

# **The Hash Corporation**

## **Condensed interim financial statements**

For the three and nine months ended September 30, 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	September 30, 2023 \$	December 31, 2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		30,417	39,820
Trade receivables		165,216	223,320
Prepaid expenses and other assets		75,205	145,502
		<u>270,838</u>	<u>408,642</u>
<b>Non-current assets</b>			
Equipment, net	3	35,097	89,868
Right-of-use asset, net		—	5,461
		<u>35,097</u>	<u>95,329</u>
		<u>305,935</u>	<u>503,971</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		301,811	269,014
Convertible debentures	4	266,753	213,052
Sales tax payable		53,056	28,097
Lease obligations		—	6,249
		<u>621,620</u>	<u>516,412</u>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
Share capital	5	11,989,387	11,938,008
Warrants	5	—	98,948
Contributed surplus	6	2,079,999	1,981,051
Accumulated deficit		(14,385,071)	(14,030,448)
		<u>(315,685)</u>	<u>(12,441)</u>
		<u>305,935</u>	<u>503,971</u>
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

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

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022
		\$	\$	\$	\$
<b>Revenue</b>					
Product sales		119,355	38,393	406,398	612,268
Accessory sales		11,731	18,765	41,011	52,438
		<b>131,086</b>	<b>57,158</b>	<b>447,409</b>	<b>664,706</b>
<b>Expenses</b>					
Salaries and wages		32,938	176,274	217,566	624,270
General and administrative		52,833	71,223	149,581	389,449
Production expenditures		64,935	45,830	171,534	376,339
Share-based compensation	6	—	3,177	—	242,716
Professional fees		37,189	936	107,955	145,572
Amortization and depreciation	3	12,999	34,675	60,232	103,062
Accretion on convertible debentures	4	1,382	—	95,080	—
Interest on lease liabilities		—	576	84	2,431
<b>Total operating expenses</b>		<b>202,276</b>	<b>332,691</b>	<b>802,032</b>	<b>1,883,839</b>
<b>Net loss and comprehensive loss</b>		<b>(71,190)</b>	<b>(275,533)</b>	<b>(354,623)</b>	<b>(1,219,133)</b>
Net loss per share					
Basic and diluted	7	(0.000)	(0.001)	(0.001)	(0.004)
Weighted average number of shares					
outstanding – basic and diluted	7	280,449,742	280,120,290	280,307,342	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 and nine months ended September 30, 2023 and 2022  
 [unaudited] [expressed in Canadian dollars, except number of shares]

	Share capital		Warrants		Contributed	Accumulated	Total
	#	\$	#	\$	Surplus	deficit	\$
<b>Balance – December 31, 2021</b>	<b>280,120,290</b>	<b>11,938,008</b>	<b>2,105,000</b>	<b>106,103</b>	<b>1,741,534</b>	<b>(12,621,444)</b>	<b>1,164,201</b>
Share-based compensation [note 6]	—	—	—	—	242,716	—	242,716
Issuance of convertible debt [note 4]	—	—	—	—	1,747	—	1,747
Warrants expired	—	—	(300,000)	(7,155)	7,155	—	—
Net loss and comprehensive loss	—	—	—	—	—	(1,219,133)	(1,219,133)
<b>Balance – September 30, 2022</b>	<b>280,120,290</b>	<b>11,938,008</b>	<b>1,805,000</b>	<b>98,948</b>	<b>1,993,152</b>	<b>(13,840,577)</b>	<b>189,531</b>
<b>Balance – December 31, 2022</b>	<b>280,120,290</b>	<b>11,938,008</b>	<b>1,805,000</b>	<b>98,948</b>	<b>1,981,051</b>	<b>(14,030,448)</b>	<b>(12,441)</b>
Warrants expired	—	—	(1,805,000)	(98,948)	98,948	—	—
Settlement of convertible debt [note 4]	329,452	51,379	—	—	—	—	51,379
Net loss and comprehensive loss	—	—	—	—	—	(354,623)	(354,623)
<b>Balance – September 30, 2023</b>	<b>280,449,742</b>	<b>11,989,387</b>	<b>—</b>	<b>—</b>	<b>2,079,999</b>	<b>(14,385,071)</b>	<b>(315,685)</b>

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 nine months ended September 30,	2023	2022
	\$	\$
<b>Operating activities</b>		
Net loss	(354,623)	(1,219,133)
Add items not affecting cash		
Depreciation	60,232	103,062
Share-based compensation	—	242,716
Accretion on convertible debenture	95,080	—
Interest on lease liabilities	84	2,431
Changes in non-cash working capital balances		
Trade receivables	58,105	299,778
Prepaid expenses and other assets	70,297	179,119
Trade and other payables	32,797	(64,833)
Sales tax payable	24,959	14,564
<b>Cash used in operating activities</b>	<b>(13,069)</b>	<b>(442,296)</b>
<b>Investing activities</b>		
Purchase of equipment	—	(6,683)
<b>Cash used in investing activities</b>	<b>—</b>	<b>(6,683)</b>
<b>Financing activities</b>		
Proceeds from issuance of convertible debentures	750,000	165,000
Repayment of convertible debentures	(740,000)	—
Repayment of lease obligation	(6,334)	(28,500)
<b>Cash provided by financing activities</b>	<b>3,666</b>	<b>136,500</b>
<b>Net change</b>	<b>(9,403)</b>	<b>(312,479)</b>
Cash, beginning of the period	39,820	354,173
<b>Cash, end of the period</b>	<b>30,417</b>	<b>41,694</b>

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

# The Hash Corporation

## Notes to the condensed interim financial statements

[unaudited] [expressed in Canadian dollars]  
September 30, 2023 and 2022

### 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 November 29, 2023.

#### [b] Going concern uncertainty

The financial statements of the Company for the three and nine months ended September 30, 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 September 30, 2023, the Company has an accumulated deficit of \$14,385,071 (December 31, 2022 – \$14,030,448) and a working capital deficit of \$350,782 (December 31, 2022 – deficit of \$107,770). For the three and nine months ended September 30, 2023, the Company had a net loss of \$71,190 and \$354,623 (2022 – \$275,533 and \$1,219,133). 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.

**The Hash Corporation**  
**Notes to the condensed interim financial statements**

[unaudited] [expressed in Canadian dollars]  
September 30, 2023 and 2022

**[c] Functional currency and presentation currency**

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

**[d] 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.

**The Hash Corporation**  
**Notes to the condensed interim financial statements**

[unaudited] [expressed in Canadian dollars]  
September 30, 2023 and 2022

**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 September 30, 2023, is as follows:

	Leasehold improvements	Computer equipment	Production equipment	Total
	\$	\$	\$	\$
<b>Cost</b>				
<b>Balance – December 31, 2022 and September 30, 2023</b>	<b>43,954</b>	<b>9,670</b>	<b>239,006</b>	<b>292,630</b>
<b>Accumulated depreciation</b>				
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	2,444	48,099	54,771
<b>Balance – September 30, 2023</b>	<b>43,954</b>	<b>9,187</b>	<b>204,392</b>	<b>257,533</b>
<b>Carrying value</b>				
Balance – December 31, 2022	4,228	2,927	82,713	89,868
<b>Balance – September 30, 2023</b>	<b>—</b>	<b>483</b>	<b>34,614</b>	<b>35,097</b>

**4. Convertible Debentures**

	\$
Balance – December 31, 2022	213,052
Issuance of convertible debentures	750,000
Accretion expense	95,080
Settlement of convertible debentures	(791,379)
<b>Balance – September 30, 2023</b>	<b>266,753</b>

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.



**The Hash Corporation**  
**Notes to the condensed interim financial statements**

[unaudited] [expressed in Canadian dollars]  
September 30, 2023 and 2022

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.

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:

	<b>2022</b>
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 had a maturity date of May 31, 2023, and each debenture could 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 determined to be \$nil.

On April 28, 2023, the Company repaid \$740,000 of the debentures, and the remaining balance owed by the Company under the debenture was converted into 329,452 common shares of the Company.

**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
Warrants expired	—	—	(300,000)	(7,155)
Balance – September 30, 2022	280,120,290	11,938,008	1,805,000	98,948
Balance – December 31, 2022	280,120,290	11,938,008	1,805,000	98,948
Warrants expired	—	—	(1,805,000)	(98,948)
Settlement of convertible debentures [a]	329,452	51,379	—	—
<b>Balance – September 30, 2023</b>	<b>280,449,742</b>	<b>11,989,387</b>	<b>—</b>	<b>—</b>

- (a) 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.

**The Hash Corporation**  
**Notes to the condensed interim financial statements**

[unaudited] [expressed in Canadian dollars]  
September 30, 2023 and 2022

The number of warrants outstanding as at September 30, 2023 and 2022, were as follows:

	Number of warrants #	Weighted average exercise price \$
Outstanding as at December 31, 2021	2,105,000	0.09
Expired	(300,000)	0.05
Outstanding as at September 30, 2022	1,805,000	0.10
Outstanding as at December 31, 2022	1,805,000	0.10
Expired	(1,805,000)	0.10
<b>Outstanding as at September 30, 2023</b>	—	—

**Measurement of fair values**

There were no warrants granted during the three and nine months ended September 30, 2023 and 2022.

There are no warrants outstanding as at September 30, 2023.

The following table is a summary of the Company's warrants outstanding as at September 30, 2022:

Expiry Date	Warrants Outstanding	
	Exercise price \$	Number outstanding #
March 15, 2023	0.10	1,505,000
Saturday, May 27, 2023	0.10	300,000
	<b>0.10</b>	<b>1,805,000</b>

**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.

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[unaudited] [expressed in Canadian dollars]  
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The changes in the number of share options during the nine months ended September 30, 2023 and 2022, were as follows:

	Number of options #	Weighted average exercise price \$
Outstanding as at December 31, 2021	20,700,000	0.09
Expired	(6,000,000)	0.05
Outstanding as at September 30, 2022	14,700,000	0.10
Exercisable as at September 30, 2022	14,700,000	0.10
<b>Outstanding as at December 31, 2022 and September 30, 2023</b>	<b>14,200,000</b>	<b>0.10</b>
<b>Exercisable as at December 31, 2022 and September 30, 2023</b>	<b>14,200,000</b>	<b>0.10</b>

There were no options granted during the three and nine months ended September 30, 2023 and 2022.

The following table is a summary of the Company's share options outstanding as at September 30, 2023:

Expiry Date	Options outstanding			Options exercisable		
	Exercise Price \$	Number Outstanding #	Weighted Average	Exercise Price \$	Number Exercisable	
			Remaining Contractual Life [years]		#	#
February 17, 2024	0.11	1,000,000	0.38	0.11	1,000,000	
June 2, 2024	0.10	13,200,000	0.67	0.10	13,200,000	
	<b>0.10</b>	<b>14,200,000</b>	<b>0.65</b>	<b>0.10</b>	<b>14,200,000</b>	

The following table is a summary of the Company's share options outstanding as at September 30, 2022:

Expiry Date	Options outstanding			Options exercisable		
	Exercise Price \$	Number Outstanding #	Weighted Average	Exercise Price \$	Number Exercisable	
			Remaining Contractual Life [years]		#	#
February 17, 2024	0.11	1,000,000	1.38	0.11	1,000,000	
June 2, 2024	0.10	13,700,000	1.67	0.10	13,700,000	
	<b>0.10</b>	<b>14,700,000</b>	<b>1.65</b>	<b>0.10</b>	<b>14,700,000</b>	

For the three and nine months ended September 30, 2023, the Company recognized \$nil and \$nil (2022 – \$nil and \$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.

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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 during for the nine months ended September 30, 2023 and 2022, is as follows:

	#
Outstanding as at December 31, 2021 and September 30, 2022	6,900,000
<b>Outstanding as at December 31, 2022 and September 30, 2023</b>	<b>6,100,000</b>

For the three and nine months ended September 30, 2023, the Company recognized \$nil and \$nil (2022 – \$3,177 and \$242,716) 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 period ended September 30, 2023 and 2022 presented are as follows:

	September 30, 2023	September 30, 2022
	#	#
Warrants	—	1,805,000
Share Options	14,200,000	14,700,000
RSUs	6,100,000	6,900,000
Convertible debentures	3,300,000	3,300,000
	23,600,000	26,705,000

**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.

**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.

**The Hash Corporation**  
**Notes to the condensed interim financial statements**

[unaudited] [expressed in Canadian dollars]

September 30, 2023 and 2022

**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 and nine months ended September 30, 2023 and 2022 is comprised of:

	For the three months ended		For the nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Salaries, benefits, bonuses and other fees	48,000	88,856	<b>170,000</b>	266,569
Share-based payments	—	—	—	167,671
<b>Total</b>	<b>48,000</b>	88,856	<b>170,000</b>	434,240

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 three and nine months ended September 30, 2023, the Company recognized accretion on the Debentures of \$1,382 and \$53,700 (2022 - \$nil and \$nil).

The Company owes related parties \$176,371 (December 31, 2022 – \$59,799), included in trade and other payables, as at September 30, 2023.