AYURCANN

Ayurcann Holdings Corp.

Management's Discussion and Analysis

For the year ended June 30, 2022

This management's discussion and analysis (this "**MD&A**") covers the financial statements of Ayurcann Holdings Corp. (the "**Company**") as at June 30, 2022, and for the year then ended. This MD&A should be read in conjunction with the audited consolidated annual financial statements and notes thereto for the years ended June 30, 2022, and 2021 (the "**Annual Financial Statements**"). The information contained in this MD&A is current to October 28, 2022, and has been reviewed by the Company's auditors. All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

The accompanying Annual Financial Statements have been prepared by management and are prepared in accordance with International Financial Reporting Standards ("**IFRS**"), and all amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this MD&A has also been prepared by management and is consistent with the data contained in the Annual Financial Statements.

The Company's certifying officers are responsible for ensuring that the Annual Financial Statements and this MD&A do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made. The Company's officers certify that the Annual Financial Statements and this MD&A fairly present, in all material respects, the financial condition, result of operations and cash flows of the Company as the date hereof.

The board of directors of the Company (the "**Board**") approves the Annual Financial Statements and this MD&A, and ensures that the Company's officers have discharged their financial responsibilities. The Board's review is accomplished principally through the audit committee of the Company, which reviews and approves all financial reports prior to filing.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A, and in the documents incorporated by reference in this MD&A, constitute "forward-looking information" and "forward-looking statements" (together "**forward-looking statements**") within the meaning of applicable securities laws and are based on assumptions, expectations, estimates and projections as at the date of this MD&A. Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology.

Forward-looking statements in this MD&A herein include, but are not limited to, statements with respect to:

- the Company's business objectives and milestones and the anticipated timing of, and costs in connection with, the execution or achievement of such objectives and milestones (including, without limitation proposed acquisitions);
- the Company's future growth prospects and intentions to pursue one or more viable business opportunities;
- the development of the Company's business and future activities following the date of this MD&A;
- expectations relating to market size and anticipated growth in the jurisdictions within which the Company may from time to time operate or contemplate future operations;
- expectations with respect to economic, business, regulatory and/or competitive factors related to the Company or the cannabis industry generally;
- the impact of COVID-19 on the Company's current and future operations;
- the market for the Company's current and proposed product offerings, as well as the Company's ability to capture market share;
- the Company's strategic investments and capital expenditures, and related benefits;
- the distribution methods expected to be used by the Company to deliver its product offerings;

- the competitive landscape within which the Company operates and the Company's market share or reach;
- the performance of business operations and activities of the Company;
- the Company's ability to obtain, maintain, and renew or extend, applicable authorizations, including the timing and impact of the receipt thereof;
- the realization of cost savings, synergies or benefits from the Company's recent and proposed acquisitions, and the Company's ability to successfully integrate the operations of any business acquired within the Company's business;
- the Company's intention to devote resources to the protection of its intellectual property rights, including by seeking and obtaining registered protections and developing and implementing standard operating procedures;
- the Company's ability to generate cash flow from operations and from financing activities;
- future market prices, continued availability of capital and financing opportunities, and general economic, market or business conditions;
- the Company's anticipated revenues, cash flows from operations, operating expenses and consequent funding requirements;
- available funds and the principal purpose of those funds; and
- continued reliance on key individuals' experience and expertise.

Forward-looking statements are subject to certain risks and uncertainties. Although management believes that the expectations reflected in these forward-looking statements are reasonable in light of, among other things, its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, readers are cautioned not to place undue reliance on forward looking statements, as forward looking statements may prove to be incorrect. A number of factors could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking statements. Importantly, forward-looking statements contained in this MD&A and in documents incorporated by reference are based upon certain assumptions that management believes to be reasonable based on the information currently available to management, including, but not limited to, the assumptions that:

- current and future members of management will abide by the business objectives and strategies from time to time established by the Company;
- the Company will retain and supplement its Board and management, or otherwise engage consultants and advisors having knowledge of the industries (or segments thereof) within which the Company may from time to time participate;
- the Company will have sufficient working capital and the ability to obtain the financing required in order to develop and continue its business and operations;
- the Company will continue to attract, develop, motivate and retain highly qualified and skilled consultants and/or employees, as the case may be;
- no adverse changes will be made to the regulatory framework governing cannabis, taxes and all other applicable matters in the jurisdictions in which the Company conducts business and any other jurisdiction in which the Company may conduct business in the future;
- the Company will be able to generate cash flow from operations, including, where applicable, distribution and sale of cannabis products;
- the Company will be able to execute on its business strategy as anticipated;
- the Company will be able to meet the requirements necessary to obtain and/or maintain Authorizations required to conduct the business;
- general economic, financial, market, regulatory, and political conditions, including the impact of COVID-19, will not negatively affect the Company or its business;
- the Company will be able to successfully compete in the cannabis industry;
- cannabis prices will not decline materially;
- the Company will be able to effectively manage anticipated and unanticipated costs;
- the Company will be able to maintain internal controls over financial reporting and disclosure, and procedures in order to ensure compliance with applicable laws;

- the Company will be able to conduct its operations in a safe, efficient and effective manner;
- general market conditions will be favourable with respect to the Company's future plans and goals;
- the Company will complete its proposed acquisitions;
- the Company will make meaningful increases to its revenue profile;
- future market prices, continued availability of capital and financing opportunities, and general economic, market or business conditions;
- the Company will accurately assess and anticipate trends in its industry; and
- the Company will maintain a competitive position.

By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Although management believes that the expectations reflected in, and assumptions underlying, such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. New factors emerge from time to time, and it is not possible for management to predict all of those factors or to assess in advance the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Some of the risks that could cause results to differ materially from those expressed in forward-looking statements in this MD&A and in documents incorporated by reference herein include:

- the Company's inability to attract and retain qualified members of management to grow the business and its operations;
- unanticipated changes in economic and market conditions (including changes resulting from COVID-19) or in applicable laws;
- the impact of the publications of inaccurate or unfavourable research by securities analysts or other first parties;
- the Company's failure to complete future acquisitions or enter into strategic business relationships;
- interruptions or shortages in the supply of cannabis from time to time available to support the Company's operations from time to time;
- unanticipated changes in the cannabis industry in the jurisdictions within which the Company may from time to time conduct its business and operations, including the Company's inability to respond or adapt to such changes;
- the Company's inability to secure or maintain favourable lease arrangements or the required authorizations necessary to conduct the business and operations and meet its targets;
- risks relating to projections of the Company's operations;
- the Company's inability to effectively manage unanticipated costs and expenses, including costs and expenses associated with product recalls and judicial or administrative proceedings against the Company; and
- the Company inability to complete its proposed acquisitions.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained in this MD&A and the documents incorporated by reference herein are expressly qualified by this cautionary statement. The forward-looking statements contained in this document speak only as of that date of this document and the Company does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable securities laws.

In particular, this MD&A contains forward-looking statements pertaining, without limitation, to the following: changes in general and administrative expenses; future business operations and activities and the timing thereof; the future tax liability of the Company; the estimated future contractual obligations of the Company; the future liquidity and financial capacity of the Company; and its ability to fund its working capital requirements and forecasted capital expenditures.

These forward-looking statements speak only as of the date of this MD&A or as of the date specified in the documents incorporated by reference into this MD&A. The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A: counterparty credit risk; access to capital; limitations on insurance; changes in environmental or legislation applicable to our operations, and our ability to comply with current and future environmental and other laws; changes in income tax laws or changes in tax laws and incentive programs relating to the cannabis industry; and the other factors discussed under "*Financial Instruments*" in this MD&A.

OVERVIEW

The Company was incorporated on August 26, 2010 under the *Business Corporation Act* (Ontario) under the name "Pacific Coal Corp.". On April 12, 2011, the Company changed its name to "Canada Coal Inc.". On March 26, 2021, the Company closed a three-cornered amalgamation with Ayurcann Inc. and 12487772 Canada Inc. (the "**RTO**"). In connection with completing the RTO, the Company delisted from the TSX Venture Exchange, listed on the Canadian Securities Exchange ("**CSE**") and changed its name to "Ayurcann Holdings Corp.".

The Company is a reporting issuer in the Provinces of Ontario, British Columbia and Alberta.

The Company's head office and registered office is 1080 Brock Road, Pickering, Ontario L1W 3H3.

The Company has one operating, Ayurcann Inc., which became a wholly-owned subsidiary of the Company in connection with closing of the RTO.

Ayurcann Inc.'s head office and registered office is 1080 Brock Road, Pickering, Ontario L1W 3H3.

BUSINESS OVERVIEW

Description of the Business

The Company concentrates on the post-harvest requirements of licensed cannabis producers and other brands looking to enter the cannabis market. The Company offers end-to-end full outsourcing solutions including extraction and refinement, bulk distillate oil sales, formulation and white label manufacturing and fulfillment and distribution. The Company offers the experience, expertise and network to assist clients within Canada.

The Company is strategically collaborating with leading brands and companies in a variety of industries, including: vapes, tinctures, concentrates and pre-rolls, to enable exponential growth and exposure with a wide array of cannabis-infused product categories, as legislation permits. The Company offers:

- experienced hands-on experts in post-harvest cannabis production;
- flexible production processes to address unique needs;
- a research lab for developing and testing proprietary formulations;
- access to an extensive library of terpenes;
- a 10,300 square foot dedicated processing facility located in Pickering, Ontario; and
- the capacity to process up to up to 300,000 kilograms of biomass and up to 3,000,000 filling and co-packaging capability for cannabis 2.0 and 3.0 products.

On August 8, 2021, the Company launched the "Ayurcann Marketplace", an online cannabis market for medical cannabis consumers. The essence of the Ayurcann Marketplace is to provide Canadian medical cannabis consumers with one of the industry's most competitively priced and best selection of high-quality products including vapes, tinctures and topicals.

Additional information related to the Company is available on SEDAR at www.sedar.com.

Production Development

The Company offers customers product development services, including the ability to license the Company's formulas, and assists customers in navigating the cannabis market to determine the best use of their biomass.

<u>Vapes</u>

The Company offers a wide variety of standard and disposable cartridge solutions, ranging from 300 ml – 1,200 ml. The Company can produce up to 12,000 units per day.

<u>Tinctures</u>

The Company offers combined CBD and THC tinctures, THC fee tinctures, CBD free tinctures, and a wide variety of medium chain triglyceride carrier oils for customization for dilution.

<u>Formulation and Packaging</u>

The Company offers advanced refinement and formulation, research and development (cooperating with customers as independent contracts), customized packaging solutions and full inventory management services.

<u>Fulfillment and Distribution</u>

With the ability to fulfill various size orders including business-to-business bulk sales, medicinal and retail store sales processes, the Company offers customized fulfillment services, secured logistic solutions and inventory management.

Summary of Key Events During the Year ended June 30, 2022

On August 19, 2021, the Company announced its additional cross listing on the Frankfurt Stock Exchange with the trading symbol "3ZQ0".

On July 15, 2021, the Company entered into a partnership agreement with California based Green Bee Botanicals to produce CBD and THC infused cannabis wellness products for the adult use market in Canada. Green Bee Botanicals is a female-founded and owned company with an award-winning line of cannabis topicals, specifically designed to address women's needs. Green Bee Botanicals products are sold in over 55 cannabis dispensaries across the state of California and are available online for home delivery through recognized delivery services across the state.

On August 8, 2021, the Company launched the "Ayurcann Marketplace", an online cannabis market for medical cannabis consumers. The essence of the Ayurcann Marketplace is to provide Canadian medical cannabis consumers with one of the industry's most competitively priced and best selection of high-quality products including vapes, tinctures and topicals.

On August 11, 2021, the Company entered into a manufacturing and distribution agreement with Innocan Pharma Corporation ("**Innocan**"), an Israel-based, pharmaceutical tech company focused on the development of several drug delivery platforms combining CBD. Pursuant to the terms of this agreement, the Company is the exclusive Canadian distributor for Innocan's products and pays royalties to Innocan based on sales.

On August 24, 2021, the Company entered into a manufacturing and distribution agreement with Her Highness NYC ("**Her Highness**"), the premier purveyors of female-forward cannabis couture products that are inspired and engineered by women, for women. Pursuant to the terms of this agreement, the Company is the exclusive Canadian distributor for Her Highness' products and pays royalties to Her Highness based on sales.

On September 14, 2021, the Company entered the Saskatchewan market through the entering into of a wholesale distribution and supply agreement with National Cannabis Distribution ("**NCD**"), a wholly owned subsidiary of Kiaro Holdings Corp. for the exclusive wholesale distribution and supply in the Province of Saskatchewan. Under the terms of the agreement, NCD acts as the exclusive provincial wholesaler and distributor of the Company in Saskatchewan for an initial two year period.

On October 6, 2021, the Company closed a non-brokered private placement of 7,710,354 units at a price of $0.18 per unit for aggregate gross proceeds of $1,387,863.72.

Each unit consisted of one common shares in the capital of the Company ("**Common Share**"), and one Common Share purchase warrant, with each warrant entitling the holder thereof to purchase one Common Share at an exercise price of $0.22 for a period of three years. If, at any time after the closing of the private placement, the closing price of the Common Shares on the CSE at least $0.70 for a minimum of ten consecutive trading days, the Company may, upon providing written notice to the holders of the warrants, accelerate the expiry date of the warrants to the date that is at least thirty days following the date of such written notice.

In connection with the private placement, eligible finders received $17,747.28 in cash and 98,594 broker warrants, with each broker warrant entitling the holder thereof to purchase one Common Share at an exercise price of $0.22 for a period of thirty-six months from the closing of the private placement, subject to the acceleration provision. The warrants were ascribed a value of $646,001. Broker warrants associated with the placement were ascribed a value of $8,261.

On October 12, 2021, the Company entered into a patient-referral agreement with ReLeave Therapeutics ("**ReLeave**"), leaders in providing Canadians expert guidance and access to managing discomfort with medicinal cannabis and other alternative medicines. Pursuant to the terms of the agreement, ReLeave sends medical cannabis patients to the Company through a patient education agreement and the Company works with the patients to educate them on their available offerings to help them select appropriate products.

On October 25, 2021, the Company entered into a patient-referral agreement with The Herb Clinic ("**Herb**"). Pursuant to the terms of the agreement, Herb sends medical cannabis patients to the Company through a patient education agreement and the Company works with the patients to educate them on their available offerings to help them select appropriate products.

On October 29, 2021, the Company completed its Phase 2 buildout, which increased the production and manufacturing capabilities up to a yearly capacity of 3,000,000 product fills and 300,000 kg of biomass production. In connection with the completion of the Phase 2 buildout, the Company provided Health Canada with notice that the buildout had been completed, triggering the second and final earn-out entitlement to original Ayurcann Inc. shareholders, which resulted in the Company issuing an aggregate of 5,159,958 Common Shares to the original Ayurcann Inc. shareholders.

On November 3, 2021, the Company entered into a medical education agreement with Medical Cannabis Practitioners, offering Canadians education and support for medicinal cannabis.

On November 9, 2021, the Company announced the launch of their line of GLOW products through the Ontario Cannabis Store.

On November 16, 2021, the Company entered the New Brunswick market through its first purchase order from Cannabis NB and on November 25, 2021, the Company entered the Manitoba market.

On December 2, 2021, the Company announced that it won Extraction Facility of the Year and Toll Processing Facility of the Year at the 2021 GrowUp Awards Gala in Niagara Falls, Ontario, Canada.

On December 16, 2021, the Company announced its additional cross listing on the OTCQB, a U.S. market operated by OTC Markets Group Inc with the trading symbol "CDCLF".

Effective January 27, 2022, the Company's OTCQB trading symbol was changed to "AYURF".

On January 31, 2022, the Company launched their high potency THC branded "Fuego" vapes in Alberta through the Alberta Gaming, Liquor & Cannabis Commission.

On November 16, 2021, the Company entered the New Brunswick market through its first purchase order from Cannabis NB and on November 25, 2021, the Company entered the Manitoba market.

On March 1, 2022, the Company initiated a normal course issuer bid (the "**NCIB**") through the facilities of the CSE and alternative training systems to acquire up to 6,085,890 Common Shares, representing approximately 5% of its issued and outstanding Common Shares as at the date of the launch of the NCIB.

On April 19, 2022, the Company received a flower sales license from Health Canada. The flower sales license allows the Company to sell dried cannabis flower products in Canada through authorized distributors and retailers.

On June 21, 2022, the Company enters into a share purchase agreement with Tetra Oils Inc. and Joints and Hustle & Shake Inc. ("**Joints and Hustle**") to acquire Joints and Hustle, a company which holds assets comprising the 'Joints' and 'Hustle and Shake' brands, for a purchase price of $5,500,000 by way of a share purchase on the basis of issuing equivalent Common Shares at a deemed price of $0.17 per Common Share.

PERFORMANCE SUMMARY

Selected Annual Financial Information

The table below summarizes key operating data for the last two fiscal years:

Year ended June 30	**2022**	**2021**
Net Revenues	$9,385,992	$ 7,633,656
Cost of goods sold	(7,165,398)	(3,006,939)
Gross margin	2,220,594	4,626,717
Operating expenses	(5,552,803)	(2,467,408)
Transaction costs	-	(1,888,434)
Other Costs (Net)	91,145	(213,788)
Net income (loss)	(3,087,907)	(278,360)
Loss per common share, basic and fully diluted	(0.027)	(0.003)
Weighted average shares outstanding	118,511,846	84,994,390
As at June 30		
Cash	1,354,816	725,016
Working capital	3,926,879	3,859,132
Total assets	7,282,982	6,677,006
Current liabilities	2,168,100	1,571,701
Total long-term liabilities	220,896	356,083
Shareholders' equity (deficiency)	$ 4,893,986	$ 4,479,222

The Company presently does not pay and does not anticipate paying any dividends on its Common Shares, as all available funds will be used to develop the Company's business for the foreseeable future. See "*Discussion of Operations*" below for a discussion of factors, which have contributed to period-to-period variations.

Selected Quarterly Financial Information

The following quarterly financial results for the eight most recent quarters have been prepared in accordance with IFRS as listed. The information should be read in conjunction with the Annual Financial Statements.

Three Months Ended	Assets ($)	Liabilities ($)	Net Income (Loss) and Comprehensive Income (Loss) ($)	Net Income (Loss) and Comprehensive Income (Loss) Per Share ($)	Weighted AverageShares Outstanding
June 30, 2022	6,853,358	2,246,787	(2,448,664)	(0.02)	121,305,867
March 31, 2022	8,367,453	2,130,969	(548,638)	(0.005)	121,686,867
December 31, 2021	9,839,096	3,001,050	(206,900)	(0.002)	118,769,391
September 30, 2021	6,397,607	2,063,683	124,703	0.001	104,597,633
June 30, 2021	6,677,006	1,927,784	1,040,101	0.012	84,994,390
March 31, 2021	4,622,652	1,777,417	(974,615)	(0.014)	85,770,422
December 31, 2020	2,689,076	1,954,852	(129,497)	(0.001)	83,865,836
September 30, 2020	1,700,081	1,210,521	(214,349)	(0.003)	77,253,086

The Company ventured into producing its own branded product and selling them through the provincial channels. This resulted in higher product costs with lower gross margins, as compared to the year ended June 30, 2021, where majority of the sales were business-to-business to other licensed cannabis producers. The Company also recorded higher costs associated with running a public-company compared to a private business. The Company continues to work towards reducing its operating costs and increasing its gross margins, new avenues for revenue growth, and it expects to create operating efficiencies through the fiscal 2023 year.

RESULTS OF OPERATIONS AND FINANCIAL CONDITIONAL

Year ended June 30, 2022, compared to the year ended June 30, 2021

The Company reported a consolidated net loss of ($3,087,907) which is ($0.026) per Common Share, for the year ended June 30, 2021, compared to the loss of ($278,360) and ($0.003) per Common Share reported in the same period for 2021. Sales during the year were as expected but gross margins took a hit, largely in part due to increased product costs and lower margins associated with a new line of business, represented as business-to-consumer product sales on the Annual Financial Statements.

Operating, General and Administrative ("G&A") Expenses

Year ended June 30			Variance from
	2022	2021	2022 to 2021
Salaries and wages	$ 997,837	$ 754,467	$ 243,370
Office and general	1,758,984	1,086,443	672,541
Professional fees	461,913	398,660	63,253
Consulting fees	184,147	83,979	100,168
Depreciation of PPE	6,921	10,162	(3,241)
Bad Debt	37,530	-	37,530
Share based payments	2,105,471	133,697	1,971,774
Total	$ 5,552,803	$ 2,467,408	$ 3,085,395

During the year ended June 30, 2022, G&A expenses increased by $3,085,395 relative to the year ended June 30, 2021. Share-based payments were $2,105,471 which makes up the majority of the G&A increases. The overall increase in G&A expenses is standard in cyclical businesses but is also a result in ramping up of operations as the Company matures in the public markets.

Other Income (Expenses)

Year ended June 30			**Variance from**
	2022	2021	2022 to 2021
Other Income	$ -	$ (101,394)	$ 101,394
Transaction Cost	-	1,888,434	(1,888,434)
Finance Cost	91,145	315,182	(224,037)
Total	$ 91,145	$ 2,102,222	$ (2,011,077)

Other income and expenses for the year ended June 30, 2022 decreased by $2,011,077 as compared by the same period in 2021. The decrease was largely attributed to one-time transaction costs incurred in 2021 as a result of the RTO and an increase in finance costs in 2021.

RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying Annual Financial Statements are summarized below and include transactions with the following individuals or entities:

Key management personnel

Related parties include directors, officers, close family members, certain consultants and enterprises that are controlled by these individuals as well as certain persons performing similar functions.

In accordance with International Accounting Standards 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non- executive) of the Company.

The Company recorded a management fee of $850,191 for the year ending June 30, 2022 for services provided to its wholly-owned subsidiary, Ayurcann Inc. The same expense was recorded on the books of Ayurcann Inc. On the consolidation, the balances were netted out to zero per IFRS

Stock based compensation of directors and key management personnel including Chief Executive Officer and Chief Operating Officer of the Company for the periods ended June 30, 2022 and 2021 was $564,688 and $89,041, respectively. Director fees of the Company for the periods ended June 30, 2022 and 2021 was $218,193 and $13,818, respectively.

Critical Accounting Estimates and Changes in Accounting Policies

All significant critical accounting estimates are fully disclosed in Note 3 of the Annual Financial Statements.

Liquidity and Capital Resources

As at June 30, 2022, the Company had working capital of $3,926,879. The working capital increased from $3,859,132 as at June 30, 2021. The RTO, development of the business and subsequent financings added cash, significantly improving working capital. However, increased product cost and reduced margins hurt the working capital during the year ended June 30, 2022.

The Company experiences significant fluctuations in liquidity due to the timing of sales, operating expenses, and fluctuations of inventory throughout the fiscal year. The Company has long term liabilities related to leases and a government loan. The Company held $2,947,897 in inventory as at June 30, 2022 which puts constraints on its working capital other than regular operating expenses. However, the Company traditionally does not need to write off bad inventory and tends to sell most of what it produces within a short period of time.

Additional sources of financing and Common Share issuances during the year ended June 30, 2022 are as follows:

On October 6, 2021, the Company closed a non-brokered private placement of 7,710,354 units at a price of $0.18 per unit for aggregate gross proceeds of $1,387,863.72.

Each unit consisted of one Common Share and one Common Share purchase warrant, with each warrant entitling the holder thereof to purchase one Common Share at an exercise price of $0.22 for a period of three years. If, at any time after the closing of the private placement, the closing price of the Common Shares on the CSE at least $0.70 for a minimum of ten consecutive trading days, the Company may, upon providing written notice to the holders of the warrants, accelerate the expiry date of the warrants to the date that is at least thirty days following the date of such written notice.

In connection with the private placement, eligible finders received $17,747.28 in cash and 98,594 broker warrants, with each broker warrant entitling the holder thereof to purchase one Common Share at an exercise price of $0.22 for a period of thirty-six months from the closing of the private placement, subject to the acceleration provision. The warrants were ascribed a value of $646,001. Broker warrants associated with the placement were ascribed a value of $8,261.

During the year ended June 30, 2022, 5,071,372 Common Shares were issued on the conversion of restricted share units pursuant to the Company's restricted share unit plan.

On March 1, 2022, the Company initiated the NCIB. During the year ended period ending June 30, 2022, the Company repurchased 1,440,000 Common Shares under the NCIB at prices varying between $0.112 to $0.171 per Common Share.

Financial Instruments and Financial Risk Factors

IFRS require that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the statement of financial position date, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. As at June 30, 2022 and 2021, the Company has no financial instruments carried at fair value to classify in the fair value hierarchy.

As at June 30, 2022 and 2021, carrying amounts of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities on the statement of financial position approximate fair market value because of the limited term of these instruments.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from previous periods.

(a) Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to cash and cash equivalents, and financial instruments included in amounts receivable is remote.

The Company's cash is held through large Canadian financial institutions.

The Company's accounts receivable consists of Harmonized Goods and Services Tax due from the Federal Government of Canada and amounts receivable from customers. The Company's maximum exposure to credit risk as at June 30, 2022 is $1,399,916 (June 30, 2021 - $2,059,491), representing trade and other receivables.

For amounts due from customers, the Company performs ongoing credit evaluations of its customers and monitors the receivable balance and the payments made in order to determine if an allowance for estimated credit losses is required.

When determining the allowance for estimated credit losses the Company will consider historical experience with the customer, current market and industry conditions and any specific collection issues. As at June 30, 2022, the Company did not have any material overdue accounts.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. Accounts payable and accrued liabilities are due within the current operating period. The Company's accounts payable and accrued liabilities and convertible debt are due within the next operating period, except that convertible debt may be converted to Common Shares at the option of the holders prior to the maturity date. The Company manages its liquidity risk through its operating budgets and financing activities.

The Company attempts to have sufficient liquidity to meet its obligations when due. As at June 30, 2022, the Company's cash and cash equivalents portion of the total working capital was $1,354,816 (June 30, 2021 – $725,016) available to settle current liabilities of $2,025,891 (June 30, 2021 – $1,571,701). The Company's accounts payable are subject to normal trade terms.

(c) Market Risk

The Company is exposed to the following market risks:

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk from its secured loans and convertible debentures. The Company's interest rates on these loans are fixed and the sensitivity of the Company's loss before tax to a reasonably possible change in market interest rates is considered minimal.

(ii) Foreign Exchange Risk

While the Company's functional currency is the Canadian dollar, major purchases could be transacted in Canadian dollars or United States dollars. As at June 30, 2022, the Company does not hold foreign currency balances.

(iii) Price Risk

The Company is exposed to price risk with respect to cannabis prices. The Company closely monitors cannabis prices to determine the appropriate course of action to be taken by the Company.

(d) Sensitivity Analysis

The Company may hold balances in United States dollars that give rise to foreign exchange risk. Based on management's knowledge and experience of the financial markets, the Company does not believe there would be any material movements as a result of changes in interest rates.

Off-Balance Sheet Arrangements

As at June 30, 2022, there were no off-balance sheet arrangements.

Outstanding Share Data

Common Shares, restricted share units, warrants and stock options of the Company which were outstanding as at October 28, 2022, June 30, 2022, and June 30, 2021 were as follows:

	October 28, 2022	June 30, 2022	June 30, 2021
Common shares	155,611,862	121,099,317	104,597,633
Warrants	15,289,504	15,289,504	17,109,517
Stock options	2,622,068	2,622,068	3,113,833
Restricted share units	-	-	2,211,342
Fully diluted	173,523,434	139,010,889	127,032,325

PROPOSED TRANSACTIONS

There are no proposed transactions that will materially affect the Company.

RISK FACTORS

In this section, unless the context requires otherwise, references to the "Company" include the Company and its subsidiaries, taken as a whole.

An investment in the securities of the Company is subject to a number of risks, including those set forth herein and in the documents incorporated by reference (including the listing statement of the Company date April 1, 2021). In addition to the information set out below and the other information contained in this MD&A, including in the section entitled "*Cautionary Note Regarding Forward-Looking Information*", prospective purchasers should carefully consider the risk factors related to the business set out in the documents incorporated by reference herein, which are specifically incorporated by reference in this MD&A. Additionally, prospective purchasers should consider the risk factors and uncertainties set forth below.

Prospective investors should carefully consider these risks, in addition to information contained in this MD&A and the information incorporated by reference herein, before purchasing securities of the Company. The risks and uncertainties described below or incorporated by reference in this MD&A are not the only risks and uncertainties faced by the Company.

Additional risks and uncertainties that the Company is not aware of or focused on, or that the Company currently deems to be immaterial, may materialize and could have a material adverse effect on the Company, could result in a decline in the trading price of the Common Shares, and could cause purchasers to lose all or part of their investment. There can be no assurance that the Company will successfully address any or all of these risks. In the event that any one or more of these risks or uncertainties materialize, such occurrence could have a material adverse effect on the Company, and could cause prospective purchasers to lose all or part of their investment.

Volatility of Stock Price and Market Conditions

The market price of the Common Shares may be subject to wide fluctuations in response to factors such as actual or anticipated variations in its results of operations, changes in financial estimates by securities analysts, general market conditions and other factors. Market fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may adversely affect the market price of the Common Shares, even if the Company is successful in maintaining revenues, cash flows or earnings. The purchase of the Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Securities of the Company should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in the Company should not constitute a major portion of an investor's portfolio.

Risk Factors Associated with the Company's Business

The following are certain risk factors relating to the business carried on by the Company that prospective holder of shares should carefully consider.

Negative Cash Flow from Operations

During the year ended June 30, 2022, the Company sustained net losses from operations of ($3,332,209), compared with net income from operation of $2,159,309. The Cannabis segmented net operating loss was ($1,189,208) as at June 30, 2022, compared with Cannabis segmented operating income of $2,159,309 for the year ended June 30, 2021. The Company's cash and cash equivalents as at June 30, 2022 was $1,354,816 (June 30, 2021 – $725,016). Although the Company anticipates it will have positive cash flow from operating activities in future periods, it is possible the Company may have negative cash flow in any future period as the Company continues to progress its expansion plans and its capacity of operations.

Reliance on Licenses

The Company is dependent on certain licenses, which are subject to ongoing compliance and reporting requirements. Failure to comply with the requirements of these licenses or any failure to obtain or maintain those licenses could have a material adverse impact on the business, financial condition and operating results of the Company. There can be no guarantee that a license will be issued, extended or renewed or, if issued, extended or renewed, that it will be issued, extended or renewed on terms that are favorable to the Company.

In Canada, few applicants for a license from Health Canada ultimately receive a license to produce and sell cannabis. Major expenditures may be required in pursuit of a license and it is impossible to ensure that the expenditures will result in receipt of a license and a profitable operation. There can be no assurances that the Company will maintain a license to produce and sell cannabis and be brought into a state of commercial production. Should a license not be extended or renewed or should it be issued or renewed on terms that are less favorable to the Company than anticipated, the business, financial condition and results of the operations of the Company could be materially adversely affected.

Environmental Regulations and Risks

The Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits are currently and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from its proposed production of cannabis or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the production of cannabis, or more stringent implementation thereof, could have a material adverse impact on the company and cause increases in expenses, capital expenditures or production costs or reduction in levels of production or require abandonment or delays in development.

Early Stage of Development

The Company, while incorporated in 2012, began carrying on business in the cannabis industry in 2020 and has started to generate profits from the sale of products late in 2021. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Legislative or Regulatory Reform and Compliance

The commercial cannabis industry is a new industry and the Company anticipates that such regulations will be subject to change as the Federal Government monitors licensed producers in action. The Company's operations are subject to a variety of laws, regulations, guidelines and policies relating to the manufacture, import, export, management, packaging/labelling, advertising, sale, transportation, storage and disposal of cannabis but also including laws and regulations relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment. While to the knowledge of management, the Company is currently in compliance with all such laws, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Company may cause adverse effects to its operations.

Negative Customer Perception

The Company believes the cannabis industry is highly dependent upon consumer perception regarding the medical benefits, safety, efficacy and quality of the cannabis distributed for medical purposes to such consumers. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, political statements both in Canada and in other countries, media attention and other publicity (whether or not accurate or with merit) regarding the consumption of cannabis products for medical or recreational purposes, including unexpected safety or efficacy concerns arising with respect to the products of the Company or its competitors. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the medical cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and the business, results of operations and financial condition of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity (whether or not accurate or with merit), could have an adverse effect on any demand for the Company's products which could have a material adverse effect on the Company's business, financial condition and results of operations.

Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis for medical purposes in general, or the Company's products specifically, or associating the consumption of cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

Constraints on Marketing Products

In view of the restrictions on marketing, advertising and promotional activities set forth in the *Cannabis Act* (Canada) and related regulations, the Company's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by Health Canada. If the Company is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, the Company's sales and operating results could be adversely affected.

New product Development

The Company's ability to sell cannabis in Canada is dependent on the Company's ability to develop product that exceeds the standards set by Health Canada. Although the Company believes management has the expertise to develop such products, there is no assurance that the Company will successfully develop new products.

Competition

There is potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and experience than the Company. Currently, the cannabis industry generally is comprised of individuals and small to medium-sized entities, however, the risk remains that large conglomerates and companies who also recognize the potential for financial success through investment in this industry could strategically purchase or assume control of certain aspects of the industry. In doing so, these larger competitors could establish price setting and cost controls which would effectively "price out" many of the individuals and small to medium-sized entities who currently make up the bulk of the participants in the varied businesses operating within and in support of the medical and adult-use cannabis industry. While most laws and regulations seemingly deter this type of takeover, this industry remains quite nascent, so what the landscape will be in the future remains largely unknown, which in itself is a risk. Because of the early stage of the industry in which the Company will operate, the Company expects to face additional competition from new entrants. To become and remain competitive, the Company will require research and development, marketing, sales and support.

Liability, Enforcement Complaints, etc.

The Company's participation in the cannabis industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, provincial, or local governmental authorities against it. Litigation, complaints, and enforcement actions involving the business could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

Additional Financing

The Company may require equity and/or debt financing to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms that are commercially viable. The Company's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Reliance on Management

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

Operation Permits and Authorizations

The Company may not be able to obtain or maintain the necessary licenses, permits, authorizations or accreditations, or may only be able to do so at great cost, to operate the businesses. In addition, the Company may not be able to comply fully with the wide variety of laws and regulations applicable to the cannabis industry. Failure to comply with or to obtain the necessary licenses, permits, authorizations or accreditations could result in restrictions on a licensee's ability to operate in the cannabis industry, which could have a material adverse effect on the Company's business.

Product Liability

Certain of the Company's proposed manufacture, process and/or distribute of cannabis products are designed to be ingested by humans, and therefore face an inherent risk of exposure to product liability claims, regulatory action and litigation if products are alleged to have caused significant loss or injury. In addition, previously unknown adverse reactions resulting from human consumption of cannabis alone or in combination with other medications or substances could occur. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation, and could have a material adverse effect on the results of operations and financial condition of the Company.

Reliance on Key Inputs

The cultivation, extraction and processing of cannabis and derivative products is dependent on a number of key inputs and their related costs including raw materials, electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Company. Some of these inputs may only be available from a single supplier or a limited group of suppliers.

If a sole source supplier was to go out of business, the Company might be unable to find a replacement for such source in a timely manner or at all. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Company.

Dividends

The Company does not anticipate paying any dividends in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

Resale of Common Shares

There can be no assurance that there will be an active and liquid market for the Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of the Company. In addition, there can be no assurance that the publicly-traded stock price of the Company will be high enough to create a positive return for investors. Further, there can be no assurance that the stock of the Company will be sufficiently liquid so as to permit investors to sell their position in the Company without adversely affecting the stock price. In such event, the probability of resale of the Company's shares would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the Company's shares will be affected by such volatility. An active public market for the Company's shares might not develop or sustain. If an active public market for the Company's shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

Management of Growth

The Company may experience a period of significant growth in the number of personnel that will place a strain upon its management systems and resources. Its future will depend in part on the ability of its officers and other key employees to implement and improve financial and management controls, reporting systems and procedures on a timely basis and to expand, train, motivate and manage the workforce. The Company's current and planned personnel, systems, procedures and controls may be inadequate to support its future operations.

Intellectual Property

The success of the Company will depend, in part, on the ability to maintain and enhance trade secret protection over the various existing and potential proprietary techniques and processes of the Company. The Company may be vulnerable to competitors who develop competing technology, whether independently or as a result of acquiring access to the proprietary products and trade secrets of the Company. In addition, effective future patent, copyright and trade secret protection may be unavailable or limited in certain foreign countries and may be unenforceable under the laws of certain jurisdictions.

Insurance Coverage

The Company will require insurance coverage for a number of risks. Although Management believes that the events and amounts of liability covered by such insurance policies should be reasonable, taking into account the risks relevant to the Company's business, and the fact that agreements with users contain limitations of liability, there can be no assurance that such coverage will be available or sufficient to cover claims to which the Company may become subject. If insurance coverage is unavailable or insufficient to cover any such claims, the Company's financial resources, results of operations and prospects, could be adversely affected.

Costs of Maintaining a Public Listing

As a public company, there are costs associated with legal, accounting and other expenses related to regulatory compliance. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. The Company may also elect to devote greater resources than it otherwise would have on communication and other activities typically considered important by publicly traded companies.

Litigation

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

Difficulty Implementing Business Strategy

The growth and expansion of the Company is heavily dependent upon the successful implementation of its business strategy. There can be no assurance that the Company will be successful in the implementation of its business strategy.

Operational Risks

The Company may be affected by a number of operational risks and may not be adequately insured for certain risks, including: labor disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, floods, earthquakes and ground movements. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the Company's property and facility, personal injury or death, environmental damage, adverse impacts on the Company's operations, costs, monetary losses, potential legal liability and adverse governmental action, any of which could have an adverse impact on the Company's future cash flows, earnings and financial condition on the Company. Also, the Company may be subject to or affected by liability or sustain loss for certain risks and hazards against which they may elect not to insure because of the cost. This lack of insurance coverage could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Conflicts of Interest

Certain of the Company's directors and officers are, and may continue to be, involved in other business ventures through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the technologies, products and services the Company intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors' and officers' conflict with or diverge from the Company's interests. In accordance with applicable corporate law, directors who have a material interest in or who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and officers are required to act honestly and in good faith with a view to the Company's best interests.

However, in conflict-of-interest situations, the Company's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to the Company. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavorable to the Company.

Available Talent Pool

As the Company grows, it will need to hire additional human resources to continue to develop the business. However, experienced talent in the areas of the cannabis industry, such as but not limited to, research and development, and extraction is difficult to source, and there can be no assurance that the appropriate individuals will be available or affordable to the Company. Without adequate personnel and expertise, the growth of the Company's business may suffer.

Ability to Maintain Bank Accounts

While the Company does not anticipate any banking restrictions at this time, there is a risk that banking institutions may not accept payments related to the cannabis industry. Such risks could increase costs for the Company. In the event financial service providers do not accept accounts or transactions related to the cannabis industry, it is possible that the Company may be required to seek alternative payment solutions. If the industry was to move towards alternative payment solutions the Company would have to adopt policies and protocols to manage these changes. The Company's inability to manage such risks may adversely affect the Company's operations and financial performance.

Global Pandemic

The Company's operations could be significantly affected, in an adverse manner, by the effects of a widespread global outbreak of a contagious disease, including the outbreak of the COVID-19 disease. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company as a result, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the global economies and financial markets, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

SUBSEQUENT EVENTS:

On July 28, 2022, pursuant to certain consulting agreements entered into between the Company and its acting directors, officers and consultants (together, "Management", the Company and Management agreed that the aggregate quarterly management fee payment obligation in the amount of $83,750 (each, a "Quarterly Payment") will be settled in Common Shares going forward, beginning on September 30, 2022. Each Quarterly Payment is to be satisfied through the issuance of Common Shares calculated according to the greater of: (i) ten-day volume weighted average price of the Common Shares on the CSE ending on the quarter end date; (ii) the discounted market price pursuant to the policies of the CSE; and (iii) $0.05. The Common Shares will be subject to a four month and one day hold period pursuant to the polices of the CSE and applicable securities laws.

Subsequent to the year ended June 30, 2022, the Company repurchased 394,000 shares repurchased at prices between $0.095-0.122 per share.

On July 28, 2022, the Company granted 1,226,350 restricted share units at a deemed price of $0.095 to certain directors, officers, employees, and consultants of the Company pursuant to the Company's restricted share unit plan. Each restricted share unit vested effective July 28, 2022 and expires July 28, 2022 and The restricted share units (and any Common Shares issuable upon redemption) are subject to a four month and one day hold period pursuant to the polices of the CSE and applicable securities laws.

On September 7, 2022, the Company closed the acquisition of Joints and Hustle. In connection with closing the acquisition, the Company issued 32,352,941 Common Shares to Tetra Oils Inc. Each Common Share was issued on the basis of a deemed price of $0.17 per Common Share and are subject to a statutory hold period of four months and one day and, pursuant to the terms of the share purchase agreement, (i) have been deposited into escrow and are to be released every six months in 25% allotments; and (ii) are subject to post-closing downward adjustments pursuant to the terms and conditions of the escrow agreement.

On October 4, 2022, the Company announced the approval of 15 additional product listings in the Vape, Concentrates and Flower categories in the Provinces of Ontario, Alberta, Saskatchewan and Manitoba.