PLANTX LIFE INC.

(FORMERLY VEGASTE TECHONOLOGIES CORP.)

Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2021 and 2020

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

MANAGEMENT'S COMMENTS ON UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if any auditor has not performed a review of the Interim Condensed Consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited Interim Condensed Consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of Interim Condensed Consolidated financial statements by an entity's auditors.

PlantX Life Inc. (formerly Vegaste Technologies Corp.)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at		June 30, 2021		March 31, 2021
		(Unaudited)		(Audited)
ASSETS				
Current assets				
Cash	**$**	**13,573,427**	$	20,364,895
Trade receivables		**2,205,395**		2,393,427
Sales taxes recoverable		**78,507**		204,126
Prepaids and deposits (Note 6)		**1,066,506**		1,306,884
Inventories		**589,858**		112,949
Other assets		**83,998**		9,759
		17,597,691		24,392,040
Non-Current assets				
Property and equipment (Note 10)		**657,952**		448,787
Right-of-use asset (Note 9)		**1,032,486**		67,576
Intangible assets (Note 8)		**556,463**		540,196
Goodwill (Note 8)		**18,517,511**		8,393,522
Total assets	**$**	**38,362,103**	$	33,842,121
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (Note 7)	**$**	**2,143,960**	$	1,987,602
Unearned revenue (Note 13)		**80,169**		81,156
Loans payable (Note 14)		**141,798**		86,683
Other liability		**-**		65,000
Lease liability - current (Note 9)		**326,064**		31,323
		2,691,991		2,251,764
Non-current liabilities				
Loans payable (Note 14)		**433,562**		40,000
Lease liability - non-current (Note 9)		**698,396**		33,913
Total liabilities		**3,823,949**		2,325,677
Shareholders' equity				
Share capital (Note 12)		**39,161,396**		32,495,837
Obligation to issue shares (Note 12)		**3,091,450**		14,700
Reserves (Note 12)		**29,364,400**		25,802,809
Foreign exchange translation reserve		**59,265**		58,371
Deficit		**(37,138,357)**		(26,855,273)
Total shareholders' equity		**34,538,154**		31,516,444
Total liabilities and shareholders' equity	**$**	**38,362,103**	$	33,842,121

Nature of Operations (Note 1)
Going Concern Assumption (Note 2)
Reverse Takeover Acquisition (Note 16)
Acquisition of Bloombox (Note 17)
Acquisition of Score (Note 18)
Subsequent Events (Note 23)
Approved on behalf of the Board of Directors:

"Quinn Field-Dyte" (signed)
Quinn Field-Dyte, Director

"Lorne Rapkin" (signed)
Lorne Rapkin, Director

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

PlantX Life Inc. (formerly Vegaste Technologies Corp.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three months ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)
(Unaudited)

		2021		2020
Revenue (Note 13)	**$**	**4,089,705**	$	132,890
Cost of sales		**(2,952,592)**		(122,303)
Gross Profit		**1,137,113**		10,587
Operating expenses				
Accounting and audit fees		**88,997**		22,762
Advertising and promotion		**2,006,802**		23,806
Amortization (Notes 8, 9 and 10)		**119,644**		-
Consulting and management expenses (Note 11)		**1,410,998**		27,897
General and administrative		**438,051**		11,864
Insurance expense		**33,223**		-
Legal fees		**375,803**		41,304
Salaries and benefits (Note 11)		**745,912**		-
Share-based compensation (Notes 11 and 12)		**5,937,614**		-
Transfer agent and filing fees		**34,752**		-
Travel expenses		**184,023**		15,484
		(11,375,819)		(143,117)
Operating Loss		**(10,238,706)**		(132,530)
Other items				
Foreign exchange loss		**(69,711)**		(1,490)
Interest income		**8,737**		-
Other income		**16,596**		-
		(44,378)		(1,490)
Net loss and comprehensive loss	**$**	**(10,283,084)**	$	(134,020)
Basic and diluted loss per share (Note 12)	**$**	**(0.09)**	$	(0.01)
Weighted average number of common shares outstanding - basic and diluted		**115,288,196**		23,572,220

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

PlantX Life Inc. (formerly Vegaste Technologies Corp.)
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended June 30, 2021 and 2020
(Expressed in Canadian Dollars)
(Unaudited)

		2021		2020
Operating activities				
Net loss for the period	**$**	**(10,283,084)**	$	(134,020)
Items not involving cash:				
Share-based compensation		**5,937,614**		-
Shares issued for services		**304,047**		-
Depreciation		**77,556**		-
Amortization of intangible assets		**42,088**		-
Accretion		**2,714**		-
Net changes in non-cash working capital:				
Trade receivable		**(776,703)**		(76,082)
Sales taxes recoverable		**125,619**		(2,898)
Inventories		**(281,055)**		-
Prepaids and deposits		**328,361**		31
Other assets		**(74,239)**		-
Accounts payable and other liabilities		**(659,459)**		94,557
Unearned revenue		**(987)**		-
Due from (to) related parties		**-**		86,044
Net cash used in operating activities		**(5,257,528)**		(32,368)
Investing activities				
Net cash paid for acquisition of Little West		**(427,041)**		-
Net cash paid for acquisition of New Deli		**(559,050)**		-
Net cash paid for acquisition of LIV Marketplace		**(687,913)**		-
Equipment		**(105,262)**		-
Net cash used in investing activities		**(1,779,226)**		-
Financing activities				
Proceeds from exercise of share options		**12,500**		-
Proceeds from share subscriptions		**26,082**		-
Proceeds from loan, net of repayment		**265,027**		-
Payment of lease liability		**(57,152)**		-
Net cash provided by financing activities		**246,457**		-
Effect of foreign exchange on cash and cash equivalents		**(1,171)**		-
Net change in cash		**(6,791,468)**		(32,368)
Cash, beginning		**20,364,895**		97,340
Cash, ending	**$**	**13,573,427**	$	64,972

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

PlantX Life Inc. (formerly Vegaste Technologies Corp.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Common Share Capital						
	Number of Shares	Amount	Obligation to issue shares	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
Balance, March 31, 2020	**23,572,220**	**$ 471,444**	**$ -**	**$ 7,875**	**$ -**	**$ (342,386)**	**$ 136,933**
Net and comprehensive loss	-	-	-	-	-	(134,020)	(134,020)
Balance, June 30, 2020	**23,572,220**	**$ 471,444**	**$ -**	**$ 7,875**	**$ -**	**$ (476,406)**	**$ 2,913**
Shares issued from private placements (Note 12)	45,728,291	9,840,118	-	4,924,682	-	-	14,764,800
Shares issued from public offering (Note 12)	19,102,765	12,552,370	-	7,505,533	-	-	20,057,903
Eliminated PlantX Living shares (Note 16)	(35,572,220)	-	-	-	-	-	-
PlantX Life number of shares - post consolidation (Notes 12 and 16)	2,513,394	-	-	-	-	-	-
Shares issued for RTO acquisition (Notes 12 and 16)	39,129,442	1,517,654	-	-	-	-	1,517,654
Shares issued for Bloombox Acquisition (Notes 12 and 17)	10,782,559	6,841,976	-	-	-	-	6,841,976
Shares issued for Score Acquisition (Notes 12 and 18)	1,897,152	1,943,492	-	-	-	-	1,943,492
Shares issued as finders' fee (Notes 12 and 16)	1,251,255	1,080,098	-	-	-	-	1,080,098
Share issuance costs - cash (Note 12)	-	(1,856,230)	-	-	-	-	(1,856,230)
Finders' warrants (Note 12)	-	(1,366,352)	-	1,366,352	-	-	-
Shares issued for exercise of options (Note 12)	1,772,500	556,304	-	(338,179)	-	-	218,125
Shares issued for exercise of warrants (Note 12)	19,800	8,098	-	(3,148)	-	-	4,950
Shares issued for debt settlement (Notes 11 and 12)	625,600	727,618	-	-	-	-	727,618
Shares issued for services (Note 12)	158,979	206,673	-	-	-	-	206,673
Share subscriptions receivable (Note 12)	-	(27,425)	-	-	-	-	(27,425)
Obligation to issue shares (Note 12)	-	-	14,700				14,700
Share-based compensation (Notes 11 and 12)	-	-	-	12,339,694	-	-	12,339,694
Net and comprehensive loss	-	-	-	-	58,371	(26,378,867)	(26,320,496)
Balance, March 31, 2021	**110,981,737**	**$ 32,495,837**	**$ 14,700**	**$ 25,802,809**	**$ 58,371**	**$ (26,855,273)**	**$ 31,516,444**
Shares issued for vested RSU and PSU (Note 12)	2,163,250	2,376,023	-	(2,376,023)	-	-	-
Shares issued for acquisition of Little West (Notes 19)	1,272,832	649,144	3,076,750	-	-	-	3,725,894
Shares issued for acquisition of New Deli (Notes 20)	2,515,983	1,484,430	-	-	-	-	1,484,430
Shares issued for acquisition LIV assets (Notes 21)	3,777,778	1,813,333	-	-	-	-	1,813,333
Shares issued for exercise of options (Note 12)	50,000	12,500	-	-	-	-	12,500
Shares issued for services (Note 12)	646,909	304,047	-	-	-	-	304,047
Share subscription received (Note 12)	-	26,082	-	-	-	-	26,082
Share-based compensation (Notes 11 and 12)	-	-	-	5,937,614	-	-	5,937,614
Net and comprehensive loss	-	-	-	-	894	(10,283,084)	(10,282,190)
Balance, June 30, 2021	**121,408,489**	**$ 39,161,396**	**$ 3,091,450**	**$ 29,364,400**	**$ 59,265**	**$ (37,138,357)**	**$ 34,538,154**

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

1. Nature of Operations

PlantX Life Inc. (formerly Vegaste Technologies Corp.) ("PlantX" or the "Company") is incorporated under the laws of the province of British Columbia. PlantX was formerly an exploration stage company engaged in the acquisition and exploration of mineral resource properties in Canada.

On August 5, 2020, the Company completed the acquisition of PlantX Living Inc. (formerly PlantX Life Inc.) ("PlantX Living"). In connection with the acquisition, the Company also consolidated its common shares on the basis of one post-consolidation share for ten pre-consolidation shares and changed its name from "Winston Resources Inc." to "Vegaste Technologies Corp.". The acquisition was a reverse takeover transaction, and the Company carried on the business of PlantX Living (Note 16). On September 28, 2020, the Company changed its name to "PlantX Life Inc."

On November 6, 2020, the Company completed the acquisition of Bloombox Club Ltd. ("Bloombox"). Bloombox is a privately held e-commerce company based in the United Kingdom that sells and delivers indoor plants to its established wellness community via subscription service and on-line store (Note 17).

On January 7, 2021, the Company completed the acquisition of Score Enterprises Ltd. ("Score"), a privately held company that operates the Squamish, British Columbia based Locavore Bar & Grill, and other related businesses including the Cloudburst Cafe and Locavore Food Truck (Note 18).

On May 10, 2021, the Company closed the acquisition of Little West LLC ("Little West). Little West is a privately owned, California-based cold-pressed juice company that offers a wide range of curated cold-pressed juices and products that emphasize health and wellness with a focus on locally sourced, high-quality and fresh ingredients (Note 19).

On May 27, 2021, the Company completed its acquisition of all of the issued and outstanding membership interests of MK Cuisine Global LLC's Plant-Based Deli LLC (New Deli). New Deli is a sustainable and plant-based neighborhood bodega located in Venice Beach, California, that offers practical, everyday retail goods that range from household supplies and personal hygiene products to frozen foods, pantry staples, snacks, beer and wine (Note 20).

On June 25, 2021, the Company completed the acquisition of certain assets of LIV Marketplace LLC ("LIV Marketplace"). California-based LIV Marketplace is the exclusive on-line fulfilment partner and retail distributor of PlantX products within the United States and is responsible for building and operating the Company's brick-and-mortar retail store in San Diego, California (Note 21).

PlantX is a reporting issuer in the jurisdictions of British Columbia, Alberta and Ontario and lists its Common Shares for trading on the Canadian Securities Exchange ("CSE") under the new symbol "VEGA", on the OTCQB® Venture Market under the symbol "PLTXF" and on the Frankfurt Stock Exchange under the symbol "WNT1".

The head office of the Company is located at 504-100 Park Royal South West Vancouver, BC, V7T 1A2, Canada.

2. Going Concern Assumption

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern under International Financial Reporting Standards ("IFRS"). The use of these principles under IFRS assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company continues to incur operating losses, which casts significant doubt about the Company's ability to continue as a going concern.

During the three months ended June 30, 2021, the Company generated revenue of $4,089,705 and as of June 30, 2021 had a deficit of $37,138,357 (March 31, 2021 - $26,855,273). In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not

2. Going Concern Assumption (Continued)

limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of uncertainties related to events or conditions that may cast significant doubt upon its ability to continue as a going concern that these uncertainties are material and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business.

Management's current strategy is to control costs while pursuing opportunities within various market sectors. Management recognizes the Company's need to increase its cash reserves if it intends to pursue to its plans and has evaluated its potential sources of funds. Although management intends to assess and act on these options throughout the course of the year, there can be no assurance that the steps management take will be successful.

In the event that existing cash resources and cash flow from operations, together with the proceeds from any future financings are insufficient to cover planned expenditures, management will allocate available resources in such manner as deemed to be in the Company's best interest. This may result in a significant reduction in the scope of existing and planned operations. Accordingly, these condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and discharge its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying condensed interim consolidated financial statements. These adjustments could be material.

Since March 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruptions to business globally in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time. The impact of these factors on the Company is not yet determinable; however, the Company's financial position, results of operations and cash flows in future periods may be materially affected.

3. Statement of Compliance and Basis of Presentation

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 and International Accounting Standard 1, Presentation of Financial Statements ("IAS 1") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these consolidated financial statements are based on IFRS and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect at June 30, 2021.

These condensed interim consolidated financial statements were reviewed and approved by the Board of Directors and authorized for issued on August 27, 2021.

(b) Basis of presentation

These condensed interim consolidated financial statements of the Company have been prepared based on historical costs, modified where applicable. These condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency.

(c) Basis of consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the Company has power over an investee, exposure or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Company's returns.

(Expressed in Canadian Dollars)

3. Statement of Compliance and Basis of Presentation (continued)

(c) Basis of consolidation (continued)

These condensed interim consolidated financial statements include the financial statements of the Company and its significant subsidiaries listed in the following table:

Name	Country of incorporation	Functional currency	% equity interest as at June 30, 2021
Vegaste Technologies US Corp. (“Vegaste”)	US	U.S Dollar	100%
PlantX Living Inc.	Canada	Canadian Dollar	100%
Bloombox Club Ltd. (“Bloombox”)	United Kingdom	Pound Sterling	100%
Bloombox UG	Germany	Euro	100%
PlantX Living Squamish Inc. (”Score”)	Canada	Canadian Dollar	100%
PlantX Israel Ltd. (“Israel”)	Israel	Israeli New Shekel	100%
PlantX Lifestyle USA Inc.	US	U.S Dollar	100%
WS West LLC (“Little West LLC”)	US	U.S Dollar	100%
Plant-Based Deli LLC	US	U.S Dollar	100%
New Deli Hillcrest LLC	US	U.S Dollar	100%

All intercompany transactions, balances and any unrealized gains and losses from intercompany transactions are eliminated on consolidation.

4. Significant Accounting Policies

(a) Use of estimates and judgments

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company’s management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments, the recoverable amounts of cash generating units and estimates used in purchase price allocations.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company’s financial statements include the assessment of the Company’s ability to continue as a going concern.

(b) Foreign currency translation

Foreign currency transactions are translated into Canadian dollars using exchange rates in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the exchange rate in effect at the measurement date. Non-monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the historical exchange rate or the exchange rate in effect at the measurement date for items recognized at fair value. Gains and losses arising from foreign exchange are included in the consolidated statements of operations.

4. Significant Accounting Policies (Continued)

(b) Foreign currency translation (continued)

Translation to presentation currency

The results and financial position of those entities with a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of the Statements of Financial Position;
- income and expenses are translated at average exchange rates; and
- all resulting exchange differences are recognized in accumulated other comprehensive loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising on translation of foreign operations are recognized in accumulated other comprehensive loss. On disposal of a foreign operation (that is, a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation) all exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are reclassified from accumulated other comprehensive income/loss to net income/loss for the period.

(c) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. All financial instruments are initially recorded at fair value, adjusted for directly attributable transaction costs. The Company determines each financial instrument's classification upon initial recognition. Measurement in subsequent periods depends on the financial instrument's classification.

Classification
The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has opted to measure them at FVTPL.

Measurement
Financial assets at FVTOCI
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive loss and never reclassified to profit and loss. The Company has no financial assets classified as FVTOCI.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. The Company's financial assets and liabilities at amortized cost include trade receivable, accounts payable, other liability, and loans payable.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transactions costs expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recorded in the statements of comprehensive loss in the period in which they arise. Cash is classified as FVTPL.

4. Significant Accounting Policies (Continued)

(c) Financial instruments (continued)

<u>Impairment of financial assets at amortized cost</u>

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset's credit risk has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve-month expected credit losses. The Company shall recognize in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

<u>Derecognition</u>
Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statements of comprehensive loss.

(d) Loss per share

Basic loss per share is calculated by dividing the net loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is determined by adjusting the weighted average number of common shares outstanding for the effects of dilutive instruments such as options granted to employees. The effects of anti-dilutive potential units are ignored in calculating diluted earnings per share. All options and warrants are considered anti-dilutive when the Company is in a loss position.

(e) Intangible assets

The Company's intangible assets consist of a finite life intangible asset that is recorded at cost less accumulated depreciation and accumulated impairment losses. Finite life intangible assets are amortized once they are available for use on a straight-line basis over their estimated useful lives. The Company's intangible assets are amortized as follows:

- Website – 4 years
- Customer list – 3 years
- Trade name – 4 years

(f) Impairment of non-financial assets

The carrying amount of the Company's non-financial assets (which include intangible assets and goodwill) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss

4. Significant Accounting Policies (Continued)

(f) Impairment of non-financial assets (continued)

is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life, intangible assets not yet available for use, and goodwill are not subject to amortization and are tested annually for impairment.

(g) Share capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

(h) Warrants

When the Company issues units that are comprised of a combination of shares and warrants, the value is assigned to shares and warrants based on their relative fair values. The fair value of the shares is determined by the closing price on the date of the transaction and the fair value of the warrants is determined based on the Black-Scholes Option Pricing Model.

(i) Share-based compensation

The Company grants stock options to directors, officers, employees and consultants. Share-based compensation is measured on the grant date at the fair value of equity instruments issued, using the Black-Scholes Option Pricing Model and is recognized over the vesting periods. A corresponding increase in share-based payment reserve is recorded when stock options are expensed. When stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion of share-based compensation previously recorded in contributed surplus. Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

(j) Business combination

Business combinations are accounted for using the acquisition method. The consideration transferred by the Company is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Company, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3, Business Combinations, are recognized at their fair values at the acquisition date. Acquisition costs are expensed as incurred.

4. Significant Accounting Policies (Continued)

(k) Income taxes

Current income tax:
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:
Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(l) Revenue

The Company adopted all requirements of IFRS 15 Revenue from Contracts with Customers (“IFRS 15”) on incorporation at October 11, 2019. IFRS 15 utilizes a methodical framework for entities to follow to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The IFRS 15 model contains the following five-step contract-based analysis of transactions guiding revenue recognition:

1. Identify the contract with a customer;
2. Identify the performance obligation(s) in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligation(s) in the contract; and
5. Recognize revenue when or as the Company satisfies the performance obligation(s).

Revenue comprises the fair value of consideration received or receivable for the sale of goods and services in the ordinary course of the Company’s activities. Revenue is shown net of returns and discounts.

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer.

4. Significant Accounting Policies (Continued)

(l) Revenue (continued)

The Company operates websites where customers can purchase plant-based food and beverage products from various suppliers and also distributes these products through wholesale arrangements. The Company also offers household plants, cosmetics and plant-based pet food on the same platform. The Company's primary sources of revenue are sales made through its website, wholesale arrangements and sales made directly to restaurants and grocery stores.

The Company transfers control and satisfies its performance obligation when the plant-based food and beverage products are delivered and accepted by its customers.

(m) Leases

IFRS 16 replaces IAS 17. The new standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease.

The Company adopted all of the requirements of IFRS 16 *Leases* ("IFRS 16") on incorporation at October 11, 2019. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use, with the exception of leases of low-value assets or leases with a term of 12 months or less, which are recognized on a straight-line basis as an expense. Each lease payment is allocated between the repayment of the lease liability and finance cost. The finance cost is charged to the statement of net income (loss) and comprehensive income (loss) over the lease period to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Right-of-use assets and lease liabilities arising from a lease are initially measured on a present value basis (Note 9).

(n) Future accounting pronouncements

There are no other IFRS or International Financial Reporting Interpretations Committee interpretation that are not yet effective that are expected to have a material impact on the Company's consolidated financial statements.

5. Risk Management and Financial Instruments

The Company's financial instruments consist of cash, trade receivable, accounts payable, and loans payable. The carrying values of the financial instruments approximate fair value due to the short-term nature of these instruments. Fair value of financial assets and liabilities, information related to risk management positions and discussion of risks associated with financial assets and liabilities are presented as follows:

Fair value

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

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

(Expressed in Canadian Dollars)

5. Risk Management and Financial Instruments (Continued)

Fair value (continued)

As at June 30, 2021, the carrying value of the Company's financial instruments approximates their fair value due to their short terms to maturity. The fair value of cash was determined using level 1 inputs. The impairment test of goodwill and intangible assets of the acquisition of Bloombox was tested using level 2 inputs of comparable transactions of ecommerce companies.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company's primary exposure to credit risk is in its cash accounts and trade receivable. The Company manages credit risk, in respect of cash, by placing cash at major Canadian financial institutions. Accounts receivable mainly consists of receivables from its customers. At June 30, 2021, 95% of the Company's accounts receivable were from one customer.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations as they become due. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. At June 30, 2021, the Company had a cash balance of $13,573,427 and current liabilities of $2,691,991. All of the Company's financial liabilities have contractual maturities of less than 90 days. The Company is not exposed to significant liquidity risk.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital. As at June 30, 2021, the Company is not exposed to significant market risk.

6. Prepaid and deposits

		As at June 30, 2021		As at March 31, 2021
Insurance	**$**	**9,360**	$	30,333
Legal		**30,655**		30,655
Office		**121,559**		69,142
Advertising and promotion		**527,640**		1,009,972
Consulting		**34,691**		88,261
Rent		**45,398**		78,521
Deposits		**297,203**		-
	$	**1,066,506**	$	1,306,884

7. Accounts Payable and Accrued Liabilities

		As at June 30, 2021		As at March 31, 2021
Accounts payable (Note 11)	**$**	**1,396,529**	$	1,381,851
Accrued liabilities		**747,431**		605,751
	$	**2,143,960**	$	1,987,602

(Expressed in Canadian Dollars)

8. Intangible Assets and Goodwill

Intangible assets	**Website**	**Customer Relationship**	**Trade Name**	**Total**
Cost:				
As at March 31, 2020	$ 132,796	$ -	$ -	$ 132,796
Additions (Note 17)	38,000	316,000	123,000	477,000
Additions (Note 18)	10,000	-	-	10,000
As at March 31, 2021	180,796	316,000	123,000	619,796
Additions (Note 19)	56,086	-	-	56,086
FX Translation	1,387	-	-	1,387
As at June 30, 2021	$ 238,269	$ 316,000	$ 123,000	$ 677,269
Amortization:				
As at March 31, 2020	$ -	$ -	$ -	$ -
Charge for the year	(22,898)	(43,889)	(12,813)	(79,600)
As at March 31, 2021	$ (22,898)	$ (43,889)	$ (12,813)	$ (79,600)
Charge for the period	(8,067)	(26,333)	(7,688)	(42,088)
FX translation	58	639	185	882
As at June 30, 2021	$ (30,907)	$ (69,583)	$ (20,316)	$ (120,806)
Net book value:				
As at March 31, 2021	**$ 157,898**	**$ 272,111**	**$ 110,187**	**$ 540,196**
As at June 30, 2021	**$ 207,362**	**$ 246,417**	**$ 102,684**	**$ 556,463**

Goodwill	**LIV**	**New Deli**	**Little West**	**Bloombox**	**Score**	**Total**
As at March 31, 2020	$ -	$ -	$ -	$ -	$ -	$ -
Additions (Notes 17 and 18)	-	-	-	7,464,982	2,041,480	9,506,462
Impairment (Note 18)	-	-	-	-	(1,112,940)	(1,112,940)
As at March 31, 2021	**-**	**-**	**-**	**7,464,982**	**928,540**	**8,393,522**
Additions (Notes 19, 20 and 21)	3,604,988	2,106,451	4,412,550	-	-	10,123,989
As at June 30, 2021	**$ 3,604,988**	**$ 2,106,451**	**$ 4,412,550**	**$ 7,464,982**	**$ 928,540**	**$ 18,517,511**

Goodwill calculated in these acquisitions represents the expected synergies from combining the operations of Bloombox Score, Little West, LIV and New Deli with the Company, revenue growth, future market development and the workforce acquired.

(Expressed in Canadian Dollars)

9. Lease Assets and Liabilities

On January 1, 2021, the Company entered a lease agreement for office use for a period of three years. Under the terms of agreement, the monthly lease payment is $1,870 for the first year; $1,934 for the second year; and $1,998 for the third year. The incremental borrowing rate used is 5%.The Company recognized the value of right-of-use ("ROU") asset and lease liability on the statement of financial position.

Right-of-use asset:		
Present value of lease payments	$	64,719
Deposits		8,250
Depreciation		(5,393)
Balance, March 31, 2021		**67,576**
Addition		**1,009,863**
Depreciation		**(44,953)**
Balance, June 30, 2021	**$**	**1,032,486**

Lease liability:		
Present value of lease payments	$	64,719
Accrued interest		517
Balance, March 31, 2021		**65,236**
Less: current portion		(31,323)
Non-current portion	**$**	**33,913**
Balance, March 31, 2021	$	65,236
Addition		994,370
Accrued interest		2,714
Payment		(37,860)
Balance, June 30, 2021		**1,024,460**
Less: current portion		(326,064)
Non-current portion	**$**	**698,396**

(Expressed in Canadian Dollars)

10. Property and Equipment

	Office Equipment	Machinery and Equipment	Furniture and Fixtures	Building Improvements	Total
Cost:					
Balance, March 31, 2020	$ -	$ -	$ -	$ -	$ -
Additions (Note 18)	20,581	363,323	58,840	332,438	775,182
Disposal	-	-	(5,180)	-	(5,180)
Balance, March 31, 2021	20,581	363,323	53,660	332,438	770,002
Additions (Note 19)	2,164	130,485	58,330	51,033	242,012
Balance, June 30, 2021	$ 22,745	$ 493,808	$ 111,990	$ 383,471	$ 1,012,014
Amortization:					
Balance, March 31, 2020	$ -	$ -	$ -	$ -	$ -
Additions	(17,804)	(124,148)	(16,679)	(132,975)	(291,606)
Charge for the year	(1,979)	(10,312)	(1,342)	(8,311)	(21,944)
FX translation	49	(7,714)	-	-	(7,665)
Balance, March 31, 2021	(19,734)	(142,174)	(18,021)	(141,286)	(321,215)
Charge for the period	(2,475)	(14,346)	(3,224)	(12,558)	(32,603)
FX translation	(75)	-	-	(169)	(244)
Balance, June 30, 2021	$ (22,284)	$ (156,520)	$ (21,245)	$ (154,013)	$ (354,062)
Net book value:					
Balance, March 31, 2021	$ 847	$ 221,149	$ 35,639	$ 191,152	$ 448,787
Balance, June 30, 2021	$ 461	$ 337,288	$ 90,745	$ 229,458	$ 657,952

11. Related Party Transactions

Related parties include key management personnel and the entities controlled or directed by key management personnel. Key management personnel include Board of Directors and key executives of the Company together with certain individuals responsible for outsourced services who in the opinion of the Company have satisfied relevant criteria to be considered, key management personnel under applicable accounting standards based on the information available as of the date of issuance of these consolidated financial statements. Key management compensation are as follows:

	June 30, 2021	June 30, 2020
Consulting fees	**$ 597,672**	$ 6,993
Other operating expenses	**245,565**	-
Share-based compensation (Note 12)	**1,188,462**	-
	$ 2,031,699	$ 6,993

As at June 30, 2021, $30,485 (March 31, 2021 - $39,347) is included in accounts payable and accrued liabilities owing to a directors or officers for consulting and director fees. The amounts due are unsecured, due on demand, and bear no interest.

During the three months ended June 30, 2021, the Company incurred legal fees of $ 45,188 with law firm at which a director, Peter Simeon, is a partner.

Other operating expenses include administrative expenses of $70,144 and travel expenses of $130,234 that were paid on behalf of key management in the normal course of operations

12. Share Capital and Reserves

Share capital

The Company's authorized share capital consists of:

- an unlimited number of common shares without par value; and
- an unlimited number of preferred shares without special rights or restrictions attached.

On August 5, 2020, in connection with the completion of the reverse takeover acquisition, the Company consolidated its common shares on the basis of one post-consolidation share for ten pre-consolidation shares (Note 16).

As at June 30, 2021, the Company had 121,408,489 (March 31, 2021 - 110,981,737) common shares outstanding.

During the three months ended June 30, 2021:

On April 5, 2021, the Company issued 2,163,250 common shares for vested 987,500 PSU's and 1,175,750 RSU's to certain directors, officers, employees and consultants of the Company pursuant to terms and conditions of the Company's PSU and RSU Plan. The fair value of common shares issued was $2,376,023.

On May 7, 2021, the Company issued a total of 1,272,832 common shares for a fair value of $649,144 as consideration to acquire Little West (Note 19).

On May 18, 2021, the Company issued an aggregate of 646,909 common shares for a fair value of $304,047 to certain consultants of the Company at a price of $0.47 per common share for services rendered in accordance with the terms of their respective consulting agreements with the Company.

On May 26, 2021, the Company issued a total of 2,515,983 common shares for a fair value of $1,484,430 as consideration to acquire New Deli (Note 20).

On June 25, 2021, the Company issued a total of 3,777,778 common shares for a fair value of $1,813,333 as consideration to acquire LIV Marketplace assets (Note 21).

During the three months ended June 30, 2021, the Company issued 50,000 common shares for exercise of 50,000 options at an exercise price of $0.25.

During the year ended March 31, 2021:

On August 5, 2020, the Company issued a total of 39,129,442 common shares at a fair value of $1,517,654 related to the reverse takeover acquisition of PlantX Living. In connection with the acquisition, the Company closed a private placement of 12,819,200 common shares at a price of $0.25 per share for total gross proceeds of $3,204,800 (Note 16).

In addition, the Company also closed a seed round financing of 12,000,000 common shares at a price of $0.005 per share for total gross proceeds of $60,000.

On November 6, 2020, the Company issued a total of 10,782,559 common shares at a fair value of $6,841,976 as consideration to acquire Bloombox. In connection with the acquisition, the Company issued 1,251,255 common shares with a fair value of $1,080,098 as finders' fee (Note 17).

In addition, the Company closed a non-brokered private placement of 12,819,200 common shares at a price of $0.25 per share for total gross proceeds of $3,204,800. The Company incurred in $14,000 issuance cost and issued 36,000 finders' warrants for a fair value of $5,724 related to this offering.

12. Share Capital and Reserves (Continued)

Share capital (continued)

On December 16, 2020, the Company closed a non-brokered private placement of 20,909,091 units of the Company at a price of $0.55 per unit for aggregate gross proceeds of $11,500,000. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at an exercise price of $0.75 per share until December 16, 2022. In the event that the trading price of the common shares on the CSE (or such other Canadian stock exchange on which the common shares are listed for trading) equals or exceeds $2 per common share for any period of 10 consecutive trading days, then the Company may, at its option, within 10 business days following such 10-day period, accelerate the warrant expiry date by issuing a press release, and, in such case, the warrant expiry date will be deemed to be 5 p.m. PT on the 30th day following the issuance of the warrant acceleration press release. The Company paid a total of $430,547 in finders' fees and issued an aggregate of 774,757 finders' warrants with a fair value of $841,835 to the finders in connection with the offering. Each finder's warrant entitles the finder to acquire one common share at an exercise price of $0.75 per share until the warrant expiry date unless otherwise accelerated pursuant to the warrant acceleration option.

On January 4, 2021, the Company issued a total of 158,979 common shares to third parties for a fair value of $206,673 in exchange of services.

On January 7, 2021, the Company issued a total of 1,897,152 common shares for a fair value of $1,943,492 as consideration to acquire Score (Note 18).

On March 22, 2021, the Company completed a public offering through the sale and issue of 19,102,765 units of the Company for gross proceeds of $20,057,903, including a partial exercise of the overallotment option (hereafter defined). Pursuant to an agency agreement between the company and Mackie Research Capital Corp. entered into on March 11, 2021, the agent acted as the lead agent and sole bookrunner for the offering. The Company granted the agent an option to purchase up to an additional 15% of the units, exercisable on or before April 21, 2021, at a price of $1.05 per unit, to cover overallotments. The overallotment option is exercisable to acquire additional units, common shares or warrants (or any combination thereof) at the discretion of the agent. Each unit consisted of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at a price of $1.25 per warrant up to March 22, 2023, provided that if, at any time, the daily volume-weighted average trading price (or closing price on trading days when there are no trades) of the common shares on the CSE or, if the common shares are not listed on the CSE, then on such other recognized Canadian stock exchange on which the common shares are then listed, equals or exceeds $2 per common share over any 10 consecutive trading days, the Company shall be entitled, at its option, within 10 business days following such 10-day period, to accelerate the exercise period of the warrants through the issuance of a press release specifying the new expiry date and, in such case, the warrants will expire on the 30th day following the issuance of the acceleration notice. From and after the new expiry date specified in such acceleration notice, no warrants may be issued or exercised, and all unexercised warrants shall be void and of no effect following the new expiry date. The Company paid the agent a cash commission of $970,139 and finder fees of $441,544 and issued 923,943 finders’ warrants exercisable until March 22, 2023, at a price of $1.25 per share with a fair value of $518,793.

During the year ended March 31, 2021, the Company issued of 625,600 common shares with a fair value of $727,618 in settlement of debt of $688,964. The Company recognized a loss on debt settlement of $38,654 on the statement of loss and comprehensive loss (Note 11).

During the year ended March 31, 2021, the Company issued a total of 272,500 common shares for exercise of 272,500 options at an exercise price of $0.25.

During the year ended March 31, 2021, the Company issued 1,500,000 common shares for exercise of 1,500,000 options at an exercise price of $0.10 to a related party of the Company.

(Expressed in Canadian Dollars)

12. Share Capital and Reserves (Continued)

Share capital (continued)

During the year ended March 31, 2021, the Company issued 19,800 common shares related to the exercise of 19,800 finders' warrants at an exercise price of $0.25.

The Company has an obligation to issue 10,000 shares to a consultant of the Company as of March 31, 2021. The Company recognized $14,700 in the consolidated statement of changes in shareholders' equity as an obligation to issue shares.

During the year ended March 31, 2021, the Company received an aggregate amount of $27,425 of share subscriptions.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the three months ended June 30, 2021 was based on the loss and comprehensive loss attributable to common shareholders of $10,283,084 (2020 - $134,020) and the weighted average number of common shares outstanding of 115,288,196 (2020 - 23,572,220).

Escrow shares (RTO)

As at June 30, 2021, 15,429,165 shares were held in escrow and will be released on each of the following dates:

Number of escrow shares	Date
3,085,833	August 10, 2021
3,085,833	February 10, 2022
3,085,833	August 10, 2022
3,085,833	February 10, 2023
3,085,833	August 10, 2023

Stock Options, Performance Share Units, and Restricted Share Units

The Company has a stock option plan in place under which the Board of Directors may grant options to acquire common shares of the Company to qualified directors, officers, employees and other service providers. The stock options vest according to the provisions of the individual option agreements approved by the directors' resolutions and have a maximum life of ten years. The plan allows for the issuance of up to 10% of the number of issued and outstanding common shares of the Company at any time on a non-diluted basis.

On August 10, 2020, the Company granted 3,962,036 stock options to the Company's officers, consultants, and advisors. The stock options are exercisable at $0.25 for a period of five years until August 10, 2025. 300,000 of the stock options has a vesting term of two years on quarterly basis and 3,662,036 of the stock options has a vesting term of one year on quarterly basis. The fair value of the stock options was estimated to be $4,783,534 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: expected life – 5 years; annualized volatility – 145.89%; risk-free interest rate – 0.27%; dividend rate – 0%. The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company. The Company recognized $4,105,445 in share-based compensation during the year ended March 31, 2021. During the three months ended June 30, 2021, the Company recognized $478,317 in share-based compensation.

On December 2, 2020, the Company granted 1,815,000 stock options to the Company's officers, consultants and employees. The stock options are exercisable at a price of $0.70 for a period of five years until December 2, 2025. One quarter of the options will vest every three months from the date of grant. The fair value of the stock options was estimated

12. Share Capital and Reserves (Continued)

to be $1,063,850 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: expected life – 5 years; annualized volatility – 124.38%; risk-free interest rate – 0.41%; dividend rate – 0%. The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company. The Company recognized $644,911 in share-based compensation during the year ended March 31, 2021. During the three months ended June 30, 2021, the Company recognized $244,522 in share-based compensation.

On December 16, 2020, the Company granted 1,870,000 stock options to the Company's consultants. The options are exercisable at a price of $1.45 for a period of five years until December 16, 2025. One quarter of the options will vest every three months from the date of grant. The fair value of the stock options was estimated to be $2,250,396 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: expected life – 5 years; annualized volatility – 122.25%; risk-free interest rate – 0.38%; dividend rate – 0%.

The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company. The Company recognized $1,271,454 in share-based compensation during the year ended March 31, 2021. During the three months ended June 30, 2021, the Company recognized $560,051 in share-based compensation.

The Company has an obligation to issue 10,000 options to a consultant. The options vest over a period of one year, with one quarter of the aggregate options vesting on each three-month anniversary of the grant date. The options are exercisable at a price of $1.65 for a period of 90 days.

The Company has an obligation to issue 6,000 options to a consultant. The options vest over a period of one year, with one quarter of the aggregate options vesting on each three-month anniversary of the grant date. The options are exercisable at a price of $1.52 for a period of 90 days.

The Company has an obligation to issue 800,000 options to a consultant. The options are exercisable at a price of $1.12 for a period of 10 years until February 26, 2031. Half of the options will vest on the date of the agreement, February 26, 2021 and the remainder of the options shall vest in equal quarterly installments of 100,000 each. The fair value of the stock options was estimated to be $850,599 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: expected life – 10 years; annualized volatility – 122%; risk-free interest rate – 1.17%; dividend rate – 0%. The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company. The Company recognized $499,136 in share-based compensation during the year ended March 31, 2021. During the three months ended June 30, 2021, the Company recognized $190,170 in share-based compensation.

As part of a new long-term incentive program to link pay to performance and align the interests of the Company's management, directors, employees with shareholders, the Company also announces that a restricted share unit ("RSU's") plan for eligible officers, directors, employees and consultants, and a performance share unit ("PSU's") plan for eligible employees and consultants were approved by the board of directors.

On December 2, 2020, the Company granted 3,950,000 PSUs to officers, consultants and employees of the Company. The PSUs have a term of one year and will vest as to one third every four months from the date of grant, subject to the achievement of certain performance metrics related to gross sales. The Company recognized $1,653,483 in share-based compensation during the year ended March 31, 2021. During the three months ended June 30, 2021, the Company recognized $590,798 in share-based compensation.

The Company has an obligation to issue 50,000 PSUs to a consultant of the Company. The PSUs have a term of 180 days and will vest one third every 60-day term from the date of the agreement. The Company recognized $50,806 in share-based compensation during the year ended March 31, 2021. During the three months ended June 30, 2021, the Company recognized $8,194 in share-based compensation.

12. Share Capital and Reserves (Continued)

Stock Options, Performance Share Units, and Restricted Share Units (continued)

On December 2, 2020, the Company granted 550,000 RSUs to directors of the Company. The RSUs have a term of one year of which one quarter of the RSUs will vest every three months from the date of grant. The Company recognized $232,365 in share-based compensation during the year ended March 31, 2021. During the three months ended June 30, 2021, the Company recognized $89,280 in share-based compensation.

On December 17, 2020, the Company granted 4,153,000 RSUs to directors, officers and consultants of the Company. The RSUs have a term of one year, of which one-quarter of the restricted share units will vest every three months from the date of grant. The Company recognized $3,551,814 stock-based compensation for the RSU vested during the year ended March 31, 2021. During the three months ended June 30, 2021, the Company recognized $1,604,413 in share-based compensation.

The Company has an obligation to issue 30,000 RSUs to a consultant of the Company. The RSUs have a term of on year and will vest one quarter every 3 months from the date of the agreement. The Company recognized $22,145 in share-based compensation during the year ended March 31, 2021. During the three months ended June 30, 2021, the Company recognized $11,842 in share-based compensation.

The Company has an obligation to issue 30,000 RSUs to a consultant of the Company. The RSUs have a term of on year and will vest one quarter every 3 months from the date of the agreement. The Company recognized $22,064 in share-based compensation during the year ended March 31, 2021. During the three months ended June 30, 2021, the Company recognized $11,895 in share-based compensation.

During the year ended March 31, 2021, the Company issued a total of 272,500 common shares related to the exercise of 272,500 options at an exercise price of $0.25.

During the year ended March 31, 2021, the Company issued 1,500,000 common shares related to the exercise of 1,500,000 options at an exercise price of $0.10 to a related party of the Company.

On April 5, 2021, the Company granted 3,851,000 stock options to purchase common shares of the Company to certain directors, officers, employees and consultants of the Company. The options are exercisable for a 5-year period at a price of $0.80 per common share. One quarter of the options will vest every three months from the date of grant. The fair value of the stock options was estimated to be $2,354,603 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: expected life – 5 years; annualized volatility – 119.21%; risk-free interest rate – 0.82%; dividend rate – 0%. The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company. The Company recognized $1,158,974 in share-based compensation during the three months ended June 30, 2021.

On the same date, the Company also granted 2,687,000 restricted RSU’s to certain directors, officers, employees and consultants of the Company pursuant to terms and conditions of the Company's restricted share unit plan. The RSU’s have a term of 1 year, of which a quarter of the RSU’s will vest every three months from the date of grant. The Company recognized $989,157 stock-based compensation for the RSU vested during the three months ended June 30, 2021.

During the three months ended June 30, 2021, the Company issued 50,000 common shares related to the exercise of 50,000 options at an exercise price of $0.25 to a related party of the Company.

(Expressed in Canadian Dollars)

12. Share Capital and Reserves (Continued)

Stock Options, Performance Share Units, and Restricted Share Units (continued)

A summary of the Company's outstanding stock options as at June 30, 2021 is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, March 31, 2020	1,500,000	$ 0.10
Replaced*	(1,500,000)	-
Granted*	1,500,000	0.10
Granted	8,463,036	0.59
Expired	(125,000)	0.25
Exercised	(272,500)	0.25
Exercised	(1,500,000)	0.12
Outstanding, March 31, 2021	8,065,536	$ 0.60
Granted	3,851,000	0.80
Exercised	(50,000)	0.25
Expired	(16,000)	1.60
Outstanding, June 30, 2021	11,850,536	$ 0.60

*On August 5, 2020, the Company granted 1,500,000 replacement stock options to certain directors and officers pursuant to the reverse takeover acquisition with PlantX Living (Note 16). The stock options are exercisable for common shares of the Company at an exercise price of $0.10 per share until August 5, 2022. The fair value of the new stock options was estimated to be $293,949 which is higher than the fair value recognized as of the original issuance of stock options. As a result, the Company recognized an additional $286,071 in share-based compensation during the year ended March 31, 2021 for this amendment. The fair value was determined using the Black-Scholes Option Pricing Model at the amendment date with the following assumptions: share price of $0.25; expected life – 2 years; annualized volatility – 128.15%; risk-free interest rate – 0.23%; dividend rate – 0%.

A summary of the Company's outstanding PSU's and RSU's as at June 30, 2021 are as follows:

	Number of PSU's
Outstanding, October 11, 2019 (date of incorporation) and March 31, 2020	-
Granted	4,000,000
Outstanding, March 31, 2021	4,000,000
Exercised	(987,500)
Outstanding, June 30, 2021	3,012,500

	Number of RSU's
Outstanding, October 11, 2019 (date of incorporation) and March 31, 2020	-
Granted	4,763,000
Outstanding, March 31, 2021	4,763,000
Granted	2,687,000
Exercised	(1,175,750)
Outstanding, June 30, 2021	6,274,250

During the three months ended June 30, 2021, the Company recognized a total of $989,157 in share-based compensation.

(Expressed in Canadian Dollars)

12. Share Capital and Reserves (Continued)

Stock Options, Performance Share Units, and Restricted Share Units (continued)

During the year ended March 31, 2021, the Company recognized a total of $12,339,694 in share-based compensation (period from October 11, 2019 (date of incorporation) to March 31, 2020 - $7,875).

The following summarizes information about stock options outstanding and exercisable at June 30, 2021:

Expiry date	Options outstanding	Options exercisable	Exercise price	Remaining life (years)
August 10, 2025	3,564,536	3,399,073	$ 0.25	4.12
December 2, 2025	1,815,000	1,517,432	$ 0.70	4.43
December 16, 2025	1,870,000	1,521,916	$ 1.45	4.47
February 26, 2031	800,000	500,000	$ 1.12	9.67
April 5, 2025	3,851,000	1,895,524	$ 0.80	3.77

Warrants

On August 5, 2020, in connection with the completion of the reverse takeover acquisition, the Company issued 36,000 finders' warrants (Note 16). The fair value of the warrants was estimated to be $5,724 using the Black-Scholes Option Pricing Model and the following assumptions: expected life – 2 years; annualized volatility – 128.15%; risk-free interest rate – 0.23%; dividend rate – 0%.

In connection with the non-brokered private placement on December 16, 2020, the Company issued 20,909,091 warrants at an exercise price of $0.75 per share until December 16, 2022. In the event that the trading price of the common shares on the Canadian Securities Exchange (or such other Canadian stock exchange on which the common shares are listed for trading) equals or exceeds $2 per common share for any period of 10 consecutive trading days, then the Company may, at its option, within 10 business days following such 10-day period, accelerate the warrant expiry date by issuing a press release, and, in such case, the warrant expiry date will be deemed to be 5 p.m. PT on the 30th day following the issuance of the warrant acceleration press release. The fair value of the warrants was estimated to be $4,924,682 using the Black-Scholes Option Pricing Model and the following assumptions: expected life – 2 years; annualized volatility – 129.05%; risk-free interest rate – 0.24%; dividend rate – 0%.

The Company issued an aggregate of 774,757 finders' warrants at an exercise price of $0.75 per share until December 16, 2022. The fair value of the warrants was estimated to be $841,835 using the Black-Scholes Option Pricing Model and the following assumptions: expected life – 2 years; annualized volatility – 129.05%; risk-free interest rate – 0.24%; dividend rate – 0%.

In connection with the public offering on March 22, 2021, the Company issued 19,102,765 warrants at an exercise price of $1.25 per share until March 22, 2023. In the event that the trading price of the common shares on the CSE (or such other Canadian stock exchange on which the common shares are listed for trading) equals or exceeds $2 per common share for any period of 10 consecutive trading days, the Company shall be entitled, at its option, within 10 business days following such 10-day period, accelerate the warrant expiry date by issuing a press release, and, in such case, the warrants will expire on the 30th day following the issuance of the acceleration notice. From and after the new expiry date specified in such acceleration notice, no warrants may be issued or exercised, and all unexercised warrants shall be void and of no effect following the new expiry date. The fair value of the warrants was estimated to be $7,505,533 using the Black-Scholes Option Pricing Model and the following assumptions: expected life – 2 years; annualized volatility – 132.21%; risk-free interest rate – 0.27%; dividend rate – 0%.

(Expressed in Canadian Dollars)

12. Share Capital and Reserves (Continued)

Warrants (continued)

The Company also granted to the agent an additional of 923,943 finders' warrants exercisable at any time up to March 22, 2023, to purchase common shares at a price of $1.25 per warrant. The fair value of the finders' warrants was estimated to be $518,793 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: expected life – 2 years; annualized volatility – 132.21%; risk-free interest rate – 0.27%; dividend rate – 0%. The expected volatility is based on historical prices of comparable companies within the same industry due to the lack of historical pricing information for the Company.

During the year ended March 31, 2021, the Company issued 19,800 common shares related to the exercise of 19,800 finders' warrants at an exercise price of $0.25.

A summary of the Company's outstanding warrants as at June 30, 2021 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, October 11, 2019 (date of incorporation) and March 31, 2020	-	$ -
Issued	41,746,556	0.99
Exercised	(19,800)	0.25
Outstanding, March 31, 2021 and June 30, 2021	41,726,756	$ 0.99

The following summarizes information about warrants outstanding and exercisable at June 30, 2021:

Expiry date	Warrants outstanding	Exercise price	Remaining life (years)
August 5, 2022	16,200	$ 0.25	1.10
December 16, 2022	21,683,848	$ 0.75	1.46
March 22, 2023	20,026,708	$ 1.25	1.73

13. Revenue and Geographic Information

During the three months ended June 30, 2021, 50% (2020 - 90%) of revenues were earned from one customer.

Revenue derived from customers located in the following geographic areas:

	June 30, 2021	June 30, 2020
United States	$ 2,386,417	$ 119,786
United Kingdom	917,933	-
Canada	785,355	13,104
	$ 4,089,705	$ 132,890

As at June 30, 2021, the Company recognized unearned revenue of $80,169 (2020 - $81,156) which represents payments received for products shipped subsequent to the period end.

14. Loans payable

The Company assumed from the acquisition of Bloombox (Note 17) a £50,000 6-year unsecured UK government loan with no interests for the first 12 months as a result of the acquisition. The loan is payable with 60 monthly installments of £833 starting the payments on June 4, 2021. The loan is recorded at amortized cost, with a 4% effective interest rate, and the carrying value as at June 30, 2021 is $84,201. The Company intends to repay this loan within 1 year.

During the year ended March 31, 2021, the Company received an aggregate $60,000 from Canada Emergency Business Account ("CEBA"). The interest free loan is used to finance operating costs which was offered by the Government of Canada through the Company's bank in response to the COVID19 pandemic. If the balance is repaid on or before December 31, 2021 will result in loan forgiveness of $20,000. Commencing on January 1, 2023, interest will accrue on the balance of the term of the loan at the rate of 5% fixed interest per year. Since, the Company is expecting to repay this loan before December 31, 2022, the $20,000 for the forgiveness of the loan was recognized as other income in consolidated statements of loss and comprehensive loss. The carrying value of the loan as at June 30, 2021 was $40,000.

Little West LLC received a loan amounting to USD 150,000 from Small Business Administration (SBA) @3.75% per annum payable in 30 years. Additionally, Little West received USD 62,000 from (SBA) @ 1% interest under Paycheck Protection Program (PPP) payable in 60 months. The carrying value of the loan as at June 30, 2021 was $262,897(USD 212,000). The loan is used to finance operating costs.

15. Capital Risk Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company considers the items included in shareholders' equity as capital. The Company's primary source of capital comes from the issuance of capital stock.

The Company manages and adjusts its capital structure when changes in economic conditions occur. To maintain or adjust the capital structure, the Company may seek to additional funding through issuance of new shares or new debt. The Company may require additional capital resources to meet its administrative overhead expenses in the long term. The Company believes it will be able to raise capital as required in the long-term but recognizes there will be risks involved that may be beyond its control. The Company is not subject to external capital requirements and there were no changes to the Company approach to the management of capital.

16. Reverse Takeover Acquisition of PlantX Living

On August 5, 2020, the Company completed a reverse takeover acquisition transaction with PlantX Living. In connection with the transaction, the Company consolidated its common shares on the basis of one post-consolidation share for ten pre-consolidation shares and changed its name to Vegaste Technologies on July 17, 2020. The transaction constitutes a fundamental change pursuant to Policy 8, Fundamental Changes and Change of Business of the CSE, and the Company will carry on the business of PlantX Living, which is now a wholly owned subsidiary of the Company.

The Company acquired all of the issued and outstanding shares of PlantX Living through an amended and restated share exchange agreement dated July 10, 2020, as amended on July 29, 2020, among the Company, PlantX Living and all of the shareholders of PlantX Living. Pursuant to the transaction, the Company issued to the shareholders of PlantX Living an aggregate of 35,572,220 common shares (Note 12). Outstanding stock options of PlantX Living by their terms became exercisable for an aggregate of 1,500,000 common shares of the Company.

In connection with the transaction, the Company issued 3,557,222 common shares to an arm's-length finder at a deemed price of $0.25 per common share as finders' fees (Note 12).

The Company does not meet the definition of a business; therefore the transaction is outside of the scope of IFRS 3 *Business Combinations*. Instead, the transaction will be accounted for under IFRS 2 *Share-based Payment*. Under this

(Expressed in Canadian Dollars)

basis of accounting, the consolidated entity is considered to be a continuation of PlantX Living with the net identifiable assets of the Company deemed to have been acquired by PlantX Living. The results of operations from the Company are included in the financial statements since the date of acquisition.
The following table summarizes the consideration paid and the fair value of the identifiable assets acquired, and liabilities assumed as of the date of acquisition:

Fair value of consideration (2,513,384 shares at $0.25 per share) *	$	628,346
Allocated as follows:		
Identified fair value of net assets:		
Cash		30,578
GST recoverable		96,789
Due from PlantX Living		38,850
Accounts payable and accrued liabilities		(495,219)
Net liabilities assumed		(329,002)
		1,846,654
Transaction costs and finders' fee (3,557,222 shares at $0.25 per share)		1,235,485
Listing expense	**$**	**2,192,833**

*The fair value of the 2,513,384 shares issued for the transaction and the 3,557,222 shares issued as finders' fees were estimated to be $0.25 per share using the price of the concurrent private placement (Note 12).

17. Acquisition of Bloombox Club Ltd.

On November 6, 2020 (the "Completion Date"), the Company completed its acquisition of Bloombox a UK-based e-commerce platform that sells and delivers indoor plants to their established wellness community via subscription service and online store.

The Company acquired all of the issued and outstanding shares of Bloombox for an aggregate purchase price of £8,000,000, a combination of £560,000 (C$968,766) in cash and £7,440,000 in common shares in the capital of the Company. The Company issued an aggregate of 10,782,559 common shares (the "Consideration Shares") as at a fair value of $6,841,976 (Note 12). The Consideration Shares are in a pool and will be released based on the following schedule:

- 20% at the Completion Date;
- 15% on the three-month anniversary of the Completion Date;
- 15% on the six-month anniversary of the Completion Date;
- 15% on the nine-month anniversary of the Completion Date;
- 15% on the twelve-month anniversary of the Completion Date;
- 10% on the fifteen-month anniversary of the Completion Date; and
- The remaining 10% on the eighteen-month anniversary of the Completion Date.

As at June 30, 2021, 5,391,280 shares are held in escrow.

For accounting purposes, the acquisition of Bloombox was considered a business combination and accounted for using the acquisition method. The results of operations from Bloombox are included in the consolidated financial statements from the date of acquisition.

(Expressed in Canadian Dollars)

The following table summarizes the consideration paid and the fair value of the identifiable assets acquired, and liabilities assumed as of the date of acquisition:

Cash (GBP560,000 at 1.72994)	$	968,766
Fair value of consideration (10,782,559 shares at $0.83 per share)		8,949,523
Discount for shares in pool		(2,107,547)
		7,810,742
Allocated as follows:		
Identified fair value of net assets:		
Cash		384,373
Prepayments		27,247
Inventories		29,488
Office equipment (Note 10)		5,331
Accounts payable and accrued liabilities		(481,070)
Loans payable (Note 14)		(96,609)
Net liabilities assumed		(131,240)
Intangible assets (Note 8)		477,000
Goodwill (Note 8)	**$**	**7,464,982**

18. Acquisition of Score

On January 7, 2021, the Company completed the acquisition of Score, a privately held company that operates the Squamish, British Columbia based Locavore Bar & Grill, and other related businesses including the Cloudburst Cafe and Locavore Food Truck. On January 7, 2021, the Company name was changed to PlantX Living Squamish Inc. The Company acquired all of the issued and outstanding common shares of Score by the issuance of 1,897,152 common shares of the Company with a fair value of $1,943,492 and the payment of $327,435 cash (Note 12).

For accounting purposes, the acquisition of Score was considered a business combination and accounted for using the acquisition method. The results of operations from Score are included in the consolidated financial statements from the date of acquisition. The following table summarizes the consideration paid and the fair value of the identifiable assets acquired, and liabilities assumed as of the date of acquisition:

Cash	$	327,435
Fair value of share consideration (1,897,152 shares at $1.31 per share)		2,485,269
Discount for shares in pool		(541,777)
		2,270,927
Allocated as follows:		
Identified fair value of net assets:		
Cash		25,336
Receivables		10,462
Prepayments		4,381
Inventories		22,531
Property and equipment (Note 10)		331,312
Accounts payable and accrued liabilities		(88,429)
Due from PlantX Life Inc.		(3,591)
Loan payable (Note 14)		(82,555)
Net assets assumed		219,447
Intangible (Note 8)		10,000
Goodwill (Note 8)	**$**	**2,041,480**

(Expressed in Canadian Dollars)

Management determined that the carrying value of the goodwill as at March 31, 2021 has been impaired by $1,112,940. The carrying value of the goodwill as at June 30, 2020 is $928,540. As at June 30, 2021, 1,707,437 shares are held in escrow.

19. Acquisition of Little West

On May 10, 2021, the Company closed the acquisition of Little West LLC ("Little West"), through PlanX Lifestyle USA Inc., ("PlantX USA") a newly incorporated wholly owned subsidiary of the Company, to acquire all of the issued and outstanding limited liability membership interest of Little West. Little West is a privately owned, California-based cold-pressed juice company that offers a wide range of curated cold-pressed juices and products that emphasize health and wellness with a focus on locally sourced, high-quality and fresh ingredients (Note 1).

PlantX USA acquired all of the issued and outstanding limited liability membership interest of the Little West for an initial consideration consists of:

- issuance of an aggregate of 6,703,143 shares of the Company;
- issuance of additional shares of the Company to the vendors upon the satisfaction of certain financial performance milestones during each of Little West's seven fiscal quarters immediately following the closing of the acquisition;
- payment of US$385,000 in cash; and,
- issuance of an aggregate of 602,531 shares of the Company to repay certain indebtedness and expenses of Little West.

For accounting purposes, the acquisition of Little West was considered a business combination and accounted for using the acquisition method. The results of operations from Little West are included in the consolidated financial statements from the date of acquisition.

The following table summarizes the consideration paid and the fair value of the identifiable assets acquired, and liabilities assumed as of the date of acquisition:

Cash	$	445,158
Fair value of share consideration (1,272,832 shares at $0.51 per share)		649,144
Fair value of shares to be issued (6,032,842 shares at $0.51 per share)		3,076,750
		4,171,052
Allocated as follows:		
Identified fair value of net assets:		
Cash		18,116
Receivables		222,969
Prepayments		52,971
Inventories		41,128
Property and equipment (Note 10)		132,951
Website		56,086
Accounts payable and accrued liabilities		(509,164)
Loan payable (USD 212,117, Note 14)		(256,555)
Net liabilities assumed		(241,498)
Goodwill (Note 8)	**$**	**4,412,550**

Management is in the process of gathering the relevant information that existed at the acquisition dates to determine the fair value of the net identifiable assets acquired and liabilities assumed. As such, the initial purchase prices were provisionally allocated based on the Company's estimated fair value of the identifiable assets acquired and the liabilities assumed on the acquisition date. The values assigned are, therefore, preliminary and subject to change. Management continues to finalize the purchase price allocation for the fair value of identifiable intangible assets and the allocation of goodwill.

(Expressed in Canadian Dollars)

20. Acquisition of New Deli

On May 27, 2021, the Company, through PlantX USA, completed its acquisition of all of the issued and outstanding membership interests of MK Cuisine Global LLC's Plant-Based Deli LLC ("New Deli") for an aggregate purchase price of US$1,569,999. The purchase price was satisfied by a combination of US$471,000 in cash and 2,515,983 common shares of the Company. New Deli is a sustainable and plant-based neighborhood bodega located in Venice Beach, California (Note 1).

For accounting purposes, the acquisition of New Deli was considered a business combination and accounted for using the acquisition method. The results of operations from New Deli are included in the consolidated financial statements from the date of acquisition.

The following table summarizes the consideration paid and the fair value of the identifiable assets acquired, and liabilities assumed as of the date of acquisition:

Cash (USD471,000 at 1.22912)	$	578,915
Fair value of share consideration (2,515,983 shares at $0.59 per share)		1,484,430
		2,063,345
Allocated as follows:		
Identified fair value of net assets:		
Cash		19,866
Receivables		4,033
Prepayments		35,012
Inventories		36,245
Accounts payable and accrued liabilities		(99,990)
Loan payable (Note 14)		(38,272)
Net liabilities assumed		(43,106)
Goodwill (Note 8)	**$**	**2,106,451**

Management is in the process of gathering the relevant information that existed at the acquisition dates to determine the fair value of the net identifiable assets acquired and liabilities assumed. As such, the initial purchase prices were provisionally allocated based on the Company's estimated fair value of the identifiable assets acquired and the liabilities assumed on the acquisition date. The values assigned are, therefore, preliminary, and subject to change. Management continues to finalize the purchase price allocation for the fair value of identifiable intangible assets and the allocation of goodwill.

(Expressed in Canadian Dollars)

21. Acquisition of LIV

On June 25, 2021, the Company, through its wholly owned subsidiary New Deli Hillcrest LLC, completed the acquisition of certain assets of LIV Marketplace LLC ("LIV Marketplace") for an aggregate purchase price of US$3,246,938.73. The purchase price was satisfied by (i) US$450,000 in cash; (ii) 3,777,778 common shares issued at a deemed price of $0.55 per common share in the of the Company; (iii) the assumption of $1,000,000 in debt owed by LIV Marketplace to the Company; and (iv) US$96,938 in inventory. California-based LIV Marketplace is the exclusive on-line fulfilment partner and retail distributor of the Company's products within the United States (Note 1).

In addition, the consideration shares will be released in accordance with the following release schedule:

- 10% of the consideration shares will be immediately released upon closing.
- 15% will be released three months from closing.
- 15% will be released six months from closing.
- 15% will be released nine months from closing.
- 15% will be released 12 months from closing.
- 15% will be released 15 months from closing.
- The remaining 15% will be released 18 months from closing.

For accounting purposes, the acquisition of LIV was considered a business combination and accounted for using the acquisition method. The results of operations from LIV are included in the consolidated financial statements from the date of acquisition.

The following table summarizes the consideration paid and the fair value of the identifiable assets acquired, and liabilities assumed as of the date of acquisition:

Cash (USD546,000 at 1.25991)	$	687,912
Fair value of share consideration (3,777,778 shares at $0.48 per share)		1,813,333
Accounts receivable forgiven		1,222,223
		3,723,468
Allocated as follows:		
Identified fair value of net assets:		
Inventories		118,480
Net assets		118,480
Goodwill (Note 8)	**$**	**3,604,988**

Management is in the process of gathering the relevant information that existed at the acquisition dates to determine the fair value of the net identifiable assets acquired and liabilities assumed. As such, the initial purchase prices were provisionally allocated based on the Company's estimated fair value of the identifiable assets acquired and the liabilities assumed on the acquisition date. The values assigned are, therefore, preliminary, and subject to change. Management continues to finalize the purchase price allocation for the fair value of identifiable intangible assets and the allocation of goodwill.

(Expressed in Canadian Dollars)

22. Segment Information

The operating segments of the Company are identified as Vegaste, PlantX Living Inc, Bloombox, Score ("Squamish"), Israel, Little West, New Deli and LIV Marketplace assets. In determining the operating segments, management considered the product mix as well as the geographical segments that the business units sell under. Disclosure by segment pertaining to income statement transactions are for the three months ended June 30, 2021, and 2020. The asset and liability balances are as at June 30, 2021 and March 31, 2021.

Income statement Items:

June 30, 2021	PlantX Life	PlantX Living	Vegaste	Bloombox	Squamish	Israel	Little West	New Deli	LIV	Consolidated
Revenue	$ 109,859	$ -	$ 2,078,640	$ 917,933	$ 675,496	$ -	$ 247,990	$ 59,787	$ -	$ 4,089,705
Cost of sales	(77,909)	-	(1,886,755)	(550,761)	(249,334)	-	(155,486)	(31,957)	(390)	(2,952,592)
Gross margin	$ 31,950	$ -	$ 191,885	$ 367,172	$ 426,162	$ -	$ 92,504	$ 27,830	$ (390)	$ 1,137,113
Net loss before taxes	$ 594,444	$ 8,116,114	$ 655,283	$ 668,013	$ 47,717	$ 72,803	$ 54,821	$ 44,428	$ 29,461	$ 10,283,084

June 30, 2020	PlantX Life	PlantX Living	Vegaste	Bloombox	Squamish	Israel	Little West	New Deli	LIV	Consolidated
Revenue	$ 132,890	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 132,890
Cost of sales	(122,303)	-	-	-	-	-	-	-	-	(122,303)
Gross margin	$ 10,587	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,587
Net loss before taxes	$ (134,020)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (134,020)

(i) PlantX Life was initially "Winston Resources Inc." as at June 30, 2020 and changed its name on August 5, 2020.

Balance Sheet items**:**

As at June 30, 2021	PlantX Life	PlantX Living	Vegaste	Bloombox	Squamish	Israel	Little West	New Deli	LIV	Consolidated
Assets	$ 585,236	$ 12,185,795	$ 2,810,537	$ 8,624,582	$ 1,968,758	$ 344,973	$ 5,353,103	$ 2,699,856	$ 3,789,263	$ 38,362,103
Liabilities	$ 82,198	$ 676,386	$ 28,379	$ 1,103,084	$ 324,051	$ 281,294	$ 636,700	$ 678,488	$ 13,369	$ 3,823,949
As at March 31, 2021	**PlantX Life**	**PlantX Living**	**Vegaste**	**Bloombox**	**Squamish**	**Israel**	**Little West**	**New Deli**	**LIV**	**Consolidated**
Assets	$ 1,002,641	$ 19,636,754	$ 2,909,226	$ 8,554,999	$ 1,590,586	$ 147,915	-	-	-	$ 33,842,121
Liabilities	$ 55,124	$ 729,920	$ 46,588	$ 1,302,143	$ 178,902	$ 13,001	-	-	-	$ 2,325,677

23. Subsequent events

No subsequent events.