



PLANTX LIFE INC.

Condensed Interim Consolidated Financial Statements

For the three and six months ended September 30, 2022 and 2021

(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.

Condensed Interim Consolidated Statements of Financial Position (Expressed in Canadian Dollars)

	September 30, 2022	March 31, 2022
	(Unaudited)	(Audited)
ASSETS		
Current assets		
Cash	\$ 170,448	\$ 1,290,382
Trade receivables	1,303,064	724,585
Prepays and deposits (Note 6)	368,530	560,657
Inventories	1,574,976	1,088,546
	3,417,018	3,664,170
Non-Current assets		
Property and equipment (Note 10)	1,506,190	1,488,725
Right-of-use asset (Note 9)	6,074,833	6,307,619
Intangible assets (Note 8)	610,217	734,678
Total assets	\$ 11,608,258	\$ 12,195,192
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 6,457,104	\$ 3,065,304
Contingent consideration	968,607	968,607
Non controlling interest put option	248,673	248,673
Unearned revenue	148,597	151,615
Due to related party (Note 11)	403,365	137,233
Loans payable (Note 14)	531,838	866,756
Lease liability - current (Note 9)	1,336,718	1,153,203
	10,094,902	6,591,391
Non-current liabilities		
Loans payable (Note 14)	4,219,733	201,568
Non controlling interest put option	577,543	577,543
Lease liability - non-current (Note 9)	5,276,669	5,825,295
Total liabilities	20,168,847	13,195,797
Shareholders' equity		
Share capital (Note 12)	57,052,648	53,183,365
Obligation to issue shares (Note 12)	208,026	1,342,374
Reserves (Note 12)	25,319,286	27,124,555
Foreign exchange translation reserve	733,109	258,540
Deficit	(91,804,381)	(82,873,822)
Total shareholders' (Deficit) equity	(8,491,312)	(964,988)
Non-controlling Interest	(69,277)	(35,617)
Total liabilities and shareholders' equity	\$ 11,608,258	\$ 12,195,192

Nature of Operations (Note 1)
Going Concern Assumption (Note 2)
Subsequent Events (Note 19)
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 these condensed interim consolidated financial statements are an integral part of these statements.

PlantX Life Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three months and six months ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended 2022		Six months ended 2022		Three months ended 2021		Six months ended 2021	
Revenue (Note 13)	\$	3,853,855	\$	8,869,579	\$	2,826,790	\$	4,707,259
Cost of sales		(2,323,673)		(5,542,113)		(1,899,759)		(2,864,039)
Gross Profit		1,530,182		3,327,466		927,031		1,843,220
Operating expenses								
Advertising and promotion		449,777		1,463,790		1,918,128		3,924,930
Amortization (Notes 8, 9 and 10)		352,815		632,589		138,660		258,304
Consulting and management expenses		725,011		2,301,244		621,120		2,032,118
General and administrative		1,290,399		3,246,161		1,287,157		2,031,451
Legal fees		411,600		573,842		249,314		625,117
Salaries and benefits		1,570,255		3,178,969		995,151		1,741,063
Share-based compensation (Notes 12)		324,086		648,731		3,394,397		9,332,011
Transfer agent and filing fees		37,012		71,806		19,925		54,677
Operating Loss		(3,630,773)		(8,789,666)		(7,696,821)		(18,156,451)
Other items								
Foreign exchange gain		11,458		66,106		100,006		30,295
Interest (expense) /income		(141,595)		(252,339)		5,164		13,901
Other income		7,108		11,680		50,235		287,755
		(123,029)		(174,553)		155,405		331,951
Net loss	\$	(3,753,802)	\$	(8,964,219)	\$	(7,541,416)	\$	(17,824,500)
Net loss attributable to;								
Company's Shareholders		(3,766,050)		(8,930,559)		(7,541,416)		(17,824,500)
Non-controlling interests		12,248		(33,660)		-		-
Net Loss		(3,753,802)		(8,964,219)		(7,541,416)		(17,824,500)
Exchange difference on translating foreign operations		651,086		474,569		894		(56,119)
Net loss and comprehensive loss	\$	(3,102,716)	\$	(8,489,650)	\$	(7,540,422)	\$	(17,880,619)
Basic and diluted loss per share (Note 12)	\$	(0.34)	\$	(0.89)	\$	(1.40)	\$	(3.00)
Weighted average number of common shares outstanding - basic and diluted		9,923,060		10,043,311		5,525,506		5,892,079

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

PlantX Life Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the six months ended September 30, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

	2022	2021
Operating activities		
Net loss for the period	\$ (8,964,219)	\$ (17,824,500)
Items not involving cash:		
Share-based compensation	648,731	9,332,011
Shares issued for services	280,935	304,047
Depreciation	501,594	211,718
Amortization of intangible assets	130,996	46,586
Interest expense on lease liability	219,693	-
Net changes in non-cash working capital:		
Trade receivable	(578,479)	(569,699)
Sales taxes recoverable		180,443
Inventories	(486,430)	(606,216)
Prepays and deposits	192,127	601,435
Other assets	-	(83,504)
Accounts payable and other liabilities	3,391,800	(231,452)
Unearned revenue	(3,018)	(1,002)
Due from (to) related parties	266,132	77,406
Net cash used in operating activities	(4,400,138)	(8,562,727)
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)
Right of use assets	-	
Intangible assets	(6,535)	
Equipment	(286,273)	(395,150)
Net cash used in investing activities	(292,808)	(2,069,154)
Financing activities		
Proceeds from exercise of share options		31,291
Proceeds from share subscriptions		26,082
Proceeds from loan net of repayment	3,683,247	(31,347)
Payment of lease liability	(584,804)	(120,411)
Net cash provided by financing activities	3,098,443	(94,385)
Effect of foreign exchange on cash and cash equivalents	474,569	(56,119)
Net change in cash	(1,119,934)	(10,782,385)
Cash, beginning	1,290,382	20,264,895
Cash, ending	\$ 170,448	\$ 9,582,510

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

PlantX Life Inc.**Condensed Interim Consolidated Statements of Cash Flows****For the six months ended September 30, 2022 and 2021****(Expressed in Canadian Dollars)****(Unaudited)**

Supplemental disclosure:	2022	2021
	\$	\$
Shares issued for services	280,935	304,047
Shares issued for LIV assets	-	1,813,333
Shares issued for New Deli acquisition	-	1,484,430
Shares issued for Little West acquisition	636,842	3,725,894
Shares issued for Peter Rubi	337,692	-
Shares issued for EH and Portfolio Coffee acquisition	159,814	-
Share based Compensation	648,731	5,937,614

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

PlantX Life Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' (Deficit) Equity

(Expressed in Canadian Dollars)

(Unaudited)

	<u>Common Share Capital</u>		Obligation to issue shares	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Non-controlling Interest	Total
	Number of Shares	Amount						
Balance, March 31, 2021 (restated)	5,549,086	\$ 32,495,837	\$ 14,700	\$25,802,809	\$ 58,371	\$(28,112,773)	\$ -	\$ 30,258,944
Shares issued for vested RSU and PSU (note 12)	257,622	5,364,774	-	(5,364,774)	-	-	-	-
Shares issued for acquisition of little west	63,642	649,144	3,076,750	-	-	-	-	3,725,894
Share issued for acquisition of New Deli	125,799	1,484,430	-	-	-	-	-	1,484,430
Shares issued for acquisition of LIV assets	188,889	1,813,333	-	-	-	-	-	1,813,333
Shares issued for exercise of options	5,500	31,292	-	-	-	-	-	31,292
Shares issued for services	32,345	304,047	-	-	-	-	-	304,047
Share subscription received	-	26,082	-	-	-	-	-	26,082
Share based compensation	-	-	-	9,332,011	-	-	-	9,332,011
Net and comprehensive loss	-	-	-	-	(56,119)	(17,824,500)	-	(17,880,619)
Balance, September 30, 2021 (Restated)	6,222,883	42,168,939	3,091,450	29,770,046	2,252	(45,937,273)		29,095,414
Balance March 31, 2021	5,549,087	\$ 32,495,837	\$ 14,700	\$ 25,802,809	\$ 58,371	\$ (28,112,773)	\$ -	\$ 30,258,944
Shares issued for vested RSU and PSU (Note 12)	606,983	11,616,700	-	(11,616,700)	-	-	-	-
Shares issued for acquisition of Little West (Note 12)	244,625	2,492,351	156,839	-	-	-	-	2,649,190
Contingent consideration - Little West (Note 12)	86,022	279,752	-	-	-	-	-	279,752
Shares issued for acquisition of Plant-Based Deli (Note 12)	125,799	935,191	-	-	-	-	-	935,191
Shares issued for acquisition LIV assets (Note 12)	188,889	1,487,333	-	-	-	-	-	1,487,333
Shares issued for acquisition EH Coffee and Portfolio Coffee (Notes 12)	18,266	159,914	106,542	-	-	-	-	266,456
Shares issued for acquisition PlantX Midwest ("Peter Rubi") (Note 12)	114,861	562,820	1,064,293	-	-	-	-	1,627,113
Shares issued for exercise of options (Note 12)	5,000	31,291	-	-	-	-	-	31,291
Shares issued for services (Note 12)	113,810	752,141	-	-	-	-	-	752,141
Shares issued for private placement – Net of issuance cost (Note 12)	2,614,833	5,141,133	-	-	-	-	-	5,141,133
Share subscription received (Note 12)	-	28,902	-	-	-	-	-	28,902
Non- controlling interest put option	-	-	-	(826,216)	-	-	-	(826,216)
Warrants issuance (Note 12)	-	(2,800,000)	-	2,800,000	-	-	-	-
Share-based compensation (Notes 12)	-	-	-	10,964,662	-	-	-	10,964,662
Non- controlling Interest	-	-	-	-	-	-	6,000	6,000
Net and comprehensive loss	-	-	-	-	200,169	(54,761,049)	(41,617)	(54,602,497)

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

PlantX Life Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' (Deficit) Equity

(Expressed in Canadian Dollars)

(Unaudited)

Balance, March 31, 2022	9,668,175	\$ 53,183,365	\$ 1,342,374	\$ 27,124,555	\$ 258,540	\$ (82,873,822)	\$ (35,617)	\$ (1,000,605)
Shares issued for vested RSU and PSU (Note 12)	36,250	1,926,000	-	(1,926,000)	-	-	-	-
Shares issued for acquisition of Little West (Notes 12)	62,435	636,842	(636,842)	-	-	-	-	-
Warrants Exercise	188,571	528,000	-	(528,000)	-	-	-	-
Shares issued for acquisition of EH Coffee and Portfolio Coffee	18,266	159,814	(159,814)	-	-	-	-	-
Shares issued for acquisition of Peter Rubi	68,917	337,692	(337,692)	-	-	-	-	-
Shares issued for services	5,714	280,935	-	-	-	-	-	280,935
Share-based compensation	-	-	-	648,731	-	-	-	648,731
Non-controlling interests	-	-	-	-	-	-	-	-
Net loss of the period	-	-	-	-	474,569	(8,930,559)	(33,660)	(8,489,650)
Balance, September 30, 2022	10,048,328	\$ 57,052,648	\$ 208,026	\$ 25,319,286	\$ 733,109	\$ (91,804,381)	\$ (69,277)	\$ (8,560,589)

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

PlantX Life Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2022, and 2021

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of Operations

PlantX Life Inc. (“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.

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.

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. 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.

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.

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.

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. Plant-Based Deli LLC. 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.

On November 11, 2021 the Company acquired majority equity interests in each of Eh Coffee Corp. (“Eh Coffee”) and Portfolio Coffee Inc. (“Portfolio Coffee”). Eh Coffee and Portfolio Coffee source, roast, and distribute specialty coffees for a memorable farm to cup experience. Headquartered in Toronto, Ontario, Eh Coffee sources specialty coffee beans from renowned family farms worldwide and custom roasts these harvests in Canada. Branded “Portfolio” – Portfolio Coffee distributes these wide ranges of specialty coffees, featuring different roasts, flavour profiles and regions.

On December 12, 2021, the Company, through its indirect wholly-owned subsidiary, PlantX Midwest Inc. has acquired substantially all of the assets and assumed certain of the liabilities of Peter Rubi, LLC (“Peter Rubi”). Peter Rubi is an innovative plant-based market, e-commerce platform and two brick-and-mortar stores located in Chicago, Illinois (Montrose Avenue) and Plainfield, Illinois (Route 59). The Peter Rubi brand is known for its plant-based grocery items, plant-based catering services and the delivery of carefully designed plant-based dishes, dips and seasonal fruit and vegetable trays from local vendors.

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.

PlantX Life Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2022, and 2021

(Expressed in Canadian Dollars)

(Unaudited)

During the six month September 30, 2022, the Company's net losses are \$ 8,930,559 (September 30, 2021 \$17,824,500), cash flow from operations \$(4,400,138) (September 30, 2021; \$(8,562,727)) and the working capital deficit is \$(6,677,884) (March 31, 2022: \$(2,927,221)).

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 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 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 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 consolidated financial statements. These adjustments could be material.

3. Statement of Compliance and Basis of Presentation

(a) Basis of presentation and measurement

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 1, Presentation of Financial Statements ("IAS 1") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these Condensed interim Consolidated financial statements are based on IFRS and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") in effect at March 31, 2022.

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

These condensed interim condensed consolidated financial statements were reviewed and approved by the Board of Directors and authorized for issued on December 30, 2022.

(b) 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.

PlantX Life Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2022, and 2021

(Expressed in Canadian Dollars)

(Unaudited)

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 March 31,
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%
PlantX UK	United Kingdom	Pound Sterling	100%
EH Coffee Inc. ("EH Coffee")	CAD	Canadian Dollar	53.5%
Portfolio Coffee Inc. ("Portfolio Coffee")	CAD	Canadian Dollar	51%
PlantX Midwest Inc.	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 condensed interim consolidated financial statements require the directors and management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical estimates and judgments applied by management that most significantly affect the Company's condensed interim consolidated financial statements. Uncertainty about these judgments and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Measurement of revenue

Revenue is recognized when the amount of revenue can be measured reliably, the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of products can be estimated reliably. Revenues are presented net of refunds, discounts, and credits.

Deferred revenues are estimated based on the average number of days for goods to be delivered to online customers and are presented as current liability.

Business combinations and contingent consideration

Management is required to make judgments and estimates when identifying and measuring the fair value of assets acquired and liabilities assumed in a business combination. Management applied the guidance set out in IFRS 3 Business Combinations when determining the recognition of assets acquired and liabilities assumed in connection with the acquisitions of the

PlantX Life Inc.

Notes to Condensed Interim Consolidated Financial Statements For the six months ended September 30, 2022, and 2021 (Expressed in Canadian Dollars) (Unaudited)

Company's subsidiary entities.

In certain acquisitions, the Company may include contingent consideration which is subject to the acquired business achieving certain performance targets. At the date of acquisition and at each subsequent reporting period, the Company estimates the future performance of acquired businesses, which are subject to contingent consideration, in order to assess the probability that the acquired business will achieve its performance targets and thus earn its contingent consideration. Any changes in the fair value of the contingent consideration classified as a liability between reporting periods are included in the determination of profit or loss. Changes in fair value arise as a result of various factors, including the estimated probability of the acquired business achieving its earnings targets.

Impairment of goodwill and determination of cash-generating units

Determining whether goodwill is impaired requires the determination of cash-generating units and an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The determination of cash-generating units requires management's judgment to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

Share-based compensation and warrants

The option pricing model used to determine the fair value of share-based payments requires various estimates relating to volatility, interest rates, dividend yields and expected life of the options granted. Fair value inputs are subject to market factors as well as internal estimates. The Company considers historic trends together with any new information to determine the best estimate of fair value at the date of grant. Separate from the fair value calculation, the Company is required to estimate the expected forfeiture rate of equity-settled share-based payments.

Amortization of intangible assets

The Company applies the straight-line method to recognize amortization of intangible assets. Management is satisfied that the straight-line method best reflects the pattern in which the assets' future economic benefits are expected to be consumed by the Company.

Going concern

Assessing the Company's ability to continue as a going concern requires management to estimate future cash flows and other future events, the outcome of which is uncertain.

Deferred tax

The calculation of deferred tax is based on assumptions, which are subject to uncertainty as to timing and which tax rates are expected to apply when temporary differences reverse. Deferred tax recorded is also subject to uncertainty regarding the magnitude of non-capital losses available for carry forward and of the balances in various tax pools. By their nature, these estimates are subject to measurement uncertainty, and the effect on the annual consolidated financial statements from changes in such estimates in future periods could be material. Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income.

Deferred tax assets are reviewed at each reporting date and adjusted to the extent that it is no longer probable that the related tax benefit will be realized.

(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

PlantX Life Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the six months ended September 30, 2022, and 2021

(Expressed in Canadian Dollars)

(Unaudited)

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 restated consolidated statements of operations.

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

IFRS 9 Financial Instruments ("IFRS 9") contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at fair value through profit or loss (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income or loss.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Financial assets:

Recognition and initial measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured at fair value through profit or loss are expensed in profit or loss when incurred.

Classification and subsequent measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost, FVOCI or FVTPL. The Company determines the classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets are classified as follows:

- Amortized cost - Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in profit or loss.

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- Fair value through other comprehensive income - Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of the financial assets are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified to profit or loss.
- Mandatorily at fair value through profit or loss - Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss.
- Designated at fair value through profit or loss - On initial recognition, the Company may irrevocably designate a financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss.

The Company measures all equity investments at fair value. Changes in fair value are recorded in profit or loss except where the Company has irrevocably elected on initial recognition to present in other comprehensive income the fair value gains and losses of an equity investment that is neither held for trading nor contingent consideration acquired in a business combination. In such cases, the cumulative gains and losses recognized in other comprehensive income are not reclassified to profit or loss on derecognition of the investment.

Business model assessment

The Company assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed and information is provided to management. Information considered in this assessment includes stated policies and objectives.

Contractual cash flow assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest on the basis of their contractual terms. For this purpose, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Company considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Company's claim to cash flows, and any features that modify consideration for the time value of money.

Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions.

The Company applies the simplified approach for trade receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets contractual lifetime. The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants.

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For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the consolidated statements of financial position as a deduction from the gross carrying amount of the financial asset.

Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire, or the financial asset has been transferred under particular circumstances.

For this purpose, a financial asset is transferred if the Company either:

- Transfers the right to receive the contractual cash flows of the financial asset, or;
- Retains the right to receive the contractual cash flows of the financial asset but assumes an obligation to pay received cash flows in full to one or more third parties without material delay and is prohibited from further selling or transferring the financial asset.

Transferred financial assets are evaluated to determine the extent to which the Company retains the risks and rewards of ownership. When the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, it evaluates whether it has retained control of the financial asset.

Where substantially all risks and rewards of ownership have been transferred, or risks and rewards have neither been transferred nor retained and control of the financial asset has not been retained, the Company derecognizes the financial asset. At the same time, the Company separately recognizes as assets or liabilities the fair value of any rights and obligations created or retained in the transfer. Any difference between the carrying amount measured at the date of recognition and the consideration received is recognized in profit or loss.

Financial liabilities:

Recognition and initial measurement

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Where an instrument contains both a liability and equity component, these components are recognized separately based on the substance of the instrument, with the liability component measured initially at fair value and the equity component assigned the residual amount.

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities, except for financial liabilities subsequently measured at fair value through profit or loss, are measured at amortized cost using the effective interest rate method. Interest, gains and losses relating to a financial liability are recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes a financial liability only when its contractual obligations are discharged, cancelled or expire.

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Classification of financial instruments

The following table summarizes the classification of the Company's financial instruments:

<u>Asset / liability</u>	<u>Classification under IFRS 9</u>
Cash	FVTPL
Receivable	Amortized cost
Sales taxes recoverable	Amortized cost
Prepays and deposits	Amortized cost
Accounts payable and accrued liabilities	Amortized Cost
Contingent consideration	FVTPL
Non-controlling interest put option	Amortized Cost
Loans	Amortized Cost
Lease liability	Amortized Cost

(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

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of testing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating unit, or "CGU"). An impairment loss is recognized for the amount, if any, by which an assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets fair value less cost to sell and the value in use (being the present value of expected future cash flows of the asset or CGU). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount and the carrying amount that would have been recorded had no impairment loss been previously recognized, with the exception of goodwill.

(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.

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(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 exercised. 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

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In determining the allocation of the purchase price in a business combination, including any acquisition-related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with IFRS 9 *Financial Instruments*, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

The Company measures all assets acquired and liabilities assumed at their acquisition-date fair values. Acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received (except for the costs to issue debt or equity securities which are recognized according to specific requirements). The excess of the aggregate of (a) the consideration transferred to obtain control, over (b) the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognized as goodwill as of the acquisition date.

(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.

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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 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.

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.

For retail and wholesale arrangements, revenue is recognized immediately upon providing the customer with the product.

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

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, less any lease incentives received.

The right-of-use assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset can be periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate.

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Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of lease liabilities are recognized in profit or loss as incurred.

(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.

(o) Inventory

Inventories are measured at the lower of cost and net realizable value ("NRV"). Cost is determined using FIFO ("First In First Out"), and includes all costs of purchases and all other costs incurred in bringing inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. When there is a decline in the price of an item which indicates that the cost is higher than the NRV, a provision for inventories is established and an expense is recognized in the period in which the write-down occurs. A provision for impairment involves significant management judgment and includes the review of inventory aging and an assessment of cost recoverability.

Inventory consisted of mainly finished goods as at September 30, 2022 and March 31, 2022.

(p) Property and equipment

Property and equipment are recorded at cost, net of accumulated depreciation and accumulated impairment losses (if any) Cost includes all expenditure incurred to bring the assets to the location and condition necessary for them to be operated in the manner intended by management.

Depreciation is calculated using the following terms and methods:

- Office Equipment 2-5 Years Straight -Line
- Machinery and Equipment 2-5 Years Straight -Line
- Furniture and Fixtures 2-5 Years Straight -Line
- Truck 3-5 Years Straight -Line
- Building improvements 2-5 Years Straight -Line or lease terms whichever is less.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the profit and loss in the year the assets is derecognized. The assets residual values and useful lives are reviewed and adjusted prospectively if appropriate.

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the management and decision makers. The Company evaluates segment performance on the basis of its results, as reported to internal management, on a periodic basis.

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The Company identify following as the reportable segments:

Vegaste Technologies US Corp. (“Vegaste”)
PlantX Living Inc.
Bloombox Club Ltd. (“Bloombox”) and Bloombox UG
PlantX Living Squamish Inc. (“Score”)
PlantX Israel Ltd. (“Israel”)
WS West LLC (“Little West LLC”)
Plant-Based Deli LLC
PlantX UK
EH Coffee Inc. (“EH Coffee”) and Portfolio Coffee Inc
PlantX Midwest Inc.

5. Risk Management and Financial Instruments

The Company’s financial instruments consist of cash, trade receivable, accounts payable and accrued liabilities, loans payable, due to and from related parties. 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.

As at September 30, 2022, the fair value of cash was determined using level 1 inputs. Contingent consideration is accounted for at FVTPL as a Level 3 fair value measurement and is revalued at each reporting period. The fair value is determined by estimating the expected earnout and redemption amount that will ultimately be payable.

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 consist of receivables from its customers. The Company’s exposure to concentrations of credit risk is limited.

Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash, another financial asset or equity instrument. Liquidity risk is managed by maintaining appropriate levels of cash and cash equivalents. The Company also manages liquidity risk by continuously monitoring actual and projected cash flows. To the extent the Company does not believe it has sufficient liquidity to meet its obligations, it will consider generating funds from additional sources of financing or other strategic alternatives. The Company’s liquidity may be adversely affected if its access to the capital and debt markets is hindered, whether as a result of a downturn in general market conditions, or as a result of conditions specific to the Company. If any of these events were to occur, they could adversely affect the financial performance of the company. At September 30, 2022, the Company had a cash balance of \$170,448 (March 31, 2022: \$1,290,382) and current liabilities of \$ 10,094,902 (March 31, 2022: \$6,591,391).

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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 September 30, 2022, market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

The Company is party to financial instruments or enters into transactions that are denominated in currencies other than its functional currency. Consequently, the Company is exposed to translation risk in which other foreign currencies change in a manner that has an adverse effect on the value of the Company's assets or liabilities denominated in its operational currency. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. The Company does not hedge against movements in foreign currency exchange rates.

Interest rate risk

Interest rate risk refers to the risk of loss due to adverse movements in interest rates. Interest rate risk consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities. Interest rate risk on the loan is limited due to the fact that it has a fixed rate's of interest.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk. The Company's exposure to other price risks is not significant.

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.

6. Prepaid and deposits

	As at September 30, 2022		As at March 31, 2022
Insurance	\$ 548	\$	5,976
Office	101,684		40,642
Advertising and promotion	9,127		37,501
Consulting	-		33,195
Rent	15,620		54,809
Deposits	241,551		388,534
	\$ 368,530	\$	560,657

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7. Accounts Payable and Accrued Liabilities

		As at September 30, 2022		As at March 31, 2022
Accounts payable	\$	5,119,923	\$	1,894,973
Accrued liabilities		1,337,181		1,170,331
	\$	6,457,104	\$	3,065,304

8. Intangible Assets

Intangible assets	Website	Customer Relationship	Trade Name	Total
Cost:				
As at March 31, 2021	180,796	316,000	123,000	619,796
Additions	218,010	-	838,565	1,056,575
Disposal/ Impairment	(41,085)	(167,417)	(209,282)	(417,784)
As at March 31, 2022	\$ 357,721	\$ 148,583	\$ 752,283	\$ 1,258,587
Additions	6,535	-	-	6,535
As at September 30, 2022	\$ 364,256	\$ 148,583	\$ 752,283	\$ 1,265,122
Amortization:				
As at March 31, 2021	(22,898)	(43,889)	(12,813)	(79,600)
Charge for the period	(99,702)	(105,333)	(240,391)	(445,426)
FX translation	58	639	420	1,117
As at March 31, 2022	\$ (122,542)	\$ (148,583)	\$ (252,784)	\$ (523,909)
Charge for the period	(42,353)	-	(88,643)	(130,996)
As at September 30, 2022	\$ (164,895)	\$ (148,583)	\$ (341,427)	\$ (654,905)
Net book value:				
As at March 31, 2022	\$ 235,179	\$ -	\$ 499,499	\$ 734,678
As at September 30, 2022	\$ 199,361	\$ -	\$ 410,856	\$ 610,217

9. Right of Use Assets and Liabilities

Right-of-use asset:	
Balance March 31, 2021	\$ 67,576
Additions	7,333,803
Depreciation	(356,159)
Impairment	(737,601)
Balance, March 31, 2022	6,307,619
Depreciation	(232,786)
Balance, September 30, 2022	\$ 6,074,833

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Lease Liability		
Balance, March 31, 2021	\$	65,236
Addition		7,443,803
Accrued interest		115,200
Payment		(645,741)
Balance, March 31, 2022		6,978,498
Less: current portion		(1,153,203)
Non-current portion	\$	5,825,295
Balance, March 31, 2022	\$	6,978,498
Accrued interest		219,693
Payment		(584,804)
Balance, September 30, 2022		6,613,387
Less: current portion		(1,336,718)
Non-current portion	\$	5,276,669

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10. Property and Equipment

	Office Equipment	Machinery and Equipment	Furniture and Fixtures	Building Improvements	Total
Cost:					
Balance, March 31, 2021	20,581	363,323	53,660	332,438	770,002
Additions	868,553	402,474	79,094	733,298	2,083,419
Impairment	-	-	-	(501,399)	(501,399)
Balance, March 31, 2022	\$ 889,134	\$ 765,797	\$ 132,754	\$ 564,337	\$ 2,352,022
Additions/(Disposal)	55,214	46,058	1,184	183,817	286,273
Balance, September 30, 2022	944,348	811,855	133,938	748,154	2,638,295
Amortization:					
Balance, March 31, 2021	(19,734)	(142,174)	(18,021)	(141,286)	(321,215)
Charge for the period	(408,815)	(48,583)	(7,015)	(77,669)	(542,082)
Balance, March 31, 2022	\$ (428,549)	\$ (190,757)	\$ (25,036)	\$ (218,955)	\$ (863,297)
Charge for the period	(113,312)	(42,030)	(3,748)	(109,718)	(268,808)
Balance, September 30, 2022	(541,861)	(232,787)	(28,784)	(328,673)	(1,132,105)
Net book value:					
Balance, March 31, 2022	\$ 460,585	\$ 575,040	\$ 107,718	\$ 345,382	\$ 1,488,725
Balance, September 30, 2022	\$ 402,487	\$ 579,068	\$ 105,154	\$ 419,481	\$ 1,506,190

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 condensed interim consolidated financial statements.

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.

As at March 31, 2022, the Company had 9,668,175 (March 31, 2021 – 5,549,087) Common Shares outstanding.

As at September 30, 2022, the Company had 10,048,328 (September 30, 2021 – 6,222,883) Common Shares outstanding.

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During the six months ended September 30, 2022:

On June 10, 2022, the Company issued a total of 68,917 Common Shares in accordance with the terms of the acquisition agreement with Peter Rubi

On June 13, 2022, the Company issued a total of 62,435 Common Shares in accordance with the terms of the acquisition agreement with Little West.

On June 13, 2022, the Company issued a total of 9,133 Common Shares in accordance with the terms of the acquisition agreement with EH Coffee and Portfolio Coffee.

On August 10, 2022, the Company issued a total of 9,133 Common Shares in accordance with the terms of the acquisition agreement with EH Coffee and Portfolio Coffee.

During the six months ended September 30, 2022, the Company issued 5,714 Common Shares to certain consultants of the Company for services rendered in accordance with the terms of their respective consulting agreements with the Company.

During the six months ended September 30, 2022, 188,571 warrants were exercised.

During the six months ended September 30, 2022, the Company issued 36,250 Common Shares for vested PSU and RSU's to certain directors, officers, employees, and consultants of the Company pursuant to the terms and conditions of the Company's PSU and RSU Plan.

During the year ended March 31, 2022:

On April 5, 2021, the Company issued 108,163 Common Shares for vested 49,375 PSU's and 58,788 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 63,642 Common Shares consideration to acquire Little West.

On May 18, 2021, the Company issued an aggregate of 32,345 Common Shares for a fair value of \$304,047 to certain consultants of the Company at a price of \$9.4 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 125,800 as consideration in accordance with the terms of the acquisition agreement Plant Based Deli

On June 25, 2021, the Company issued a total of 188,889 as consideration in accordance with the terms of the acquisition agreement LIV Marketplace assets.

On September 16, 2021, the Company issued 148,625 Common Shares 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 \$2,976,085.

On September 29, 2021, the Company issued a total of 60,328 Common Shares in accordance with the terms of the acquisition agreement with Little West.

On November 11, 2021, the Company issued a total of 60,328 Common Shares in accordance with the terms of the acquisition agreement with Little West.

On November 12, 2021, the Company issued a total of 9,133 Common Shares in accordance with the terms of the acquisition agreement with Little West.

On December 15, 2021, the Company issued a total of 31,916 Common Shares for in accordance with the terms of the

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acquisition agreement with Little West.

On December 16, 2021, the Company issued 91,663 Common Shares 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 \$2,177,897.

On January 5, 2022, the Company issued a total of 45,945 Common Shares in accordance with the terms of the acquire agreement with Peter Rubi.

On January 5, 2022, the Company issued 70,823 Common Shares to certain directors, officers, employees and consultants of the Company for services performed. The fair value of Common Shares issued was \$392,924.

On January 31, 2022, the Company issued 183,913 Common Shares 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 \$3,474,948.

On February 16, 2022, the Company has completed an oversubscribed non-brokered private placement of 2,614,883 units of the Company at a price of CAD\$2.10 per Unit for approximate aggregate gross proceeds of CAD\$5,491,150, net of the share issuance cost of \$350,000.

On February 23, 2022, the Company issued a total of 9,133 Common Shares in accordance with the terms of the acquisition agreement with EH Coffee and Portfolio Coffee..

On March 15, 2022, the Company issued a total of 60,327 Common Shares in accordance with the terms of the acquisition agreements with Little West .

On March 15, 2022, the Company issued a total of 68,916 Common Shares in accordance with the terms of the acquisition agreements with Peter Rubi.

On March 16, 2022, the Company issued 5,000 Common Shares to certain directors, officers, employees and consultants of the Company for services performed. The fair value of Common Shares issued was \$16,000.

On March 30, 2022, the Company issued 38,063 Common Shares 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 \$299,263.

On March 31, 2022, the Company issued a total of 54,106 Common Shares in accordance with the terms of the acquisition agreement with Little West.

Basic and diluted loss per share

The calculation of basic and diluted loss per share for the six months ended September 30, 2022 was based on the net loss attributable to common shareholders of \$8,964,219 (September 30, 2021 – 17,824,500) and the weighted average number of Common Shares outstanding of 9,923,060 (September 30, 2021 – 5,892,079).

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 198,102 stock options to the Company's officers, consultants, and advisors. The stock options are exercisable at \$5 for a period of five years until August 10, 2025. 15,000 of the stock options has a vesting

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term of two years on quarterly basis and 183,012 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 year ended March 31, 2022, the Company recognized \$414,409 in share-based compensation.

On December 2, 2020, the Company granted 90,750 stock options to the Company's officers, consultants and employees. The stock options are exercisable at a price of \$14 for a period of five years until December 2, 2025. One quarter of the options will vest every six months from the date of grant. The fair value of the stock options was estimated 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 year ended March 31, 2022, the Company recognized \$304,540 in share-based compensation.

On December 16, 2020, the Company granted 93,500 stock options to the Company's consultants. The options are exercisable at a price of \$29 for a period of five years until December 16, 2025. One quarter of the options will vest every six 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 – 0.44%; 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 year ended March 31, 2022, the Company recognized \$717,507 in share-based compensation.

The Company has an obligation to issue 500 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 \$33 for a period of 90 days.

The Company has an obligation to issue 300 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 \$30.4 for a period of 90 days.

The Company has an obligation to issue 40,000 options to a consultant. The options are exercisable at a price of \$22.40 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 5,000 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 year ended March 31, 2022, the Company recognized \$289,875 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 197,500 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 year ended March 31, 2022, the Company recognized \$1,111,517 in share-based compensation.

The Company has an obligation to issue 2,500 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

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compensation during the year ended March 31, 2021. During the year ended March 31, 2022, the Company recognized \$8,194 in share-based compensation.

On December 2, 2020, the Company granted 27,500 RSUs to directors of the Company. The RSUs have a term of one year of which one quarter of the RSUs will vest every six months from the date of grant. The Company recognized \$232,365 in share-based compensation during the year ended March 31, 2021. During the year ended March 31, 2022, the Company recognized \$152,635 in share-based compensation.

On December 17, 2020, the Company granted 207,650 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 six months from the date of grant. The Company recognized \$3,551,814 share-based compensation for the RSU vested during the year ended March 31, 2021. During the year ended March 31, 2022, the Company recognized \$2,802,276 in share-based compensation.

The Company has an obligation to issue 1,500 RSUs to a consultant of the Company. The RSUs have a term of one 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 year ended March 31, 2022, the Company recognized \$21,055 in share-based compensation.

The Company has an obligation to issue 1,500 RSUs to a consultant of the Company. The RSUs have a term of one 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 year ended March 31, 2022, the Company recognized \$21,136 in share-based compensation.

During the year ended March 31, 2021, the Company issued a total of 13,625 Common Shares related to the exercise of 272,500 options at an exercise price of \$5.

During the year ended March 31, 2021, the Company issued 75,000 Common Shares related to the exercise of 1,500,000 options at an exercise price of \$2 to a related party of the Company.

On April 5, 2021, the Company granted 192,550 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 \$16 per common share. One quarter of the options will vest every six months from the date of grant. The fair value of the stock options was estimated to be \$2,064,747 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: expected life – 5 years; annualized volatility – 96.06%; risk-free interest rate – 0.97%; 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 \$2,057,226 in share-based compensation during the year ended March 31, 2022.

On the same date, the Company also granted 136,364 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 six months from the date of grant. The Company recognized \$2,038,452 stock-based compensation for the RSU vested during the year ended March 31, 2022.

On May 26, 2021, the Company granted 5,000 RSU's to a consultant of the Company pursuant to terms and conditions of the Company's restricted share unit plan. The RSU's have a term of 2 year of the RSU's will vest every monthly from the date of grant. The Company recognized \$24,167 stock-based compensation for the RSU vested during the year ended March 31, 2022.

During the year ended March 31, 2022, the Company issued 5,000 Common Shares related to the exercise of 5,500 options at an exercise price of \$5 to a related party of the Company.

On September 15, 2021, the Company granted 144,000 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 six months from the date of grant. The Company recognized \$946,660 stock-based compensation for the RSU vested during the year ended March 31, 2022.

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On September 15, 2021, the Company granted 6,000 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 \$8.4 per common share. One quarter of the options will vest every six months from the date of grant. The fair value of the stock options was estimated to be \$37,139 using the Black-Scholes Option Pricing Model and the following weighted average assumptions: expected life – 5 years; annualized volatility – 105.86%; risk-free interest rate – 0.86%; 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 \$20,045 in share-based compensation during the year ended March 31, 2022.

On November 2021, the Company granted 5,000 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 six months from the date of grant. The Company recognized \$31,378 stock-based compensation for the RSU vested during the year ended March 31, 2022.

On February 9, 2022, the Company granted 1,000 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 six months from the date of grant. The Company recognized \$1,013 stock-based compensation for the RSU vested during the year ended March 31, 2022.

On February 14, 2022, the Company granted 5,000 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 six months from the date of grant. The Company recognized \$2,606 stock-based compensation for the RSU vested during the year ended March 31, 2022.

A summary of the Company's outstanding stock options as at September 30, 2022 is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, March 31, 2020	75,000	\$ 2.00
Replaced*	(75,000)	-
Granted*	75,000	2.00
Granted	423,152	11.80
Expired	(6,250)	5.00
Exercised	(13,625)	5.00
Exercised	(75,000)	2.40
Outstanding, March 31, 2021	403,277	\$ 12.00
Granted	192,550	16.00
Granted	6,000	5.00
Exercised	(5,000)	5.00
Expired	(800)	5.00
Outstanding, March 31, 2022	596,027	\$ 13.20
Granted/ Exercised	--	--
Outstanding, September 30, 2022	596,027	\$ 13.20

*On August 5, 2020, the Company granted 75,000 replacement stock options to certain directors and officers pursuant to the reverse takeover acquisition with PlantX Living. The stock options are exercisable for Common Shares of the Company at an exercise price of \$2 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%.

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A summary of the Company's outstanding PSU's and RSU's as at September 30, 2022 are as follows:

	Number of PSU's
Outstanding, October 11, 2019 (date of incorporation) and March 31, 2020	-
Granted	200,000
Outstanding, March 31, 2021	200,000
Exercised	(49,375)
Exercised	(49,375)
Exercised	(98,750)
Outstanding, March 31, 2022	2,500
Granted/ Exercised	-
Outstanding, September 30, 2022	2,500

	Number of RSU's
Outstanding, October 11, 2019 (date of incorporation) and March 31, 2020	-
Granted	238,150
Outstanding, March 31, 2021	238,150
Granted	136,364
Granted	5,000
Granted	144,000
Granted	5,000
Granted	1,000
Granted	5,000
Exercised	(58,788)
Exercised	(99,250)
Exercised	(833)
Exercised	(1,038)
Exercised	(625)
Exercised	(91,663)
Exercised	(34,063)
Cancelled	(3,889)
Cancelled	(1000)
Cancelled	(350)
Exercised	(51,913)
Exercised	(375)
Exercised	(32,875)
Exercised	(37,438)
Exercised	(625)
Outstanding, March 31, 2022	119,789
Granted	-
Exercised	(36,250)
Cancelled	(623)
Outstanding, September 30, 2022	82,916

During the six months ended September 30, 2022, the Company recognized a total of \$648,731 (September 2021; \$9,332,011) in share-based compensation.

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The following summarizes information about stock options outstanding and exercisable at September 30, 2022:

Expiry date	Options outstanding	Options exercisable	Exercise price	Remaining life (years)
August 10, 2025	173,227	161,204	\$ 5.00	3.86
December 2, 2025	90,750	75,872	\$ 14.00	4.18
December 16, 2025	93,500	76,096	\$ 29.00	4.21
February 26, 2031	40,000	25,000	\$ 22.40	9.41
April 5, 2025	192,550	94,776	\$ 16.00	3.52
September 15, 2026	6,000	6,000	\$ 8.40	4.96

Warrants

On August 5, 2020, in connection with the completion of the reverse takeover acquisition, the Company issued 1,800 finders' warrants out of this 990 were exercised leaving 810 outstanding. The fair value of the warrants was estimated to be \$1,468 using the Black-Scholes Option Pricing Model and the following assumptions: expected life – 2 years; annualized volatility – 132%; risk-free interest rate – 0.23%; dividend rate – 0%.

In connection with the non-brokered private placement on December 16, 2020, the Company issued 1,045,455 warrants at an exercise price of \$15 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 \$40 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 – 100.00%; risk-free interest rate – 0.24%; dividend rate – 0%.

The Company issued an aggregate of 38,738 finders' warrants at an exercise price of \$15 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 – 129.00%; risk-free interest rate – 1.58%; dividend rate – 0%. In connection with the public offering on March 22, 2021, the Company issued 955,138 warrants at an exercise price of \$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 \$40 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%.

The Company also granted to the agent an additional of 46,198 finders' warrants exercisable at any time up to March 22, 2023, to purchase Common Shares at a price of \$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 – 129.00%; 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 990 Common Shares related to the exercise of 990 finders' warrants at an exercise price of \$5. The fair value of the warrants was estimated Using the Black- Scholes Option Pricing Model and the following weighted averages assumptions: expected life – 2 years; annualized volatility – 100.00%; risk-free interest rate – 2.23%; 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

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On February 17, 2022, the Company issued 2,614,833 warrants at an exercise price of \$2.80 and the fair value is estimated to be \$2,800,000. The fair value of the warrants was estimated Using the Black- Scholes Option Pricing Model and the following weighted averages assumptions: expected life – 2 years; annualized volatility – 100.00%; risk-free interest rate – 2.23%; 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.

A summary of the Company's outstanding warrants as at September 30, 2022 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, October 11, 2019 (date of incorporation) and March 31, 2020	2,086,337	\$ -
Issued	2,615,825	1.65
Exercised	(991)	1.80
Outstanding, March 31, 2022	4,701,171	1.65
Issued	-	-
Exercised	(188,571)	2.80
Outstanding, September 30, 2022	4,512,600	\$ 1.65

The following summarizes information about warrants outstanding and exercisable at September 30, 2022:

Expiry date	Warrants outstanding	Exercise price	Remaining life (years)
August 5, 2022	810	\$ 1.80	1.10
December 16, 2022	1,084,192	\$ 0.80	1.46
March 22, 2023	1,001,335	\$ 0.60	1.73
February 17, 2024	2,426,262	\$ 2.80	1.91

13. Revenue and Geographic Information

Revenue derived from customers located in the following geographic areas:

	Three month ended	Six month ended	Three month ended September 30, 2021	Six ended September 30, 2021
United States	\$ 2,108,346	\$ 5,207,981	\$ 962,072	\$ 1,139,253
United Kingdom and Germany	195,107	715,636	802,475	1,720,408
Canada	1,429,222	2,725,695	1,062,243	1,847,598
Israel	121,180	220,267	-	-
	\$ 3,853,855	\$ 8,869,579	\$ 2,826,790	\$ 4,707,259

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14. Loans payable

The Company assumed from the acquisition of Bloombox a £50,000 6-year unsecured UK government loan with no interest for the first 12 months as a result of the acquisition. The loan is payable with 60 monthly installments of £833 starting payments on June 13, 2021. The carrying value of the loan as of September 30, 2022, is \$ 55,357 (March 31, 2022: \$68,000)

During the year ended March 31, 2022, 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 COVID-19 pandemic. Commencing on January 1, 2024, interest will accrue on the balance of the term of the loan at the rate of 5% fixed interest per year. The carrying value of the loan as of September 30, 2022, is \$40,000 (March 31, 2022: \$40,000.) The loan is used to finance operating costs.

Little West LLC received a loan amounting to USD \$150,000 from Small Business Administration (SBA) @3.75% per annum payable in 30 years. The carrying value of the loan as at September 30, 2022, is \$205,605 (March 31, 2022: \$187,440 (USD \$150,000)). The loan is used to finance operating costs.

The Company acquired 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 COVID-19 pandemic. 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. The carrying value of the loan as at September 30, 2022, \$40,000 (March 31, 2022: \$40,000).

The Company received an advance from CTF Clear Finance Technology Inc ("Clearco") for \$501,650 (USD \$395,000) on December 8, 2021, with \$561,340 (USD \$442,000) repayable using a 20% remittance rate based on specified online sales and \$476,250 (USD \$375,000) advances on March 11, 2022, with \$553,400 (USD \$420,000) repayable using 20% remittance rate. In May 2022, the Company received an additional advance from Clearco for \$ 352,000 (USD \$275,000) with \$394,000 (USD \$ 308,000) repayable using a 20% remittance rate. Remittance to Clearco will continue until the total remittance payments equal the repayable amount. The carrying value of the loan as of September 30, 2022, is \$ 468,984 (March 31, 2022: \$722,104).

On April 26, 2022, the Company entered into the Secured Loan Agreement with a lender pursuant to which the Company borrowed a principal amount of \$2,000,000 from the lender, subject to certain terms and conditions. The Loan bears an interest rate of 12.0% per annum, with interest payable semi-annually, and will mature on April 26, 2024.

On July 25, 2022, the Company obtained debt financing whereby it may borrow a principal amount of up to \$10,000,000 from an arm's length creditor pursuant to the terms and subject to the conditions of a secured convertible promissory note issued to the Holder (the "Convertible Note"). The Convertible Note bear's interest at a rate of 5.0% per annum, payable monthly and matures on May 1, 2024. The holder has the right to convert at its discretion, in whole or in part the outstanding eligible conversion amount into Common Shares at the closing trading price of the Common Shares on the last trading day immediately prior to the delivery of the conversion notice. The conversion price shall not be less than \$0.05 per Common Shares. The carrying value of the loan as of September 30, 2022, is \$ 2,000,000 (March 31, 2022: Nil)

PlantX Life Inc.

Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

15. Administrative Expenses

	Three months ended 30 September 2022	Six months ended September 30, 2022	Three months ended 30 September 2021	Six months ended September 30, 2021
Dues and subscriptions	\$ 72,494	\$ 150,035	\$ 44,744	\$ 83,499
Gateway fees	13,426	37,084	24,663	50,568
Meals and entertainment	7,509	28,559	23,775	31,814
Merchant fees	46,436	87,804	24,080	31,962
Office general administrative expenses	210,582	778,972	218,405	269,079
Printing and stationery	1,055	1,996	36,250	66,908
Postage and delivery	270,468	630,694	99,106	124,503
Rent	153,129	304,965	111,813	197,012
Repair and maintenance	50,618	237,740	111,060	167,373
Supplies	68,014	122,748	24,668	43,170
Licence and taxes	12,520	26,485	36,878	40,470
Utilities	102,941	188,056	30,868	48,278
Insurance expense	60,893	134,122	43,209	77,125
Travel expenses	85,495	224,054	196,792	380,815
Accounting and audit fees	33,083	66,000	145,322	234,319
Other	101,736	226,847	115,524	184,556
	\$ 1,290,399	\$ 3,246,161	\$ 1,287,157	\$2,031,451

PlantX Life Inc.

Notes to Condensed Interim Consolidated Financial
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(Unaudited)

16. Segment Information

The operating segments of the Company are identified as Vegaste, PlantX UK, PlantX Living Inc, Plan, Based Deli, Bloombox, Israel, Little West, PlantX Midwest, Squamish, EH & Portfolio Coffee. 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 six months ended September 30, 2022, and 2021. The asset and liability balances are as at September 30, 2022 and March 31, 2022.

Income statement items

September 30, 2022	PlantX Life	PlantX Living	Vegaste	Bloombox	Squamish	Israel	Little West	Plant Based Deli	PlantX UK	EH & Portfolio Coffee	PlantX Midwest	Consolidated
Revenue	\$ -	\$ 158,908	\$ 30,531	\$ 711,927	\$ 2,174,330	\$ 220,267	\$ 2,017,552	\$ 437,014	\$ 3,709	\$ 226,428	\$ 2,888,853	\$ 8,869,579
Cost of sales	-	(112,531)	(19,621)	(469,067)	(854,233)	(18,204)	(1,481,571)	(266,117)	(2,784)	(157,798)	(2,160,187)	(5,542,113)
Gross margin	-	46,377	10,970	242,860	1,320,097	202,063	535,981	170,897	925	68,630	728,666	3,327,466
Net loss before taxes	\$ (4,677,724)	\$ (307,434)	\$ (258,403)	\$ (505,373)	\$ (3,592)	\$ (322,227)	\$ (522,514)	\$ (187,813)	\$ (132,316)	\$ (64,799)	\$ (1,982,023)	\$ (8,964,219)

September 30, 2021	PlantX Life	PlantX Living	Vegaste	Bloombox	Squamish	Israel	Little West	Plant Based Deli	PlantX UK	EH & Portfolio Coffee	PlantX Midwest	Consolidated
Revenue	\$ -	\$ 242,558	\$ 95,390	\$ 1,720,408	\$ 1,605,010	\$ -	\$ 849,006	\$ 194,887	\$ -	\$ -	\$ -	\$ 4,707,259
Cost of sales	-	(100,563)	(370,394)	(1,032,245)	(657,212)	-	(558,791)	(144,834)	-	-	-	(2,864,039)
Gross margin	-	141,995	(275,004)	688,163	947,798	-	290,215	50,053	-	-	-	1,843,220
Net loss before taxes	\$ (13,263,714)	\$ (1,036,904)	\$ (1,723,658)	\$ (1,170,689)	\$ (119,632)	\$ (170,530)	\$ (198,340)	\$ (77,530)	\$ -	\$ -	\$ (63,503)	\$ (17,824,500)

Balance Sheet items:

As at September 30, 2022	PlantX Life	PlantX Living	Vegaste	Bloombox	Squamish	Israel	Little West	Plant Based Deli	PlantX UK	EH & Portfolio Coffee	PlantX Midwest	Consolidated
Assets	\$ 804,892	\$ 930,276	\$ (80,955)	\$ 158,240	\$ 910,403	\$ 1,245,904	\$ 1,127,868	\$ 540,351	\$ 33,080	\$ 118,447	\$ 5,819,752	\$ 11,608,258
Liabilities	\$ (5,497,953)	\$ (1,090,359)	\$ (564,017)	\$ (943,750)	\$ (1,597,299)	\$ (269,732)	\$ (2,158,631)	\$ (657,238)	\$ (44,026)	\$ (719,081)	\$ (6,626,762)	\$ (20,168,847)
As at March 31, 2022	PlantX Life	PlantX Living	Vegaste	Bloombox	Squamish	Israel	Little West	Plant Based Deli	PlantX UK	EH & Portfolio Coffee	PlantX Midwest	Consolidated
Assets	\$ 922,641	\$ 897,404	\$ 122,995	\$ 250,915	\$ 1,092,099	\$ 687,629	\$ 993,712	\$ 545,945	\$ 32,445	\$ 205,056	\$ 6,444,351	\$ 12,195,192
Liabilities	\$ (1,513,441)	\$ (405,860)	\$ (926,109)	\$ (925,999)	\$ (833,713)	\$ (68,616)	\$ (1,593,881)	\$ (469,887)	\$ (13,826)	\$ (914,673)	\$ (5,529,792)	\$ (13,195,797)

PlantX Life Inc.

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(Unaudited)

17. Comparative figures

Certain comparative figures have been reclassified to conform with the presentation adopted for the current period

18. Contingencies and commitments

The Company is one of three parties that has been listed in a claim by the landlord of the San Diego store for breach of a lease in an amount no less than \$750,000 for back rent and other charges due, future rent, and other charges due, together with accrued and accruing pre-judgment interest. The Company is defending this claim and has filed a cross-complaint for \$4,000,000 as a result of not being able to operate in the location.

19. Subsequent events

On October 14, 2022, the Company completed the acquisition of the online domain www.veganessentials.com for an aggregate purchase price of \$893,000. The purchase price was satisfied by: (i) \$143,000 cash; and (ii) an aggregate of 1,071,428 Common Shares at a deemed issue price of \$0.70 per share.