MAPLE LEAF GREEN WORLD INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2023

(Expressed in Canadian Dollars, unless otherwise stated)

CONTENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these 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.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Canadian dollars)	notes	**March 31, 2023**	December 31, 2022
ASSETS			
Current			
Cash and cash equivalents		**56,238**	10,162
Accounts receivable		**9,279**	30,252
		65,517	40,414
Non-Current			
Investments	5	**-**	200,000
Property, plant and equipment	6	**348,942**	354,884
Total Assets		**414,459**	595,298
LIABILITIES			
Current			
Accounts payable and accrued liabilities		**6,754,185**	6,761,547
Notes payable	8	**2,225,806**	2,139,064
Canada Emergency Business Account	9	**60,000**	60,000
Related party payables	11	**556,368**	409,815
		9,596,359	9,370,426
Non-Current			
Convertible debenture	7	**59,095**	56,959
Total liabilities		**9,655,454**	9,427,385
SHAREHOLDERS' DEFICIT			
Share capital	10	**24,510,228**	24,510,228
Convertible debenture	7	**11,860**	11,860
Contributed surplus		**12,725,332**	12,725,332
Accumulated other comprehensive income		**69,701**	62,568
Accumulated deficit		**(46,558,116)**	(46,142,075)
Total shareholders' deficit		**(9,240,995)**	(8,832,087)
Total liabilities and shareholders' deficit		**414,459**	595,298

Going Concern (note 2)
Commitments and contingencies (note 16)

See accompanying notes to the Condensed Consolidated Interim Financial Statements

APPROVED ON BEHALF OF THE BOARD

(Signed) Raymond Lai
Director

(Signed) Terence Lam
Director

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

		Three months ended March 31,	
(Canadian dollars)	Notes	**2023**	2022
Expenses			
Operating expenses		**9,363**	37,149
Personnel costs		**54,186**	15,413
Professional fees		**3,500**	38,207
Consulting fees		**20,289**	11,126
Depreciation and amortization	6	**5,943**	7,024
Office		**7,187**	9,051
Regulatory and transfer agent		**1,493**	12,062
Advertising and promotion		**20,148**	11,228
Travel		**400**	926
Foreign exchange expense		**16,152**	3,889
		138,661	146,075
Income/(Loss) before other items		**(138,661)**	(146,075)
Finance expense	7,8,9	**(77,380)**	(119,737)
Investment write-down	**5**	**(200,000)**	-
Net loss for the period		**(416,041)**	(265,812)
Other Comprehensive Income/(Loss)			
Exchange differences on translation of foreign operations		**7,133**	21,483
Total comprehensive loss		**(408,908)**	(244,329)
Per Share Information			
Net loss per share – basic and diluted		**(0.01)**	(0.01)
Weighted average number of common shares outstanding		**38,792,403**	30,624,625

See accompanying notes to the Condensed Consolidated Interim Financial Statements

(Canadian dollars)	Note	Share capital	Convertible Debenture	Share-based payments reserve	Warrant reserve	Accumulated other comprehensive income	Deficit	Total equity (deficit)
December 31, 2021		23,589,263	-	12,050,864	674,468	113,471	(44,936,150)	(8,508,084)
Convertible debenture	7	-	87,365	-	-	-	-	87,365
Convertible debenture - conversion	7	467,115	(75,505)	-	-	-	-	391,609
Other comprehensive income		-	-	-	-	(50,903)	-	(50,903)
Loss for the period		-	-	-	-	-	(1,205,925)	(1,205,925)
Shares issuance expense	10	(56,000)	-	-	-	-	-	(56,000)
Shares issued to settle accounts payable	10	509,850	-	-	-	-	-	509,850
At December 31, 2022		24,510,228	11,860	12,050,864	674,468	62,568	(46,142,075)	(8,832,087)
Other comprehensive income		**-**	**-**	**-**	**-**	**7,133**	**-**	**7,133**
Loss for the period		**-**	**-**	**-**	**-**	**-**	**(416,041)**	**(416,041)**
At March 31, 2023		**24,510,228**	**11,860**	**12,050,864**	**674,468**	**69,701**	**(46,558,116)**	**(9,240,995)**

See accompanying notes to the Condensed Consolidated Interim Financial Statements

(Canadian dollars)	Notes	Three months ended March 31, 2023	2022
Operating Activities			
Income/(loss) for the period		**(416,041)**	(265,812)
Items not affecting cash:			
Depreciation and amortization	6	**5,943**	7,024
Financing costs	7,8,9	**73,550**	(65,529)
Investment write-down	5	**200,000**	-
		(136,548)	(324,317)
Changes in non-cash working capital			
Accounts receivables		**20,972**	(1,547)
Accounts payable and accrued liabilities		**15,092**	436,643
Net change in non-cash working capital related to operations		**(163,936)**	435,096
Cash flows (used in)/from operating activities		**(300,484)**	110,779
Financing Activities			
Related party payables		**146,553**	-
Repayment of related party loan	7	**-**	(110,850)
Cash flows from/(used in) financing activities		**146,553**	(110,850)
Increase in cash and cash equivalents		**46,069**	(71)
Impact of foreign exchange on cash balances		**7**	(2)
Cash and cash equivalents, beginning of period		**10,162**	75
Cash and cash equivalents, end of period		**56,238**	2

See accompanying notes to the Condensed Consolidated Interim Financial Statements

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS

Maple Leaf Green World Inc. ("Maple Leaf" or the "Company") is incorporated in Alberta, Canada, with common shares listed on the Canadian Securities Exchange (the “CSE”) under the ticker symbol MGW. The corporate office is located at Suite 203, 1222 - 11th Ave SW, Calgary, Alberta, T3C 0M4. In October 2012, the Company changed its name to Maple Leaf Green World Inc. from Maple Leaf Reforestation Inc.

In order to develop its medical hemp business in the United States of America ("USA"), the Company incorporated a wholly owned subsidiary, Golden State Green World LLC ("Golden State"), in California, USA in 2015. In March 2017, the Company incorporated another wholly owned subsidiary, SSGW LLC ("SSGW"), in Nevada, USA, and on January 23, 2018 SSGW purchased 100% of BioNeva Innovations of Henderson, LLC (“BioNeva”).

Maple Leaf is engaged in the hemp products market in the state of California, USA. On December 3, 2019, the Company announced that Golden State has received a Hemp Seed Cultivation License (the “License”) from Riverside County to start breeding Hemp Seed for CBG enriched Hemp.

These unaudited condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors of the Company on May 29 2023.

2. GOING CONCERN

These condensed consolidated interim financial statements 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.

Details of deficit and working capital (current assets less current liabilities) of the Company are as follows:

	March 31, 2023	December 31, 2022
Deficit	**(46,558,116)**	(46,142,075)
Working Capital	**(9,530,842)**	(9,330,012)

There are a number of outstanding legal claims against the Company stemming from its nonpayment of invoices relating to the construction of its cannabis growing facility in British Columbia. As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the Company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Management has forecasted the expected expenditure levels and contracted commitments will exceed the Company's net cash inflows and working capital during fiscal 2023 unless further financing is obtained. Additional sources of funding will be required during fiscal 2023 to carry on operations and/or to realize on investment opportunities. The Company's future operations are dependent upon its ability to secure additional funds and generate product sales. While the Company is striving to achieve these plans, there is no assurance that these and other strategies will be achieved, or such sources of funds will be available or obtained on favorable terms or obtained. Historically, the Company has obtained funding via the issuance of shares and warrants as well as debt financing. If the Company cannot secure additional financing on terms that would be acceptable to it or otherwise generate product sales, the Company will have to consider additional strategic alternatives which may include, cost curtailments and delays of product launch, as well as seeking to license and/or divest assets or a merger, sale or liquidation of the Company. These material uncertainties cast significant doubt about the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not reflect adjustments to the carrying values of assets and liabilities that may be required should the Company be unable to continue as a going concern. Such adjustments will be material.

3. BASIS OF PREPARATION

a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34") of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual consolidated financial statements prepared in accordance with IFRS as issued by the IASB have been condensed or omitted and these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company' s audited consolidated financial statements for the years ended December 31, 2022 and 2021. These unaudited condensed consolidated interim financial statements follow the same significant accounting policies set out in note 4 to the audited consolidated financial statements for the years ended December 31, 2022 and 2021.

(b) Basis of consolidation and comparative figures and functional currency

These condensed consolidated interim financial statements include the accounts of Maple Leaf and its wholly owned subsidiaries, Golden State and SSGW. All significant intercompany balances and transactions have been eliminated upon consolidation.

(c) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for biological assets and certain financial instruments and share-based payments recorded at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. All financial information in these condensed consolidated interim financial statements is presented in Canadian dollars ("CAD"), except as otherwise stated. The functional currency of the Company's USA subsidiaries is the USA dollar (" USD").

(d) Significant accounting judgments and estimates

Preparing the Company's condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and judgments have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Management continually evaluates these judgments, estimates and assumptions based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant areas where actual results could differ from those estimates relate to, but are not limited to, the following:

i. *Income taxes*
Management makes estimates in determining the appropriate rates and amounts in recording deferred income tax assets or liabilities, giving consideration to timing and probability. Actual income taxes could vary significantly from these estimates as a result of future events, including changes in income tax law or the outcome of reviews by tax authorities and related appeals. The resolution of these uncertainties and the associated final taxes may result in adjustment to the Company's tax assets and tax liabilities. The recognition of deferred income tax assets is subject to estimates over whether these amounts can be realized.

ii. *Stock options and warrants and share-based payments*
The fair value of the Company's stock options and warrants are derived from estimates based on available market data at that time, which include volatility, risk-free interest rates and share prices. Changes to subjective input assumptions can materially affect the fair value estimate.

iii. *Accrued liabilities*
The Company must estimate the amount of accrued liabilities related to contractual arrangements or when invoices have not been received or when contracts to ensure all expenditures have been recognized. Changes to the estimate can materially affect the liquidity of the Company.

iv. *Useful life of property, plant and equipment*
Depreciation of property, plant, and equipment is dependent upon estimates of useful lives and residual values which are determined through the exercise of judgement. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that consider factors such as economic and market conditions and the useful lives of assets. The Company reviews the estimated lives of its property, plant and equipment at the end of each reporting period. There were no material changes in the useful lives of property, plant and equipment during the period ended March 31, 2023.

Critical accounting judgments

Management must make judgments given the various options available as per accounting standards for items included in the condensed consolidated interim financial statements. Judgments involve a degree of uncertainty and could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual events differ. Management judgments include, but are not limited to:

i. *Biological assets and inventories*

Determination of the fair values of the biological assets requires the Company to make a number of estimates primarily related to the fair value at point of harvest, attrition rates, expected future yields from the hemp plants and estimating plants at various phases of the growth cycle.

The valuation of biological assets at the point of harvest is the cost basis for all hemp-based inventory and thus any critical estimates and judgements related to the valuation of biological assets are also applicable for inventory. The Company must also determine if the cost of any inventory exceeds its net realizable value, such as cases where prices have decreased, or inventory has spoiled or has otherwise been damaged.

ii. *Impairment of non-financial assets*

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication of impairment and if these assets have suffered an impairment loss. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating unit ("CGU"). The recoverable amount of an asset or a CGU is the greater of its value in use ("VIU") or its fair value less costs of disposal ("FVLCD"). If any such impairment indicator exists, the recoverable amount of the asset or CGU is estimated to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGU's, or otherwise allocated to the smallest group of CGU's for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of FVLCD and VIU. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of loss and comprehensive loss.

Where an impairment loss subsequently reverses for assets with a finite useful life, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years.

A reversal of an impairment loss is recognized immediately in consolidated statement of loss and comprehensive loss. An impairment loss on intangible assets with an indefinite life is not reversed. The Company undertakes an impairment assessment at the end of each reporting period and uses its judgment when identifying impairment indicators. Significant inputs into the discounted cash flow model included discount rates, useful life, and future operating cost.

Estimates and judgements are continually evaluated and are based on management 's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates.

4. SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies under IFRS are presented in Note 4 to the December 31, 2022 and 2021 Annual Financial Statements. Certain information and disclosures normally required to be included in the notes to the Annual Financial Statements prepared in

5. INVESTMENT

On September 27, 2022, the Company entered into a REIT agreement with an Ontario builder, Quic Builds (the "Builder"), who is engaged in the construction of luxury mini homes, utilizing their patented Quic Build technology to construct homes in the Grand Cayman Island and Turks and Caicos Island.

In November 2022 the Company secured the initial capital contribution of $200,000 CAD for its investment with the Builder to begin construction of the first four (4) luxury mini homes (the "Property", "Properties") in the Grand Cayman Island. The Company has transferred the $200,000 CAD to the Builder to initiate the building of the Properties.

On May 12, 2023 the Company announced that it has cancelled its relationship with Quic Builds as the Company was made aware that the owner of Quic Builds, Philip Bradley. was engaged in fraudulent behavior in the Ontario, Canada area involving QUIC Builds. Mr. Bradley has been charged for allegedly defrauding clients out of hundreds of thousands of dollars, as a result of these revelations, the Company has impaired its investment in the REIT in the first quarter of 2023.

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

Cost	Furniture, equipment, and software	Greenhouse and land improvement	Land	Total
December 31, 2022	80,964	306,821	155,855	543,640
March 31, 2023	**80,964**	**306,821**	**155,855**	**543,640**

Accumulated depreciation, depletion, and amortization	Furniture, equipment, and software	Greenhouse and land improvement	Land	Total
December 31, 2021	61,907	98,753	-	160,660
Depletion, depreciation, and amortization	7,289	20,807	-	28,096
December 31, 2022	69,196	119,560	-	188,756
Depletion, depreciation, and amortization	**1,261**	**4,681**	**-**	**5,942**
March 31, 2023	**70,457**	**124,241**	**-**	**194,698**

Net book value	Furniture, equipment, and software	Greenhouse and land improvement	Land	Total
December 31, 2022	11,768	187,261	155,855	354,884
March 31, 2023	**10,507**	**182,580**	**155,855**	**348,942**

7. CONVERTIBLE DEBENTURE

June 1, 2022, the company raised $523,000 in a non-brokered private placement offering of convertible debenture units ("Convertible Debenture"). The Convertible Debentures yields a 10% yearly interest for two (2) years with the option to convert to the Company's common stock at CAD $0.08 a share. Each unit of Debenture will entitle for a common share purchase warrant ("Warrant") at $0.10 a share.

On November 16, 2022, the Company issued 3,587,500 shares on conversion of $287,000 of convertible debentures.

The changes in convertible debenture are as follows:

	March 31, 2023	December 31, 2022
Balance, beginning of the period	**56,959**	**-**
Initial proceeds from debt	**-**	**523,000**
Debt issue costs	**-**	**(7,000)**
Transfer of conversion component to equity	**-**	**(87,366)**
Amortization of deferred financing costs	**829**	**1,962**
Accretion on convertible debentures	**1,307**	**17,972**
Conversion to shares	**-**	**(391,609)**
Balance, end of the period	**59,095**	**56,959**

Convertible debenture bifurcated into equity and debt components:

	Maturity	March 31, 2023	December 31, 2022
Debt component	September 30,2024	**59,095**	56,959
Equity component	September 30,2024	**11,860**	11,860

8. NOTES PAYABLE

A summary of the notes payable is as follows:

	Golden State Green World	Maple Leaf Green World	Total
Balance, December 31, 2021	913,529	960,977	1,874,506
Interest incurred	190,168	85,918	276,086
Interest paid	-	(130,000)	(130,000)
Foreign exchange effect	70,191	48,281	118,472
Balance, December 31, 2022	1,173,888	965,176	2,139,064
Interest incurred	**49,442**	**21,973**	**71,415**
Foreign exchange effect	**(928)**	**16,256**	**15,327**
Balance, March 31, 2023	**1,222,402**	**1,003,404**	**2,225,806**

On January 5, 2021, the Company's wholly owned subsidiary Golden State, signed a secured promissory note in the amount of $610,000 USD before financing costs, with a Delaware limited partnership. The note bears interest at 15% per annum and matures on January 1, 2022. The loan is secured by a Deed of Trust on the Company's California property. The loan also includes a 1.5% Participation Interest on the gross hemp revenue earned by the Company during the 2-year term of the loan. For the purposes of this Note, "Gross Hemp Revenue" shall mean all revenue earned by Golden State from the sale of all hemp products, which includes, but is not limited to, cured flowers, biomass, clones, seeds, CBD/CBG extract, CBD/CBG cigarettes, and any other products produced by Golden State for resale. Gross Hemp Revenue shall not be reduced by any expenses, including but not limited to cost of goods sold, selling general and administrative expenses, and interest expense. The Participation Interest shall be payable to Lender on a quarterly basis within sixty (60) calendar days following the end of each calendar quarter.

On March 3rd 2022, the Company's wholly owned subsidiary Golden State, signed an agreement to refinance its secured promissory note in the amount of $610,000 USD before financing costs, with a Delaware limited partnership.

The original note was in default since August 1, 2021. On December 31, 2022 the outstanding principal and all accrued but unpaid interest was US$720,562.49. The maturing of the loan has been extended to January 1, 2023. However, any funds raised by the Company from a Capital Event over and above US$500,000 must be used to repay the Secured Promissory Note. A Capital Event shall include, but is not limited to, a transaction or series of transactions involving any sale, exchange, conveyance, other disposition or any similar transaction with respect to the capital stock or assets of the Company.

The revised note will bear interest at 20% per annum. The loan is secured by a Deed of Trust on the Company's California property. The loan also includes a 1.5% Participation Interest on the gross hemp revenue earned by the Company during until December 31, 2024. For the purposes of this Note, "Gross Hemp Revenue" shall mean all revenue earned by Golden State from the sale of all hemp products, which includes, but is not limited to, cured flowers, biomass, clones, seeds, CBD/CBG extract, CBD/CBG cigarettes, and any other products produced by Golden State for resale, or any commission or other revenue earned as compensation for its role in brokering any transaction between a third party buyer and seller involving the purchase and sale of any hemp product. Gross Hemp Revenue shall not be reduced by any expenses, including but not limited to cost of goods sold, selling general and administrative expenses, and interest expense. The Participation Interest shall be payable to Lender on a quarterly basis within sixty (60) calendar days following the end of each calendar quarter.

Maple Leaf Green World Notes Payable

Subsequent to year end, on January 10, 2023, the Company renewed a promissory note in the amount of $200,000 CAD to an arm's length individual. The note bears interest at the rate of 10% per annum and matures on January 1, 2024. As at December 31, 2022, the carrying value of the note payable is $200,000 CAD plus accrued interest of $25,000 CAD. As, part of the extension the lender received on option to convert into shares of the Company on or before June 30, 2023.

On April 1, 2022, the Company renewed a promissory note in the amount of $200,000 USD to an arm's length individual. The note bears interest at the rate of 10% per annum and matures on March31, 2023. As at December 31, 2022, the carrying value of the note payable is $200,000 USD plus accrued interest of $28,447 USD. The Company is working on extending this loan.

On October 15, 2022, the Company issued a promissory note in the amount of $200,000 USD to an arm's length individual. The note bears interest at the rate of 10% per annum and matures on October 15, 2023. As at December 31, 2022, the carrying value of the note payable is $200,000 USD plus accrued interest of $26,075 USD.

On January 9, 2023, the Company renewed a promissory note in the amount of $100,000 USD to an arm's length individual. The note bears interest at the rate of 10% per annum and matures on January 1, 2024. As at December 31, 2022, the carrying value of the note payable is $100,000 USD plus accrued interest of $20,668 USD.

9. CANADA EMERGENCY BUSINESS ACCOUNT (CEBA)

During 2020, the Company received an interest free loan of $60,000 through the Canada Emergency Business Account (CEBA). Effective January 1, 2023, any outstanding balance on the term loan shall bear interest at a rate of 5% per annum. The term loan matures on December 31, 2025. Repaying the balance of the loan on or before December 31, 2023 will result in loan forgiveness of $20,000.

In the first quarter of 2022, in response to the surge of COVID-19 cases, the Federal Government has extended the deadline for repayment of the Canada Emergency Business Account (CEBA) loans to qualify for partial loan forgiveness from December 31, 2022, to December 31, 2023, for eligible borrowers in good standing.

10. SHARE CAPITAL

Shares authorized and outstanding.

The authorized share capital of the Company consists of unlimited common shares without par value.

As at March 31, 2023 the Company had 38,792,403 Common Shares outstanding.

	Number of common shares	Dollar amounts
At December 31, 2021	27,477,403	23,589,263
Convertible debenture - conversion	5,650,000	467,115
Shares issuance expense	-	(56,000)
Shares issued to settle debt	5,665,000	509,850
At December 31, 2022	38,792,403	24,510,228
At March 31, 2023	**38,792,403**	**24,510,228**

Partial convertible debenture conversion

On November 16, 2022, the Company issued 3,587,500 common shares on conversion of $287,000 of convertible debentures.

On December 16, 2022, the Company issued 2,062,500 common shares on conversion of $165,000 of convertible debentures.

Settlement of debt

In January 2022, the board of directors approved settlement of $509,850 of debt held by certain service providers (the “Service Providers”) and a director of the Company (collectively the “Creditors”), through the issuance of Common Shares of the Company. Pursuant to debt settlement agreements dated January 21, 2022 between the Company and the Creditors (the “Debt Settlement Agreements”), the Company issued 5,665,000 Common Shares to the Creditors at a deemed price of $0.09 per Share.

(i) 4,831,667 Common Shares were issued to certain service providers in consideration for trade payables owing to the to the Service Providers, (ii) 833,333 Shares were issued pursuant to Terence Lam, Director and Chief Financial Officer of the Company (the “Lam Debt Settlement Agreement”), in consideration for employment compensation payables and funds loaned to the Company for general and administrative expenses owed to Mr. Lam.

The Lam Debt Settlement Agreement is considered to be a “related party transaction” as defined under Multilateral Instrument 61- 101 (“MI 61-101”). The transaction was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, as neither the fair market value of any securities issued to, nor the consideration paid to, such persons exceeded 25% of the Company’s market capitalization.

Full details of the common share issuance are available on SEDAR at www.sedar.com. All of the independent directors of the Company, acting in good faith, considered the transactions and have determined that the fair market value of the Common Shares issued, and the consideration paid was reasonable.

All securities issued pursuant to the Debt Settlement were subject to a four-month hold period. This Debt Settlement is part of the Company's efforts to reduce cash burn and ensure the Company is positioned to allocate resources to accelerate operational progress.

Stock options

The following is a summary of option transactions:

	Number of Options	**Weighted average exercise price per option**
Balance December 31, 2021	541,667	3.60
Balance December 31, 2022	541,667	3.60
Options expired	**(541,667)**	**3.60**
Balance December 31, 2022	**-**	**-**

As of March 31, 2023, there were no stock options outstanding.

Warrants

The following is a summary of warrant transactions:

Number of warrants outstanding as at January 1, 2023	**Issued**	**Exercised**	**Expired**	**Number of warrants outstanding as at March 31, 2023**	**Exercise price per warrant**	**Expiry date**
3,587,500	**-**	**-**	**-**	**584,827**	**$0.48**	**July 21, 2023**
2,062,500	**-**	**-**	**-**	**3,587,500**	**$0.10**	**November 15, 2025**
6,234,827	**-**	**-**	**-**	**2,062,500**	**$0.10**	**December 15, 2025**
584,827	**-**	**-**	**-**	**6,234,827**	**$0.14**	

Number of warrants outstanding as at January 1, 2022	Issued	Exercised	Expired	Number of warrants outstanding as at December 31, 2022	Exercise price per warrant	Expiry date
2,969,750	-	-	(2,969,750)	-	$3.60	April 29, 2022
584,827		-	-	584,827	$0.48	July 21, 2023
-	3,587,500	-	-	3,587,500	$0.10	November 15, 2025
-	2,062,500	-	-	2,062,500	$0.10	December 15, 2025
3,554,577	-	-	(2,969,750)	6,234,827	$0.14	

11. RELATED PARTY TRANSACTIONS

Related party transactions are in the normal course of operations and are measured at the fair value of consideration paid. The Company has identified its directors and executive staff as key management personnel. Compensation to key management, including fees paid to companies controlled by directors and executive staff for their services provided, is as follows:

	March 31, 2023	December 31, 2022
Management renumeration	**29,000**	186,000
Consulting fee	**24,000**	24,000
Total	**53,000**	210,000

As at March 31, 2023, the Company had $556,368 amounts due to the VP Finance, CEO and CFO (December 31, 2022 - $409,815). These amounts are unsecured, non-interest bearing and are due on demand. The Company did not pay any long-term or termination benefits to its key management.

12. CAPITAL MANAGEMENT

The Company's objectives of capital management are to provide returns for shareholders and to comply with externally imposed capital requirements, if any, to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis and continue to develop and expand its projects. As at December 31, 2022, the Company has no externally imposed capital requirements.

The capital of the Company consists of notes payable, and the items included in equity. The Board of Directors does not establish a quantitative return on capital criteria for management but promotes year-over-year sustainable earnings growth targets. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. There have been no changes in the way the Company manages its capital during the period ended December 31, 2022.

13. FAIR VALUE MEASUREMENTS AND FINANCIAL INSTRUMENTS

The Company manages its exposure to key financial risk in accordance with the Company' s financial risk management framework. The objective of the framework is to protect the Company's future financial security. The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are liquidity risk, credit risk and market risk, which comprise foreign exchange rate risk, interest rate risk and other price risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis. The Company does not have any hedge arrangements at December 31, 2022.

Carrying value

Carrying value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment, and therefore, cannot be determined with precision. Changes in assumptions could significantly affect estimates. Management assessed that the fair values of cash and cash equivalents, other receivables, accounts payable and accrued liabilities, and interest payable approximate their carrying amounts largely due to the short-term maturities of these instruments, and the fair value of the notes payable approximates its carrying value, as the interest rate is a market rate for similar instrument offered to the Company.

The following table provides the quantitative disclosures of fair value measurement hierarchy of the Company's financial assets and liabilities.

	March 31, 2023			December 31, 2022		
Assets and liabilities measured at fair value	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (level 3)
Cash	**56,238**	**-**	**-**	10,162	-	-
Notes payable	**-**	**2,225,806**	**-**	-	2,139,064	-

There was no transfer between fair value levels during the period ended March 31, 2023.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk primarily associated to accounts receivables and cash and cash equivalents. The carrying value of the financial assets represents the maximum credit exposure. The Company undertakes credit evaluations on counterparties as necessary and has monitoring processes intended to mitigate credit risks. Accounts receivable as at December 31, 2022 contain an employee receivable which is short-term in nature and is secured by the individual's bonus and salary.

(b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As at March 31, 2023, the Company has negative working capital of $9.5 million (December 31, 2022 - $9.3 million).

Based on the contractual obligations of the Company as at March 31, 2023, cash outflows of those obligations are estimated and summarized as follows:

Payment Due by Year	**2023**	**2024**	**2025 and beyond**	**Total**
Accounts payable and accrued liabilities	6,754,185	-	-	6,754,185
Notes payable	2,225,806	-	-	2,225,806
Canada Emergency Business Account	40,000	-	-	40,000
	9,019,991	-	-	9,019,991

(c) Market risk

The significant market risks to which the Company is exposed are interest rate risk and currency risk.

(i) Interest rate risk

Interest rate risk consists of two components:

(i) 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.

(ii) To the extent that changes in prevailing market rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

As the notes payable bear fixed interest rates of 6 - 10% per annum, the Company does not have interest rate risk at period-end.

(ii) Currency risk

The Company is exposed foreign currency risk when the Company undertakes transactions and holds assets or liabilities denominated in foreign currencies other than its functional currency.

The Company currently does not manage currency risk through hedging or other currency management tools. As at March 31, 2023, the Company's exposure to currency risk is summarized as follows:

Expressed in Canadian dollar equivalents	**March 31, 2023**	December 31, 2022
Financial liabilities denominated in US dollars		
Accounts payable	**124,041**	124,142
Long-term debt	**-**	-
Notes payable	**2,000,806**	1,919,064
	2,124,847	2,043,206

As at March 31, 2023, with other variables unchanged, a 10% change in the USD against the CAD would have increased (decreased) comprehensive loss by $212,485 (December 31, 2022 - $204,321).

(iii) Other price risk

Other price risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is not exposed to other price risk.

14. COMMITMENTS AND CONTINGENCIES

In the normal course of its operations, the Company is subject to litigation and claims, including the following:

In 2020, the Company was served with several statements of claim in regard to non-payment of invoices relating to the construction of its cannabis growing facility in Telkwa B.C. The total of these claims, all to date unproven, is $4.6 million. The Company expects these matters to be subject to the Supreme Court of B.C.'s determination as to the Company's liabilities in the fourth quarter 2021.

In 2020, the Company's landlord for the Company's Telkwa B.C. facility commenced an action against the Company in British Columbia for damages for unpaid rent and associated expenses, claiming to the 2020 year-end a total of $550,000. The Company has defended this action and brought a counter claim against the landlord for $32 million claiming damages for loss of its Telkwa facility and loss of future profits.

At this time, in the opinion of management, the contingencies are dependent on future legal proceeding results and the likely outcomes are not determinable.

For additional information, refer to "Legal Proceedings and Regulatory Actions" in the Company's most recent annual information form, which is available on SEDAR at www.sedar.com.

15. SEGMENT INFORMATION

Operating segments are components of the Company where separate financial information is available that is evaluated and determined regularly by management. As at December 31, 2022, the Company has one reportable segment, being eco-agriculture and two geographical segments, being Canada and United States. Segment information is summarized as follows:

As at			**March 31, 2023**			December 31, 2022
	Canada	**US**	**Consolidated**	Canada	US	Consolidated
Current assets	**65,448**	**69**	**65,517**	40,345	69	40,414
Investments	**200,000**	**-**	**200,000**	200,000	-	200,000
Property, plant and equipment	**10,506**	**338,436**	**348,942**	11,767	343,117	354,884
Total assets	**275,954**	**338,505**	**614,459**	252,112	343,186	595,298
Current liabilities	**8,371,074**	**1,225,285**	**9,596,359**	8,193,653	1,176,773	9,370,426
Long term liabilities	**59,095**	**-**	**59,095**	56,959	-	56,959
Total liabilities	**8,430,169**	**1,225,285**	**9,655,454**	8,250,612	1,176,773	9,427,385

			Three months ended March 31, 2023			Three months ended March 31, 2022
	Canada	**US**	**Consolidated**	Canada	US	Consolidated
Operating expenses	**131,783**	**84,258**	**216,041**	179,867	85,945	265,812
Net income/(loss)	**(131,783)**	**(84,258)**	**(216,041)**	(179,867)	(85,945)	(265,812)