



1933 INDUSTRIES INC.

Condensed Interim Consolidated Financial Statements

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Six Months Ended January 31, 2023 and 2022

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of 1933 Industries Inc. for the interim periods ended January 31, 2023 and 2022, have been prepared in accordance with the International Accounting Standard 34 - *Interim Financial Reporting* as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, MNP LLP, have not performed a review of these unaudited condensed interim consolidated financial statements.

April 3, 2023

1933 INDUSTRIES INC.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	January 31, 2023	July 31, 2022
		\$	\$
ASSETS			
Current			
Cash		2,917,083	363,274
Receivables	4, 19	1,951,039	1,343,273
Inventory	5	5,279,497	5,861,394
Biological assets	6	841,646	1,311,192
Prepaid expenses and deposits	7	1,142,477	396,546
Assets held for sale	8	-	3,071,337
		12,131,742	12,347,016
Property and equipment	9	11,748,517	12,170,940
Goodwill	10	4,660,123	4,491,721
Total assets		28,540,382	29,009,677
LIABILITIES			
Current			
Accounts payable and accrued liabilities		2,021,927	2,755,626
Income tax payable		1,716,453	1,050,251
Current portion of lease liability	11	167,764	290,582
Convertible debentures	13	4,580,250	4,574,279
		8,486,394	8,670,738
Lease liability	11	13,265,208	12,816,214
Total liabilities		21,751,602	21,486,952
SHAREHOLDERS' EQUITY			
Share capital	15(b)	82,030,797	81,855,012
Reserves	15(c)	10,299,053	10,157,141
Accumulated other comprehensive loss		(577,332)	(1,034,349)
Deficit		(83,922,606)	(82,456,203)
Equity attributable to shareholders of the Company		7,829,912	8,521,601
Non-controlling interest		(1,041,132)	(998,876)
Total shareholders' equity		6,788,780	7,522,725
Total liabilities and shareholders' equity		28,540,382	29,009,677

Nature of operations and going concern (Note 1)
Subsequent events (Note 23)

Approved and authorized for the issue on behalf of the Board of Directors:

"Signed"

Brian Farrell, Director

"Signed"

Paul Rosen, Director

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

1933 INDUSTRIES INC.**Condensed Interim Consolidated Statements of Loss**

(Unaudited - Expressed in Canadian dollars, except share numbers)

	Note	Three months ended January 31, 2023	Three months ended January 31, 2022	Six months ended January 31, 2023	Six months ended January 31, 2022
		\$	\$	\$	\$
Revenues		3,626,156	3,208,082	9,262,226	5,674,146
Cost of sales	5	(1,699,184)	(2,086,774)	(5,254,190)	(3,911,137)
Gross margin, excluding fair value adjustments		1,926,972	1,121,308	4,008,036	1,763,009
Change in fair value less costs to sell due to biological transformation	6	(373,464)	740,705	(472,549)	1,922,856
Adjustment of inventory to net realizable value		(1,723,616)	(391,727)	(2,959,868)	(1,112,477)
Gross margin		(170,108)	1,470,286	575,619	2,573,388
Expenses (income)					
Accretion expense	13	-	-	-	10,434
Change in fair value of warrant liability	12	-	(295,508)	-	(370,000)
Depreciation	9	80,508	112,876	221,437	193,336
Foreign exchange loss (gain)		(8,146)	51,022	(51,833)	45,517
Gain on disposal of assets held for sale	8	-	-	(63,481)	-
General and administration	21	367,933	327,620	715,609	698,796
Interest expense		420,410	473,733	851,927	895,093
Interest income		-	(401)	-	(1,443)
License, taxes, and insurance		623,877	1,030,808	1,385,527	1,537,044
Management and consulting fees	19	150,000	107,677	278,000	214,677
Other income	16	(2,043,238)	-	(2,962,283)	-
Professional fees		292,322	333,000	609,535	546,761
Share-based compensation	19	26,015	7,753	142,928	25,648
Wages and benefits	19	272,327	256,218	458,761	546,164
		182,008	2,404,798	1,586,127	4,342,027
Loss before income taxes		(352,116)	(934,512)	(1,010,508)	(1,768,639)
Current income tax recovery (expense)		(7,075)	114,698	(515,534)	-
Net loss for the period		(359,191)	(819,814)	(1,526,042)	(1,768,639)
Net income (loss) attributable to:					
Shareholders of the Company		(402,321)	(833,913)	(1,466,403)	(1,786,712)
Non-controlling interest		43,130	14,099	(59,639)	18,073
Net loss per share					
Basic and diluted		(0.00)	(0.00)	(0.00)	(0.00)
Weighted average number of shares outstanding					
Basic and diluted		452,311,928	450,699,319	450,699,319	450,699,319

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

1933 INDUSTRIES INC.
Condensed Interim Consolidated Statements Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

	Three months ended January 31,		Six months ended January 31,	
	2023	2022	2023	2022
	\$	\$	\$	\$
Net loss for the period	(359,191)	(819,814)	(1,526,042)	(1,768,639)
Foreign currency translation adjustment (item that will be subsequently reclassified to profit or loss)	(267,546)	171,835	474,400	(90)
Comprehensive loss for the period	(626,737)	(647,979)	(1,051,642)	(1,768,729)
Comprehensive income (loss) attributable to:				
Shareholders of the Company	(663,522)	(642,559)	(1,009,386)	(1,759,268)
Non-controlling interest	36,785	(5,420)	(42,256)	(9,461)

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

1933 INDUSTRIES INC.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Six months ended	
	2023	January 31, 2022
	\$	\$
Operating activities		
Net loss for the period	(1,526,042)	(1,768,639)
Items not affecting cash:		
Change in fair value due to biological transformation	472,549	(1,922,856)
Fair value adjustment on sale of biological assets	2,959,868	1,112,477
Accretion expense	-	10,434
Change in fair value of warrant liability	-	(370,000)
Depreciation	221,437	193,336
Unrealized foreign exchange gain	25,690	(538,238)
Gain on disposal on disposal of assets held for sale	(63,481)	-
Gain on lease termination	-	(11,976)
Interest expense	180,740	183,100
Share-based compensation	142,928	25,648
Changes in non-cash working capital:		
Receivables	(607,766)	(623,218)
Inventory	1,280,166	(1,166,446)
Biological assets	(2,962,871)	851,432
Prepaid expenses and deposits	(745,931)	(171,868)
Accounts payable and accrued liabilities	(733,699)	1,207,271
Income tax payable	515,534	-
Net cash used in operating activities	(840,878)	(2,989,543)
Investing activities		
Purchase of property and equipment	-	(14,786)
Loan receivable advanced	-	(350,029)
Net cash used in investing activities	-	(364,815)
Financing activities		
Proceeds from sale of assets held for sale	3,134,818	-
Repayment of lease liability	(214,531)	(162,108)
Net cash provided by (used in) financing activities	2,920,287	(162,108)
Effect of exchange rate on changes on cash	474,400	(86,196)
Change in cash	2,553,809	(3,602,662)
Cash, beginning of period	363,274	4,405,849
Cash, end of period	2,917,083	803,187

Supplemental disclosure with respect to cash flows (Note 20)

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

1933 INDUSTRIES INC.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**

(Unaudited - Expressed in Canadian dollars)

	Note	Common shares #	Share capital \$	Reserves \$	Accumulated other comprehensive income (loss) \$	Deficit \$	Non- controlling interest \$	Total shareholders' equity \$
Balance, July 31, 2021		450,326,653	81,817,159	10,145,449	(1,320,710)	(64,649,281)	(760,081)	25,232,536
Shares issued - conversion of convertible debentures \$0.10	13,15	372,666	37,853	(678)	-	-	-	37,175
Share-based compensation	15,19	-	-	25,648	-	-	-	25,648
Net income attributable to non-controlling interest		-	-	-	-	-	18,073	18,073
Foreign currency translation adjustment		-	-	-	27,444	-	(27,534)	(90)
Net loss for the period		-	-	-	-	(1,786,712)	-	(1,786,712)
Balance, January 31, 2022		450,699,319	81,855,012	10,170,419	(1,293,266)	(66,435,993)	(769,542)	23,526,630
Share-based compensation	15,19	-	-	(13,278)	-	-	-	(13,278)
Net income attributable to non-controlling interest		-	-	-	-	-	(276,825)	(276,825)
Foreign currency translation adjustment		-	-	-	258,917	-	47,491	306,408
Net loss for the period		-	-	-	-	(16,020,210)	-	(16,020,210)
Balance, July 31, 2022		450,699,319	81,855,012	10,157,141	(1,034,349)	(82,456,203)	(998,876)	7,522,725
Shares issued - conversion of convertible debentures \$0.10	13,15	3,495,376	175,785	(1,016)	-	-	-	174,769
Share-based compensation	15,19	-	-	142,928	-	-	-	142,928
Net income attributable to non-controlling interest		-	-	-	-	-	(59,639)	(59,639)
Foreign currency translation adjustment		-	-	-	457,017	-	17,383	474,400
Net loss for the period		-	-	-	-	(1,466,403)	-	(1,466,403)
Balance, January 31, 2023		454,194,695	82,030,797	10,299,053	(577,332)	(83,922,606)	(1,041,132)	6,788,780

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

1933 INDUSTRIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

1933 Industries Inc. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act of Alberta and later continued into the Province of British Columbia. The Company is a publicly traded corporation with its registered office located at 300 - 1055 West Hastings Street, Vancouver, British Columbia, Canada. The Company's common shares are listed under the symbol "TGIF" on the Canadian Securities Exchange and under the symbol "TGIF" on the OTCQX.

The Company operates in the medical and recreational cannabis sectors in Nevada, USA. Alternative Medicine Association ("AMA"), a 91% owned subsidiary of the Company is licensed in the State of Nevada as (i) a cultivation facility; and (ii) a production facility for edible, or cannabis-infused products. Infused Mfg ("Infused"), a 100% owned subsidiary of the Company, is focused on developing, and manufacturing hemp and cannabidiol ("CBD") infused products and brands for retail sale and use in jurisdictions where permitted.

While some states in the United States ("U.S.") have authorized the use and sale of cannabis, it remains illegal under federal law and the approach to enforcement of U.S. federal laws against cannabis is subject to change. Because the Company engages in cannabis related activities in the U.S., it assumes certain risks due to conflicting state and federal laws. The federal law relating to cannabis could be enforced at any time and this would put the Company at risk of being prosecuted and having its assets seized. The Company may be irreparably harmed by a change in enforcement policies of the federal government depending on the nature of such change.

Given the current illegality of cannabis under U.S. federal law, the Company's ability to access both public and private capital may be hindered by the fact that certain financial institutions are regulated by the U.S. federal government and are thus prohibited from providing financing to companies engaged in cannabis related activities. The Company's ability to access public capital markets in the U.S. is directly hindered as a result. The Company may, however, be able to access public and private capital markets in Canada in order to support continuing operations.

The Company has not yet achieved profitable operations and during the three and six months ended January 31, 2023 and 2022, the Company incurred a net loss of \$359,191 and \$1,526,042 respectively (2022 - \$819,814 and \$1,768,639, respectively). In addition, at January 31, 2023, the Company had an accumulated deficit of \$83,922,606 (July 31, 2022 - \$82,456,203) and convertible debentures of \$4,580,250 (July 31, 2022 - \$4,574,279). These factors represent a material uncertainty that may raise significant doubt regarding the Company's ability to continue as a going concern.

These unaudited condensed interim consolidated financial statements ("financial statements") have been prepared using accounting principles applicable to a going concern and do not reflect adjustments, which could be material, to the carrying values of the assets and liabilities. See Note 23 for events after the reporting period.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee.

These financial statements were approved by the Board of Directors and authorized for issue on April 3, 2023.

b) Basis of measurement

These financial statements have been prepared in Canadian dollars on a historical cost basis except for biological assets and warrant liability measured at fair value. Historical cost is generally based upon the fair value of the consideration given in exchange for assets. References to "USD" are to United States dollars.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars. The functional currency of the Company is the Canadian dollar. See "Basis of consolidation" for the functional currency of the Company's subsidiaries.

1933 INDUSTRIES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PRESENTATION (continued)**d) Basis of consolidation**

All intercompany balances, transactions, revenues and expenses have been eliminated on consolidation. These financial statements incorporate the accounts of the Company and the following subsidiaries:

Name of subsidiary	Abbreviation	Country of Incorporation	Percentage Ownership	Functional Currency	Principal Activity
1080034 B.C. Ltd.	0034 BC	Canada	100%	CAD	Holding company
1933 Management Services Inc.	FNM	USA	100%	USD	Holding company
1933 Legacy Inc.	Legacy	USA	100%	USD	Holding Company Hemp and CBD -
Infused Mfg LLC	Infused MFG	USA	100%	USD	Infused products
FN Pharmaceuticals LLC	FNP	USA	100%	USD	Holding company
Alternative Medicine Association LLC	AMA	USA	91%	USD	Cannabis cultivation and production
AMA Productions LLC ⁽¹⁾	AMA Pro	USA	100%	USD	Holding Company
Spire Secure Logistics Inc.	Spire	Canada	100%	CAD	Inactive

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 3 of the Company's audited annual financial statements for the years ended July 31, 2022 and 2021.

4. RECEIVABLES

A summary of the Company's receivables is as follows:

	January 31, 2023	July 31, 2022
	\$	\$
Trade receivables	1,943,041	1,335,053
Other	7,998	8,220
	1,951,039	1,343,273

5. INVENTORY

A summary of the Company's inventory is as follows:

	January 31, 2023	July 31, 2022
	\$	\$
Harvested cannabis and trim	3,714,884	3,636,954
Cannabis oil and equivalent	186,468	320,086
Finished goods	1,084,102	1,480,574
Raw materials	294,043	423,780
	5,279,497	5,861,394

Inventories expensed to cost of sales during the three and six months ended January 31, 2023 were \$1,699,184 and \$5,254,190, respectively (2022 - \$2,086,774 and \$3,911,137 respectively).

1933 INDUSTRIES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

6. BIOLOGICAL ASSETS

A summary of the Company's biological assets is as follows:

	\$
Balance, July 31, 2021	865,953
Capitalized production costs	6,895,214
Change in fair value less costs to sell due to biological transformation	3,591,853
Transfer to inventory upon harvest	(10,118,647)
Effects of movement in foreign exchange	76,819
Balance, July 31, 2022	1,311,192
Capitalized production costs	3,701,090
Change in fair value less costs to sell due to biological transformation	(472,549)
Transfer to inventory upon harvest	(3,755,808)
Effects of movement in foreign exchange	57,721
Balance, January 31, 2023	841,646

Biological assets are measured at fair value less costs to sell until harvest. All production costs are capitalized. As at January 31, 2023, the carrying value of biological assets consisted entirely of cannabis plants. On average, the grow cycle is approximately 16 weeks (July 31, 2022 - 16 weeks).

The fair value less costs to sell is estimated using an expected cash flow model which assumes the biological assets will grow to maturity, harvested, converted into finished goods inventory, and sold in the retail cannabis market. The fair value measurements for biological assets have been categorized as Level 3 (as defined in the fair value hierarchy established in Note 17). These estimates are subject to volatility in market prices and several uncontrollable factors, which will be reflected in profit or loss on biological assets in future periods.

The following significant unobservable inputs, all of which are classified as Level 3 on the fair value hierarchy, were used by management as part of the model:

- Estimated sales price per gram - calculated as the weighted average selling prices for all expected grades and strains of cannabis based on actual selling prices of the fair value of various cannabis forms on a per pound basis.
- Weighted average stage of growth - represents the weighted average number of weeks out of the expected 17 week grow cycle that cannabis plants have reached as of the measurement date.
- Expected yield per plant - represents the number of grams of finished cannabis that are expected to be obtained from each harvested cannabis plant.
- Wastage - represents the weighted average percentage of cannabis plants expected to fail to mature to the point of harvest based upon historical actual results.
- Post-harvest processing cost - calculated as the cost per gram of harvested cannabis to convert into finished dry bulk flower ready to be packaged into finished goods.

1933 INDUSTRIES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

6. BIOLOGICAL ASSETS (continued)

A summary of the Company's significant unobservable inputs used in the model to estimate fair value less costs to sell is as follows:

	January 31, 2023	July 31, 2022
Estimated sales price per gram ⁽¹⁾	\$4.50	\$4.58
Weighted average stage of growth	8 weeks	9 weeks
Expected yield per plant	95 grams	140 grams
Wastage	1.08%	0.00%
Post-harvest processing cost per gram ⁽²⁾	\$1.95	\$1.91

(1) Estimated sales price per gram input is translated from USD\$3.37 (July 31, 2022 - USD\$3.57).

(2) Post-harvest processing cost per gram input is translated from USD\$1.46 (July 31, 2022 - USD\$1.49).

Increases in costs required up to the point of harvest, harvesting costs and selling costs will decrease the fair value of biological assets, while increases in sales price and expected yield for the cannabis plant will increase the fair value of biological assets.

A summary of the impact of a 10% increase or decrease in each input on net loss and comprehensive loss is as follows:

	January 31, 2023	July 31, 2022
	\$	\$
Estimated sales price per gram	131,147	145,653
Weighted average stage of growth	82,508	85,087
Expected yield per plant	82,508	85,087
Wastage	1,478	3,690
Post-harvest processing cost per gram	48,639	60,566

7. PREPAID EXPENSES AND DEPOSITS

A summary of the Company's prepaid expenses and deposits is as follows:

	January 31, 2023	July 31, 2022
	\$	\$
Prepaid expenses	897,683	188,482
Security deposit	244,794	208,064
	1,142,477	396,546

8. ASSETS HELD FOR SALE

During the year ended July 31, 2022, the Company had listed a building with a cost of \$3,071,337 (USD\$2,394,991) for sale. Prior to their classification as assets held for sale, the building was reported under construction in progress within property and equipment (Note 9). The assets held for sale are included at the lower of their carrying value and their fair value less cost to sell. The fair value was based on a sales agreement dated September 27, 2022 whereby the Company received net proceeds of \$3,134,818 (USD\$2,432,719) after selling costs. As the carrying amount is less than the fair value less cost to sell, the Company has transferred the balance at the carrying value.

The sale was completed on September 27, 2022. The Company recorded a gain on disposal of assets held for sale of \$63,481 in the condensed interim consolidated statements for loss and comprehensive loss for the six months ended January 31, 2023.

1933 INDUSTRIES INC.
Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

9. PROPERTY AND EQUIPMENT

A summary of the Company's property and equipment is as follows:

	Land	Construction in progress	Leasehold improvements	Production equipment	Office equipment	Right of use	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance, July 31, 2021	1,070,058	2,984,638	878,215	4,520,058	413,893	14,027,895	23,894,757
Additions	-	-	-	14,789	119	-	14,908
Disposals	(1,097,293)	-	-	(585,569)	-	-	(1,682,862)
Termination of lease	-	-	-	-	-	(108,789)	(108,789)
Modification of lease	-	-	-	-	-	(716,420)	(716,420)
Transfer to assets held for sale	-	(3,071,337)	-	-	-	-	(3,071,337)
Effects of movement in foreign exchange	31,083	86,699	25,511	131,300	10,656	407,487	692,736
Balance, July 31, 2022	3,848	-	903,726	4,080,578	424,668	13,610,173	19,022,993
Termination of lease	-	-	-	-	-	(79,243)	(79,243)
Effects of movement in foreign exchange	158	-	37,068	167,372	15,488	559,983	780,069
Balance, January 31, 2023	4,006	-	940,794	4,247,950	440,156	14,090,913	19,723,819
Accumulated depreciation							
Balance, July 31, 2021	-	-	327,660	1,831,337	209,801	2,848,382	5,217,180
Depreciation	-	-	120,057	832,766	80,244	890,181	1,923,248
Termination of lease	-	-	-	-	-	(58,021)	(58,021)
Modification of lease	-	-	-	-	-	(381,906)	(381,906)
Effects of movement in foreign exchange	-	-	13,378	63,808	6,115	68,251	151,552
Balance, July 31, 2022	-	-	461,095	2,727,911	296,160	3,366,887.00	6,852,053
Depreciation	-	-	45,053	419,013	30,257	425,383	919,706
Termination of lease	-	-	-	-	-	(79,243)	(79,243)
Effects of movement in foreign exchange	-	-	24,363	126,873	12,176	119,374	282,786
Balance, January 31, 2023	-	-	530,511	3,273,797	338,593	3,832,401	7,975,302
Carrying amount							
Balance, July 31, 2022	3,848	-	442,631	1,352,667	128,508	10,243,286	12,170,940
Balance, January 31, 2023	4,006	-	410,283	974,153	101,563	10,258,512	11,748,517

On February 22, 2022, the Company sold land with a carrying value of \$1,097,293 (USD\$835,000) for total net proceeds of \$1,624,739 (USD\$1,270,000) resulting in a \$527,446 (USD\$435,000) gain, which is included in gain on disposal of property and equipment on the consolidated statements of loss for the year ended July 31, 2022.

During the year ended July 31, 2022, the Company disposed of production equipment with carrying value of \$585,569 (USD\$465,620) for proceeds of \$313,269 (USD\$235,361), resulting a \$272,300 (USD\$230,259) loss, which is included in gain on disposal of property and equipment on the consolidated statements of loss for the year ended July 31, 2022

1933 INDUSTRIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

9. PROPERTY AND EQUIPMENT (continued)

During the year ended July 31, 2022, the Company terminated an Infused office lease. As a result of the lease termination, the Company derecognized the right-of-use asset with a cost of \$108,789, accumulated depreciation of \$58,021 and lease liability of \$63,491 resulting in a gain on lease termination of \$12,723 representing the undepreciated portion of the right-of-use asset above the lease liability. The gain is included in general and administration expense on the condensed consolidated statements of loss for the year ended July 31, 2022.

During the year ended July 31, 2022, the Company determined that it would not exercise its extension option for an Infused facility lease. As a result of the lease modification, the Company derecognized the right-of-use asset with a cost of \$716,420, accumulated depreciation of \$381,906 and lease liability of \$393,856 resulting in a gain on lease termination of \$59,342 representing the undepreciated portion of the right-of-use asset less than the lease liability. The loss is included in general and administration expense on the condensed consolidated statements of loss for the year ended July 31, 2022.

During the year ended July 31, 2022, the Company entered a letter of intent to sell a building with a cost of \$3,071,337 (USD\$2,394,991) which was included in construction in progress. Management has classified the balance to held for sale. The sale was completed on September 27, 2022 (Note 8).

During the six months ended January 31, 2023, the Company derecognized a right-of-use asset with cost of \$79,243 and accumulated depreciation of \$79,243.

Total depreciation expense for the three and six months ended January 31, 2023, was \$439,527 and \$919,706, respectively (2022 - \$289,340 and \$659,729, respectively). Of the total depreciation expense during the three and six months ended January 31, 2023, \$359,019 and \$698,269 was allocated to inventory, respectively (2022 - \$176,464 and \$466,393, respectively). As a result of the allocation to inventory, the Company recognized depreciation expense for the three and six months ended January 31, 2023 of \$80,508 and \$221,437, respectively (2022 - \$112,876 and \$193,336, respectively), in the condensed interim consolidated statements of loss.

10. GOODWILL

A summary of the Company's goodwill is as follows:

	\$
Balance, July 31, 2021	15,527,023
Impairment	(11,540,439)
Effects of movement in foreign exchange	505,137
Balance, July 31, 2022	4,491,721
Effects of movement in foreign exchange	168,402
Balance, January 31, 2023	4,660,123

The goodwill balance relates to the acquisition of AMA and Infused MFG on June 15, 2017. The transaction has been accounted for as a business combination under IFRS 3 *Business Combinations*. The goodwill recorded represents the fair value of consideration in excess of the net assets acquired. As at January 31, 2023, the balance related entirely to AMA. The goodwill related Infused MFG was fully impaired during the year ended July 31, 2022.

1933 INDUSTRIES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

11. LEASE LIABILITY

A summary of the Company's lease liability is as follows:

	\$
Balance, July 31, 2021	13,636,208
Repayment of lease obligation	(1,786,241)
Interest expense	1,382,931
Termination of lease	(63,491)
Modification of lease	(393,856)
Effects of movement in foreign exchange	331,245
Balance, July 31, 2022	13,106,796
Repayment of lease obligation	(885,718)
Interest expense	671,187
Effects of movement in foreign exchange	540,707
Balance, January 31, 2023	13,432,972
Current portion	167,764
Non-current portion	13,265,208

Total expense included in the general and administration expense relating to short-term leases and low-value leases for the three and six months ended January 31, 2023, is \$nil and \$nil, respectively (2022 - \$3,323 and \$9,604, respectively).

12. WARRANT LIABILITY

Certain warrants are classified as a financial instrument under the principles of IFRS 9, as the exercise price is in US dollars while the functional currency of the Company is the Canadian dollar. Accordingly, warrants are remeasured to fair value at each reporting date with the change in fair value charged to change in fair value of warrant liability in the consolidated statement of loss.

A summary of the Company's warrant liability is as follows:

	Exercise Price	Warrants	Warrant Liability
	\$	#	\$
Balance, July 31, 2021	0.10(USD0.08)	13,920,000	380,146
Gain on change in fair value of warrant liability		-	(380,146)
Balance, July 31, 2022 and January 31, 2023		-	-

Change in fair value of warrant liability during the three and six months ended January 31, 2023 is \$nil and \$nil, respectively (2022 - \$(295,508) and \$(370,000), respectively).

13. CONVERTIBLE DEBENTURES

A summary of the Company's convertible debentures is as follows:

	\$
Balance, July 31, 2021	4,234,819
Interest expense	366,201
Accretion expense	10,434
Converted to common shares	(31,909)
Interest paid - shares	(5,266)
Balance, July 31, 2022	4,574,279
Interest expense	180,740
Converted to common shares	(136,000)
Interest paid - shares	(38,769)
Balance, January 31, 2023	4,580,250

1933 INDUSTRIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

13. CONVERTIBLE DEBENTURES (continued)

On September 14, 2018, the Company closed a short-form prospectus offering of convertible debenture units raising gross proceeds of \$17,250,000. Pursuant to the offering, the Company issued an aggregate of 17,250 debenture units at a price per debenture unit of \$1,000. Each debenture unit consisted of: (i) one 10.0% unsecured convertible debenture of the Company in the principal amount of \$1,000 convertible into common shares at a conversion price of \$0.45 per common share at the option of the holder, with interest payable semi-annually in arrears on June 30 and December 31 of each year and maturing on September 14, 2021; and (ii) 2,222 common share purchase warrants expiring September 14, 2021. Each warrant entitled the holder thereof to purchase one common share at an exercise price of \$0.65 per share until September 14, 2021, subject to adjustment in certain events.

The Company paid cash fees of \$1,668,014 in payment of the Agent's commission, corporate finance fees and other expenses of which \$45,000 was paid prior to July 31, 2020 and recorded as a transaction cost. In addition, the Agent received options (the "September 2018 Agent's Options") to acquire 3,066,666 units of the Company at an exercise price of \$0.45 per unit. Each unit is comprised of one common share and one common share purchase warrant exercisable at a price of \$0.65 per share subject to the same terms and conditions as the warrants. The fair value of the September 2018 Agent's Options was \$738,547 and was recorded as a transaction cost. The fair value of the September 2018 Agent's Options was determined using the Black-Scholes option pricing model using the following assumptions: risk free interest rate 1.25%, expected life of 3 years, volatility of 75%.

The Company may force the conversion of the principal amount of the then outstanding convertible debentures at the conversion price on not less than 30 days' notice should the daily volume weighted average trading price of the common shares be greater than \$0.70 for any 10 consecutive trading day.

On June 28, 2020, the Company amended the terms of the convertible debentures. The following were the significant amendments:

- the conversion price applicable to the debentures was amended from \$0.45 per common share to \$0.10 per common share;
- the price at which the Company may require a forced conversion of the debentures is amended from \$0.70 per common share to \$0.15 per common share, with any such conversion to be made at the amended conversion price of \$0.10 per common share;
- the Company is authorized, at its discretion, to pay interest due on the debentures in cash or through the issuance of its common shares, at a price of \$0.10 per common share; and
- payment of interest is amended from being payable semi-annually in arrears on the last day of June and December in each year to being payable at the maturity date of the debentures.

The equity component of the \$17,250,000 convertible debenture was initially determined to be \$2,505,099 net of transaction costs of \$406,151. At June 28, 2020, the remaining equity component of the original convertible debenture was \$1,805,415. The Company determined that the June 28, 2020 modification was a substantial modification as defined by IFRS 9, and as a result derecognized the debt obligation and equity component (conversion option). The equity component of the remaining principal balance of the convertible debentures of \$12,432,007 was determined to be \$263,220. The Company did not incur any transaction costs associated with the amendment. As a result of the amendment, the Company recognized a gain on debt modification of \$185,327 which is the result of the amendment to the equity component of \$1,542,195 less the amendment to the debt obligation of \$1,356,868.

On April 14, 2021, debenture holders approved an extension of the maturity date of the debentures to from September 14, 2021 to September 14, 2022. On August 24, 2022, debenture holders approved the amendment of the conversion price applicable to the convertible debentures to \$0.05 per share and the extension of the maturity date for the Debentures from September 14, 2022 to December 31, 2023.

On August 24, 2022, debenture holders approved the amendment of the conversion price applicable to the convertible debentures to \$0.05 per share being the lowest price at which the Company is permitted to amend the conversion price, the reduction of the price per share for interest payments on the Debentures from \$0.10 to \$0.05 per share, if the Company in its sole discretion elects to pay such interest through the issuance of its common shares, and the extension of the maturity date for the Debentures from September 14, 2022 to December 31, 2023.

1933 INDUSTRIES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

13. CONVERTIBLE DEBENTURES (continued)

During the six months ended January 31, 2023, convertible debentures of \$136,000 and interest payable on the convertible debentures of \$38,769 were converted into 3,495,376 common shares of the Company (Note 15(b)). The principal and interest balance outstanding as at January 31, 2023 was \$3,526,007 and \$1,054,243.

14. LINE OF CREDIT

On September 9, 2022, the Company obtained a line of credit of up to \$1,282,400 (USD\$1,000,000) (the "Loan"), provided by Mr. Paul Rosen, Chairman and CEO of the Company. The Company has agreed to provide Mr. Rosen (the "Lender") with senior first priority security interests in all of its assets as collateral for the Loan. Withdrawals from the line of credit must be approved by the Lender and must include the requested amount and the use of the funds (the "Principal"). Interest on the Principal will commence to accrue on the date of each withdrawal, with an interest rate of 11% per annum accrued until the Principal is paid in full. The Loan has a one-year term (the "Maturity Date"). The Principal, together with all accrued interest and fees is due and payable on or before the Maturity Date. A 2% interest penalty over the remaining term of maturity is payable on any amount prepaid prior to the Maturity Date.

As at January 31, 2023, the Company had not drawn down funds from the Loan.

15. SHARE CAPITAL AND RESERVES**a) Authorized**

Unlimited common shares with no par value and unlimited preferred shares issuable in series. As of January 31, 2023, there were 454,194,695 common shares outstanding (July 31, 2022 - 450,699,319).

b) Issued common shares

The Company had the following common share transactions during six months ended January 31, 2023:

- The Company issued 3,495,376 common shares pursuant to the conversion of \$136,000 of convertible debentures and interest payable on the convertible debentures of \$38,769.

The Company had the following common share transactions during the year ended July 31, 2022:

- The Company issued 372,666 common shares pursuant to the conversion of \$32,000 of convertible debentures and interest payable on the convertible debentures of \$5,267.

c) Reserves

A summary of the Company's reserve activity is as follows:

	Stock options	Convertible debentures	Warrants	Total
	\$	\$	\$	\$
Balance, July 31, 2021	6,234,712	78,212	3,832,525	10,145,449
Share-based compensation	12,370	-	-	12,370
Reclassified to share capital on conversion of convertible debentures	-	(678)	-	(678)
Balance, July 31, 2022	6,247,082	77,534	3,832,525	10,157,141
Share-based compensation	142,928	-	-	142,928
Reclassified to share capital on conversion of convertible debentures	-	(1,016)	-	(1,016)
Balance, January 31, 2023	6,390,010	76,518	3,832,525	10,299,053

1933 INDUSTRIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

15. SHARE CAPITAL AND RESERVES (continued)

d) Warrants

A summary of the Company's share purchase warrant activity is as follows:

	Number of warrants	Weighted average exercise Price
	#	\$
Balance, July 31, 2021	107,160,865	0.33
Expired	(53,119,666)	0.51
Balance, July 31, 2022	54,041,199	0.15
Expired	(5,295,270)	0.13
Balance, January 31, 2023	48,745,929	0.15

A summary of the Company's share purchase warrants outstanding and exercisable as at January 31, 2023 is as follows:

	Number of warrants	Weighted average exercise price	Weighted average remaining life
	#	\$	Years
March 4, 2023	45,045,929	0.16	0.09
June 13, 2024	3,700,000	0.08	1.37
	48,745,929	0.15	0.18

e) Stock options

The Company has adopted a stock option plan (the "Plan") for its directors, officers, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date immediately preceding the date on which the option is granted. The terms and conditions of the stock options are determined by the Board of Directors.

The aggregate number of stock options granted shall not exceed 10% of the issued and outstanding common shares of the Company at the time of shareholder approval of the Plan, with no one individual being granted more than 5% of the issued and outstanding common shares. In addition, the exercise price of stock options granted under the Plan shall not be lower than the exercise price permitted by the Canadian Securities Exchange, and all stock options granted under the Plan will have a maximum term of five years.

A summary of the Company's stock option activity is as follows:

	Number of options	Weighted average exercise price
	#	\$
Balance, July 31, 2021	17,180,000	0.20
Expired	(1,730,000)	0.55
Forfeited	(1,200,000)	0.08
Cancelled	(2,150,000)	0.40
Balance, July 31, 2022	12,100,000	0.11
Granted	13,490,000	0.05
Expired	(750,000)	0.35
Cancelled	(300,000)	0.05
Balance, January 31, 2023	24,540,000	0.07

1933 INDUSTRIES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

15. SHARE CAPITAL AND RESERVES (continued)

A summary of the Company's stock options outstanding and exercisable as at January 31, 2023, is as follows:

Expiry date	Number of options	Number of exercisable options	Weighted average exercise price	Weighted average remaining life
	#	#	\$	Years
November 8, 2025	11,050,000	11,050,000	0.10	2.77
August 24, 2027	13,490,000	6,346,667	0.05	4.56
	24,540,000	17,396,667	0.07	3.76

For the three and six months ended January 31, 2023, the Company recognized a share-based compensation expense of \$26,015 and \$142,928, respectively (2022 - \$7,753 and \$25,648, respectively).

A summary of the Company's assumption used in the Black-Scholes option pricing model for the stock options granted during the six months ended January 31, 2023 is as follows:

Risk-free interest rate	3.27%
Expected life of options	5.00 years
Annualized volatility	100%
Dividend rate	0%
Weighted average fair value per option	\$0.02

The Company is utilizing an expected volatility figure based on a review of the historical volatilities, over a period of time, equivalent to the expected life of the instrument being valued, of similarly positioned public companies within its industry. The risk-free interest rate was determined from Canadian government zero-coupon bonds with a remaining term consistent with the expected term of the instrument being valued.

f) Agent options

A summary of the Company's agent options activity is as follows:

	Number of options	Weighted average exercise price
	#	\$
Balance, July 31, 2021	5,344,326	0.25
Expired	(2,191,112)	0.45
Balance, July 31, 2022 and January 31, 2023	3,153,214	0.11

A summary of the Company's agent options outstanding and exercisable as at January 31, 2023 is as follows:

Expiry date	Number of options	Number of exercisable options	Weighted average exercise price	Weighted average remaining life
	#	#	\$	Years
March 4, 2023	3,153,214	3,153,214	0.11	0.09

Each Agent Option entitles the holder to acquire one unit for \$0.11. Each unit is comprised of one common share and one share purchase warrant exercisable at \$0.16 until March 4, 2023.

1933 INDUSTRIES INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

16. OTHER INCOME

During the three and six months ended January 31, 2023, the Company received payroll tax refunds of \$2,043,238 (USD\$1,442,309) and \$2,544,757 (USD\$1,819,374), respectively (2022 - \$nil and \$nil, respectively), from the Internal Revenue Service ("IRS") related to the Coronavirus Aid, Relief, and Economic Security Act ("CARES") act that was enacted on December 27, 2020. In the CARES act there was the Employee Retention Credit created to help encourage businesses to keep employees on their payroll during the COVID pandemic.

During the three and six months ended January 31, 2023, the Company received a refund of \$nil and \$35,595 (USD\$26,762), respectively (2022 - \$nil and \$nil, respectively), from the IRS related to the reversal of a penalty paid in 2019.

During the three and six months ended January 31, 2023, the Company received a settlement of \$nil and \$26,601 (USD\$20,000), respectively (2022 - \$nil and \$nil, respectively), related to Infused MFG disputed invoices from 2019 and 2020.

During the three and six months ended January 31, 2023, the Company recorded the recovery of a fair value adjustment of \$nil and \$355,330 (USD\$267,153), respectively (2022 - \$nil and \$nil, respectively), related to Infused MFG inventory.

17. FINANCIAL RISK MANAGEMENT

Fair value of financial assets and liabilities

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

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

The carrying values of cash, receivables, accounts payable and accrued liabilities, and convertible debentures approximate their respective fair values due to the short-term nature of these instruments. The Company's financial instruments are classified as a measured at amortized cost.

18. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of its business. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new equity instruments, new debt, or acquire and/or dispose of assets. The Company's ability to continue as a going concern is uncertain and dependent upon the continued financial support of its shareholders, future profitable operations, the lack of adverse political developments in the United States with respect to cannabis legislation and securing additional financing.

19. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having the authority and responsibility of planning, directing, and executing the activities of the Company. The Company has determined that its key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

1933 INDUSTRIES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

19. RELATED PARTY TRANSACTIONS (continued)

A summary of the Company's related party transactions is as follows:

	Three months ended January 31,		Six months ended January 31	
	2023	2022	2023	2022
	\$	\$	\$	\$
Directors' fees included in general and administration ⁽¹⁾	21,724	29,844	51,146	52,218
Management and consulting fees	120,000	87,020	218,000	174,020
Share-based compensation	11,638	2,789	82,831	11,573
Wages and benefits	-	-	-	48,350
	153,362	119,653	351,977	286,161

(1) Included in office expenses and general administration (Note 21).

As at January 31, 2023, \$nil (July 31, 2022 - \$208,903) was included in receivables from companies related to a director of the Company.

20. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

A summary of the significant non-cash transactions and supplemental disclosure for the six months ended January 31, 2023 and 2022, is as follows:

	2023	2022
	\$	\$
Conversion of convertible debentures principal into common shares (Notes 13 and 15(b)).	136,000	1,100,000
Settlement of convertible debentures interest with common shares (Notes 13 and 15(b)).	38,769	72,774
Share issuance cost from finders' warrants	-	836
Cash interest paid	-	-
Cash income tax paid	-	-

21. GENERAL AND ADMINISTRATION

A summary of the Company's general and administration is as follows:

	Three months ended January 31,		Six months ended January 31	
	2023	2022	2023	2022
	\$	\$	\$	\$
Advertising, promotion and selling costs	153,579	66,377	308,063	132,586
Investor relations	6,150	36,053	26,227	58,221
Office expenses and general administration	201,909	132,684	366,438	339,239
Travel and entertainment	6,295	92,506	14,881	168,750
	367,933	327,620	715,609	698,796

22. SEGMENTED INFORMATION

The Company operates in three segments, referred to as AMA, Infused MFG, and Corporate. AMA is focused on the cultivation and sale of medical and adult use cannabis products, and Infused MFG is focused on the manufacturing of Hemp derived CBD products. The corporate head office is located in Canada while the operations of AMA and Infused MFG are located in the United States. All revenues are earned in the United States. All long-lived assets are located or owned in the United States.

1933 INDUSTRIES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

22. SEGMENTED INFORMATION (continued)

A summary of the Company's net income (loss) for the period by operating segment for the three months ended January 31, 2023, is as follows:

	AMA	Infused MFG	Corporate	Total
	\$	\$	\$	\$
Total revenue	3,279,188	346,968	-	3,626,156
Gross margin	(298,191)	128,083	-	(170,108)
Operating expenses:				
Depreciation and amortization	11,152	16,807	52,549	80,508
General and administration	151,983	110,955	104,995	367,933
License fees, taxes, and insurance	558,890	15,979	49,008	623,877
Interest, accretion, and other	(1,506,513)	(54,405)	670,608	(890,310)
	(784,488)	89,336	877,160	182,008
Income (loss) before taxes	486,297	38,747	(877,160)	(352,116)
Current income tax expense	(7,075)	-	-	(7,075)
Net income (loss) for the period	479,222	38,747	(877,160)	(359,191)

A summary of the Company's net income (loss) for the period by operating segment for the six months ended January 31, 2023, is as follows:

	AMA	Infused MFG	Corporate	Total
	\$	\$	\$	\$
Total revenue	8,525,800	736,426	-	9,262,226
Gross margin	186,864	388,755	-	575,619
Operating expenses:				
Depreciation and amortization	27,650	87,730	106,057	221,437
General and administration	256,239	216,648	242,722	715,609
License fees, taxes, and insurance	1,218,658	30,940	135,929	1,385,527
Interest, accretion, and other	(1,168,560)	(596,427)	1,028,541	(736,446)
	333,987	(261,109)	1,513,249	1,586,127
Net income (loss) before taxes	(147,123)	649,864	(1,513,249)	(1,010,508)
Current income tax expense	(515,534)	-	-	(515,534)
Net income (loss) for the period	(662,657)	649,864	(1,513,249)	(1,526,042)

A summary of the Company's net income (loss) for the period by operating segment for the three months ended January 31, 2022, is as follows:

	AMA	Infused MFG	Corporate	Total
	\$	\$	\$	\$
Total revenue	2,664,530	543,552	-	3,208,082
Gross margin	1,027,925	442,361	-	1,470,286
Operating expenses:				
Depreciation and amortization	-	96,262	16,614	112,876
General and administration	171,076	57,457	99,087	327,620
License fees, taxes, and insurance	618,831	10,744	401,233	1,030,808
Interest, accretion, and other	509,367	108,951	315,176	933,494
	1,299,274	273,414	832,110	2,404,798
Net income (loss) before taxes	(271,349)	168,947	(832,110)	(934,512)
Current income tax recovery	114,698	-	-	114,698
Net income (loss) for the period	(156,651)	168,947	(832,110)	(819,814)

1933 INDUSTRIES INC.**Notes to the Condensed Interim Consolidated Financial Statements**

For the three and six months ended January 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

22. SEGMENTED INFORMATION (continued)

A summary of the Company's net income (loss) for the period by operating segment for the six months ended January 31, 2022, is as follows:

	AMA	Infused MFG	Corporate	Total
	\$	\$	\$	\$
Total revenue	4,666,792	1,007,354	-	5,674,146
Gross margin	1,923,803	649,585	-	2,573,388
Operating expenses:				-
Depreciation and amortization	-	138,567	54,769	193,336
General and administration	180,811	177,106	340,879	698,796
License fees, taxes, and insurance	988,706	19,601	528,737	1,537,044
Interest, accretion, and other	955,095	133,514	824,242	1,912,851
	2,124,612	468,788	1,748,627	4,342,027
Net income (loss) before taxes	(200,809)	180,797	(1,748,627)	(1,768,639)
Current income tax expense	-	-	-	-
Net income (loss) for the period	(200,809)	180,797	(1,748,627)	(1,768,639)

A summary of the Company's carrying amount of assets and liabilities by operating segment as at January 31, 2023, is as follows:

	AMA	Infused MFG	Corporate	Total
	\$	\$	\$	\$
Property and equipment	11,496,605	32,995	218,917	11,748,517
Goodwill	4,660,123	-	-	4,660,123
Total assets	26,158,737	548,298	1,833,347	28,540,382
Total liabilities	16,459,983	164,688	5,126,931	21,751,602

A summary of the Company's carrying amount of assets and liabilities by operating segment as at July 31, 2022, is as follows:

	AMA	Infused MFG	Corporate	Total
	\$	\$	\$	\$
Property and equipment	11,752,408	105,225	313,307	12,170,940
Goodwill	4,491,721	-	-	4,491,721
Total assets	24,904,798	1,030,043	3,074,836	29,009,677
Total liabilities	16,163,319	228,748	5,094,885	21,486,952

23. SUBSEQUENT EVENTS

Subsequent to January 31, 2023, 3,153,214 agents options and 45,045,929 warrants were expired unexercised.

Subsequent to January 31, 2023, convertible debentures of \$166,000 and interest payable on the convertible debentures of \$52,125 were converted into 4,362,509 common shares.