The Hash Corporation
Condensed interim financial statements

For the three months ended March 31, 2023 and 2022
[unaudited] [expressed in Canadian dollars, except share amounts]

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

Under Part 4, subsection 4.3(3)(a) of National Instrument 51-102 – *Continuous Disclosure Obligations*, if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of The Hash Corporation [the "Company"] have been prepared by and are the responsibility of the Company's management.

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

The Hash Corporation

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
[unaudited] [expressed in Canadian dollars]
[see going concern uncertainty – note 2]

As at	Notes	**March 31, 2023** $	**December 31, 2022** $
ASSETS			
Current assets			
Cash		**755,043**	39,820
Trade receivables		**236,719**	223,320
Prepaid expenses and other assets		**115,086**	145,502
		1,106,848	408,642
Non-current assets			
Equipment, net	3	**65,056**	89,868
Right-of-use asset, net		**—**	5,461
		65,056	95,329
		1,171,904	503,971
LIABILITIES			
Current liabilities			
Trade and other payables		**213,257**	269,014
Convertible debentures	4	**997,452**	213,052
Sales tax payable		**45,626**	28,097
Lease obligations		**—**	6,249
		1,256,335	516,412
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Share capital	5	**11,938,008**	11,938,008
Warrants	5	**16,526**	98,948
Contributed surplus	6	**2,063,473**	1,981,051
Accumulated deficit		**(14,102,438)**	(14,030,448)
		(84,431)	(12,441)
		1,171,904	503,971
Commitments and contingencies	8		

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

On behalf of the Board:

"Chris Savoie"

"Binyomin Posen"

The Hash Corporation

CONDENSED INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

For the three months ended March 31, 2023 and 2022

[unaudited] [expressed in Canadian dollars, except number of shares]

	Notes	2023 $	2022 $
Revenue			
Product sales		**191,580**	193,194
Accessory sales		**11,645**	18,653
		203,225	211,847
Expenses			
Salaries and wages		**93,060**	213,535
General and administrative		**36,085**	224,212
Production expenditures		**65,708**	106,137
Share-based compensation	6	**—**	139,896
Professional fees		**15,604**	127,624
Amortization and depreciation	3	**30,274**	33,992
Accretion on convertible debentures	4	**34,400**	—
Interest on lease liabilities		**84**	1,042
Total operating expenses		**275,215**	846,438
Net loss and comprehensive loss		**(71,990)**	**(634,591)**
Net loss per share			
Basic and diluted	7	**(0.000)**	(0.002)
Weighted average number of shares outstanding – basic and diluted	7	**280,120,290**	280,120,290

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

The Hash Corporation

CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
For the three months ended March 31, 2023 and 2022
[unaudited] [expressed in Canadian dollars, except number of shares]

	Share capital		Warrants		Contributed Surplus	Accumulated deficit	Total
	#	$	#	$	$	$	$
Balance – December 31, 2021	**280,120,290**	**11,938,008**	**2,105,000**	**106,103**	**1,741,534**	**(12,621,444)**	**1,164,201**
Share-based compensation [note 6]	—	—	—	—	139,896	—	139,896
Net loss and comprehensive loss	—	—	—	—	—	(634,591)	(634,591)
Balance – March 31, 2022	**280,120,290**	**11,938,008**	**2,105,000**	**106,103**	**1,881,430**	**(13,256,035)**	**669,506**
Balance – December 31, 2022	**280,120,290**	**11,938,008**	**1,805,000**	**98,948**	**1,981,051**	**(14,030,448)**	**(12,441)**
Warrants expired	—	—	(1,505,000)	(82,422)	82,422	—	—
Net loss and comprehensive loss	—	—	—	—	—	(71,990)	(71,990)
Balance – March 31, 2023	**280,120,290**	**11,938,008**	**300,000**	**16,526**	**2,063,473**	**(14,102,438)**	**(84,431)**

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

The Hash Corporation

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

[unaudited] [expressed in Canadian dollars]

For the three months ended March 31,	**2023**	**2022**
	$	$
Operating activities		
Net loss	**(71,990)**	(634,591)
Add items not affecting cash		
Depreciation	**30,274**	33,992
Share-based compensation	**—**	139,896
Accretion on convertible debenture	**34,400**	—
Interest on lease liabilities	**84**	1,042
Changes in non-cash working capital balances		
Trade receivables	**(13,399)**	177,653
Sales tax recoverable	**—**	(5,411)
Prepaid expenses and other assets	**30,416**	57,620
Trade and other payables	**(55,757)**	18,028
Sales tax payable	**17,529**	(7,742)
Cash used in operating activities	**(28,443)**	(219,513)
Investing activities		
Purchase of equipment	**—**	(6,683)
Cash used in investing activities	**—**	(6,683)
Financing activities		
Proceeds from convertible debentures	**750,000**	—
Repayment of lease obligation	**(6,334)**	(9,500)
Cash provided by (used in) financing activities	**743,666**	(9,500)
Net change	**715,223**	(235,696)
Cash, beginning of the period	**39,820**	354,173
Cash, end of the period	**755,043**	118,477

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

1. Nature of business

The Hash Corporation (the "Company") was incorporated under the Business Corporations Act (Ontario) on March 28, 1967 as Northville Explorations Ltd. On January 22, 2014, the Company changed its name to Senternet Phi Gamma Inc. and on July 8, 2019 the Company changed its name to its present name.

The Company is focused on the production and sale of cannabis-based hashish and other cannabis products. The Company applies its separation and curing techniques to produce a suite of high-quality cannabis resin products, which are all-natural and free of additive and carcinogenic solvents. At present, the Company does not possess the licences required to carry on its business in producing and selling cannabis-based hashish and other cannabis concentrates. In particular, the Company does not have a Standard Processing Licence and a Cannabis Licence under the Cannabis Act. The Company does not intend to apply for either of these licences and instead relies on the Collaboration Agreement with Medz Cannabis Inc. ("Medz") an Ontario-based, privately-owned company, licensed for the cultivation, processing and sale of medical cannabis under the Cannabis Act (see Note 8).

On June 3, 2021, the Company's common shares commenced trading on the Canadian Securities Exchange under the stock ticker "REZN".

The head office of the Company is located at 1 Adelaide Street East, Suite 801, Toronto, Ontario, M5C 2V9.

2. Basis of presentation

[a] Statement of compliance

These unaudited condensed interim financial statements ("financial statements') were prepared using the same accounting policies and methods as those used in the Company's audited financial statements for the year ended December 31, 2022. These financial statements have been prepared in compliance with IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. These financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2022.

These financial statements were approved and authorized for issuance by the Board of Directors of the Company on May 30, 2023.

[b] Going concern uncertainty

The financial statements of the Company for the three months ended March 31, 2023 and 2022, have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

As at March 31, 2023, the Company has an accumulated deficit of $14,102,438 (December 31, 2022 – $14,030,448) and a working capital deficit of $149,487 (December 31, 2022 – deficit of $107,770). For the three months ended March 31, 2023, the Company had a net loss of $71,990 (2022 – $634,591). Whether, and when, the Company can attain profitability and positive cash flows from operations is subject to material uncertainty. The application of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and obtain necessary financing to do so. While the Company has been successful in obtaining financing to date, there can be no assurance that it will be able to do so in the future. The Company will need to raise capital in order to fund its operations. This need may be adversely impacted by uncertain market conditions, approval by regulatory bodies, and adverse results from operations. The above events and conditions indicate there is a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

[d] Functional currency and presentation currency

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

[e] Use of estimates and judgments

The preparation of these financial statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, consistent with those disclosed in the audited financial statements for the year ended December 31, 2022 and described in these financial statements. Actual results could differ from these estimates.

Estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

New standards, amendments and interpretations adopted by the Company

IAS 1, Presentation of financial statements ("IAS 1")

In January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the consolidated statements of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022, with earlier application permitted. In July 2020, the effective date was deferred to January 1, 2023. The impact of adopting these amendments on the Company's financial statements was not significant.

IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8")

In February 2021, the IASB issued Definition of Accounting Estimates, which amends IAS 8. The amendment will require the disclosure of material accounting policy information rather than disclosing significant accounting policies and clarifies how to distinguish changes in accounting policies from changes in accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The amendment provides clarification to help entities to distinguish between accounting policies and accounting estimates.

The amendments are effective for annual periods beginning on or after January 1, 2023. The impact of adopting these amendments on the Company's financial statements was not significant.

IAS 12, Income Taxes ("IAS 12")

In May 2021, the IASB issued Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendments to IAS 12). The amendment narrows the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal taxable and deductible temporary differences. As a result, companies will need to recognize a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition of transactions such as leases and decommissioning obligations.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and are to be applied retrospectively. The impact of adopting these amendments on the Company's financial statements was not significant.

[unaudited] [expressed in Canadian dollars]

New standards, amendment and interpretation not yet adopted by the Company

IFRS 16 – Leases ("IFRS 16")

In September 2022, the IASB issued amendments to IFRS 16, Leases, which add to requirements explaining how a company accounts for a sale and leaseback after the date of the transaction. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.

All other IFRSs and amendments issued but not yet effective have been assessed by the Company and are not expected to have a material impact on the Consolidated Financial Statements.

3. Property and equipment

Property and equipment as at March 31, 2023, is as follows:

	Leasehold improvements	Computer equipment	Production equipment	Total
	$	$	$	$
Cost				
Balance – December 31, 2022 and March 31, 2023	**43,954**	**9,670**	**239,006**	**292,630**
Accumulated depreciation				
Balance – December 31, 2021	18,114	3,474	76,201	97,789
Depreciation	21,612	3,269	80,092	104,973
Balance – December 31, 2022	39,726	6,743	156,293	202,762
Depreciation	4,228	806	19,778	24,812
Balance – March 31, 2023	**43,954**	**7,549**	**176,071**	**227,574**
Carrying value				
Balance – December 31, 2022	4,228	2,927	82,713	89,868
Balance – March 31, 2023	**—**	**2,121**	**62,935**	**65,056**

4. Convertible Debentures

	$
Balance – December 31, 2022	213,052
Issuance of convertible debentures	750,000
Accretion expense	34,400
Balance – March 31, 2023	**997,452**

Between June 28, 2022 and August 22, 2022, the Company issued 165 convertible debentures (the "Debentures") to related parties for gross proceeds of $165,000. Each Debenture is made up of principal amount of $1,000, bearing an interest rate of 3% per annum payable at maturity. The Debentures mature one year from the date of issuance. Each Debenture can be converted into common shares of the Company at a conversion price of $0.05 per share on conversion. As additional consideration, the Company has agreed to pay the holders of the Debentures $0.20 per gram in retail sales of their products, as a royalty, until 57% of the principal amount of their Debenture is repaid.

For accounting purposes, the fair value of the liability component at the time of issuance was calculated as the discounted cash flows, assuming a 50% discount rate, which was the effective interest rate when factoring in the royalty obligation. The fair value of the equity component was valued using the Black-Scholes model.

[unaudited] [expressed in Canadian dollars]

The Debentures were issued to the CEO and COO of the Company and to an entity related to the CFO of the Company. The conversion option value was calculated using the Black-Scholes model with the following inputs:

	2022
Grant date share price	$0.01
Exercise price	$0.05
Expected dividend yield	—
Risk free interest rate	2.98% - 3.49%
Expected life	1 years
Expected volatility	109% - 121%

On February 24, 2023, the Company issued 750 debentures for gross proceeds of $750,000. Each Debenture is made up of principal amount of $1,000, bearing an interest rate of 5% per annum payable at maturity. The Debentures mature on May 31, 2023. Each Debenture can be converted into common shares of the Company at a conversion price of $0.05 per share on conversion. The fair value of the equity component was $nil, valued using the Black-Scholes model.

The conversion option value was calculated using the Black-Scholes model with the following inputs:

	2023
Grant date share price	$0.01
Exercise price	$0.05
Expected dividend yield	—
Risk free interest rate	4.24%
Expected life	0.26 years
Expected volatility	115%

5. Share capital

[a] Authorized

The authorized share capital of the Company consists of an unlimited number of common shares.

[b] Issued and outstanding

The Company's share capital is as follows:

	Common Shares		Warrants	
	#	$	#	$
Balance – December 31, 2021	280,120,290	11,938,008	2,105,000	106,103
Balance – March 31, 2022	280,120,290	11,938,008	2,105,000	106,103
Balance – December 31, 2022	280,120,290	11,938,008	1,805,000	98,948
Warrants expired	—	—	(1,505,000)	(82,422)
Balance – March 31, 2023	**280,120,290**	**11,938,008**	**300,000**	**16,526**

The number of warrants outstanding for the three months ended March 31, 2023 and 2022, were as follows:

	Number of warrants	Weighted average exercise price
	#	$
Outstanding as at December 31, 2021 and March 31, 2022	2,105,000	0.09
Outstanding as at December 31, 2022	1,805,000	0.10
Expired	(1,505,000)	(0.10)
Outstanding as at March 31, 2023	**300,000**	**0.10**

[unaudited] [expressed in Canadian dollars]

Measurement of fair values

There were no warrants granted during the three months ended March 31, 2023 and 2022.

The following table is a summary of the Company's warrants outstanding as at March 31, 2023:

Warrants Outstanding

Expiry Date	Exercise price $	Number outstanding #
May 27, 2023	0.10	300,000
	0.10	**300,000**

The following table is a summary of the Company's warrants outstanding as at March 31, 2022:

Warrants Outstanding

Expiry Date	Exercise price $	Number outstanding #
July 8, 2022	0.05	300,000
March 15, 2023	0.10	1,505,000
May 27, 2023	0.10	300,000
	0.09	**2,105,000**

6. Share-based compensation

[a] Share-based payment arrangements

The Company has established a share option plan (the "Option Plan") for directors, officers, employees and consultants of the Company. The Company's Board of Directors determines, among other things, the eligibility of individuals to participate in the Option Plan, the term and vesting periods, and the exercise price of options granted to individuals under the Option Plan.

Each share option converts into one common share of the Company on exercise. No amounts are paid or payable by the individual on receipt of the option. The share options carry neither rights to dividends nor voting rights. Share options may be exercised at any time from the date of vesting to the date of their expiry.

The Company's Option Plan provides that the number of common shares reserved for issuance may not exceed 10% of the aggregate number of common shares that are outstanding unless the Board has increased such limit by a Board resolution. If any options terminate, expire, or are cancelled as contemplated by the Option Plan, the number of options so terminated, expired or cancelled shall again be available under the Option Plan.

The changes in the number of share options for the three months ended March 31, 2023 and 2022, were as follows:

	Number of options #	Weighted average exercise price $
Outstanding as at December 31, 2021 and March 31, 2022	20,700,000	0.09
Exercisable as at December 31, 2021 and March 31, 2022	20,700,000	0.09
Outstanding as at December 31, 2022 and March 31, 2023	**14,200,000**	**0.10**
Exercisable as at December 31, 2022 and March 31, 2023	**14,200,000**	**0.10**

[unaudited] [expressed in Canadian dollars]

There were no options granted during the three months ended March 31, 2023 and 2022

The following table is a summary of the Company's share options outstanding as at March 31, 2023:

	Options outstanding			Options exercisable	
Expiry Date	Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life	Exercise Price	Number Exercisable
	$	#	#	$	#
February 17, 2024	0.11	1,000,000	0.88	0.11	1,000,000
June 2, 2024	0.10	13,200,000	1.18	0.10	13,200,000
	0.10	**14,200,000**	**1.15**	**0.10**	**14,200,000**

The following table is a summary of the Company's share options outstanding as at March 31, 2022:

	Options outstanding			Options exercisable	
Expiry Date	Exercise	Number	Weighted Average	Exercise	Number Exercisable
	$	#	#	$	#
June 2, 2022	0.10	13,700,000	2.18	0.10	13,700,000
August 28, 2022	0.05	6,000,000	0.41	0.05	6,000,000
February 17, 2024	0.11	1,000,000	1.88	0.11	1,000,000
	0.09	**20,700,000**	**1.65**	**0.09**	**20,700,000**

For the three months ended March 31, 2023, the Company recognized $nil (2022 – $nil) of share-based compensation expense associated with options issued under the Option Plan.

[b] Restricted Share Units

In May 2021, the Company established a restricted share unit ("RSU") plan for directors, officers, employees and consultants of the Company. The Company's Board of Directors determines the eligibility of individuals to participate in the RSU plan in order to align their interests with those of the Company's shareholders.

No amounts are paid or payable by the individual on receipt of the restricted share unit. Each RSU converts into one common share of the Company on the date of vesting at $nil exercise price, expiry 3 years from the date of issuance. RSUs vest over a term of one year from the date of grant at various intervals.

The Company's RSU plan provides that the number of common shares reserved for issuance may not exceed 10% of the aggregate number of common shares that are outstanding unless the Board has increased such limit by a Board resolution.

The change in the number of RSUs for the three months ended March 31, 2023 and 2022, is as follows:

	Number of RSUs
	#
Outstanding as at December 31, 2021 and March 31, 2022	6,900,000
Outstanding as at December 31, 2022 and March 31, 2023	**6,100,000**

For the three months ended March 31, 2023, the Company recognized $nil (2022 – $139,896) of share-based compensation related to RSUs.

7. Loss per share

Net loss per common share represents net loss attributable to common shareholders divided by the weighted average number of common shares outstanding during the period.

For all the periods presented, diluted loss per share equals basic loss per share due to the anti-dilutive effect of warrants, share options and RSUs. The outstanding number and type of securities that could potentially dilute basic net loss per share in the future but would have decreased the loss per share (anti-dilutive) for the three months ended March 31, 2023 and 2022 presented are as follows:

[unaudited] [expressed in Canadian dollars]

	March 31, 2023	March 31, 2022
	#	#
Warrants	**300,000**	2,105,000
Share Options	**14,200,000**	20,700,000
RSUs	**6,100,000**	6,900,000
Convertible debentures	**18,300,000**	—
	38,900,000	29,705,000

8. Commitments and contingencies

Commitments

Medz Cannabis Collaboration Agreement

On April 20, 2020, the Company entered into a five-year collaboration agreement with Medz to produce and sell cannabis-based hashish and other cannabis concentrates. Per the agreement, Medz is to provide the Company with licensed processing space at the Medz licensed facility for the purposes of manufacturing, packaging, and selling products. The Company is responsible for all costs incurred related to the production and is to grant Medz certain profit-sharing rights in connection with the sale of products produced within the Medz facility. The Company is to pay Medz a 3.5% royalty on all revenues generated from the sale of the products produced in the Medz facility, and a 5% royalty on any tolling or service revenue earned by the Company on certain service contracts.

The Company has entered into a long-term lease for approximately 1,900 square feet of production and office space as well as access to common space through February 28, 2023, month to month afterwards.

Contingencies

Legal matters

From time to time, the Company may be named as a party to claims or involved in proceedings, including legal, regulatory and tax related, in the ordinary course of its business. While the outcome of these matters may not be estimable at the reporting date, the Company makes provisions, where possible, for the estimated outcome of such claims or proceedings. Should a loss result from the resolution of any claims or proceedings that differs from these estimates, the difference will be accounted for as a charge to profit or loss in that period.

9. Related party transactions and balances

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities of the entity, directly or indirectly.

Key management personnel compensation for the three months ended March 31, 2023 and 2022 is comprised of:

	2023	2022
	$	$
Salaries, benefits, bonuses and other fees	**68,000**	88,856
Share-based payments	**—**	99,726
Total	**68,000**	188,582

During the year ended December 31, 2022, Debentures were issued to the CEO, COO of the Company and to an entity related to the CFO of the Company (Note 4). For the months ended March 31, 2023, the Company recognized accretion on the Debentures of $23,686 (2022 - $nil).

The Company owes related parties $108,242 (December 31, 2022 – $59,799), included in trade and other payables, as at March 31, 2023.

10. Subsequent events

On February 24, 2023, the Company issued a secured convertible debenture in the amount of $750,000. The debenture bore interest at 5% per annum, was to mature on May 31, 2023 and was convertible, including accrued interest, into common shares of the Company at $0.05 per common share. On April 28, 2023, the Company repaid $740,000 and the remaining balance owed by the Company under the debenture was converted into 329,452 common shares of the Company at $0.05 per common share.