



THC BIOMED INTL LTD.

Management's Discussion and Analysis

For the Nine Months Ended April 30, 2023 and 2022

(Expressed in Canadian Dollars)

For the Nine Months Ended April 30, 2023 and 2022

CAUTION REGARDING FORWARD LOOKING STATEMENTS

This Management Discussion and Analysis ("MD&A") contains certain statements that constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995 or in releases made by legislation as amended from time to time) that involve risks and uncertainties. All statements, other than statements of historical fact, made by the Company that address activities, events, or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by, or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance, or business developments. These statements speak only as of the date they are made and are based on information currently available and on the Company's then current expectations and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance, or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

- the availability of financing opportunities, risks associated with economic conditions, dependence on management, and conflicts of interest
- market competition and agricultural advances of competitive products
- the timing and availability of the Company's products, its ability to expand production space, and acceptance of its products by the market
- the ability to successfully market, sell, and distribute the products, and to expand the Company's customer base

Readers are cautioned not to put undue reliance on forward-looking statements. Unless otherwise indicated by us, forward-looking statements in this MD&A describe our expectations as at June 29, 2023 and, accordingly, are subject to change after that date. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in, or implied by, such forward-looking statements and that our business outlook, objectives, plans and strategic priorities may not be achieved. As a result, we cannot guarantee that any forward-looking statements will materialize, and we caution you against relying on any of these forward-looking statements. Forward-looking statements are presented in this MD&A for the purpose of assisting investors and others in understanding our objectives, strategic priorities and business outlook as well as our anticipated operating environment. Readers are cautioned, however, that such information may not be appropriate for other purposes.

The forward-looking statements in this MD&A are subject to, among other things, the following risks:

- the Company's operations are dependent on key technical personnel, and the loss of such personnel could have a significant impact on the Company's ability to conduct its activities
- competition
- currency fluctuations and exchange rates
- the Company's ability to continue as a going concern

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- the Company may not be able to obtain all necessary funding for its operations, on terms satisfactory to the Company or at all
- credit risk
- the Company's dependence on information technology systems
- risks that the Company's software and applications may contain security problems, security vulnerabilities, or defects in design or manufacture, including "bugs" and other problems that could interfere with the intended operation of its software
- risks related to the volatility of customer demand for the Company's products
- risks associated with cybersecurity and privacy violations, in particular given the Company's operations are highly dependent on online technologies and the Company obtains a significant amount of personal information in the course of operations
- duration and impact of COVID-19 on our business plans, objectives and expected operating results

We have made certain economic, market and operational assumptions in preparing the forward-looking statements contained in this MD&A. If our assumptions turn out to be inaccurate, our actual results could be materially different from what we expect.

Important risk factors including, without limitation, competitive, regulatory, economic, financial, operational, technological and other risks could cause actual results or events to differ materially from those expressed in, or implied by, the previously-mentioned forward-looking statements.

We caution readers that the risks described in this MD&A are not the only ones that could affect us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our financial position, financial performance, cash flows, business, or reputation. Except as otherwise indicated by us, forward-looking statements do not reflect the potential impact of any special items or other transactions that may be announced or that may occur after June 29, 2023. We therefore cannot describe the expected impact in a meaningful way, or in the same way we present known risks affecting our business.

COVID-19

The outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future; therefore, the Company cannot reasonably estimate the impact at this time on our business, liquidity, capital resources and financial results.

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Q3 HIGHLIGHTS

- In March, THC BioMed Ltd. commenced the sales and distribution of its patented American-manufactured Clone Shipper containers in Thailand. Clone Shipper containers are available for purchase from THC BioMed (Thailand) Co. Ltd. via their THC2Go dispensaries. Clone Shipper Ltd. is a profit-making subsidiary of THC BioMed Intl Ltd. The innovative Clone Shipper container's patented design enables plants, especially clones or young plants, to be shipped safely and all the while nurturing the plant in the growing process. The container is built to last for multiple shipments. The latest innovations include a new opaque lid and an LED light that lasts for 100 hours or longer.
- In April, our affiliate, THC BioMed (Thailand) Co. Ltd., began retail medical sales in the dispensary in Thailand.

HIGHLIGHTS SUBSEQUENT TO APRIL 30, 2023

- Our largest customer, the Province of B.C., discontinued skews for our gummies and pre-rolls which affected sales for Q3. This caused us to reestablish new skews for these products and sales have resumed.
- Management has made a decisive strategic restructuring of operations going forward focusing on service expansion. The Company now offers comprehensive assistance to micro-producers seeking entrance into the lucrative cannabis sector. In the wake of the Company's shift to edibles and drinks as its main products, THC BioMed Ltd. has available grow space in its licensed Kelowna, B.C. facility. This space will be leveraged to offer turnkey operations for micro-producers, inclusive of a licensed grow space and consulting services covering all facets of cannabis production, from growth to extraction, distribution and sales. As a result of this restructuring, some units have been earmarked to be sold as commercial units in the Acland Road business park. Micro-producers utilizing THC's services will gain from the Company's existing license, in-house processing, and established distribution networks. THC BioMed Ltd. will also assist these new micro-producers in applying for a B.C. farmgate license, facilitating non-medical cannabis product sales from stores located at cultivation sites.
- On June 29, 2023, the *THC Kiss Mango Beverage Shot* was #3 and *THC Kiss Guava Beverage Shot* was #4 on the bestselling beverages list on the Ontario Cannabis Store website
- On June 29, 2023, the *THC Kiss Mango Beverage Shot* was #2 on the B.C. Cannabis Store website

COMPANY OVERVIEW

This MD&A of the operating results and financial condition of THC BioMed Intl Ltd. (the "THC" or "Company") for the nine months ended April 30, 2023 and 2022, should be read in conjunction with the audited consolidated financial statements for the years ended July 31, 2022 and 2021, which are prepared in accordance with International Financial Reporting Standards ("IFRS").

THC is a publicly traded company with its head office at #1 – 2550 Acland Road, Kelowna, British Columbia, Canada, V1X 7L4.

The Company's shares trade on the Canadian Securities Exchange ("CSE") under the symbol THC, on the Over-the-Counter Best Market ("OTCQX") under the symbol THCBF, and on the Frankfurt Stock Exchange under the symbol TFHD.

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The consolidated financial statements include the accounts of THC and its five wholly owned subsidiaries: THC BioMed Ltd. ("THC BioMed"), Clone Shipper Ltd., THC BioMed Victoria Falls Ltd. (formerly THC BioMedical Ltd.), THC2GO Dispensaries Ltd. ("THC2GO"), and THC BioMed Lesotho Ltd. ("THC Lesotho").

On November 23, 2022, the Company acquired 40% of THC BioMed (Thailand) Co. Ltd. This affiliate will undertake wholesale and retail medical sales of cannabis in Thailand along with sales of our Clone Shipper containers.

The Company's principal business is the production and sale of cannabis through THC BioMed Ltd. which is a small batch Licensed Producer as regulated by the *Cannabis Act* which regulates the production, distribution, and possession of cannabis for both medical and adult recreational access in Canada. Clone Shipper Ltd. owns all rights to the Clone Shipper product used to transport live plants. THC BioMed Victoria Falls Ltd., THC2GO and THC Lesotho are inactive.

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board of Director's Audit Committee meets with management quarterly to review the consolidated financial statements and the MD&A and to discuss other financial, operating, and internal control matters. The reader is encouraged to review the Company's statutory filings on SEDAR at www.sedar.com.

This MD&A is prepared as at June 29, 2023. All dollar figures stated herein are expressed in Canadian dollars unless otherwise noted. Readers should use the information contained in this report in conjunction with all other disclosure documents including those filed on SEDAR at www.sedar.com.

STRATEGY FOR THE CANADIAN CANNABIS MARKET

THC BioMed is one of Canada's oldest and active licensed cannabis companies. It is a small batch producer that passionately grows its strains organically, with the purest nutrients and without pesticides or other exogenous chemicals. It aims to be a leader in the beverage and edible categories by supplying Canadians with clean, safe, and affordable cannabis products.

THC BioMed has extensive experience in processing, packaging, and shipping live cannabis clones, dried cannabis, and edibles. It is one of the few Licensed Producers to offer clients live cannabis clones, which are shipped using its specially-designed Clone Shipper containers. The Company has also learned how to implement modern packaging techniques that are childproof and allow for long-term storage.

Currently, THC BioMed carries 20 medical and recreational cannabis strains, five of which are proprietary. Through customer feedback, internal systems, and external services, the Company identified an additional fifteen strains branded under "Smoke That Thunders" that is sold to the medical and recreational market with tetrahydrocannabinol between 18% and 26%. These sales were launched on 4/20 of 2022.

To position itself as a leader in the beverage and edibles category, THC BioMed introduced more flavors and new products for *THC Kiss*, our line of beverages and edibles produced from a proprietary blend. Starting with the innovative *THC Kiss Guava Beverage Shot* and *THC Kiss Strawberry Gummies*, *THC Kiss* now boasts eight delicious flavors of *THC Kiss* products. In 2021, *THC Kiss* launched new flavors such as *THC Kiss Mango Beverage Shot* and *THC Kiss Orange Gummies*. Further, it expanded its edibles with *THC Kiss Biscuits*, offering classic flavours as cocoa, cinnamon, and shortbread. THC BioMed will continue developing new products for *THC Kiss* to provide the cannabis market with more ways of consuming cannabis.

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THC BioMed will continue producing small batches of high quality and reliable quantities, concentrating on edibles. It distinguishes itself from the competition by offering economical plant science. The Company will achieve this by providing Canadians with safe cannabis products that offer the greatest possible effect in the most cost-efficient way. Subsequent to April 30, 2023, management has made a decisive strategic restructuring of operations going forward focusing on service expansion. The Company now offers comprehensive assistance to micro-producers seeking entrance into the lucrative cannabis sector. In the wake of the Company's shift to edibles and drinks as its main products, THC BioMed Ltd. has available grow space in its licensed Kelowna, B.C. facility. This space will be leveraged to offer turnkey operations for micro-producers, inclusive of a licensed grow space and consulting services covering all facets of cannabis production, from growth to extraction, distribution and sales. As a result of this restructuring, some units have been earmarked to be sold as commercial units in the Acland Road business park. Micro-producers utilizing THC's services will gain from the Company's existing license, in-house processing, and established distribution networks. THC BioMed Ltd. will also assist these new micro-producers in applying for a B.C. farmgate license, facilitating non-medical cannabis product sales from stores located at cultivation sites.

THC Kiss Beverage Shot

The Company will concentrate on producing its cannabis beverage shot, *THC Kiss*. *THC Kiss* was developed by the Company using proprietary extraction methods.

The regulations place a limit of 10 milligrams ("mg") of tetrahydrocannabinol per separate unit for a cannabis beverage. Currently *THC Kiss* is packaged in glass bottles and displays the standardized cannabis symbols along with a health warning message. The beverage comes in guava and mango flavours with more flavours to be developed soon. We have recently introduced *Dragon Kiss* which is a mix of guava and mango flavours.

We have also developed and launched a cannabidiol ("CBD") beverage in our best-selling mango flavour and call it *CBD Kiss Mango Shot*. Unlike our high-THC shots, it comes with 4 mg to 5 mg of CBD and 2 mg to 3 mg of tetrahydrocannabinol.

THC Kiss Gummies

THC Kiss Gummies are chewy flavoured gummy candies containing 2.5 mg of tetrahydrocannabinol each. Each bag of *THC Kiss Gummies* contains 7.5 mg of tetrahydrocannabinol with 3 gummies in each package or 10 mg of tetrahydrocannabinol with 4 gummies in each package. The cannabis extract used is from the same proprietary extraction system as that used in the *THC Kiss Beverage Shot*. The Company is producing the *THC Kiss Gummies* in strawberry and orange flavours with more flavours to be developed soon.

THC Kiss Biscuits

THC KISS Biscuits are the latest edible from THC BioMed. Each package contains one biscuit with 10mg of tetrahydrocannabinol. *THC Kiss Biscuits* come in cocoa, cinnamon, and shortbread flavours, with more flavours to be developed soon.

These classic *THC Kiss Biscuits* are now available in CBD format. *CBD Kiss Biscuits* comes in cocoa, cinnamon, and shortbread flavours. Unlike its *THC Kiss Biscuits* counterpart, *CBD Kiss Biscuits* contain 4 mg to 5mg of CBD and 2 mg to 3 mg of THC.

Pure Cannabis Sticks

The Company will continue to produce *Pure Cannabis Sticks*, pre-rolls that are filtered, paper cylinders filled with the Company's own pure cannabis to be manufactured using our automated production machine. As cannabis consumers navigate the numerous cannabis brands, THC believes that easy-to-use products will gain popularity such as ready to use pre-rolls over traditional flower purchases.

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Pure Cannabis Sticks are packaged in lots of singles with each pre-roll intended for a single-use session containing 0.6 grams of cannabis.

THC BioMed has also engaged a consultant to carry out an enhancement project on the Company's automated cannabis cylinder machine to improve production and add automated packaging to the process.

PRODUCTION

THC BioMed is a small batch Licensed Producer passionate about using organic and sustainable growing methods without pesticides or exogenous chemicals. Sustainability, social value, and product innovation are the driving factors that support our fundamental values as a company. Along with producing proprietary strains, the Company will focus on producing cannabis and edibles going forward.

The Company operates in a sophisticated complex of indoor growing space in small rooms with the desired light, temperature, and humidity. It allows us to maintain optimal environmental control to regulate all aspects of the growing cycle and produce an exceptionally consistent product. The process is mainly done by hand, from watering, cannabis harvesting, to flower trimming. We choose from only the best-feminized seeds, and our growers especially tend to the cannabis from seed to final product. We know that drying and curing cannabis is a critical step in the process, so we take our time to ensure we don't lose flavor or potency but rather preserve all the terpenes that nature has to offer. Our buds are hand-trimmed at the perfect time and placed on drying racks then cured for an extended time. After drying, the flower is cured for several weeks before final inspection, testing, and then packaging. There are absolutely no pesticides, and critters are kept away by physical means and tightly sealed rooms. Every lot is subject to Health Canada's standardized testing requirements.

THC BioMed focuses on selling its proprietary strains that are:

- **THC Sativa Landrace** is a *proprietary landrace* Sativa strain with its dried bud containing high tetrahydrocannabinol between 18% and 24%
- **THC Indica Landrace** is a *proprietary landrace* Indica strain with its dried bud containing high tetrahydrocannabinol between 18% and 24%
- **THC Hybrid Landrace** is a *proprietary hybrid* 60/40 Sativa-dominant strain with its dried bud containing high tetrahydrocannabinol between 18% and 24%
- **CBD Indica Landrace** is a *proprietary Indica dominant* strain and the dried bud contains high CBD at 11%
- **CBD Sativa Landrace** is a proprietary Sativa dominant strain and the dried bud contains high CBD at 10%

Starting 4/20 of 2022, the Company began focusing on selling seven new strains under the brand name "Smoke that Thunders" to produce dried cannabis with tetrahydrocannabinol between 18% and 26%:

- **White Berry** is a 75/25 Indica dominant hybrid that feels as good as it sounds. It carries a fragrant berry scent and a distinct aroma because of its most dominant terpene, Caryophyllene. The buds are light green with amber hairs and a moderate dusting of trichomes. It is best to consume towards the end of the day.
- **Allkush** is an 80/20 Indica dominant hybrid which results in a high in a short amount of time. Its most dominant terpene, Pinene, gives this strain a holiday vibe because it smells like a pine tree. It is a thick bud with a generous amount of trichomes. This strain has a fragrant scent which makes it irresistible.
- **Malawi Gold** is a Sativa strain that screams royalty in every aspect. It is draped with gold hair all over, which makes it a sight to behold. Its most abundant terpene is Myrcene which brings a unique fruity scent and flavour.

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- **BC Indoor Lucid Bolt** is an Indica-dominant strain that has been choicely bred by our team of expert growers for a greater effect for Indica lovers. It has rich dark green buds with amber hairs and carries heavy dusting of trichomes, making it the ideal choice for afternoon or evening consumption. It's flavorful with fruity and acidic flavours, along with hints of blackberries on your tongue.
- **BC Highbrid** is our famous hybrid landrace strain. It is a balanced hybrid with a sweet earthy scent and hints of nectarine. This proprietary strain has been choicely bred by our team of expert growers to deliver a balanced hybrid with the highest tetrahydrocannabinol levels. These premium buds are beautiful light green with contrasting deep orange hairs and carry a heavy dusting of tetrahydrocannabinol crystals. This strain combines smells that are both earthy and sweet with flavours of nectarine, pepper, and honey cream.
- **Dragon's Lettuce** is a premium strain that is our most potent Sativa and carries a unique blend of strong floral aromas, and notes of grape with hints of sugary and spikey greens that make it hard to resist.
- **Jacky White** is a 75/25 Sativa-dominant strain and is a cross between classic strains Jack Herer Sativa and White Widow. This strain is generous in terpenes like Limonene, Pinene, and Myrcene, giving it flavours of sweet grapefruit and citrus. It has a heavy dusting of trichomes giving it a glowing aura. As a Sativa, it has well-balanced head and body effects.
- **Black Magic** - Black Magic is one of Africa's hidden treasures, reserved for priests and the noble. Ancient practice suggests priests refer to Black Magic to perform intermediary duties related to humans and supreme beings. It is a holy grail because its uplifting effect is an enchantment unlike any other as legend says. This premium Sativa is our most potent yet with a THC level of 27%!
- **BC Grizzly** - BC Grizzly is our newest addition to the Smoke That Thunders line. A cross of Jacky White and our popular Dragon's Lettuce has made this strain a whole different kind of beast - roaring at over 27% THC! The forest green buds will lure you in with sparkling crystal shards and a strong aroma of flowers and sweet grapes, but beware when entering its hunting ground, that around every corner you could find yourself face to face with the beast.
- **BC Indoor Nebula** - It is a high-potency hybrid strain with a heavy dusting of THC crystals that twinkle like newly forming stars in a nebula, ready to transport you to other worlds. The buds are light green with bright contrasting orange hairs that produce a fruity sweet aroma like honey and nectarines. This strain emerged from a union of Original White Widow and both Afghan and Californian (Haze) genetics to produce a strain with a beautiful mix of Sativa and Indica.
- **Lucid Dream** - Lucid Dream is a potent mix of our powerful Indica and Sativa landrace strains. This Indica-dominant strain has been choicely bred by our team of expert growers for a greater effect for Indica lovers. It has rich dark green buds with amber hairs and carries a heavy dusting of trichomes, and its fruity and acidic flavours bring tasteful hints of blackberries to your tongue. These factors make it an ideal choice for afternoon or evening consumption.
- **Star Cloud** - Star Cloud is a potent hybrid strain named for its abundance of THC crystals that glisten like stars. These light green buds are contrasted with orange hairs that offer a fruity aroma, sweet like honey and nectarines. This strain was born from Original White Widow with both Afghan and Californian (Haze) genetics to create a beautiful mix of Sativa and Indica that will have your head in the clouds.
- **Victoria Falls** - Victoria Falls is an Indica dominant strain with ancient roots that stretch back to the fertile plains of Africa. Like the mists that envelope the great falls, its exact origin is a mystery, but similar to the powerful curtain of falling water underneath, this strain will pull you in and take you on a journey. Its flavours flow fruity and acidic with hints of blackberries.
- **Boxing Day (holiday offering)** - Boxing Day is our premium Sativa that takes its name from the frenzy on one of North America's most talked about Holidays. You won't stop 'til you drop because this premium Sativa is bustling at 25% THC! It is the perfect deal with its buzzing floral aroma with subtle notes of grape and melon. The buds are a steal with hues of sandy browns and lighter greens containing bursts of amber hairs.
- **Santa Sativa (holiday offering)** - Santa Sativa is our first limited-edition Holiday strain offering for our ten years in the industry. This premium Sativa will lift Holiday spirits at 21% THC! It is a feast for the senses with a strong floral aroma and notes of grape. The buds come in hues of sandy browns and lighter greens containing jolly bursts of amber hairs.

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Current packaging of dried cannabis is in containers of 3.5 grams, 7 grams, 10 grams, 14 grams, 15 grams and 28 grams. Dried cannabis containing 14 grams, 15 grams and 28 grams are now packaged in pouches rather than bottles.

The *THC Kiss Beverage Shots* are currently packaged in glass bottles containing 10 mg of tetrahydrocannabinol.

THC Kiss Gummies are packaged three or four to a package (2.5 mg each) with a total of 7.5 mg or 10 mg of tetrahydrocannabinol respectively.

THC Kiss Biscuits are packaged individually with 10 mg of tetrahydrocannabinol per biscuit.

CBD Kiss Biscuits are packaged individually with 4 mg to 5 mg of CBD and 2 mg to 3mg of tetrahydrocannabinol per biscuit.

Our *Pure Cannabis Sticks* with 0.6 grams of tetrahydrocannabinol are sold in singles while our packaging for 0.5 grams per pre-roll comes in packages of three for a total of 1.5 grams of tetrahydrocannabinol.

In March 2023, THC BioMed commenced the sales and distribution of its patented American-manufactured Clone Shipper containers in Thailand. Clone Shipper containers are available for purchase from THC BioMed (Thailand) Co. Ltd. via their THC2GO dispensaries. Clone Shipper Ltd. is a profit-making subsidiary of THC BioMed Intl Ltd. The innovative Clone Shipper container's patented design enables plants, especially clones or young plants, to be shipped safely and all the while nurturing the plant in the growing process. The container is built to last for multiple shipments. The latest innovations include a new opaque lid and an LED light that lasts for 100 hours or longer.

MARKETING

THC BioMed rebranded its website, logo, and packaging. Also, the Company increased its marketing team to help establish a strong brand presence, assist in product conceptualization and development, build a solid network of partner dispensaries and industry partners, and participate in various industry events.

On 4/20 of 2022, the Company launched additional strains under the brand name "Smoke That Thunders" to produce dried cannabis with tetrahydrocannabinol between 18% and 26%. This coincided with the launching of a new website called "Smoke That Thunders".



White Berry



Allkush



Malawi Gold

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BC Indoor Lucid Bolt



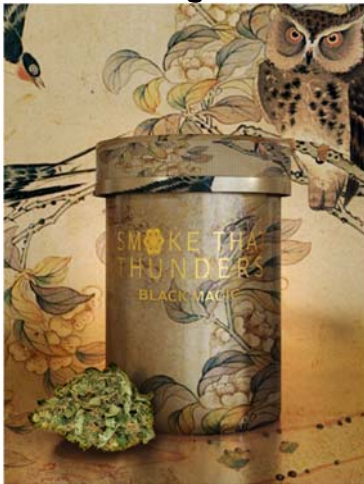
BC Highbrid



Dragon's Lettuce



Jacky White



Black Magic



StarCloud

PACKAGING

The federal government has strict regulations regarding advertising, labelling, and packaging of cannabis products. Restrictions on cannabis advertising and packaging are similar to what is in place today for tobacco. Advertising is restricted to locations where there are no minors with limits on displays and in-store promotion. Our packaging for the *THC Kiss Beverage Shot* is in 30 ml bottles:

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Our packaging for dried cannabis are in child proof bottles and come in 10 grams, 7 grams, and 3.5 grams:



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Our packaging for dried cannabis also come in pouches in 28 grams, 14 grams, and 15 grams:



Our *Pure Cannabis Sticks* with 0.6 grams of tetrahydrocannabinol are sold in singles:



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Our packaging for 0.5 grams per pre-roll comes in packages of three for a total of 1.5 grams of tetrahydrocannabinol:



Our packaging for the *THC Kiss Gummies* comes three or four gummies per package for a total of 7.5 mg or 10 mg of tetrahydrocannabinol:



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Our packaging for the *THC Kiss Biscuits* come individually packaged for a total of 10 mg of tetrahydrocannabinol:



We use our proprietary *Clone Shipper*[™] containers when shipping live clones to our medical cannabis clients:



The *Clone Shipper*[™] container is designed to support the health of clones or young live plants and hold them securely for transport purposes. Two LED lights that last over 100 hours keep the plant thriving and growing throughout the shipping process. Our *Clone Shipper*[™] container is approved by Health Canada for use in shipping cannabis clones. The *Clone Shipper*[™] container is available for sale in bulk wholesale orders and smaller retailer orders in Canada, the United States, and Thailand.

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BIOLOGICAL ASSETS

The Company's biological assets consist of cannabis plants (mother plants and clones for growth); resin; oil; harvested marijuana flowers prior to completion of the drying, grading and testing processes; and edible concentrate.

	April 30 2023	July 31 2022
Carrying amount, beginning of period	\$ 1,073,465	\$ 1,259,124
Capitalized costs	1,640,456	2,628,415
Sales of biological assets	-	(1,481)
Transferred to inventory upon harvest	(1,445,872)	(1,774,196)
Net change in fair value	(511,432)	(1,038,397)
Carrying amount, end of period	\$ 756,617	\$ 1,073,465

Biological assets are valued in accordance with IAS 41 – *Agriculture* and are presented at their fair value less costs to sell up to the point of harvest. The fair value was determined using a valuation model to estimate the expected harvest yield per plant applied to the estimated fair value less costs to sell per gram.

The significant unobservable inputs used to fair value biological assets include estimating the stage of growth of the marijuana up to the point of harvest, harvesting costs, selling costs, sales prices, wastage, and expected yields from the marijuana plants.

Unobservable input	Description	Sensitivity
Yield per plant – expected number of grams of finished cannabis inventory which is expected to be obtained from each harvested flowering plant.	Represents the weighted average historic yield of 45 grams per plant	A change of 10% in the yield per plant would result in a significant change in fair value.
Yield per plant – expected number of clones which is expected to be obtained from mother plant.	Represents the historic number of 90 clones per plant	A change of 10% in the yield per plant would result in a significant change in fair value.
Selling price of dried cannabis and clones for sale	\$2.30 (average selling price of dried cannabis) \$20 (selling price of clones for sale)	A change of 10% in the estimated selling prices would result in a significant change in fair value.
Selling and harvesting costs of dried cannabis and clones for sale	Based on actual production costs	A change of 10% in the estimated selling and harvesting costs of dried cannabis and clones for sale would result in a significant change in fair value
Average attrition rate	Represents the weighted average number of plants culled at each stage of production	A change of 10% in the estimated attrition rate would result in a significant change in fair value

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The significant inputs and assumptions used in determining the fair value of cannabis plants are as follows:

- a) yield per plant;
- b) expected yield by strain of plant of approximately 45 (July 31, 2022 – 54) grams per plant based on an average of historical growing results;
- c) percentage of costs incurred to date compared to the estimated total costs to be incurred (“stage of plant growth”);
- d) percentage of costs incurred for each stage of plant growth;
- e) average selling price of \$2.30 per gram (July 31, 2022 - \$2.50 per gram); and
- f) average selling costs of \$2.40 per gram (July 31, 2022 - \$1.70 per gram).

The selling price used in the valuation of biological assets is based on the average selling price of cannabis products for the recreational market and medical market. Expected yields for the cannabis plant is also subject to a variety of factors based on the grow room used, space allocated in the grow room, and flowering time. Selling costs include packaging, labelling, shipping, and other costs incurred to sell cannabis products for the recreational and medical market.

The Company periodically assesses the significant assumptions applied in determining the fair value of biological assets based on historical information obtained as well as planned production schedules. When there is a material change in any of the significant assumptions, the fair value of biological assets is adjusted.

Mother plants have an average life of 1 year. Clones for sale have approximately 2 weeks before they outgrow the Clone Shipper container.

During the nine months ended April 30, 2023, the Company's biological assets produced 406 (July 31, 2022 – 1,213) kilograms of dried cannabis. At April 30, 2023, the weighted average stage of growth for the biological assets was 75% (July 31, 2022 - 65%).

The following table summarizes the significant inputs and assumptions used in the fair value model, their weighted average range of value and sensitivity analysis:

Significant inputs and assumptions	Input Values		An increase or decrease of 10% applied to the unobservable input would result in a change to the fair value by approximately	
	April 30 2023	July 31 2022	April 30 2023	July 31 2022
Average selling price per gram	\$ 2.30	\$ 2.50	\$ 139,075	\$ 137,145
Average selling cost per gram	\$ 2.40	\$ 1.70	\$ 145,122	\$ 93,259
Average yield per plant	45 grams	54 grams	\$ 97,332	\$ 303,565

INVENTORY

Inventory is comprised of the following:

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	April 30 2023	July 31 2022
Finished goods	\$ 245,543	\$ 204,611
Supplies and consumables	258,416	250,765
Unpackaged cannabis and edibles	1,287,062	1,263,699
Carrying amount - inventory	\$ 1,791,021	\$ 1,719,075

Inventory expensed during the nine months ended April 30, 2023 was \$1,117,537 (April 30, 2022 - \$1,131,054).

SUMMARY OF QUARTERLY RESULTS

Quarter Ended	Revenue	Net Income (Loss)	Income (Loss) Per Share
Q3/2023 April 30, 2023	\$ 476,230	\$ (935,212)	\$ (0.005)
Q2/2023 January 31, 2023	\$ 817,096	\$ (992,011)	\$ (0.005)
Q1/2023 October 31, 2022	\$ 667,876	\$ (331,478)	\$ -
Q4/2022 July 31, 2022	\$ 897,371	\$ (1,653,118)	\$ (0.010)
Q3/2022 April 30, 2022	\$ 699,004	\$ (131,108)	\$ -
Q2/2022 January 31, 2022	\$ 606,826	\$ (1,547,016)	\$ (0.010)
Q1/2022 October 31, 2021	\$ 1,136,796	\$ 25,006	\$ -
Q4/2021 July 31, 2021	\$ 1,020,804	\$ (1,426,064)	\$ (0.010)

RESULTS OF OPERATIONS

Nine Months Ended April 30, 2023

The Company's net and comprehensive loss for the nine months ended April 30, 2023 was \$2,258,701 compared to a net and comprehensive loss of \$1,653,118 for the nine months ended April 30, 2022.

During the nine months ended April 30, 2023, the Company had sales revenue of \$1,961,202 (April 30, 2022 - \$2,442,626) which included excise taxes of \$405,157 (April 30, 2022 - \$664,816). This represents a decrease in sales revenue of 20% period to period. Our largest customer, the Province of B.C., discontinued skews for our gummies and pre-rolls. This caused us to reestablish new skews for these products. The average sales price of our dried product has also decreased by 23% from period to period. Conversely, the average sales price of our edibles has increased by 28%. Prices are dictated by the provinces. The Company will continue to concentrate on the sale of edibles going forward which produce higher gross profit margins.

The revenue figures produced a gross profit loss before fair value adjustments of \$51,648 (April 30, 2022 – gross profit \$105,412). Current inflation issues have impacted the cost of sales.

The net change in fair value for the current nine months was a decrease of \$511,432 (April 30, 2022 - \$536,467). The gross profit loss after fair value adjustments was \$563,080 (April 30, 2022 - \$431,055).

Depreciation and amortization for the nine months ended April 30, 2023 decreased to \$617,401 (April 30, 2022 - \$684,782).

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General and administration expenses overall decreased by 9% for the nine months ended April 30, 2023 to \$921,775 (April 30, 2022 - \$1,011,127). Management is making a concerted effort to reduce costs and increase efficiencies in all areas. In this category, automobile expenses decreased to \$1,559 (April 30, 2022 - \$2,911). Bank charges and interest increased to \$401,243 (April 30, 2022 - \$284,450) reflecting higher debt in the current period. Consulting fees decreased to \$468 (April 30, 2022 - \$2,840). Director fees decreased to \$38,145 (April 30, 2022 - \$72,136) with the monthly fee decreased from \$2,000 to \$1,000 per director starting April 1, 2022. Dues and licenses were \$11,203 (April 30, 2022 - \$Nil) being the license fees expensed for Lesotho. Insurance decreased to \$Nil (April 30, 2022 - \$4,445) with the sale of the office building on St. Paul Street in Kelowna, B.C. in the prior year. Investor relations decreased to \$1,000 (April 30, 2022 - \$55,596). Legal and accounting decreased to \$151,606 (April 30, 2022 - \$221,744). Office and sundry decreased to \$44,158 (April 30, 2022 - \$57,350). Payroll and benefits decreased to \$180,573 (April 30, 2022 - \$204,078) and the number of employees has decreased to 29 (April 30, 2022 - 32). Property tax decreased to \$Nil (April 30, 2022 - \$20,996) reflecting the sale of the office building on St. Paul Street in Kelowna, B.C. in the prior year. Telephone decreased to \$9,065 (April 30, 2022 - \$13,916). Transfer agent and filing fees decreased to \$32,730 (April 30, 2022 - \$41,389). Travel increased to \$50,025 (April 30, 2022 - \$29,276) as a result of management pursuing the investment opportunity in Thailand.

Sales and marketing increased for the nine months ended April 30, 2023 to \$119,913 (April 30, 2022 - \$36,702) as the Company increased marketing efforts of its products.

Share-based compensation decreased for the nine months ended April 30, 2023 to \$Nil (April 30, 2022 - \$94,204) with no stock options granted or vested during the current period.

Other income and expense items produced net expenses of \$36,532 compared to net income of \$604,752 for the comparative period. In this section, accretion expense increased on the convertible debentures to \$40,877 (April 30, 2022 - \$30,179) with an increase in the number of convertible debentures outstanding. The extinguishment of accounts payable was \$Nil with \$170,237 in the comparative period. There was a foreign exchange loss of \$1,576 (April 30, 2022 - \$2,320 gain). There was a loss on the sale of a printer used in the warehouse of \$365 in the current period compared to a gain of \$455,381 on the sale of the office building on St. Paul Street in Kelowna, B.C. Interest income increased to \$6,066 (April 30, 2022 - \$5,958). Other income amounts decreased to \$220 (April 30, 2022 - \$1,035).

Three Months Ended April 30, 2023

The Company's net and comprehensive loss for the three months ended April 30, 2023 was \$935,212 compared to a net and comprehensive loss of \$131,108 for the three months ended April 30, 2022.

During the three months ended April 30, 2023, the Company had sales revenue of \$476,230 (April 30, 2022 - \$699,004) which included excise taxes of \$94,607 (April 30, 2022 - \$209,428). This represents a decrease in sales revenue of 33% period to period. Our largest customer, the Province of B.C., discontinued skews for our gummies and pre-rolls. This caused us to reestablish new skews for these products. The average sales price of our dried product has also decreased by 23% from period to period. Conversely, the average sales price of our edibles has increased by 28%. Prices are dictated by the provinces. The Company will continue to concentrate on the sale of edibles going forward which produce higher gross profit margins.

The revenue figures produced a gross profit loss before fair value adjustments of \$259,824 (April 30, 2022 - \$132,427). Current inflation issues have impacted the cost of sales.

The net change in fair value for the current three months was a decrease of \$110,576 (April 30, 2022 - \$68,322). The gross profit loss after fair value adjustments was \$370,400 (April 30, 2022 - \$200,749).

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Depreciation and amortization for the three months ended April 3, 2023 decreased to \$191,921 (April 30, 2022 - \$229,947).

General and administration expenses overall decreased by 2% for the three months ended April 30, 2023 to \$298,749 (April 30, 2022 - \$306,204). Management is making a concerted effort to reduce costs and increase efficiencies in all areas. In this category, automobile expenses decreased to \$578 (April 30, 2022 - \$959). Bank charges and interest increased to \$144,352 (April 30, 2022 - \$81,161) reflecting higher debt in the current period. Director fees decreased to \$12,857 (April 30, 2022 - \$20,940) with the monthly fee decreased from \$2,000 to \$1,000 per director starting April 1, 2022. Dues and licenses were \$3,839 (April 30, 2022 - \$Nil) being the license fees expensed for Lesotho. Insurance decreased to \$Nil (April 30, 2022 - \$1,564) with the sale of the office building on St. Paul Street in Kelowna, B.C. in the prior year. Investor relations decreased to \$1,000 (April 30, 2022 - \$18,018). Legal and accounting decreased to \$41,137 (April 30, 2022 - \$57,614). Office and sundry decreased to \$14,711 (April 30, 2022 - \$21,336). Payroll and benefits increased to \$63,248 (April 30, 2022 - \$59,398). Property tax decreased to \$Nil (April 30, 2022 - \$5,785) reflecting the sale of the office building on St. Paul Street in Kelowna, B.C. in the prior year. Telephone decreased to \$3,441 (April 30, 2022 - \$6,599). Transfer agent and filing fees decreased to \$4,628 (April 30, 2022 - \$11,764). Travel decreased to \$8,958 (April 30, 2022 - \$21,066).

Sales and marketing increased for the three months ended April 30, 2023 to \$65,729 (April 30, 2022 - \$14,050) as the Company increased marketing efforts of its products.

There was no share-based compensation since there were no stock options granted or vested during either period.

Other income and expense items produced net expenses of \$8,413 compared to net income of \$619,842 for the comparative period. In this section, accretion expense decreased on the convertible debentures to \$13,543 (April 30, 2022 - \$13,765). The extinguishment of accounts payable was \$Nil with \$170,237 in the comparative period. There was a foreign exchange loss of \$897 (April 30, 2022 - \$1,677 gain). There was no gain or loss on sale of assets in the current period compared to a gain of \$455,381 on the sale of the office building on St. Paul Street in Kelowna, B.C. Interest income increased to \$5,961 (April 30, 2022 - \$5,946). Other income amounts decreased to \$66 (April 30, 2022 - \$366).

ADJUSTED EBITDA

The Company believes that the disclosure of Adjusted EBITDA allows investors to evaluate the operational and financial performance of the Company's ongoing business, using the same evaluation that management uses, and is therefore a useful indicator of the Company's performance or expected performance of recurring operations. "Adjusted EBITDA" is calculated based on EBITDA, or earnings before interest, income taxes, depreciation and amortization, and further adjusted to exclude share-based compensation, realized and unrealized gains and losses on changes in fair value of biological assets, and items of an unusual nature that do not reflect our ongoing operations. EBITDA and Adjusted EBITDA are commonly reported and widely used by investors and lenders as an indicator of a company's operating performance and ability to incur and service debt and as a valuation metric. EBITDA and Adjusted EBITDA do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies and should not be considered as an alternative to measures of performance prepared in accordance with IFRS.

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	For the three months ended		For the nine months ended	
	April 30	April 30	April 30	April 30
	2023	2022	2023	2022
Net and comprehensive loss for the period	\$ (935,212)	\$ (131,108)	\$ (2,258,701)	\$ (1,653,118)
Add back				
Interest	157,382	91,144	380,056	287,177
Depreciation and amortization	191,921	229,947	617,401	684,782
EBITDA from continuing operations	(585,909)	189,983	(1,261,244)	(681,159)
Accretion expense on convertible debentures	13,543	13,765	40,877	30,179
Extinguishment of accounts payable	-	(170,237)	-	(170,237)
Gain (loss) on sale of assets	-	(455,381)	365	(455,381)
Share-based compensation	-	-	-	94,204
Net changes in fair value of biological assets	110,576	68,322	511,432	536,467
Adjusted EBITDA	\$ (461,790)	\$ (353,548)	\$ (708,570)	\$ (645,927)

LIQUIDITY

The Company does not have positive cash flow from operations; accordingly, it must rely on equity financing and debt to fund operations.

The Company's cash on hand at April 30, 2023 decreased to \$205,015 (July 31, 2022 - \$484,085).

At April 30, 2023, the Company had negative working capital of \$4,731,859 compared to negative working capital of \$2,552,704 at July 31, 2022.

The Company's current asset balance of \$3,314,445 (July 31, 2022 - \$4,291,954) is comprised of cash of \$205,015 (July 31, 2022 - \$484,085); amounts receivable of \$109,106 (July 31, 2022 - \$446,518); advances to affiliate of \$79,768 (July 31, 2022 - \$Nil); advances to a related party of \$Nil (July 31, 2022 - \$82,022); biological assets of \$756,617 (July 31, 2022 - \$1,073,465); inventory of \$1,791,021 (July 31, 2022 - \$1,719,075); and prepaid expenses and deposits of \$372,918 (July 31, 2022 - \$486,789).

The Company's current liabilities total \$8,046,304 (July 31, 2022 - \$6,844,658) is comprised of accounts payable and accrued liabilities of \$3,998,603 (July 31, 2022 - \$3,250,146); unearned revenues of \$Nil (July 31, 2022 - \$75,900); current portion of a loan payable of \$71,716 (July 31, 2022 - \$Nil); current portion of the mortgages payable of \$2,218,547 (July 31, 2022 - \$2,537,049); current portion of lease liabilities of \$173,014 (July 31, 2022 - \$100,458); convertible debentures payable of \$1,367,137 (July 31, 2022 - \$881,105), and advances from a related party of \$217,287.

As of the date of this MD&A, the Company has insufficient working capital to meet its ongoing financial obligations for the coming year.

PROPOSED TRANSACTIONS

There are no proposed asset or business acquisitions or dispositions, other than those in the ordinary course of business as disclosed herein, before the Board of Directors for consideration.

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OFF-BALANCE SHEET ARRANGEMENTS

None

RELATED PARTY TRANSACTIONS

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. Compensation provided to key management personnel is as follows:

	April 30 2023	April 30 2022
Director fees	\$ 36,000	\$ 68,000
Interest	60,179	40,833
Rent	101,400	101,400
Salaries and benefits	150,000	150,003
Share-based compensation	-	16,549
	\$ 347,579	\$ 376,785

The Company initially signed a month-to-month lease for premises from its Chief Executive Officer and Chief Financial Officer. The lease began on August 1, 2016 with monthly payments of \$2,600 plus Goods and Services Tax along with 75% of all operating costs. Effective June 17, 2018, the lease was amended to a fixed term expiring August 31, 2019 with the right to renew the lease under the same terms for four three-year terms for \$3,467 per month plus Goods and Services Tax along with 100% of all operating costs. The lease was renewed for another three-year term ending August 31, 2025. A security deposit of \$3,467 was also paid. The Chief Executive Officer and Chief Financial Officer each have a contract in place with THC BioMed (Thailand) Co. Ltd. to receive compensation of \$2,000 per month; however, no amounts have yet been paid.

The Company signed a month-to-month lease for premises from its Chief Financial Officer. The lease began on July 10, 2017 with monthly payments of \$2,600 plus Goods and Services Tax along with all operating costs. Effective June 17, 2018, the lease was amended to a fixed term expiring August 31, 2019, with the right to renew the lease under the same terms for four three-year terms for \$2,600 per month plus Goods and Services Tax along with 100% of all operating costs. The lease was renewed for another three-year term ending August 31, 2025. A security deposit of \$2,600 was also paid.

The Company initially signed a month-to-month lease for premises from its Chief Executive Officer and Chief Financial Officer. The lease began on October 2, 2017 with monthly payments of \$2,600 plus Goods and Services Tax along with all operating costs. Effective June 17, 2018, the lease was amended to a fixed term expiring September 30, 2019 with the right to renew the lease under the same terms for four three-year terms for \$2,600 per month plus Goods and Services Tax along with 100% of all operating costs. The lease was renewed for another three-year term ending September 30, 2025. A security deposit of \$2,600 was also paid.

The Company initially signed a month-to-month lease for premises from its Chief Executive Officer and Chief Financial Officer. The lease began on January 12, 2017 with monthly payments of \$2,600 plus Goods and Services Tax along with all operating costs. Effective June 17, 2018, the lease was amended to a fixed term expiring August 31, 2019 with the right to renew the lease under the same terms for four three-year terms for \$2,600 per month plus Goods and Services Tax along with 100% of all operating costs. The lease was renewed for another three-year term ending August 31, 2025. A security deposit of \$2,600 was also paid.

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On August 10, 2021, the Company closed a non-brokered private placement of convertible debentures for gross proceeds of \$500,000 (the "Debenture") from a company owned by the Chief Executive Officer and Chief Financial Officer. The term of the Debenture is 24 months (two years) and bears interest at 10% per annum calculated on an annual basis and payable monthly. The Debenture is convertible into common shares of the Company at a price of \$0.10 per share at any time at the election of the company holding the Debenture. In the event that the Company's common share price on a Canadian stock exchange is \$0.60 or greater per common share for a period of ten or more consecutive trading days, the Company can force the conversion of the entire principal amount plus interest accrued into common shares of the Company at \$0.10 per share. During the nine months ended April 30, 2023, the Company paid \$37,583 (July 31, 2022 - \$45,753) of accrued interest.

On January 7, 2022, the Company closed a non-brokered private placement of convertible debentures for gross proceeds of \$250,000 (the "Debenture") from a company owned by the Chief Executive Officer and Chief Financial Officer. The term of the Debenture is 12 months (one year) and bears interest at 12% per annum calculated on an annual basis and payable monthly. The Debenture is convertible into common shares of the Company at a price of \$0.08 per share or 3,125,000 common shares of the Company at any time at the election of the company holding the Debenture. In the event that the Company's common share price on a Canadian stock exchange is \$0.60 or greater per common share for a period of ten or more consecutive trading days, the Company can force the conversion of the entire principal amount plus interest accrued into common shares of the Company at \$0.08 per share. The Company has extended the Debenture for another 12 months under the same terms. During the nine months ended April 30, 2023, the Company paid \$22,596 (July 31, 2022 - \$14,959) of accrued interest.

At April 30, 2023, the Chief Executive Officer advanced \$217,287 (July 31, 2022 - \$82,022 owed) to the Company. The amount is unsecured, without interest, and has no stated terms of repayment.

Close family members of the Chief Executive Officer were paid salaries in the amount of \$80,103 (July 31, 2022 - \$105,325) for the nine months ended April 30, 2023 and stock options with share-based compensation totaling \$Nil (July 31, 2022 - \$12,533).

Amounts due to or from related parties are unsecured, do not bear interest, and are classified as a current asset or liability due to their nature and expected time of repayment.

CONFLICTS OF INTEREST

The Company's directors and officers may serve as directors or officers, or may be associated with other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) ("Corporations Act") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and in the best interest of the Company.

For the Nine Months Ended April 30, 2023 and 2022

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**Fair value of financial assets and liabilities that are measured at fair value on a recurring basis**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Under IFRS 13, Fair Value Measurement establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist.

The fair value measurements for biological assets have been categorized as Level 3 of the fair value hierarchy based on the inputs to the valuation technique used, as there is currently no actively traded commodity market for plants. There were no transfers between levels of the fair value hierarchy.

The convertible debentures approximate their fair value due to the application at issuance of a discount rate of 12%, which approximates a market rate of interest.

The carrying values of cash, other and trade receivables, amounts due from related party, accounts payable and accrued liabilities, loan payable, and mortgages payable all approximate their fair values due either to the short-term nature of the financial instrument, or the market rates of interest attached thereto.

Market risk

Market risk is the risk of loss that the fair value or future cash flows of a financial instrument held by the Company will fluctuate because of changes in market prices. The Company faces market risk from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to fair value interest rate risk.

The Company may be exposed to fair value interest rate risk if the prevailing market rates increase or decrease compared to the interest rates associated with its financial assets and liabilities. Management does not believe this risk is significant.

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Current financial assets and financial liabilities are generally not exposed to significant cash flow interest rate risk because of their short-term nature, fixed interest rates, and maturity dates. The Company is exposed to cash flow interest rate risk on the line of credit if a draw down amount is not repaid within three months. The Company is not exposed to cash flow interest rate risk on the advances from related parties which are without interest. The Company is not exposed to cash flow interest rate risk on the mortgages payable with fixed interest rates. The Company's exposure and approach to managing interest rate risk has not changed materially from that of the prior year.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in a foreign currency.

At April 30, 2023, the Company is exposed to foreign currency risk with respect to its US denominated bank account and accounts payable, and Euro denominated accounts payable. At April 30, 2023, approximately \$30,614 or US\$22,547 (July 31, 2022 - \$68,859 or US\$53,695) of the Company's cash was in US Dollars and \$25,269 or US\$18,610 (July 31, 2022 - \$26,040 or US\$20,306) was in accounts payable and accrued liabilities. A 10% change in the US foreign exchange rate would result in a change of \$536 (July 31, 2022 - \$4,280) to the unrealized gain or loss. The Company has approximately \$3,638 (Euro 2,432) (July 31, 2022 - \$3,526 or Euro 2,697) in accounts payable and accrued liabilities. A 10% change in the Euro foreign exchange rate would result in a change of \$364 (July 31, 2022 - \$352) to the unrealized gain or loss.

At April 30, 2023, financial instruments were converted at a rate of US\$1.3578 to \$1 Canadian; and 1.4959 Euro to \$1 Canadian.

The Company has not entered into any foreign currency contracts to mitigate foreign currency risk. The Company's exposure and approach to managing foreign currency risk has not changed materially from that of the prior year.

Price risk

Price risk is the risk that the fair value of investments will decline below the cost of the underlying investments. The Company is not exposed to price risk as it has no investments held for sale. The Company's exposure and approach to managing price risk has not changed from that of the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist primarily of cash, and other and trade receivables. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. For amounts receivable, the Company limits its exposure to credit risk by dealing with what management believes to be financially sound counter parties. The Company has assessed the impairment of its amounts receivable using the expected credit loss model and no material difference was noted. At April 30, 2023, all amounts receivable are current.

The Company's financial assets are not subject to material credit risk as it does not anticipate significant loss for non-performance. The Company's exposure and approach to managing credit risk has not changed materially from that of the prior year.

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Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate cash balances when possible.

The Company's expected source of cash flow in the upcoming year will be through sales and debt or equity financing. Cash on hand at April 30, 2023 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational and expansion needs. The Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof. The Company's exposure and approach to managing liquidity risk has not changed materially from that of the prior year.

The following table presents a maturity analysis of the contractual undiscounted cash flows from financial liabilities:

	Total	<1 Year	Over 1 Year to 2 Years	Over 2 Years to 3 years	Over 3 Years to 4 Years
Accounts payable and accrued liabilities	\$ 3,998,603	\$ 3,998,603	\$ -	\$ -	\$ -
Mortgages payable	2,805,768	2,245,827	593,340	-	-
Lease liabilities	555,032	211,852	211,852	111,975	19,353
Convertible debentures payable	1,394,580	1,394,580	-	-	-
Total undiscounted financial liabilities	\$ 8,753,983	\$ 7,850,862	\$ 805,192	\$ 111,975	\$ 19,353

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The Company's overall strategy to managing capital remains unchanged from last year.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, options, warrants, reserves, and deficit. The availability of new capital will depend on many factors including positive stock market conditions, the Company's track record, and the experience of management. The Company is not subject to any external covenants on its capital.

At April 30, 2023, total managed capital was \$4,699,735 (July 31, 2022 - \$6,933,131).

OTHER RISKS AND UNCERTAINTIES

The Company is in the development stage with respect to its medical cannabis and adult-use cannabis business.

In conducting its business, the Company is subject to a number of risks and uncertainties that could have a material adverse effect on the Company's business prospects or financial condition that could result in a delay or indefinite postponement in the development of the Company's business. The following risk factors should be carefully considered in evaluating the Company. The risks presented below may not be all of the risks that the Company may face. It is believed that these are the factors that could cause actual results to be different from expected and historical results. The market in which the Company currently competes is very competitive and changing rapidly. Sometimes new risks emerge and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements.

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COVID-19

The transmission of COVID-19 and efforts to contain its spread have recently resulted in international, national and local border closings, travel restrictions, significant disruptions to business operations, supply chains and customer activity and demand, service cancellations, reductions and other changes, and quarantines, as well as considerable general concern and uncertainty. The impact of the COVID-19 crisis has and may continue to have a significant impact on our business. Other results of COVID-19 that may negatively affect us are further increased costs resulting from our efforts to mitigate the impact of COVID-19; deterioration of worldwide credit and financial markets that could limit our ability to obtain external financing to fund our operations and capital expenditures, result in losses on our holdings of cash and investments. Material adverse effects on our employees, customers, suppliers and/or logistics providers could have material adverse effects on us.

Profitability of operations

The Company does not have profitable operations at this time and it should be anticipated that it will operate at a loss until such time that sufficient revenue is achieved or if a profit is in fact ever achieved. Investors also cannot expect to receive any dividends on their investment in the foreseeable future.

Going concern

The Company's consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its on-going commitments and further its medical cannabis and adult-use cannabis business.

Reliance on license

The Company's ability to grow, store, and sell medical cannabis and adult-use cannabis in Canada is dependent on the license issued from Health Canada. Failure to comply with the requirements of the license or any failure to maintain this license would have a material adverse impact on the business, financial condition, and operating results of the Company.

Regulatory risks

The activities of the Company are subject to regulation by governmental authorities, particularly Health Canada. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

Change in laws, regulations, and guidelines

The Company's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage, and disposal of medical cannabis and adult-use cannabis but also including laws and regulations relating to health and safety, the conduct of operations, and the protection of the environment. While to the knowledge of management, the Company is currently in compliance with all such laws, changes to such laws, regulations, and guidelines due to matters beyond the control of the Company may cause adverse effects to the Company's operations.

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Limited operating history

The Company has yet to generate significant revenue from the sale of products. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Reliance on management

The success of the Company is dependent upon the ability, expertise, judgment, discretion, and good faith of its management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot ensure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results, or financial condition.

Risks inherent in an agricultural business

The Company's business involves the growing of medical cannabis and adult-use cannabis, an agricultural product. As such, the business is subject to the risks inherent in the agricultural business such as insects, plant diseases, and similar agricultural risks. Although the Company grows its products indoors under climate-controlled conditions and carefully monitors the growing conditions with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the production of its products.

Factors which may prevent realization of growth targets

The Company is currently in the development stage. The Company's growth strategy contemplates outfitting the facility with additional production resources. There is a risk that these additional resources will not be achieved on time, on budget, or at all, as they can be adversely affected by a variety of factors, including the following:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- plant design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging, or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions, or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes, or storms.

As a result, there is a risk that the Company may not have product or sufficient product available for shipment to meet the anticipated demand or to meet future demand when it arises.

The Company has a history of net losses, may incur significant net losses in the future, and may not achieve or maintain profitability.

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The Company has incurred losses in recent years. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable.

Additional financing

The building and operation of the Company's facilities and business are capital intensive. In order to execute the anticipated growth strategy, the Company will require additional equity and/or debt financing to support ongoing operations, to undertake capital expenditures, and/or to undertake acquisitions or other business combination transactions. The Company will require additional financing to fund its operations to the point where it is generating positive cash flows.

Competition

The Company faces intense competition from other companies, some of which have more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, and results of operations of the Company.

Because of the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. If the number of users of medical cannabis and adult-use cannabis in Canada increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales, and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales, and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition, and results of operations of the Company.

Vulnerability to rising energy costs

The Company's medical cannabis and adult-use cannabis growing operations will consume considerable energy, making the Company vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of the Company and its ability to operate profitably.

Transportation disruptions

Due to the perishable and premium nature of the Company's products, the Company will depend on fast and efficient courier services to distribute its product. Any prolonged disruption of this courier service could have an adverse effect on the financial condition and results of operations of the Company. Rising costs associated with the courier services used by the Company to ship its products may also adversely impact the business of the Company and its ability to operate profitably.

Unfavourable publicity or consumer perception

The Company believes the medical cannabis and adult-use cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy, and quality of the medical cannabis and adult-use cannabis produced. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention, and other publicity regarding the consumption of medical cannabis and adult-use cannabis products. There can be no assurance that future scientific research,

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findings, regulatory proceedings, litigation, media attention, or other research findings or publicity will be favourable to medical cannabis or adult-use cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and the business results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for the Company's products, and the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, the efficacy, and quality of medical cannabis and adult-use cannabis in general, or the Company's products specifically, or associating the consumption of medical cannabis and adult-use cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Product liability

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

Product recalls

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

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Reliance on key inputs

The Company's business is dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Company. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, the Company might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Company in the future. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition, and operating results of the Company.

Dependence on suppliers and skilled labour

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Company's capital expenditure program may be significantly greater than anticipated by the Company's management, and may be greater than funds available to the Company's management, in which circumstance the Company may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of the Company.

Difficulty to forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the medical cannabis and adult-use cannabis industry in Canada. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, and financial condition of the Company.

Operating risk and insurance coverage

The Company has insurance to protect its assets, operations, and employees. While the Company believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, 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.

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.

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Conflicts of interest

Certain of the directors and officers of the Company are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect its ability to continue operating and the market price for the Company's common shares and could use significant Company resources. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

Environmental and employee health and safety regulations

The Company's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. The Company will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations, and financial condition of the Company.

Dividends

The Company has no earnings or dividend record and does not anticipate paying any dividends on the common shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

CRITICAL ACCOUNTING JUDGMENTS

The preparation of the condensed interim consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. The preparation of the condensed interim consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

Critical accounting judgments

In the preparation of these condensed interim consolidated financial statements, management has made judgments in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the condensed interim consolidated financial statements.

Impairment of non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the asset and a suitable discount rate in order to calculate present value. The assessment of any impairment of assets

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is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Convertible debentures payable

The Company has issued convertible debentures as described in Note 13. The accounting for convertible debentures, a complex compound financial instrument, requires judgment in determining the discount rate applicable to the Company and the instrument, as well as whether or not the conversion feature portion of the instrument qualifies as equity. Should it be determined that the discount rate was not appropriate, or that the conversion feature should have been accounted for as a liability for any given convertible debenture, then the carrying value and the recognition of expenses across the life of the instrument could be materially different.

Leases

The Company applies judgment in determining whether lease contracts contain an identified asset, whether the Company has the right to control the asset and the lease term. The lease term is based on considering the facts and circumstances, both qualitative and quantitative, which can create economic incentive to exercise renewal options. The discount rate applied is based on the judgment of management as to what rate most approximately reflects the incremental borrowing rate of the Company.

SIGNIFICANT ACCOUNTING ESTIMATES

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimates and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year:

Share-based compensation

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as share-based compensation in profit or loss.

Biological assets and inventory

In calculating the fair value less costs to sell of biological assets and the cost of inventory, management makes a number of estimates related to inputs and variables, including the stage of growth of the marijuana up to the point of harvest, harvesting costs, selling costs, sales price, wastage, and expected yields from the marijuana plant.

Estimated useful lives, depreciation and amortization, and recoverability of property and equipment

Depreciation and amortization of property, plant, and equipment are dependent upon estimates of useful lives which are determined through the exercise of judgment. When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs of disposal. Determining the value in use requires the Company to estimate expected future cash flows associated with the asset and a suitable discount rate in order to calculate present value. The assessment of any impairment of assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

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ADOPTION OF NEW STANDARDS

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date later than August 1, 2022. These updates are not currently relevant to the Company or are not expected to have a material impact on the condensed interim consolidated financial statements and are therefore not discussed herein.

There were no new standards, interpretations to existing standards or amendments which became effective for the year ended July 31, 2022 which had a material impact on the condensed interim consolidated financial statements.

CAPITAL RESOURCES

Common shares

	Issued Number	Amount
Balance, July 31, 2021	163,838,556	\$ 31,641,256
Stock options exercised	100,000	15,000
Fair value of stock options exercised	-	7,842
Balance, July 31, 2022 and June 29, 2023	163,938,556	\$ 31,664,098

Escrow Shares

At July 31, 2022 and June 29, 2023, 690 shares are held in escrow.

Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, July 31, 2021	32,014,880	\$ 0.5290
Warrants expired	(27,014,880)	0.5991
Balance, July 31, 2022	5,000,000	0.1500
Warrants expired	(5,000,000)	0.1500
Balance, June 29, 2023	-	\$ -

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Agent Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, July 31, 2021	5,735,000	\$ 1.14
Agent warrants expired	(5,385,000)	1.20
Balance, July 31, 2022	350,000	0.15
Agent warrants expired	(350,000)	0.15
Balance, June 29, 2023	-	\$ -

Options

	Number of Options	Weighted Average Exercise Price
Balance, July 31, 2021	9,875,000	\$ 0.200
Options exercised	(100,000)	0.150
Options cancelled	(2,300,000)	0.209
Options expired	(1,225,000)	0.150
Balance, July 31, 2022	6,250,000	\$ 0.207
Options cancelled	(150,000)	0.150
Options expired	(6,100,000)	0.207
Balance, June 29, 2023	-	\$ -

DIRECTORS AND OFFICERS

The Company's directors and officers as of the date of this MD&A are:

John Miller	President, Chief Executive Officer, Director
Hee Jung Chun	Chief Financial Officer, Director
Dr. Ashish Dave	Independent Director
Penelope Laine	Independent Director

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.