

Vibe Growth Corporation

Condensed Consolidated Financial Statements (Unaudited)

As at and for the Three And Six Months Ended June 30, 2022
(In U.S. Dollars, Unless Otherwise Noted)

Notice for National Instrument 51-102

The accompanying unaudited interim condensed consolidated financial statements of Vibe Growth Corporation as at and for the three and six months ended June 30, 2022, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These statements have not been reviewed or audited by the Company's external auditors.



Vibe Growth Corporation
Unaudited Condensed Consolidated Statements of Financial Position
(Expressed in U.S. dollars)



As at	notes	June 30, 2022	December 31, 2021
Assets			
Current assets			
Cash and cash equivalents		\$ 7,354,320	\$ 9,098,475
Accounts receivable		138,014	135,462
Inventory	3	3,690,804	3,026,471
Biological assets	4	122,102	135,267
Other current assets		<u>510,396</u>	<u>496,166</u>
Total current assets		11,815,636	12,891,841
Intangible assets and goodwill	5	6,772,364	6,878,807
Property and equipment	6	12,831,512	11,828,271
Right-of-use assets	7	<u>1,075,280</u>	<u>1,297,288</u>
Total assets		<u>\$ 32,494,792</u>	<u>\$ 32,896,207</u>
Liabilities			
Current liabilities			
Accounts payable		\$ 3,507,485	\$ 2,914,546
Income taxes payable		5,768,068	4,991,372
Current portion of lease obligations and notes payable	8, 9	<u>535,967</u>	<u>633,445</u>
Total current liabilities		9,811,520	8,539,363
Notes payable	9	1,152,834	1,250,462
Lease obligations	8	832,547	946,247
Deferred tax liability		<u>714,966</u>	<u>766,321</u>
Total liabilities		<u>\$ 12,511,867</u>	<u>\$ 11,502,393</u>
Shareholders' equity			
Share capital	10(a)	\$ 32,245,305	\$ 32,245,305
Warrants	10(b)	2,620,018	2,620,018
Contributed surplus		2,615,308	2,352,326
Accumulated other comprehensive loss		(309,544)	(280,652)
Deficit		<u>(17,188,162)</u>	<u>(15,543,183)</u>
		<u>19,982,925</u>	<u>21,393,814</u>
Total liabilities and shareholders' equity		<u>\$ 32,494,792</u>	<u>\$ 32,896,207</u>

Nature of Operations (Note 1)

Contingencies (Note 13)

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

Vibe Growth Corporation
Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss
(Expressed in U.S. dollars)



	notes	For the three months ended		For the six months ended	
		June 30,		June 30,	
		2022	2021	2022	2021
Revenue		\$ 5,728,286	\$ 7,791,690	\$ 11,399,262	\$ 15,334,425
Cost of goods sold		<u>3,324,880</u>	<u>5,261,996</u>	<u>7,052,852</u>	<u>10,323,807</u>
Gross margin before biological asset adjustments		2,403,406	2,529,694	4,346,410	5,010,618
Net effect of fair value adjustments for biological assets	4	<u>(67,110)</u>	<u>25,601</u>	<u>(50,683)</u>	<u>109,389</u>
Gross margin		<u>2,336,296</u>	<u>2,555,295</u>	<u>4,295,727</u>	<u>5,120,007</u>
Operating expenses					
General and administrative		750,706	772,878	1,617,724	1,539,933
Sales, security and marketing		1,224,659	886,182	2,343,694	1,762,003
Stock-based compensation	10(c) and (d)	1,391	143,661	262,982	241,601
Depreciation and amortization	5,6,7	432,997	283,474	847,012	533,204
		<u>2,409,753</u>	<u>2,086,195</u>	<u>5,071,412</u>	<u>4,076,741</u>
Other expenses (income)					
Transaction expenses		-	34,800	-	34,800
Finance expense	8 and 9	47,385	59,162	96,968	107,895
Other (income) expense		<u>(7,011)</u>	<u>(8,300)</u>	<u>(7,819)</u>	<u>(15,836)</u>
		<u>40,374</u>	<u>85,662</u>	<u>89,149</u>	<u>126,859</u>
Income (loss) before income taxes		(113,831)	383,438	(864,834)	916,407
Income tax expense (recovery)					
Current		566,500	509,766	831,500	998,766
Deferred		<u>(25,820)</u>	<u>(25,503)</u>	<u>(51,355)</u>	<u>(49,779)</u>
		<u>540,680</u>	<u>484,263</u>	<u>780,145</u>	<u>948,987</u>
Net loss for the period		(654,511)	(100,825)	(1,644,979)	(32,580)
Other comprehensive loss					
Foreign currency translation gain (loss)		<u>38,136</u>	<u>95,571</u>	<u>(28,892)</u>	<u>(46,328)</u>
Comprehensive loss for the period		<u>\$ (616,375)</u>	<u>\$ (5,254)</u>	<u>\$ (1,673,871)</u>	<u>\$ (78,908)</u>
Loss per share					
Basic and Diluted		<u>\$ (0.01)</u>	<u>\$ -</u>	<u>\$ (0.01)</u>	<u>\$ -</u>
Diluted		<u>\$ (0.01)</u>	<u>\$ -</u>	<u>\$ (0.01)</u>	<u>\$ -</u>
Weighted average shares outstanding					
Basic and diluted		112,143,071	102,893,794	112,143,071	94,592,101
Diluted		112,143,071	102,893,794	112,143,071	94,592,101

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

Vibe Growth Corporation
 Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity
 (Expressed in U.S. dollars)



	Common share capital	Warrants	Contributed surplus	AOCI*	Deficit	Total shareholders' equity
Balance at December 31, 2021	\$ 32,245,305	\$ 2,620,018	\$ 2,352,326	\$ (280,652)	\$ (15,543,183)	\$ 21,393,814
Stock-based compensation	-	-	262,982	-	-	262,982
Net and comprehensive loss	-	-	-	(28,892)	(1,644,979)	(1,673,871)
Balance at June 30, 2022	<u>\$ 32,245,305</u>	<u>\$ 2,620,018</u>	<u>\$ 2,615,308</u>	<u>\$ (309,544)</u>	<u>\$ (17,188,162)</u>	<u>\$ 19,982,925</u>
Balance at December 31, 2020	\$ 19,686,343	\$ 349,757	\$ 1,462,889	\$ (144,330)	\$ (11,244,444)	\$ 10,110,215
Shares issued in equity financing	9,964,306	2,842,145	-	-	-	12,806,451
Shares issued in business acquisitions	205,213	59,614	-	-	-	264,827
Share issue costs	(1,529,247)	445,512	-	-	-	(1,083,735)
Exercise of stock options	205,213	-	(173,499)	-	-	31,714
Exercise of warrants	183,494	(47,512)	-	-	-	135,982
Stock-based compensation	-	-	241,601	-	-	241,601
Net and comprehensive loss	-	-	-	(46,328)	(32,580)	(78,908)
Balance at June 30, 2021	<u>\$ 28,715,322</u>	<u>\$ 3,649,516</u>	<u>\$ 1,530,991</u>	<u>\$ (190,658)</u>	<u>\$ (11,277,024)</u>	<u>\$ 22,428,147</u>

* Accumulated other comprehensive income (loss)

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

Vibe Growth Corporation
Unaudited Consolidated Statements of Cash Flows
(Expressed in U.S. dollars)



	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2022	2021	2022	2021
Operating activities				
Net loss for the period	\$ (654,511)	\$ (100,825)	\$ (1,644,979)	\$ (32,580)
Items not involving cash:				
Unrealized (gain) loss on changes in the fair value of biological assets	67,110	(25,601)	50,683	(109,389)
Stock-based compensation	1,391	143,661	262,982	241,601
Depreciation and amortization	432,997	283,474	847,012	533,204
Unrealized foreign exchange gain	(45,370)	56,376	(60,681)	191,781
Deferred income tax recovery	(25,820)	(25,503)	(51,355)	(49,779)
	<u>(224,203)</u>	<u>331,582</u>	<u>(596,338)</u>	<u>774,838</u>
Change in non-cash working capital:				
Accounts receivable	(4,472)	(193,109)	(2,552)	(200,806)
Inventory	(354,665)	(162,933)	(446,559)	(502,397)
Biological assets	181,861	(180,719)	(174,785)	(305,616)
Other current assets	(67,446)	(172,701)	(14,230)	(174,380)
Accounts payable and accrued liabilities	394,005	787,279	592,939	(11,411)
Income taxes payable	516,500	508,999	776,696	998,003
Cash flow provided from operating activities	<u>441,580</u>	<u>918,398</u>	<u>135,171</u>	<u>578,231</u>
Investing activities				
Cash (paid) on business acquisitions, net of cash acquired	-	(380,000)	-	(380,000)
Intangible assets purchased and developed	(21,696)	-	(92,615)	(330,000)
Purchases of property and equipment	(281,656)	(801,613)	(1,408,470)	(914,005)
Cash flow provided in investing activities	<u>(303,352)</u>	<u>(1,181,613)</u>	<u>(1,501,085)</u>	<u>(1,624,005)</u>
Financing activities				
Issuance of common shares and warrants	-	128,816	-	12,155,239
Repayment of lease obligation	(118,670)	(337,986)	(235,657)	(416,824)
Repayment of notes payable	(47,320)	(89,955)	(93,957)	(133,986)
Cash flow provided in financing activities	<u>(165,990)</u>	<u>(299,125)</u>	<u>(329,614)</u>	<u>11,604,429</u>
Effect of translation of cash held in foreign currencies	<u>(98,243)</u>	<u>153,162</u>	<u>(48,627)</u>	<u>20,863</u>
Increase (decrease) in cash and cash equivalents	<u>(126,005)</u>	<u>(409,178)</u>	<u>(1,744,155)</u>	<u>10,579,518</u>
Beginning cash and cash equivalents	7,480,325	13,401,494	9,098,475	2,412,798
Ending cash and cash equivalents	<u>\$ 7,354,320</u>	<u>\$ 12,992,316</u>	<u>\$ 7,354,320</u>	<u>\$ 12,992,316</u>
Supplemental cash flow information				
Interest paid in the period	\$ 43,556	\$ 59,162	\$ 96,968	\$ 107,895
Income taxes paid in the period	\$ 54,800	\$ -	\$ 54,800	\$ -

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



1. NATURE OF OPERATIONS

Vibe Growth Corporation (the "Company" or "Vibe") business is to evaluate, acquire and develop cannabis cultivation, distribution and manufacturing assets and retail cannabis dispensaries, predominantly in the U.S., in order to become a vertically integrated cannabis operator. The Company currently operates five dispensaries, one distribution and two cultivation operations in the State of California plus one dispensary in Portland, Oregon. The Company's registered office is located at #301, 1665 Ellis Street Kelowna, British Columbia V1Y 2B3 and its U.S. head office is located at 8112 Alpine Ave Sacramento, California 95826. The Company's common shares trade on the Canadian Securities Exchange ("CSE") under the ticker symbol "VIBE" and on the OTCQX Best Market under the symbol "VIBEF."

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim consolidated financial statements ("consolidated financial statements") have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. These financial statements were authorized for issue by the Board of Directors on August 22, 2022. They do not contain all disclosures required by IFRS for annual financial statements and, accordingly, should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021. These condensed consolidated financial statements have been prepared using accounting policies consistent with those used in the annual consolidated financial statements.

(b) Measurement basis

These condensed consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value and specifically noted within the notes to these condensed consolidated financial statements.

(c) Functional and presentation currency

These condensed consolidated financial statements are presented in United States Dollars. The Canadian Dollar is the functional currency of the Company and its Canadian wholly own subsidiary. The functional currency of the Company's subsidiaries operating in the United States is the United States Dollar.

For reporting purposes, the assets and liabilities of the Company and its Canadian subsidiaries are translated into United States Dollars at the closing rate at the date of the balance sheets, and revenue and expenses are translated at the average rate for the period. Foreign currency translation adjustments are recorded in other comprehensive income (loss).

Vibe Growth Corporation
Notes to the Unaudited Condensed Consolidated Financial Statements
(Expressed in U.S. dollars unless otherwise noted)



(d) Basis of consolidation

These condensed consolidated financial statements include the accounts of the Company and the following subsidiaries:

Subsidiary	<u>Jurisdiction of incorporation</u>
Vibe Investments, LLC	Nevada, U.S.A
Vibe by California Inc.	Nevada, U.S.A
Hype Bioscience Corporation ("Hype Canada")	Alberta, Canada
Hype Holdings, LLC ("Hype USA")	California, U.S.A
Port City Alternative of Stockton Inc. ("Port City")	California, U.S.A
Vibe Cultivation LLC ("Vibe Cultivation")	California, U.S.A
Alpine Alternative Naturopathic Inc. ("Vibe Sacramento")	California, U.S.A
EVR Managers LLC ("Redding")	California, U.S.A
NGEV Inc. ("NGEV" or "Crescent City")	California, U.S.A
Vibe Ukiah, LLC ("Ukiah")	California, U.S.A
Vibe Distribution Corporation ("Vibe Distribution")	California, U.S.A
Vibe Salinas, LLC ("Salinas")	California, U.S.A
Lyt Cannabis Co. ("Monterey Cultivation")	California, U.S.A
Desert Organic Solutions Inc. ("Palm Springs")	California, U.S.A
Portland Asset Holding Corporation ("PAHC")	Oregon, U.S.A
Vibe CBD, LLC ("Vibe CBD")	California, U.S.A

All subsidiaries are wholly-owned by the Company. Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity and be exposed to the variable returns from its activities.

Transactions eliminated on consolidation:

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements. All significant intercompany accounts and transactions have been eliminated.

(f) Use of estimates and judgments

The preparation of the condensed consolidated financial statements requires management to make estimates and use judgment regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future periods could require a material change in the financial statements. Accordingly, actual results may differ from the estimated amounts as future confirming events occur. Significant estimates and judgments made by management in the preparation of these condensed consolidated financial statements are as follows:

Biological assets and inventory

In calculating the value of the biological assets and inventory, management is required to make several estimates, including estimating the stage of growth of the cannabis plants to the point of harvest, harvesting



costs, and selling costs. In calculating final inventory values, management is required to determine an estimate of obsolete inventory and an estimate for any inventory for which cost is lower than estimated net realizable value and recognizes inventory provisions accordingly.

Business combinations

Judgement is required when assessing i) whether or not the acquisition of assets meets the criteria of a business combination; ii) the value of the consideration transferred and the net identifiable assets acquired and liabilities assumed in connection with business combinations and iii) determining goodwill or bargain purchase gain.

Discount rate for leases

Leases require lessees to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Company generally uses the incremental borrowing rate when initially recording real estate leases as the implicit rates are not readily available as information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available. The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Estimated useful lives and depreciation of property, equipment and intangible assets

Depreciation of property, equipment and intangible assets is dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Cash Generating Unit ("CGU")

IFRS requires that the Company's cannabis operations be aggregated into CGUs, based on their ability to generate largely independent cash flows, which are used to assess the dispensaries and cultivation operations for impairment. The determination of the Company's CGUs is subject to management's judgment.

Impairment of property and equipment, intangible assets and goodwill

Indicators of impairment are assessed by management using judgement, considering future plans, market conditions and cannabis prices. In assessing the recoverability, each CGU's carrying value is compared to its recoverable amount, defined as the greater of its fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Income taxes

The Company recognizes deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and that sufficient taxable income will be generated in the future to recover such deferred tax assets. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods.

Vibe Growth Corporation
Notes to the Unaudited Condensed Consolidated Financial Statements
(Expressed in U.S. dollars unless otherwise noted)



Provisions and contingencies

The Company recognizes provisions based on an assessment of its obligations and available information. Any matters not included as provisions are uncertain in nature and cannot be reasonably estimated.

The Company makes assumptions to determine whether obligations exist and to estimate the amount of obligations that we believe exist. In estimating the final outcome of litigation, assumptions are made about factors including experience with similar matters, history, precedents, relevant financial, scientific, and other evidence and facts specific to the matter. This determines whether a provision or disclosure in the financial statements is needed.

Stock-based compensation and warrants

The amounts recorded in respect of share-based compensation and share purchase warrants granted and the derivative liability for non-compensation warrants issued are based on the Company's estimation of their fair value, calculated using assumptions regarding the life of the option or warrant, interest rates and volatility. By their nature, these estimates and assumptions are subject to uncertainty, and the actual fair value of options or warrants may differ at any time.

Functional currency

Management judgement is required in determining the functional currency that represents the economic environment of underlying transactions, events and conditions.

3. INVENTORY

The Company's inventory consists of the following:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Harvested cannabis - raw materials	\$ -	\$ 37,518
Work-in-progress	605,058	884,697
Cannabis related products and packaging	<u>3,085,746</u>	<u>2,104,256</u>
	<u>\$ 3,690,804</u>	<u>\$ 3,026,471</u>

The Company regularly reviews slow-moving, obsolete and redundant items and records a provision for such amounts to reflect inventory balances at net realizable value. There were no slow-moving, obsolete or redundant inventory items at June 30, 2022.



4. BIOLOGICAL ASSETS

Biological assets consist of cannabis plants in the cultivation division. The changes in the carrying value of the biological assets are as follows:

	June 30, 2022	December 31, 2021
Balance, beginning of period	\$ 135,267	\$ 270,290
Changes in fair value less cost to sell due to biological transformation	(50,683)	(405,615)
Production costs	546,398	1,737,062
Transferred to inventory upon harvest	(508,880)	(1,466,470)
Balance, end of period	\$ 122,102	\$ 135,267

The Company values biological assets at the end of each reporting period at fair value less cost to sell ("FVLCS"). The determination of fair value less cost to sell is based on a valuation model that estimates the expected harvest yield per plant applied to the estimated wholesale price per gram, less estimated selling costs. The model also considers the stage of the biological asset in the aggregate plant life cycle.

The valuation model includes the following estimates, all of which are Level 3 inputs in the fair value hierarchy:

- (i) Average number of weeks in the growing cycle (from propagation to harvest) = 14 weeks based on historical results.
- (ii) Average selling price of whole flower = \$1.60 per gram based on historical and expected future sales.
- (iii) Average harvest yield of whole flower = 34 grams per plant, net of expected wastage, based on historical results.
- (iv) Selling costs (shipping, order fulfillment, and labelling) = \$0.50 per gram based on historical results.

The above inputs are subject to volatility and uncontrollable factors which could significantly affect the fair value of biological assets in future periods. Management has quantified the sensitivity of the inputs on the calculation of the fair value of the biological assets for the respective period ended is as follows:

Input	Change in FVLCS at	
	June 30, 2022	December 31, 2021
Selling price per gram - 10% change	\$ 6,800	\$ 15,000
Harvest yield per plant - 10% change	\$ 6,100	\$ 12,000

At June 30, 2022, the average stage of completion of the biological assets is 29% based on the number of days remaining to harvest. The estimated FVLCS of dry cannabis at June 30, 2022 is approximately \$12 per plant and the expected total yield is approximately 161,000 grams of cannabis.

5. INTANGIBLE ASSETS AND GOODWILL

Intangible assets and goodwill consist of the following:

	Intangible assets				Total
	Licenses	Software	Trademark	Goodwill	
Cost					
Balance at December 31, 2020	\$ 3,736,480	\$ 192,472	\$ 78,500	\$ 3,321,465	\$ 7,328,917
Acquired in business acquisitions	154,789	-	-	1,595,694	1,750,483
Purchased and developed	574,788	-	-	-	574,788
Impairment	-	-	-	(1,595,694)	(1,595,694)
Balance at December 31, 2021	4,466,057	192,472	78,500	3,321,465	8,058,494
Purchased and developed	92,615	-	-	-	92,615
Balance at June 30, 2022	\$ 4,558,672	\$ 192,472	\$ 78,500	\$ 3,321,465	\$ 8,151,109
Accumulated amortization					
Balance at December 31, 2020	580,148	192,472	14,840	-	787,460
Amortization expense	384,377	-	7,850	-	392,227
Balance at December 31, 2021	964,525	192,472	22,690	-	1,179,687
Amortization expense	195,165	-	3,893	-	199,058
Balance at June 30, 2022	\$ 1,159,690	\$ 192,472	\$ 26,583	\$ -	\$ 1,378,745
Net book value at December 31, 2021	\$ 3,501,532	\$ -	\$ 55,810	\$ 3,321,465	\$ 6,878,807
Net book value at June 30, 2022	\$ 3,398,982	\$ -	\$ 51,917	\$ 3,321,465	\$ 6,772,364

The Company assesses whether there are events or changes in circumstances that would more likely than not reduce the fair value of any of its reporting units below their carrying values and therefore, require goodwill and intangibles to be tested for impairment at the end of each period. As at June 30, 2022, no impairment indicators exist.

6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>Buildings</u>	<u>Land</u>	<u>Equipment and other</u>	<u>Construction in process</u>	<u>Total</u>
Cost					
Balance at December 31, 2020	\$ 2,334,084	\$ 800,000	\$ 1,613,647	\$ 254,876	\$ 5,002,607
Acquired in business acquisitions	-	-	7,032	-	7,032
Purchases	371,791	5,250,725	281,939	1,593,695	7,498,150
Transfers from construction in process	-	-	335,438	(335,438)	-
Impact of foreign exchange	-	-	17	-	17
Balance at December 31, 2021	2,705,875	6,050,725	2,238,073	1,513,133	12,507,806
Purchases	-	-	221,874	1,186,596	1,408,470
Transfers from construction in process	-	-	1,122,703	(1,122,703)	-
Impact of foreign exchange	-	-	(177)	-	(177)
Balance at June 30, 2022	\$ 2,705,875	\$ 6,050,725	\$ 3,582,473	\$ 1,577,026	\$ 13,916,099
Accumulated amortization					
Balance at December 31, 2020	\$ 149,604	\$ -	\$ 184,841	\$ -	\$ 334,445
Depreciation expense	93,363	-	251,737	-	345,100
Impact of foreign exchange	-	-	(10)	-	(10)
Balance at December 31, 2021	242,967	-	436,568	-	679,535
Depreciation expense	70,826	-	334,310	-	405,136
Impact of foreign exchange	-	-	(84)	-	(84)
Balance at June 30, 2022	313,793	-	770,794	-	1,084,587
Net book value at December 31, 2021	<u>\$ 2,462,908</u>	<u>\$ 6,050,725</u>	<u>\$ 1,801,505</u>	<u>\$ 1,513,133</u>	<u>\$ 11,828,271</u>
Net book value at June 30, 2022	<u>\$ 2,392,082</u>	<u>\$ 6,050,725</u>	<u>\$ 2,811,679</u>	<u>\$ 1,577,026</u>	<u>\$ 12,831,512</u>

Buildings and equipment and other assets are depreciated on a straight-line basis over their estimated useful lives. Land is not depreciated.

Assets under construction consist of improvements and renovations being completed on the Company's property and equipment. The construction and upgrades are not yet complete and will not be subject to depreciation until the underlying asset is available for use. A total of \$1,122,703 was transferred from construction in progress from the indoor cultivation rooms at Sacramento and Ukiah dispensary, which were finalized in the first quarter of 2022. At June 30, 2022, \$1,577,026 (December 31, 2021- \$1,513,133) was classed as construction in progress.

The Company did not dispose of any property and equipment in the six month period ended June 30, 2022, and there were no impairments of property and equipment at June 30, 2022.

7. RIGHT-OF-USE ASSETS

Right-of-use assets consist of the following:

	<u>Leases</u>
Balance at December 31, 2020	\$ 1,337,065
Acquired	867,846
Change in cash flow estimate	<u>(35,473)</u>
Balance at December 31, 2021	2,169,438
Change in cash flow estimate	<u>20,810</u>
Balance at June 30, 2022	<u>\$ 2,190,248</u>
Accumulated depreciation	
Balance at December 31, 2021	872,150
Depreciation expense	<u>242,818</u>
Balance at June 30, 2022	<u>\$ 1,114,968</u>
Net book value at December 31, 2021	<u>\$ 1,297,288</u>
Net book value at June 30, 2022	<u>\$ 1,075,280</u>

The right-of-use assets are being depreciated on a straight-line basis over the remaining term of the underlying lease as there are no options to acquire or otherwise transfer ownership of the underlying asset to the Company at the end of the lease term.

8. LEASE OBLIGATIONS

A reconciliation of the discounted lease obligation is set forth below:

	<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Balance, beginning of period	\$ 1,388,952	\$ 950,925
Acquired in business acquisitions	-	231,645
Additions to leased assets	-	636,201
Principal paid	(235,657)	(394,963)
Change in cash flow estimate	<u>20,810</u>	<u>(34,856)</u>
Balance, end of the period	1,174,105	1,388,952
Less current portion of lease obligation	<u>(341,558)</u>	<u>(442,705)</u>
Lease obligations, long term	<u>\$ 832,547</u>	<u>\$ 946,247</u>

Neither of the leases contains purchase or early termination options and there are no requirements to purchase the underlying assets or any residual value guarantees at the end of the leases. In 2022, the Company incurred \$52,495 of interest with respect to the aforementioned leases.

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The Company has the following future commitments associated with its dispensary lease obligations:

Less than one year	\$ 421,044
2 - 5 years	929,393
Thereafter	<u>-</u>
Total lease payments	1,350,437
Amount representing interest over the term	<u>(176,332)</u>
Present value of the net obligation	<u><u>\$ 1,174,105</u></u>

The Company utilized certain IFRS 16 exemptions to exclude low-value right-of-use assets and short-term lease arrangements as leases. The Company has a variable lease agreement at NGEV whereby the rent is based on 10% of the net revenue. Variable lease arrangements are recognized as operating lease payments and totalled \$12,212 and were recognized in costs of goods sold in the consolidated statements of operations during the six month period ended June 30, 2022.

9. NOTES PAYABLE

The Company's notes payable consists of the following:

	<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Note payable:		
Land and buildings (1)	\$ 1,048,801	\$ 1,072,798
Deferred rent (2)	52,668	78,998
Promissory note (3)	185,555	218,272
Vehicles (4)	<u>60,219</u>	<u>71,134</u>
Total notes payable	1,347,243	1,441,202
Less current portion:	<u>(194,409)</u>	<u>(190,740)</u>
Notes payable, long term	<u><u>\$ 1,152,834</u></u>	<u><u>\$ 1,250,462</u></u>

- (1) The Company has a secured note payable outstanding related to the acquisition of land and buildings in Sacramento, California totalling \$1,048,801 at June 30, 2022 (Note 6). The note bears interest at 6% per year, requires monthly payments of principal and interest totalling \$9,314 and matures in April 2036. Interest expense recognized in the 2022 six month period totalled \$31,886 and principal repaid was \$23,996. Principal repayments due in the next 12 months totalling \$50,201 are recorded as current liabilities on the condensed consolidated statement of financial position at June 30, 2022.
- (2) In conjunction with the acquisition of NGEV in 2020, the Company assumed an unsecured deferred rent note payable. The note is non-interest bearing, requires monthly payments of \$4,389 and matures in July 2023. Principal repayments due in the next 12 months totalling \$52,668 are recorded as current liabilities on the condensed consolidated statement of financial position at June 30, 2022.
- (3) Pursuant to the acquisition of NGEV, the Company assumed an unsecured promissory note. The promissory note bears interest at 12% per annum, requires monthly payments of \$7,500 and matures in November 2024. Interest expense recognized in the 2022 six month period totalled \$12,288, and principal repaid was \$32,712. Principal repayments due in the next 12 months totalling \$71,581 are recorded as current liabilities on the condensed consolidated statement of financial position at June 30, 2022.

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(4) The Company also has five vehicle acquisition notes payable. The notes payable bear interest ranging from 0% to 4.99% per year, require monthly payments of principal and interest totalling \$1,870 and mature in January 2023, and June, July and September 2025. Principal repayments due in the next 12 months totalling \$19,959 are recorded as current liabilities on the consolidated statement of financial position at June 30, 2022.

The following table presents the contractual maturities of the notes payable at June 30, 2022 on an undiscounted basis:

	Notes payable				
	Land and Buildings	Deferred Rent	Promissory Note	Vehicles	Total
Amounts due					
Less than one year	\$ 50,201	\$ 52,668	\$ 71,581	\$ 19,959	\$ 194,409
One to three years	\$ 223,526	\$ -	\$ 113,974	\$ 38,897	\$ 376,397
Four to five years	\$ 223,526	\$ -	\$ -	\$ 1,363	\$ 224,889
Thereafter	\$ 551,548	\$ -	\$ -	\$ -	\$ 551,548
Total maturities at June 30, 2022	<u>\$ 1,048,801</u>	<u>\$ 52,668</u>	<u>\$ 185,555</u>	<u>\$ 60,219</u>	<u>\$ 1,347,243</u>

10. SHAREHOLDERS' EQUITY

(a) Share capital

The Company is authorized to issue an unlimited number of common shares. Holders of common shares are entitled to participate in dividends when declared by the Company.

The Company has the following issued and outstanding common shares:

	June 30, 2022	December 31, 2021
Balance, beginning of period	112,143,071	82,613,028
Issued in equity financings (Note i, ii)	-	28,256,750
Agents commission	-	408,000
Exercise of warrants	-	292,001
Exercise of stock options	-	573,292
Balance, end of period	<u>112,143,071</u>	<u>112,143,071</u>

(i) On March 16, 2021, the Company raised gross proceeds of CAD \$15,954,435 via the issuance of 19,456,750 Units. Each Unit was priced at CAD \$0.82 and is comprised of one common share and one-half share purchase warrant with a whole warrant exercisable at \$1.06 until March 16, 2024. The Company issued 1,331,736 broker warrants to the Underwriters and Agents exercisable at CAD \$0.82 until March 16, 2024 and 408,000 Units as partial consideration for their commission (Note 13(a)(ii)). The Company incurred CAD \$1,020,213 of professional fees and commissions related to the financings.

On December 22, 2021, the Company closed a non-brokered private placement CAD \$3,520,000 via the issuance of 8,800,000 common shares at CAD \$0.40 per common share. The Company incurred CAD \$39,972 of professional fees related to the financings.

(ii) The relative fair value of the Unit warrants and broker warrants is \$0.36 (CAD) and \$0.42 (CAD), respectively, was estimated using the Black-Scholes option-pricing model with the following assumptions: dividend yield – nil, expected volatility 78%, risk-free rate – 1.00%, expected life three years and an estimated forfeiture rate – Nil.



(b) Warrants

Warrants

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Balance, beginning of period	11,264,111	2,000,000
Issued in equity financings <i>(Note 10(a)(i))</i>	-	9,728,375
Agents commission <i>(Note 10(a)(i))</i>	-	204,000
Agents warrants <i>(Note 10(a)(i))</i>	-	1,331,736
Exercised	-	(292,001)
Expired	-	(1,707,999)
Balance, end of period	<u>11,264,111</u>	<u>11,264,111</u>

<u>Date of Grant</u>	<u>Number Outstanding</u>	<u>Exercise Price (CAD \$)</u>	<u>Weighted Average Remaining Contractual Life</u>	<u>Expiry Date</u>
March 16, 2021	1,331,736	\$ 0.82	1.71	March 16, 2024
March 16, 2021	9,728,375	\$ 1.06	1.71	March 16, 2024 <i>(i)</i>
March 16, 2021	<u>204,000</u>	\$ 1.06	1.71	March 16, 2024 <i>(i)</i>
	<u>11,264,111</u>			

(i) If the volume-weighted average price of the common shares on the Canadian Securities Exchange (or any such other stock exchange in Canada as the common shares may trade at the applicable time) is greater than or equal to CAD \$2.12 per common share for a period of 10 consecutive trading days at any time following the date hereof, the Company may, in its sole discretion and upon giving notice to holders of warrants, accelerate the expiry of the warrants to the date that is 30 days following the date of such notice.

(c) Stock Options

The Company has a stock option plan that provides for the issuance to its directors, officers, employees and consultants options to purchase from treasury a number of common shares not exceeding 10% of the common shares that are outstanding from time to time which is the number of shares reserved for issuance under the plan. The options are non-transferable if not exercised. The exercise price is based on the Company's common shares prior to the day of the grant, which may be different from the closing price of such shares on the day of grant for options granted to date. To date the exercise price has not been materially different from the trading price of the shares on the grant date. A summary of the status of the Company's stock option plan as at June 30, 2022 and December 31, 2021 and changes during the respective periods ended on those dates is presented below:

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	June 30, 2022		December 31, 2021	
	Number of options	Weighted average exercise price (CAD \$)	Number of options	Weighted average exercise price (CAD \$)
Balance, beginning of period	6,543,260	\$ 0.46	4,162,698	\$ 0.77
Granted	-	-	5,320,000	0.45
Exercised	-	-	(573,292)	0.070
Cancelled / Expired	(943,263)	0.89	(2,366,146)	1.05
Balance, end of period	5,599,997	\$ 0.39	6,543,260	\$ 0.46
Exercisable, end of period	3,428,330	\$ 0.39	3,033,398	\$ 0.44

The range of exercise prices for the options outstanding and exercisable at June 30, 2022 are as follows:

Date of Grant	Number Outstanding	Exercise Price (CAD \$)	Weighted Average		Expiry Date	Number Exercisable
			Contractual Life	Remaining		
August 2, 2018	12,997	\$ 0.006	1.09		August 2, 2023	12,997
May 30, 2019	362,000	\$ 0.52	0.92		May 30, 2023	362,000
October 1, 2019	150,000	\$ 0.20	1.25		October 1, 2023	150,000
October 8, 2020	245,000	\$ 0.56	2.28		October 8, 2024	196,667
December 16, 2020	150,000	\$ 0.60	2.47		December 16, 2024	100,000
March 25, 2021	55,000	\$ 1.07	1.74		March 25, 2024	36,667
December 21, 2021	4,625,000	\$ 0.36	3.49		December 24, 2025	2,570,000
	<u>5,599,997</u>					<u>3,428,330</u>

Subsequent to the period ended June 30, 2022, 207,500 options were cancelled with an exercise price of CAD \$0.49.

(d) Restricted Share Units

At the Company's June 24, 2020, Annual and Special Meeting of Shareholders, the shareholders approved an equity-settled Restricted Share Unit plan ("RSU") for certain officers, directors, employees and consultants. The units are awarded at no cost to the recipient and the fair market value determined at the grant date is expensed uniformly over their vesting period. The fair market value of the award is based on the volume weighted average trading price for the shares on the CSE on the grant date. RSU expense is recognized over the vesting period with a related credit to contributed surplus. Vibe recognizes the expense based on the best available estimate of the number of RSUs expected to vest and revises the estimate if necessary. Upon redemption of RSUs, the contributed surplus balance is reduced through a credit to shareholders' capital. The weighted average fair value of 150,000 RSUs granted during the year ended December 31, 2020, were \$0.55 (CAD) per RSU, in March 2021, 100,000 RSU's were granted at \$1.07 (CAD) per RSU and in February 2021, the Company granted 600,000 RSU's at \$0.32 (CAD) per RSU. The RSU's granted were based on the Company's share price at the date of grant.



11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, other current assets, accounts payable, and notes payable.

Fair Value Measurements

All financial instruments are initially recognized at fair value and subsequently measured at amortized costs.

The carrying value of cash and cash equivalents, restricted cash, accounts receivable, other current assets, accounts payable and subscriptions received in advance approximately their value due to the short period to maturity of these instruments.

The fair value of the notes payable approximates fair value as they are based on amounts owed to third parties and estimated internal borrowing rates (in the case of lease obligations) using current market price indicators.

Liquidity Risk

Liquidity risk includes the risk that as a result of the Company's operational liquidity requirements:

- The Company will not have sufficient funds to settle a transaction on the due date;
- The Company will be forced to sell financial assets at a value that is less than what they are worth; or
- The Company may be unable to settle or recover a financial asset.

The Company's approach to managing liquidity is to ensure, within reasonable means, sufficient liquidity to meet its liabilities when due, under both normal and unusual conditions, without incurring unacceptable losses or jeopardizing the Company's business objectives. The Company prepares annual capital expenditure budgets which are monitored regularly and updated as considered necessary. Store sales are monitored daily to provide current cash flow estimates and the Company utilizes authorizations for expenditures on projects to manage capital expenditures. Any funding shortfall may be met in several ways, including, but not limited to, the issuance of new debt or equity instruments or expenditure reductions.

The Company is obligated to the following contractual maturities of undiscounted cash flows:

	<u>Less than one year</u>	<u>One to Three years</u>	<u>Four to Five years</u>	<u>Thereafter</u>	<u>Total</u>
Financial liability					
Accounts payable	\$ 3,507,485	\$ -	\$ -	\$ -	\$ 3,507,485
Notes payable	194,409	376,397	224,889	551,548	1,347,243
Lease obligations	421,049	665,908	263,480	-	1,350,437
Total contractual maturities	<u>\$ 4,122,943</u>	<u>\$ 1,042,305</u>	<u>\$ 488,369</u>	<u>\$ 551,548</u>	<u>\$ 6,205,165</u>



Market Risk

Market risk is comprised of four components: currency risk, interest rate risk, concentration risk and price risk.

i) Foreign Currency Exchange Risk

The Company operates on an international basis and therefore foreign exchange risk exposures arise from transactions denominated in currencies other than the United States Dollar. The Company is exposed to foreign currency fluctuations as it holds cash and incurs expenditures in administrative costs in foreign currencies. The Company incurs expenditures in Canadian Dollars and United States Dollars and is exposed to fluctuations in exchange rates in these currencies. There are no exchange rate contracts in place as at June 30, 2022 and December 31, 2021.

ii) Interest Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company is not currently exposed to interest rate risk as its note payable bears interest at fixed rates.

iii) Concentration Risk

The Company primarily operates in California. Should economic conditions deteriorate within that region, its results of operations and financial position would be negatively impacted.

iv) Price Risk

Price risk is the risk of variability in fair value due to movements in market prices. Please refer to Note 4 Biological Assets for the Company's assessment of certain changes in the fair value assumption used in the calculation of biological asset values.

12. CAPITAL MANAGEMENT

The Company views its capital as the combination of notes payable and shareholders' equity. The Company's objectives when managing its capital are to safeguard assets while maximizing the growth of the business and return to shareholders. The overall capitalization of the Company is as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Notes payable, including current portion	\$ 1,347,243	\$ 1,441,202
Shareholders' equity	<u>19,982,925</u>	<u>21,393,814</u>
Total capital	<u>\$ 21,330,168</u>	<u>\$ 22,835,016</u>

In order to meet the Company's capital management objectives, management is focused on several specific strategies as follows:

- (i) Ensuring the Company has the financing capacity to continue to execute on opportunities to increase overall market share through strategic acquisitions.
- (ii) Maintaining a strong capital base to secure investor, creditor and market confidence and ensure the Company's strategic objectives are met.



- (iii) Providing shareholder return through profitable business opportunities that grow the Company and benefit other stakeholders, while also safeguarding the entity's ability to continue as a going concern.

In managing the Company's capital, management considers current economic conditions, the underlying assets' risk characteristics, and the Company's planned capital requirements within guidelines approved by its Board of Directors. Total capitalization is maintained or adjusted by issuing new debt or equity securities when opportunities are identified and through the disposition of under-performing assets to reduce debt or equity when required. The Company has not changed its capital management strategy in the period.

13. CONTINGENCIES

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines or restrictions on its operations and losses of permits that could cause the Company to cease operations. While management believes that the Company is compliant with applicable local and state regulations at June 30, 2022, medical and adult-use cannabis regulations continue to evolve and are subject to differing interpretations. Accordingly, the Company may be subject to regulatory fines, penalties or operating restrictions in the future.

Although the possession, cultivation and distribution of cannabis for recreational and medical use is permitted in California and Oregon cannabis is a Schedule-I controlled substance and its use remains a violation of federal law. Since federal law criminalizing the use of cannabis preempts state laws that legalize its use, strict enforcement of federal law regarding cannabis would likely result in the Company's inability to proceed with managements business plans. Also, the Company's assets, including real property, cash, equipment and other goods, could be subject to asset forfeiture because cannabis is still federally illegal.

The Company records tax benefits for all periods subject to examination based upon management's evaluation of the facts, circumstances and information available at the reporting date. There is inherent uncertainty in quantifying income tax positions, especially considering the complex tax laws and regulations for federal, state and foreign jurisdictions in which the Company operates. The Company has recorded tax benefits for those tax positions where it is more likely than not that a tax benefit will result upon ultimate settlement with a tax authority that has all relevant information. For those income tax positions where it is not more likely than not that a tax benefit will result, no tax benefit has been recognized in the Condensed Consolidated Financial Statements.

From time to time, the Company may be involved in litigation or has claims sought against it in the normal course of business operations. Management of the Company is aware of one outstanding claim that deals with a contract dispute over the fees paid on the Palm Springs acquisition. The Company paid the claimant \$34,000 in 2021.

Under the terms of certain agreements and the Company's by-laws, the Company indemnifies individuals who have acted at the Company's request to be a director and/or officer of the Company, to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individuals as a result of their service.

14. SEGMENTED DISCLOSURE

The Company has five reportable operating segments for the three and six month period ended June 30, 2022: Dispensaries, Cultivation, Distribution, Real Estate and Corporate. The Company, through its operating segments, is engaged primarily in the retail sale and cultivation of cannabis. Management will regularly review the operating

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results of each operating segment to assess the operating segments' profitability and, correspondingly, the ability of each operating segment to sustain capital, enable future growth through capital investment and to repay debt.

The following tables show information regarding the Company's segments as at and for the three and six month period ended June 30, 2022.

As at June 30, 2022	Dispensaries	Cultivation	Distribution	Real Estate	Corporate	Total
Assets						
Total current assets	\$ 3,956,758	\$ 308,288	\$ 1,499,293	\$ 123,511	\$ 5,927,786	\$ 11,815,636
Intangible assets and goodwill	5,913,440	544,135	314,789	\$ -	-	6,772,364
Property and equipment	1,349,576	3,098,138	316	8,383,482	-	12,831,512
Right-of-use assets	997,495	-	77,785	-	-	1,075,280
Total assets	\$ 12,217,269	\$ 3,950,561	\$ 1,892,183	\$ 8,506,993	\$ 5,927,786	\$ 32,494,792
Liabilities						
Current liabilities						
Total current liabilities	\$ 3,125,220	\$ 208,004	\$ 198,446	\$ 366,959	\$ 5,912,891	\$ 9,811,520
Notes payable	40,259	113,974	-	998,601	-	1,152,834
Lease obligations	782,429	-	50,118	-	-	832,547
Deferred tax liability	612,691	102,275	-	-	-	714,966
Total liabilities	\$ 4,560,599	\$ 424,253	\$ 248,564	\$ 1,365,560	\$ 5,912,891	\$ 12,511,867

For the three month period ended June 30, 2022	Dispensaries	Cultivation	Distribution	Real Estate	Corporate	Consolidating Adjustments	Total
Revenue	\$ 5,461,016	\$ 212,232	\$ 219,215	\$ -	\$ -	\$ (164,177)	\$ 5,728,286
Cost of goods sold	2,827,123	389,752	272,182	-	-	- 164,177	3,324,880
Gross margin before biological asset adjustments	2,633,893	(177,520)	(52,967)	-	-	-	2,403,406
Net effect of adjustments for biological assets	-	(67,110)	-	-	-	-	(67,110)
Gross margin	2,633,893	(244,630)	(52,967)	-	-	-	2,336,296
Operating expenses							
General and administrative	169,694	33,210	22,360	7,597	517,845	-	750,706
Sales, security and marketing	1,232,353	934	-	-	(8,628)	-	1,224,659
Stock-based compensation	-	-	-	-	1,391	-	1,391
Depreciation and amortization	229,174	156,499	16,851	18,897	11,576	-	432,997
	<u>1,631,221</u>	<u>190,643</u>	<u>39,211</u>	<u>26,494</u>	<u>522,184</u>	<u>-</u>	<u>2,409,753</u>
Other expenses (income)	18,204	5,937	(1,380)	15,853	1,760	-	40,374
Income (loss) before income taxes	984,468	(441,210)	(90,798)	(42,347)	(523,944)	-	(113,831)
Income tax expense (recovery)	(22,274)	(3,546)	-	-	566,500	-	540,680
Net income (loss) for the period	\$ 1,006,742	\$ (437,664)	\$ (90,798)	\$ (42,347)	\$ (1,090,444)	\$ -	\$ (654,511)

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For the six month period ended June 30, 2022	Dispensaries	Cultivation	Distribution	Real Estate	Corporate	Consolidating Adjustments	Total
Revenue	\$ 10,950,306	\$ 281,493	\$ 470,026	\$ -	\$ -	\$ (302,563)	\$ 11,399,262
Cost of goods sold	<u>6,315,561</u>	<u>546,398</u>	<u>493,456</u>	<u>-</u>	<u>-</u>	<u>(302,563)</u>	<u>7,052,852</u>
Gross margin before biological asset adjustments	4,634,745	(264,905)	(23,430)	-	-	-	4,346,410
Net effect of adjustments for biological assets	<u>-</u>	<u>(50,683)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,683)</u>
Gross margin	4,634,745	(315,588)	(23,430)	-	-	-	4,295,727
Operating expenses							
General and administrative	350,351	84,020	47,836	7,597	1,127,920	-	1,617,724
Sales, security and marketing	2,329,290	3,239	-	-	11,165	-	2,343,694
Stock-based compensation	-	-	-	-	262,982	-	262,982
Depreciation and amortization	<u>473,724</u>	<u>287,948</u>	<u>25,244</u>	<u>32,985</u>	<u>27,111</u>	<u>-</u>	<u>847,012</u>
	<u>3,153,365</u>	<u>375,207</u>	<u>73,080</u>	<u>40,582</u>	<u>1,429,178</u>	<u>-</u>	<u>5,071,412</u>
Other expenses (income)	42,381	12,492	3,697	31,886	(1,307)	-	89,149
Income (loss) before income taxes	1,438,999	(703,287)	(100,207)	(72,468)	(1,427,871)	-	(864,834)
Income tax expense (recovery)	<u>(44,284)</u>	<u>(7,071)</u>	<u>-</u>	<u>-</u>	<u>831,500</u>	<u>-</u>	<u>780,145</u>
Net income (loss) for the period	<u>\$ 1,483,283</u>	<u>\$ (696,216)</u>	<u>\$ (100,207)</u>	<u>\$ (72,468)</u>	<u>\$ (2,259,371)</u>	<u>\$ -</u>	<u>\$ (1,644,979)</u>