and reassigned to a new debtor was issued to the Company for the principal sum of $400,000. Interest is payable on the promissory note at a rate of 4% per annum, payable on the maturity date. As at October 31, 2022, the Company loaned $400,000 (April 30, 2022 - $400,000) and recorded accrued interest of $17,026 (April 31, 2022 – $8,715).
- *Prepaid expenses and deposits*. 11,808 (April 30, 2022 - $1,150). Prepaid expenses and deposits increased during the period due to the prepayment to a supplier for future services.
- *Accounts payable and accrued liabilities*. $239,520 (April 30, 2022 – $213,936). The increase from year end pertains to the receipt of the Company's year end audit invoice which was offset by the repayment of the PED credit facility overpayment.

- *Government Grant Loan*. $39,181 (April 30, 2022 – $36,713). The CEBA loans have no maturity and has a feature, that if repaid by December 31, 2023, then 25% of the loan will be forgiven. The CEBA loan was valued using the market interest rate at the date of the receipt of the loan following *IAS 20 Accounting for Government Grants and Disclosure of Government Assistance*. This amount is being accreted to the CEBA loan liability over the life of the loan.

- *Due to related parties*. $Nil (April 30, 2022 – $136). The decrease from year end pertains to the payment of amounts owed to the Chief Executive Officer for operating expenses which are unsecure, payable on demand and without interest.

- *Equity*. $2,870,698(April 30, 2021 – $3,491,273). The decrease during the period ended October 31, 2022, pertain to the net loss for the period.

Cash Flows

For the period ended October 31 2022 and 2021, the Company has the following cash flow activities:

	Period Ended	
Cash Flow Activities	**October 31, 2022 $**	**October 31, 2021 $**
Operating – continued operations	(451,631)	(1,193,964)
Operating – discontinued operations	-	334,593
Investing – continued operations		(400,000)
Investing – discontinued operations	-	(72,301)
Financing – continued operations	-	(11,242)
Financing – discontinued operations	-	331,589
Change in cash	(451,631)	(1,011,325)

Operating Activities

Operating activities generated a net cash outflow of $451,631 (October 31, 2021 - $1,193,964). The decreased use of cash is primarily attributable management controlling costs.

Investing Activities

The cash outflows from investing activities for the period ended October 31, 2022 was $Nil (October 31, 2021 - $400,000) pertaining to promissory note issued to the Company.

Financing Activities

The cash outflows from financing activities for the period ended October 31, 2022 was $Nil (October 31, 2021 - $11,242) pertaining to lease liability payments.

Result of Operations

The net loss and comprehensive loss for the period ended October 31, 2022 was $620,575 (October 31, 2021 - $1,374,216) The decrease in net loss and comprehensive loss was driven by the following:

- *Consulting fees*. $110,893 (October 31, 2021 - $15,525) Relates to payments to consultants for various services pertaining to business development. Consulting fees increased over the same period last year due the engagement of additional consultants.

- *Filing fees.* $26,853 (October 31, 2021 - $18,317) Relate to compliance and regulatory filings. The increase is due to the corporate activity pertaining to the refocus of the Company's business operations from a cannabis and hemp company to an investment company.
- *Office expenses.* $15,024 (October 31, 2021 - $54,075) Relate to general expenses incurred in the office from operations and regulatory compliance.
- *Management fees.* $30,000 (October 31, 2021 - $105,000). Relate to the former President and the CFO fees. The decrease relates to the resignation of the President.
- *Professional Fees*. $207,189 (October 31, 2021 - $61,306) Mainly related to patent applications and general corporate legal, audit fees and accounting fees.
- *Rent.* $18,000 (October 31, 2021 - $18,000) These are payments to lessors whose lease agreement details did not meet the threshold required for IFRS 16 leases application (i.e. all short-term and low value lease agreements).
- *Remuneration and Benefits*. $179,519 (October 31, 2021 - $239,668) Are for wages paid to employees of the Company who are responsible for management, compliance, and operations. The amount also includes the salaries paid to related parties.
- *Share-based Payments*. $Nil (October 31, 2021 - $22,857) These payments were recorded for the value of stock options vested during the year.
- *Interest and bank charges.* $5,713– (October 31, 2021 - $835) These are primarily attributable to the interest amortization of the government grant and interest earned on the promissory note issued during period.
- *Unrealized loss in FVTPL.* $67,949 (October 31, 2021 - $Nil). Relates to the fair value of investments in FFHC and CannaWorld.
- *Income (loss) from Discontinued operations.* During the year ended April 30, 2022, the Company completed the sale of its partially owned subsidiary, PED, to FFHC and the sale of its wholly-owned subsidiary, Soma Labs to CannaWorld. A discontinued operation is a component of the Company that either has been abandoned, disposed of, or is classified as held for sale, and: (i) represents a separate major line of business or geographical area of operation; (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operation; or (iii) is a subsidiary acquired exclusively with a view to resell. The results of the discontinued operation relating to the disposition of PED and Soma Labs, which are presented as one net amount on the consolidated statements of loss and comprehensive loss are summarized below:

	Soma Period ended October 31, 2021 $	**PED Period ended October 31, 2021 $**	**Total $**
Sales	100,000	4,939,876	5,039,876
Cost of sales	(100,000)	(4,023,452)	(4,123,452)
Gross profit	-	916,424	916,424
Depreciation	5,960	189,814	195,774
Administrative expenses	86,627	506,215	592,842
Consulting	3,379	-	3,379
Lease interest	3,172	37,729	40,901

	Soma Period ended October 31, 2021 $	PED Period ended October 31, 2021 $	Total $
Professional fees	-	140,823	140,823
Rent	-	102,651	102,651
Remunerations and benefits	11,923	722,242	734,165
Total operating expense	111,061	1,699,474	1,810,535
Loss before other expenses	(111,061)	(783,050)	(894,111)
Other income (expenses)			
Impairment loss	-	(60,340)	(60,340)
Interest and bank charges	-	(351,221)	(351,221)
Gain on lease liability	211,105	-	211,105
Gain on asset disposal	144,266	-	144,266
Loss on derecognizing accounts receivable	-	(83,001)	(83,001)
Unrealized gain on conversion feature	-	299,707	299,707
Total other income (expenses)	355,371	(194,855)	160,516
Loss from discontinued operations	244,310	(977,905)	(733,595)
Allocation of income (loss) from discontinued operations:			
Equity holder of the parent	244,310	(292,663)	(48,353)
Non-controlling interest	-	(685,242)	(685,242)
Income (loss) from discontinued operations	244,310	(977,905)	(733,595)

6. OPERATIONS REVIEW

During the period ended October 31, 2022, Management focused on:

- *Pandemic.* Due to COVID-19, Management is closely monitoring the global and Canadian situation and is actively taking steps to mitigate the impact and spread of COVID-19.
- *Business Practices*. Continues to implement internal audit, corporate governance, and business conduct/ethics policies to guide corporate and financial practices in a transparent manner.
- *Proposed Change of Business*. On April 29, 2022, the shareholders of WCE approved a special resolution to change World-Class' business. The Company is determined to refocus its business operations from a cannabis and hemp company to that of an investment issuer. As an investment issuer, the Company's primary focus will be to seek returns from investments in the securities of private and publicly listed entities that are involved in or connected with the cannabis and cannabis related industries.

General Description of the Business

World-Class was an innovation-driven company. On April 29, 2022, the shareholders of WCE approved a special resolution to change WCE's business. WCE is determined to refocus its business operations from a cannabis and hemp company to an investment company. WCE's primary focus will be to seek returns through investments in equity, debt, or other securities of publicly traded or private companies or other entities in the cannabis and cannabis related sectors with exceptional management and high growth potential, providing financing in exchange for financial appreciation and investment income. WCE will be looking to focus its investment objectives in high growth companies and technologies, private companies that intend to go public, and companies requiring capital markets expertise and leadership.

Skill and Knowledge

Patents

The Company has previously filed patent applications directed to its proprietary systems and methods for producing cannabis and hemp extracts. Such systems and methods are believed to be novel and non-obvious. The Company has succeeded in its efforts to patent its technology, and as such, the Company will likely have, subject to customary risks associated with intellectual properties, including those discussed elsewhere in this report, the ability to prevent competitors from making, using, selling and/or offering for sale the systems and methods as claimed by the Company's patent applications.

On June 29, 2021 the U.S. Patent and Trademark Office ("**USPTO**") issued U.S. Patent No. 11,046,664 in relation to the Company's methods for extracting and concentrating cannabinoids and other target compounds from cannabis using ultrasound-enhanced solvent extraction. Provisions of the patent covers several broad steps throughout the extraction process ranging from: compound removal, purification, cannabinoid isolation, filtration, separation, solvent recovery, compound mixtures and more. This Patent No. 11,046,664 represents a divisional application of U.S. patent application Ser. No. 16/265,768, filed Feb. 1, 2019 (pending), which relates to and claims the benefit of U.S. Provisional Application No. 62/627,616 filed Feb. 7, 2018 and entitled "Methods for Extracting Compositions from Plants," the entire disclosure of each of which are wholly incorporated by reference to U.S Patent 11,046,664.

7. SUMMARY OF QUARTERLY RESULTS

During the period ended October 31, 2022, the Company has focused on the redeployment of the Company's assets from that of a life sciences company focused on the cannabis industry to that of an investment issuer.

Quarters Ended	Revenue ($)	Net Loss (Income) and Comprehensive Loss (Income) ($)	Loss per Share ($)
October 31, 2022	-	280,629	0.00
July 31, 2022	-	339,946	0.00
April 30, 2022	-	523,634	0.00
January 31, 2022	-	6,322,000	0.01
October 31, 2021	-	1,112,058	0.00
July 31, 2021	-	262,158	0.00
April 30, 2021	-	1,959,715	0.00
January 31, 2021	-	626,878	0.00

Significant expenses during the quarter ended January 31, 2021 include office expenses of $140,684, professional fees of $166,328, remuneration and benefits of $544,140. The Company received $96,923 from CEWS and $22,208 from CERS totaling $119,131. Overall net loss was a bit lower due to the recognition of other income from the government grants, share-based payments being lower due to the options being fully vested during the quarter and the customer deposit write-down booked during the quarter.

Significant expenses during the quarter ended April 30, 2021 include office expenses of $501,131, professional fees of $(103,348), remuneration and benefits of $439,596. Overall net loss was a higher due to the impairment of loans receivable of $341,463, inventory written down to its carry value resulting in a loss of $489,225, impairment of property and equipment of $360,898, right-of-use asset of $239,244 and prepaid deposit of $166,607. The Company recorded $66,204 in bad debt that relates to accounts receivable that is older than 90 days. These expenses were slightly offset from the reversal of year end audit accrual of $152,000 to put the accrual in line with the Company's year end auditor quote.

Significant expenses during the quarter ended July 31, 2021 include office expenses of $317,937, management fees of $52,500, professional fees of $77,983, remuneration and benefits of $476,399, and share-based payments of $17,544, which was offset with a gross profit of $586,174. Office expenses increased due to an increase in insurance premiums, compliance expenses and an increase in PED operations. Remuneration and Benefits decreased due all of Soma's employees and a majority of WCE employees being terminated as of the date of this MD&A. Professional fees decreased from last quarter due to the decrease in audit fees associated with the change of auditors. Share-based payment was lower due to lower number of options vested for the period aggravated by the forfeitures and cancellations during the quarter. The total net loss also decreased mainly due to the absence of the impairment losses and write-downs recorded during the last quarter.

Significant expenses during the quarter ended October 31, 2021 include office expenses of $348,761, management fees of $52,500, professional fees of $124,146, remuneration and benefits of $497,434, loss on derecognizing accounts receivable of $83,001, impairment loss of $147,279, rent expense of $48,542 and share-based payments of $5,313, which was offset with a gross profit of $330,250. Office expenses increased due to an increase in insurance premiums, compliance expenses and an increase in PED operations. Remuneration and Benefits decreased due all of Soma's employees and a majority of WCE employees being terminated as of the date of this MD&A. Professional fees decreased from last quarter due to the decrease in audit fees associated with the change of auditors. Share-based payment was lower due to lower number of options vested for the period aggravated by the forfeitures and cancellations during the quarter. Loss on derecognizing accounts receivable increased due to PED entering into a factoring agreement during the current period.

Significant expenses during the quarter ended January 31, 2022, include loss on sale of PED of $5,361,331, consulting fees of $42,388, management fees of $15,000, professional fees of $23,384, remuneration and benefits of $91,459, impairment loss of $10,001, and share-based payments of $2,966. Remuneration and benefits decreased due all of Soma's employees and a majority of WCE employees being terminated as of the date of this MD&A. Professional fees decreased from last quarter due to the decrease in audit fees associated with the change of auditors. Share-based payment was lower due to lower number of options vested for the period aggravated by the forfeitures and cancellations during the quarter.

Significant expenses during the quarter ended April 30, 2022, include gain on sale of Soma Labs of $641,623, consulting fees of $50,997, management fees of $15,000, professional fees of $78,979, remuneration and benefits of $124,144, impairment loss of $97,726. Remuneration and benefits decreased due to a majority of WCE employees being terminated as of the date of this MD&A. Professional fees increased from last quarter due the sale of PED and Soma Labs.

Significant expenses during the quarter ended July 31, 2022, include consulting fees of $54,860, management fees of $15,000, professional fees of $37,172, remuneration and benefits of $91,657 and change in fair value of investments loss of $121,537. Filing fees increased over the same period last year due to the Proposed COB. Consulting fees increased over the same period last year due the engagement of additional consultants. Management fees decreased over the same period last year due to the resignation of the President.

Significant expenses during the quarter ended October 31, 2022, include consulting fees of $56,033, management fees of $15,000, professional fees of $170,017, remuneration and benefits of $87,862 and change in fair value of investments gain of $53,588. Filing fees increased over the same period last year due to the Proposed COB. Consulting fees increased over the same period last year due the engagement of additional consultants. Management fees decreased over the same period last year due to the resignation of the President.

8. LIQUIDITY AND CAPITAL RESOURCES

The Company considers the capital that it manages to include share capital, reserves, and deficit, which at October 31, 2022 is $2,870,698 (April 30, 2022 - $3,491,273). The Company manages and adjusts its capital structure based on the funds needed to support operations and business development. Management does this in light of changes in economic conditions and the risk characteristics of the underlying assets.

As at October 31, 2022, the Company had not yet achieved profitable operations and had an accumulated deficit since inception of $59,706,597 (April 30, 2022 – $60,385,396). During the period ended October 31, 2022, the Company had a net loss and comprehensive loss of $620,575 (2021 – $1,374,216) and spent $451,631 of cash on operating activities (2021 – $1,193,964), spent $Nil (2021 - $400,000 on investing activities, and spent $Nil on financing activities (2021 – $5,321). The Company expects to incur further losses in the development and operation of its businesses. The Company's ability to continue as a going concern is dependent upon its ability to redeploy its assets and resources in a way that would, without a major acquisition or change of control, result in the Proposed COB of the Company from that of a cannabis-focused company to that of an investment issuer, under the rules and policies of the Canadian Securities Exchange. The Proposed COB would see the focused on the raising of money and investing in companies without getting involved in the mind and management of the investee companies. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. To date, the Company has relied on equity and debt financing to fund its acquisitions. The remaining funds will be used to sustain operations and sustain current acquisitions. Additional funding will be required and could come in the form of equity, debt and or convertible debt; however, there is no assurance that such additional funding will be available when and as needed. The Company's access to sufficient capital will impact its ability to continue operations and fund acquisitions. For further information, see section "Financial Management Risk" below.

Funding Outlook

As at October 31, 2022, the Company may not be able to conduct its operations and meet its financial obligations. Depending on the strategies followed, revenue opportunities, and any future expansion going forward, additional financing will be required. Management is considering different sources of potential funding, including further equity issuances, the issuance of debt, the sale of assets and the exercise of warrants and stock options.

9. FINANCIAL MANAGEMENT RISK

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate risk and price risk). Risk management is carried out by Management with guidance from the Audit Committee under policies approved by the Board. The Board also provides regular guidance for overall risk management. There have been no significant changes in the risks, objectives, policies and procedures during the Reporting Period.

Credit Risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The risk for cash and cash equivalents cash is mitigated by holding these instruments with highly rated Canadian financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its contractual obligations and financial liabilities as they become due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at October 31, 2022, the Company had a cash balance of $2,082,558 (April 30, 2022 - $2,534,189) to settle current liabilities of $241,197 (April 30, 2022 - $215,749). The Company's future financial success will be dependent upon the ability to monetize its technologies or obtain necessary financing to meet its contractual obligations. All of the Company's current financial liabilities have contractual maturities of less than a year and are subject to normal trade terms.

Current liabilities	**October 31, 2022** **$**	April 30, 2022 $
Accounts payable and accrued liabilities	**239,520**	213,936
Due to related parties	**-**	136
Liabilities of discontinued operations	**1,677**	1,677
Total current liabilities	**241,197**	215,749

The tables summarize the maturity profile of the Company's financial liabilities used for liquidity management and liabilities as at October 31, 2022 and April 30, 2022 based on contractual undiscounted receipts and payments.

October 31, 2022	**<1 year**	**1-5 years**	**>5years**
Financial liabilities at amortized cost			
Accounts payable and accrued liabilities	$ 239,520	$ -	$ -
Due to related parties	-	-	-
Government grant loan	-	39,181	-
Liabilities of discontinued operations	1,677	-	-
Total financial liabilities at amortized cost	$ 241,197	$ 39,181	$ -

April 30, 2022	**<1 year**	**1-5 years**	**>5years**
Financial liabilities at amortized cost			
Accounts payable and accrued liabilities	$ 213,936	$ -	$ -
Due to related parties	136	-	-
Government grant loan	-	36,713	-
Liabilities of discontinued operations	1,677	-	-
Total financial liabilities at amortized cost	$ 215,749	$ 36,713	$ -

Market Risk

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

(a) Interest rate risk

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The interest rate risk on bank deposits is insignificant as the deposits are short term. The Company is not exposed to interest rate risk in respect of any loans payable and receivable which are subject to a fixed rate of interest.

(b) Foreign currency risk

The functional currency of the Company is Canadian dollar. The Company does not hedge its exposure to currency fluctuations. However, Management believes that the Company is subject to minimal foreign exchange risk as most transactions incurred are in CAD.

(c) Price risk

The Company's investments are subject to fair value fluctuations. As at October 31, 2022, if the fair value of the Company's investments had decreased/increased by 10% with all other variables held constant, other comprehensive profit or loss for the period ended October 31, 2022 would have been approximately $62,402 higher/lower.

Business Risks

Laws and Regulations are Subject to Change

The constant evolution of laws and regulations affecting the cannabis industry could detrimentally affect the operations of the Company's investment companies. Canadian federal, provincial, and municipal cannabis laws and regulations, along with Canadian securities laws, are broad in scope and subject to changing interpretations. These changes may require the Company's investment companies to incur substantial costs associated with legal and compliance fees and ultimately require them to alter their business plans. Furthermore, violations of these laws, or alleged violations, could disrupt its business and result in a material adverse effect on operations. The Company cannot predict the nature of any future laws, regulations, interpretations or applications, and it is possible that regulations may be enacted that will be directly applicable to the business of its investment companies.

Financial Instrument measurement and valuation.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The measurement of the Company's financial instruments is disclosed in Note 14 to the Financial Statements. Any financial instrument that is valued using level 2 or 3 inputs will involve estimation uncertainty.

10. ACCOUNTING POLICIES

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 to the Financial Statements for the year ended April 30, 2022.

Recent accounting pronouncements
Certain pronouncements were issued by the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretation Committee ("IFRIC") that are note yet effective. Many are not applicable or do not have a significant impact to the Company and have been excluded.

11. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

As at October 31, 2022, amounts due to related parties totaled $Nil (April 30, 2022 - $136) to the CEO of WCE which are unsecured, payable on demand, and without interest.

The Company entered into the following transactions with related parties:

	October 31, 2022 $	October 31, 2021 $
Management fees	**30,000**	105,000
Accounting fees	**-**	847
Legal fees	**22,442**	-
Remuneration and benefits	**75,600**	78,042
Remuneration and benefits from discontinued operations	**-**	310,800
Share-based payments	**-**	22,857
	128,042	517,546

- Management fees reported consist of $Nil (October 31, 2021 - $75,000) paid to a company of which Leo Chamberland, former President of the Company has significant interest and $30,000 (October 31, 2021 - $30,000) was paid to a company controlled by Zara Kanji, CFO.
- Accounting fees presented as part of professional fees consist of $Nil (October 31, 2021 - $847) to a company controlled by Zara Kanji, CFO.
- Remuneration and benefits consist of $75,000 to Rosy Mondin, CEO (October 31, 2021 - $78,042 to Rosy Mondin, CEO) and $600 (October31, 2022 - $Nil) to a director for director compensation.
- Legal fees presented as part of professional fees consist of $22,442 (October 31, 2021 - $Nil) paid to a company of which the Corporate Secretary is a partner.
- Remuneration and benefits from discontinued operations reported as part of discontinued operations consist of $Nil (October 31, 2021 - $160,800 to Randy Rolph, CEO of PED, $75,000 to Mike Sax, CFO of PED and $75,000 to Michael Depault, CTO of PED).
- Share-based payments consist of $Nil (October 31, 2021 - $22,857 to officers of the former subsidiary PED).

12. PROPOSED TRANSACTIONS

As at the date of this MD&A, the Company has resolved to redeploy its assets and resources in a way that would, without a major acquisition or change of control, result in a “change of business” under the rules and policies of the Canadian Securities Exchange. The Proposed COB would see the Company move from being a “Life Science” company focused on cannabis to an “investment company” focused on the raising of money and investing in companies without getting involved in the mind and management of the investee companies. The Proposed COB is subject to regulatory approval, including the approval of the Canadian Securities Exchange and the approval of the Company’s Shareholders. Shareholder approval was received at the Annual General and Special Meeting of the Company held April 29, 2022.

13. CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For a detailed summary of the Company's significant accounting policies, the readers are directed to Notes 2 and 3 to the Financial Statements for the year ended April 30, 2022 on SEDAR at www.sedar.com and www.thecse.com.

14. RISKS AND UNCERTAINTIES

Although Management attempts to mitigate risks and minimize their effect on the Company's financial performance, there is no guarantee that the Company will be profitable in the future and the Company's common shares should be considered speculative.

Public Health Crisis. The Company's business, operations and financial condition could continue to be materially adversely affected by the outbreak of epidemics or pandemics or other health crises. In December 2019, the 2019 novel coronavirus ("**COVID-19**") surfaced in Wuhan, China. The World Health Organization declared a global emergency on January 30, 2020 with respect to the outbreak and characterized it as a pandemic on March 11, 2020. The outbreak has spread throughout the world and there continue to be escalating cases of COVID-19 in Canada and the United States, causing companies and various international jurisdictions to impose restrictions, such as quarantines, closures, cancellations and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. Such public health crises can result in volatility and disruptions in global supply chains, business operation and financial markets, as well as declining trade, market sentiment and reduced mobility of people, all of which could affect, interest rates, credit ratings, credit risk and inflation. The risks to the Company and the Company's investees of such public health crises also include risks to employee health and safety and a slowdown or temporary suspension of operations in geographic locations impacted by an outbreak, labour shortages, travel and shipping disruption and shutdowns (including as a result of government regulation and prevention measures), decrease in sales, and delay, deferment or cancellation of potential partnerships.

Change in Laws, Regulations and Guidelines. The operations of the Company's investees are, and may in the future become, subject to various laws, regulations and guidelines relating to the production, manufacture, management, packaging/labelling, advertising, sale, transportation, storage, and disposal of medical or recreational cannabis, including laws and regulations relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment. To the knowledge of Management, all of the Company's investees are currently in compliance with all such laws; however, changes to such laws, regulations and guidelines due to matters beyond the control of the Company may cause adverse effects to its investments.

The Company endeavors to comply with all relevant laws, regulations, and guidelines. To the Company's knowledge, it is in compliance or in the process of being assessed for compliance with all such laws, regulations and guidelines.

Reliance on Management and Key Personnel. The Company believes that its success has depended, and continues to depend, on the efforts and talents of its executives and employees, including its Chief Executive Officer. The Company's future success depends on its continuing ability to attract, develop, motivate, and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. In addition, the loss of any of the Company's senior Management or key employees could materially adversely affect its ability to execute its business plan and strategy, and it may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of its employees.

Additional Financing. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of the Company's current business strategy or the Company ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may contain provisions, which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

Competition. There can be no assurance that potential competitors of the Company, which may have greater financial and personnel resources than the Company, are not currently developing, or will not in the future develop, products and strategies that are equally or more effective and/or economical as any products or strategies developed by the Company or which would otherwise render the Company's products or strategies obsolete. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

Management of Growth. The Company may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of Interest. The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time-to-time deal with persons, firms, institutions, or Companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Unpredictable and Volatile Market Price for Common Shares. The market price for common shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- recommendations by securities research analysts;
- changes in the economic performance or market valuations of companies in the industry in which the Company operates;
- addition or departure of the Company's executive officers and other key personnel;
- release or expiration of lock-up or other transfer restrictions on outstanding common shares;
- sales or perceived sales of additional common shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures, or capital commitments by or involving the Company or its competitors;
- operating and share price performance of other companies that investors deem comparable to the Company;
- fluctuations to the costs of vital production materials and services;
- changes in global financial markets and global economies and general market conditions, such as interest rates and pharmaceutical product price volatility;
- operating and share price performance of other companies that investors deem comparable to the Company or from a lack of market comparable companies; and

- news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the common shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which might result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely affected, and the trading price of the common shares might be materially adversely affected.

Future Sales of Common Shares by Existing Shareholders. Sales of a substantial number of common shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of common shares intend to sell common shares, could reduce the market price of our common shares. Holders of options to purchase common shares will have an immediate income inclusion for tax purposes when they exercise their options (that is, tax is not deferred until they sell the underlying common shares). As a result, these holders may need to sell common shares purchased on the exercise of options in the same year that they exercise their options. This might result in a greater number of common shares being sold in the public market, and fewer long-term holds of common shares by the Management and employees of the Company.

Execution of Strategies. The success of the Company's business depends, in part, on its ability to execute on its strategy and to retain key management and employees. The Company continues to evaluate opportunities that have the potential to support and strengthen its business as part of its ongoing growth strategy. The Company expects to evaluate transactions on an ongoing basis in the future. The Company expects to regularly make non-binding proposals, and it may enter into non-binding, confidential letters of intent from time to time in the future. The Company cannot predict the timing or size of any future transaction(s). To successfully execute on its strategies, the Company may need to raise additional equity and/or indebtedness, which could increase its leverage level. There can be no assurance that the Company will enter into definitive agreements with respect to any contemplated transaction or that any contemplated transaction will be completed. The investigation and negotiation, drafting and execution of relevant agreements, disclosure documents and other instruments will require substantial management time and attention and substantial costs for accountants, attorneys, and others. If the Company fails to complete any transaction for any reason, including events beyond its control, the costs incurred up to that point for the proposed transaction likely would not be recoverable. The Company may actively pursue a number of opportunities simultaneously and may encounter unforeseen expenses, complications and delays, including difficulties in employing sufficient staff and maintaining operational and management oversight.

Future Acquisitions or Dispositions. Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of the Company's ongoing business,

(ii) distraction of management, (iii) the Company may become more financially leveraged, (iv) the anticipated benefits and cost savings of those transactions may not be realized fully or at all or may take longer to realize than expected, (v) increasing the scope and complexity of the Company's operations, and (vi) loss or reduction of control over certain of the Company's assets. Additionally, the Company may issue additional equity interests in connection with such transactions, which would dilute a shareholder's holdings in the Company.

The presence of one or more material liabilities of an acquired company that are unknown to the Company at the time of acquisition could have a material adverse effect on the business, results of operations, prospects and financial condition of the Company. A strategic transaction may result in a significant change in the nature of the Company's business, operations, and strategy. In addition, the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the Company's operations.

The Company cannot guarantee that it will achieve synergies and cost savings in connection with future acquisitions. The Company cannot guarantee that there will be attractive acquisition opportunities at reasonable prices, that financing will be available or that it can successfully integrate acquired businesses into existing operations. The Company's inability to effectively manage the integration of its completed and future acquisitions could prevent it from realizing expected rates of return on an acquired business and could have a material and adverse effect on the Company's financial condition, results of operations or liquidity.

Information Technology Systems and Cyber Security Risks. The Company is susceptible to operational, financial and information security risks resulting from cyber-attacks and/or technological malfunctions. Successful cyber-attacks and/or technological malfunctions affecting the Company, or its service providers can result in, among other things, financial losses, the inability to process transactions, the unauthorized release of customer information or confidential information and reputational risk.

The Company has not experienced any material losses to date relating to cybersecurity attacks, other information breaches or technological malfunctions. However, there can be no assurance that the Company will not incur such losses in the future. As cybersecurity threats continue to evolve, the Company may be required to use additional resources to continue to modify or enhance protective measures or to investigate security vulnerabilities.

Additional issuance of Company Shares will Result in Dilution. The Company plans to issue additional securities in the future in connection with its planned acquisitions, offerings, and financing transactions, which will dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of common shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The Board of Directors has discretion to determine the price and the terms of further issuances. The Company cannot predict the effect that future issuances and sales of its securities will have on the market price of its common shares. Issuances of a substantial number of additional securities of the Company, or the perception that such issuances could occur, may adversely affect prevailing market prices for the common shares. With any additional issuance of the Company's securities, investors will suffer dilution to their voting power and the Company may experience dilution in its revenue per share.

Shareholders Have Little or No Rights to Participate in the Company's Affairs. Except for the limited rights of shareholders under applicable laws, the day-to-day decisions regarding the management of the Company's affairs will be made exclusively by the Board of Directors and its officers. Shareholders will have little or no control over the Company's future business and investment decisions, its business, and its affairs. The Company may also retain other officers and agents to provide various services to the Company, over which the shareholders will have no control. There can be no assurance that the Board of Directors, officers, or its other agents will effectively manage and direct the affairs of the Company.

Dividends. Holders of the Company shares will not have a right to dividends on such shares unless declared by the Board of Directors. The Company has not paid dividends in the past, and it is not anticipated that the Company will pay any dividends in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings. The declaration of dividends is at the discretion of the Board of Directors, even if the Company has sufficient funds, net of its liabilities, to pay such dividends, and the declaration of any dividend will depend on the Company's financial results, cash requirements, future prospects and other factors deemed relevant by the Board of Directors.

Costs of Maintaining a Public Listing. As a public company there are costs associated with legal, accounting, and other expenses related to regulatory compliance. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. The Company may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

15. OUTSTANDING SHARES

As at October 31, 2022 and the date of this report, the Company had 625,196,572 shares, 24,000,000 stock options and nil warrants issued and outstanding.

16. OFF-BALANCE SHEET ARRANGEMENT

To the best of Management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its board of directors, Stock Trend Capital Inc., hereby applies for the listing of the above-mentioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to Stock Trend Capital Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto, Ontario, this 27th day of February, 2023.

"Anthony Durkacz"

Anthony Durkacz
Chief Executive Officer

"Navchand Jagpal"

Navchand Jagpal
Chief Financial Officer

"Binyomin Posen"

Binyomin Posen
Director

"Michael Galloro"

Michael Galloro
Director

"Anthony Durkacz"

Anthony Durkacz
Promoter