BLUEBERRIES CANNABIS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

For the period from September 5, 2018 (Date of incorporation) to December 31, 2018

Independent Auditor's Report

To the Shareholders of Blueberries Cannabis Corp.:

Opinion

We have audited the consolidated financial statements of Blueberries Cannabis Corp. and its subsidiary (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from September 5, 2018 (date of incorporation) to December 31, 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the period from September 5, 2018 to December 31, 2018 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company has incurred a net loss of $535,653 during the year ended December 31, 2018 with no revenue-generating operations. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. Independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Marufur Raza.

MNP LLP

Toronto, Ontario

Chartered Professional Accountants

April 22, 2019

Licensed Public Accountants

MNP

BLUEBERRIES CANNABIS CORP.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2018

(Expressed in Canadian Dollars)

Assets		
Current Assets		
Cash and cash equivalents	$	412,405
Other receivables	$	1,415
Total Current Assets	$	413,820
Non-Current Assets		
Property Plant and equipment (Note 8)	$	155,217
Licenses (Note 7 & 10)	$	1,298,240
Total Non-Current Assets	$	1,453,457
Total assets	**$**	**1,867,277**
Liabilities and equity		
Current Liabilities		
Trade accounts payable and other accounts payable	$	244,971
Employee benefits	$	68,406
Related Party Debt (Note 9)	$	429,504
Total Current Liabilities	$	742,881
Total Non-Current Liabilities	$	-
Total Liabilities	$	742,881
Equity		
Common shares (Note 9)	$	1,664,738
Total Accumulated Other Comprehensive Income	$	(4,689)
Deficit	$	(535,653)
Total equity	$	1,124,396
Total liabilities and equity	**$**	**1,867,277**

See accompaning notes to the consolidated financial statements

Approved by the Board of Directors:

(signed) "Christian Toro"
Director

(signed) "Camilo Villalba"
Director

BLUEBERRIES CANNABIS CORP.

CONSOLIDATED STATEMENT OF LOSS AND COMPREHENSIVE LOSS

For the period from September 5 (Date of incorporation) to December 31, 2018

(Expressed in Canadian Dollars)

Pre-operating expenses - Cannabis	$	(137,802)
Depreciation	$	(5,816)
General and administrative expenses	$	(136,939)
Other income (expenses)	$	(8,896)
Professional fees	$	(258,379)
Realized FX Gain (Loss)	$	12,179
Profit (Loss) before Income tax	**$**	**(535,653)**
Current income tax	$	-
Net Loss for the Period	**$**	**(535,653)**
Other Comprehensive Income (Loss)		
Foreign Currency Translation Adjustment	$	(4,689)
	$	(4,689)
Comprehensive loss for the Period	**$**	**(540,342)**
Profit (Loss) per share - basic and diluted	**$**	**(0.011)**
Weighted average # of shares outstanding		48,059,322

See accompaning notes to the consolidated financial statements

BLUEBERRIES CANNABIS CORP.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from September 5, 2018 (Date of Incorporation) to December 31, 2018

(Expressed in Canadian Dollars)

Cash flows related to the following activities:		
Operating activities		
Net loss for the period	$	(535,653)
Adjustment for:		
Depreciation	$	5,816
Interest expense on loans	$	2,206
Foreign currency translation adjustment	$	3,164
Change in non-cash working capital		
Other receivables	$	(176)
Trade accounts payable and other accounts payable	$	197,982
Employee benefits	$	44,622
Net cash used in operating activities from continued operations	$	(282,039)
Investing activities		
License additions	$	(1,699)
Purchase of property, plant and equipment	$	(11,885)
Cash consideration on Blueberries SAS acquisition	$	(394,800)
Cash acquired from Blueberries SAS on acquisition	$	1,963
Net cash used in investing activities from continued operations	$	(406,421)
Financing activities		
Related party debt	$	311,128
Cash received from new shares issued net of share issuance costs	$	789,737
Net cash generated in financing activities from continued operations	$	1,100,865
Net cash from operating, investing and financing activities	$	412,405
Cash, beginning of period	$	-
Cash, end of period	$	412,405

See accompaning notes to the consolidated financial statements

BLUEBERRIES CANNABIS CORP.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the period from September 5, 2018 (Date of Incorporation) to December 31, 2018

(Expressed in Canadian Dollars)	**Common Shares**	**Share Capital**	**Deficit**	**Other Comprehensive Income**	**Total**
October 3, 2018 founder shares issued	52,000,000	$ 875,001			$ 875,001
share issuance costs		$ (1,988)			$ (1,988)
October 10, 2018 Seed Financing	7,000,000	$ 350,000			$ 350,000
share issuance costs		$ (3,075)			$ (3,075)
October 11, 2018 Standalone Financing	5,000,000	$ 444,800			$ 444,800
share issuance costs		$ -			$ -
Other Comprehensive Income (Loss)				$ (4,689)	$ (4,689)
Net Loss for the period			$ (535,653)		$ (535,653)
Balance at December 31, 2018	64,000,000	$ 1,664,738	$ (535,653)	$ (4,689)	$1,124,396

See accompanying notes to the consolidated financial statements.

1. NATURE OF OPERATIONS

Blueberries Cannabis Corp (the "Company" or "Blueberries") was incorporated September 5, 2018 under the Ontario Business Corporation Act. The address, and principal place of business of the Company is Suite 800, 365 Bay Street, Toronto, ON, Canada, M5H 2V1.

On October 3, 2018, the Company closed the acquisition of Blueberries S.A.S. The transaction was accounted for as an asset acquisition (Note 7(a)).

2. GOING CONCERN

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to discharge its obligations and realize its assets in the normal course of operations for the foreseeable future. Since incorporation, the Company has incurred a net loss with no revenue-generating operations, which were primarily financed from proceeds received through related party debt and issuance of share capital. As at December 31, 2018, the Company maintained a working capital deficit of $329,061.

As the Company has no assets currently generating cash flow, it will continue to exhaust its remaining financial resources to fund existing operations for the foreseeable future. These conditions indicate the existence of a material uncertainty that casts significant doubt about the Company's ability to continue as a going concern as it will be contingent upon the Company's ability to successfully identify and procure necessary capital, which may be by way of strategic transactions to obtain financing and/or generate profitable operations that are beneficial to the Company and its shareholders.

Management believes that the going concern assumption is appropriate for these consolidated financial statements and that the Company will be able to meet its budgeted administrative costs during the upcoming year and beyond when considering the Company's current financial forecast. However, there is no certainty as to the timing and likelihood of realizing a strategic transaction that would provide additional financial resources beyond those currently retained by the Company. Should the going concern assumption not be appropriate and the Company is not able to realize its assets and settle its liabilities, these consolidated financial statements would require adjustments to the amounts and classifications of assets and liabilities.

3. BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements were approved and authorized for issue by the Board of Directors of the Company on April 22, 2019.

Basis of measurement

The Financial Statements have been prepared on the going concern basis, under the historical cost convention.

Functional and presentation currency

The Financial Statements are presented in Canadian dollars, unless otherwise denoted. Management selected the Canadian dollar as the presentation currency as it best facilitates comparability with industry peers.

The functional currency of the Company is Canadian dollars, and the functional currency of the Company's subsidiary, Blueberries S.A.S., is the Colombian peso.

Assets and liabilities of entities with functional currencies other than Canadian dollars are translated at the period end exchange rates, results of their operations are translated at average exchange rates for the period, and shareholders' equity is translated at the rate effective at the time of the transaction. The resulting translation adjustments are included in profit/loss in shareholders' equity.

Basis of consolidation

The Financial Statements include the accounts of the Company and its subsidiary. Subsidiaries are entities controlled by the Company. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. As of December 31, 2018, the only subsidiary of Blueberries is Blueberries S.A.S., which is incorporated under the jurisdiction of Colombia and is wholly owned by Blueberries.

All transactions and balances between companies are eliminated on consolidation. Each entity within the consolidated group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using the functional currency.

4. SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents are comprised of cash and highly liquid investments that are readily convertible into known amounts of cash with original maturities of three months or less.

Property Plant & Equipment ("PPE")

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. 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 asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated statement of loss and comprehensive loss in the period the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial period end, and adjusted if appropriate. PPE is depreciated through profit and loss over their estimated useful lives. Assets under construction are not subject to depreciation as they are not ready for use. PPE is depreciated over their estimated useful lives using the following methods and rates:

	estimated useful lives/asset depreciation method
Agricultural Facilities	Straight-line over 5-10 years
Other Equipment	Straight-line over 3-5 years

Intangible assets – licenses and authorizations costs

Intangible assets are recognized as such if it is probable that future economic benefits attributable to the asset will flow to the Company and their cost can be reasonably measured.

Intangible assets that are acquired by the Company, which have definite useful lives, are measured at cost less accumulated amortization and impairment losses. These intangible assets are comprised of license costs and costs related to the retention of the licenses and authorizations for the recreational and cannabinoids extraction projects. These intangible assets are amortized through profit or loss on a straight-line basis over their estimated useful lives estimated to be five years for license costs and ten years for costs related to the retention of licenses, respectively, from the beginning of operations.

For licenses and permits that are classified as intangible assets with an indefinite life, no amortization is recognized but impairment tests on such licenses are carried out on an annual basis. This would apply to licenses and permits that do not expire and, as such, there is no foreseeable limit to the period over which these assets are expected to generate future cash inflows to the Company.

Useful lives of PPE and Intangible assets

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

Impairment of non-financial assets

The Company reviews and evaluates impairment of its non-financial assets subject to depreciation and amortization whenever events or changes in circumstances occur that indicates that the carrying amount of the asset will not be recovered from its use or sale. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds the higher of its fair value and value in use. Fair value is the amount that can be obtained from the sale of an asset in an open market. The value in use corresponds to the present value of the estimated future cash flows expected to be obtained from the continuing use of the asset and from its sale at the end of its useful life. Impairment losses recognized in previous years are reversed if there is a change in the estimates used on the last time an impairment loss was recognized.

Provisions

Provisions are recognized when (i) the Company has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) a reliable estimate of the amount of the obligation can be made. The Company bases its accruals on up-to-date developments, estimates of the outcomes of the matters and legal counsel experience in contesting, litigating and settling matters. As the scope of the liabilities becomes better defined or more information is available, the Company may be required to change its estimates of future costs, which could have a material effect on its results of operations and financial condition or liquidity.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligations.

Financial instruments

Financial assets are classified into one of four categories:

- Fair value through profit or loss (“FVTPL”)
- Fair value through other comprehensive income (“FVTOCI”)
- Financial assets measured at cost
- loans and receivables

Financial assets measured at FVTPL
Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL. Financial assets classified as FVTPL are stated at fair value with any resulting gain or loss recognized in the consolidated statements of income and comprehensive income. Transaction costs are expensed as incurred.

Financial assets measured at FVTOCI
AFS financial assets are those non-derivative financial assets that are designated as available for sale or are not classified in any of the other categories. Gains and losses arising from changes in fair value are recognized in other comprehensive income.

Financial assets measured at cost (loans and receivables)
Loans and receivables are financial assets having fixed or determinable payments that are not quoted in an active market. They are initially recognized at the transaction value and subsequently carried at amortized cost less, when material, a discount to reduce the loans and receivables to fair value.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statements of income and comprehensive income. With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized; the previously recognized impairment loss is reversed through the consolidated statements of income and comprehensive income. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

Financial liabilities and other financial liabilities
Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. Financial liabilities at FVTPL are stated at fair value, with changes being recognized through the consolidated statements of income and comprehensive income. Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Classification of financial instruments
Cash and cash equivalents – FVTPL
Receivables from related parties – loans and receivables
Other receivables – loans and receivables
Accounts payable and other payables – other financial liabilities
Due to related parties – other financial liabilities

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Contingent liabilities and assets

Contingent liabilities are not recognized in the consolidated financial statements; they are only disclosed in a note to the financial statements. When the possibility of an outflow of resources to cover a contingent liability is remote, such disclosure is not required.

Contingent assets are not recognized in the consolidated financial statements, they are only disclosed in the notes to the financial statements when it is probable that an inflow of resources occurs.

Items previously treated as contingent liabilities will be recognized in the consolidated financial statements in the period in which a change of probabilities occurs, that is, when it is determined that it is probable that an outflow of resources will take place to cover such liabilities. The items treated as contingent assets will be recognized in the consolidated financial statements in the period in which it is determined that it is virtually certain that an inflow of resources will occur, respectively.

Segment reporting

According to IFRS 8, operating segments are identified based on the ‘management approach’. This approach stipulates external segment reporting based on the Company’s internal organizational and management structure and on internal financial reporting to the chief operating decision maker. Management of the Company is responsible for measuring and steering the business success of the segments and is considered the chief operating decision maker within the meaning of IFRS 8. The company operates in one segment being the operations of Cannabis cultivation facilities in Colombia

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income (loss).

Current tax
Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax
Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income (loss) or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Estimates

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

New standards and interpretations issued but not yet adopted

The IASB has issued several new standards and amendments that will be effective on various dates. The listing below is of standards, interpretation and amendments issued which the Company reasonably expects to be applicable at a future date. The Company intended to adopt those standards when they become effective. The impact on the Company is currently being assessed.

IFRS 16 Leases ("IFRS 16")
IFRS 16 was issued by the IASB on January 13, 2016. The Company will be required to adopt IFRS 16 in its financial statements for the annual period beginning on January 1, 2019. The new standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Management is currently evaluating the potential impact, if any, that the adoption of IFRS 16 will have on the Company's financial statements.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires 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 review affects both current and future periods.

Impairment testing

At the date of each statement of financial position, the Company reviews the carrying amounts of its finite-life intangible assets carried at cost to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Valuation of deferred income tax assets

The Company assesses the probability of taxable profits being available in the future based on its budget forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When a forecast shows a net profit, the Company considers that the use of deferred income taxes is probable and recognizes the benefit. When management believes that the benefits will not be realized, the deferred income tax asset is not recognized.

6. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Financial instruments

Financial assets are classified into one of four categories:

- Fair value through profit or loss (“FVTPL”)
- Fair value through other comprehensive income (“FVTOCI”)
- Financial assets measured at cost
- loans and receivables

Financial assets measured at FVTPL
Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL. Financial assets classified as FVTPL are stated at fair value with any resulting gain or loss recognized in the consolidated statements of income and comprehensive income. Transaction costs are expensed as incurred.

Financial assets measured at FVTOCI
AFS financial assets are those non-derivative financial assets that are designated as available for sale or are not classified in any of the other categories. Gains and losses arising from changes in fair value are recognized in other comprehensive income.

Financial assets measured at cost (loans and receivables)
Loans and receivables are financial assets having fixed or determinable payments that are not quoted in an active market. They are initially recognized at the transaction value and subsequently carried at amortized cost less, when material, a discount to reduce the loans and receivables to fair value.

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated/ future cash flows of the investment have been impacted.

The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the consolidated statements of income and comprehensive income. With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized; the previously recognized impairment loss is reversed through the consolidated statements of income and comprehensive income. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

Financial liabilities and other financial liabilities
Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. Financial liabilities at FVTPL are stated at fair value, with changes being recognized through the consolidated statements of income and comprehensive income. Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Classification of financial instruments
Cash and cash equivalents – FVTPL
Receivables from related parties – loans and receivables
Other receivables – loans and receivables
Accounts payable and other payables – other financial liabilities
Due to related parties – other financial liabilities

Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Financial risk management

The Company’s activities are exposed to a variety of financial risks in the normal course of business. The Company’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the Company’s capital costs by using suitable means of financing and to manage and control the Company’s financial risks effectively.

The principal financial risks arising from financial instruments are liquidity risk, credit risk, and capital risk.

Liquidity risk

As at December 31, 2018, the Company’s financial liabilities consist of accounts payable and accrued liabilities, related party debts and promissory notes, which have contractual maturity dates within one year, with the exception of the long term portion of accounts payable and other payables. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. Based on the Company’s working capital position at December 31, 2018, management regards liquidity risk to be low.

Foreign Currency Risk

The Company's functional and reporting currency is the Canadian dollar but is exposed to foreign currency risk with respect to the expenditures incurred by its Colombian subsidiary, Blueberries S.A.S.

Credit risk

Credit risk arises from cash and cash equivalents, as well as credit exposure to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of ‘A’ are accepted. Counterparties in cash transactions are limited to first-rate financial credit institutions.

As of December 31, 2018, the Company’s management considers that the Company’s other receivables do not have non-collectable accounts because they do not have credit risk.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in prevailing market interest rates. The Company is exposed to interest rate risk on cash and cash equivalents. The Company is also exposed to interest rate risk on promissory notes that may be issued. Those promissory notes issued were interest-free loans. As such, fluctuations of interest rates for the period ending December 31, 2018 would not have had a significant impact on the consolidated financial statements.

Classification of financial instruments
Cash and cash equivalents – FVTPL
Receivables from related parties – loans and receivables
Other receivables – loans and receivables
Accounts payable and other payables – other financial liabilities
Due to related parties – other financial liabilities

7. CORPORATE FINANCIAL TRANSACTIONS

On October 3, 2018, the Company acquired all of the issued and outstanding shares of Blueberries S.A.S. in exchange for shares in the Company and cash of $394,800 ($300,000 USD). 52,000,000 shares in Blueberries were issued to founders at that time. The Blueberries SAS shareholders received 17,500,000 of these total shares issued. Given they had a fair value of $0.05 per share at that time based on recent financing transactions the total share consideration cost was $875,000. Total acquisition cost was $1,269,800 including both cash and shares. Transaction costs totaled $32,403 bringing the total cost to $1,302,203.

The transaction was accounted for using the asset acquisition method of accounting as the assets acquired do not constitute a business combination under the guidance of IFRS 3. The fair values assigned to the net assets and liabilities and consideration paid are as follows:

Licenses	$ 1,299,246
Cash	$ 1,963
Other Receivables	$ 1,239
Property, Plant & Equipment	$ 154,295
Accounts Payable	$ (14,586)
Employee Benefits	$ (23,784)
Payable to Shareholders	$ (116,170)
Total consideration	**$ 1,302,203**

The results of the Acquisition have been included in the accounts of the Company commencing October 3, 2018 and using December 31, 2018 financial statements as no significant transactions happened between those dates.

8. PROPERTY, PLANT & EQUIPMENT ("PPE")

Via the October 3, 2018 asset acquisition Blueberries acquired PPE from its subsidiaries Cannabis business. The continuity is presented below from October 3, 2018 to the Balance Sheet date of December 31, 2018. There are no comparatives to report as balances were nil before October 3, 2018.

	Land	Agricultural Facilities	Other equipment	Total
Net Assets acquired	$ 2,456	$ 119,375	$ 32,464	$ 154,295
Additions	$ -	$ 11,885	$ -	$ 11,885
Depreciation expense	$ -	$ (3,377)	$ (2,439)	$ (5,816)
Effect of foreign currency	$ (83)	$ (3,958)	$ (1,107)	$ (5,148)
Net assets as at December 31, 2018	**$ 2,373**	**$ 123,926**	**$ 28,918**	**$ 155,217**

9. RELATED PARTY DEBTS

During the period ended December 31, 2018, the Company began incurring professional expenses. One of these vendors was to the key management in the Company. As at December 31, 2018 the balance owing was $176,871. There are no specific items of repayment and the amount is unsecured and non-interest bearing.

Via the October 3, 2018 asset acquisition Blueberries acquired two promissory notes with its beneficial shareholders. The first note was due to be repaid November 30, 2018. There is no limit to how much the Subsidiary can draw under the note and it does not bear interest. However, for any balances not repaid by its November 30, 2018 due date interest will accrue at 0.43% monthly. (5.16% per annum) As the balance was not paid off Interest was accrued for December 2018 of $1749. As at December 31, 2018 the balance owing including accrued interest was $151,723 CAD. The second note does not have a due date. There is no limit to how much the Subsidiary can draw under the note and bears an annual interest 5.16%. Interest was accrued for December 2018 of $457. As at December 31, 2018 the balance owing including accrued interest was $77,188.

Besides, these notes $23,722 is owed to these beneficial shareholders in an employee capacity and is booked in this related party account. Combined with the $176,871 to key management the total Related Party Debt of the consolidated entity is $429,504.

As at December 31, 2018 there is a related party amount of $30,000,000 COP owing to a beneficial shareholder. The amount is not interest bearing and is due on demand. The amount is presented in the financial statements under accounts payable.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and directors.

During the period ended December 31, 2018, compensation of $40,000 CAD and $211,416,380 COP (approximately $88,863 CAD) in salaries were incurred for key management. As of December 31, 2018, the full balances presented are unpaid and included in accounts payable.

As at December 31, 2018, accrued compensation benefits of COP$35,038,843 (CAD$14,726) was outstanding for key management. This balance is represented in Employee benefits on the financial statements.

10. LICENSES AND AUTHORIZATIONS COSTS

By December 31 2018, Blueberries S.A.S. was granted licenses to produce, manufacture, market and export cannabis derivatives and products using extracts in Colombia by the Ministry of Health, making it one of a small number of companies to have secured such a license. The three licenses attained are as follows:

On March 15, 2018, the Ministry of Justice granted a Low THC Cultivation License (non-psychoactive, less than 1% THC content) allowing Blueberries to cultivate in the following modalities: production of grain and seeds for planting, for by-products production.

On August 17, 2018, the Ministry of Health granted the Production License authorizing the domestic and international distribution of High and Low THC Medicinal Cannabis extracts which allows Blueberries SAS to produce cannabis for domestic use and international export. Pursuant to the Production License, the Colombian government approved land on which Blueberries SAS is permitted to commence cultivation and production of medicinal cannabis at its Cultivation Facility.

On October 24, 2018, the Ministry of Justice granted a High THC Cultivation License (psychoactive, more than 1% THC content) allowing Blueberries to cultivate in the following modalities: production of grain and seeds for planting, for by-products production.

A continuity of the intangible assets for the period ended December 31, 2018 is as follows:

	Balance at Dec 31, 2018
Asset Acquisition (Note #7)	1,299,246
Additions	1,699
Foreign Exchange	(2,705)
	$ 1,298,240

As of December 31, 2018, costs attributed to the aforementioned license were comprised of the fair value assessed to the license assets at the time of the Acquisition. While the underlying licenses have a fixed term they are not yet in use. Therefore, no amortization has been claimed as of this time.

11. SHARE CAPITAL

Common shares

At December 31, 2018, the Company was authorized to issue unlimited common shares with no par value, with holders of common shares entitled to one vote per share and to dividends, if declared. As of December 31, 2018, common shares issued and outstanding are as follows:

Shares cancelled	(1)	-
Shares issued under shareholders agreement	52,000,000	875,001
Share issuance costs		(1,988)
Shares issued - seed financing	7,000,000	350,000
Share issuance costs		(3,075)
Shares issued - standalone financing	5,000,000	444,800
Share issuance costs		
Balance, December 31, 2018	**64,000,000**	**$ 1,664,738**

On October 3, 2018, the Company acquired all of the issued and outstanding shares of Blueberries S.A.S. in exchange for shares in the Company and cash of $394,800 ($300,000 USD). 52,000,000 shares in Blueberries were issued to founders at that time. The Blueberries SAS shareholders received 17,500,000 of these total shares issued. Given they had a fair value of $0.05 per share at that time based on recent financing transactions the total share consideration was $875,000. Total acquisition cost was $1,269,800 including both cash and shares. Transaction costs totaled $32,403 bringing the total cost to $1,302,203.

On October 10, 2018 Blueberries completed a seed financing where 7,000,000 shares were issued at $0.05 per share, all of which was paid in cash.

On October 11, 2018 Blueberries completed a standalone financing where 5,000,000 shares were issued for $444,800, all of which was paid in cash.

12. INCOME TAX

Reconciliation of effective tax rate

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% to the effective tax rate is as follows:

		2018
Net Income (Loss) before recovery of income taxes		(535,653)
Expected income tax (recovery) expense	$	(141,948)
Increase (decrease) in taxes:		
Difference in foreign tax rates		(18,814)
Share based compensation and non-deductible		3,295
Share issuance cost booked in equity		(1,342)
Change in tax benefits not recognized		158,809
Total tax expense (recovery)	$	-

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2018
Share Issuance Costs	4,735
Non-capital loss carryforwards	525,996
Capital Loss carryforwards	-
	530,731

$279,469 of the non-capital losses carryforwards as at December 31, 2018 are from Colombia. These tax losses may be carried forward for 12 years expiring in 2030. $246,527 of the non-capital losses carryforwards as at December 31, 2018 are from Canada. These tax losses may be carried forward for 20 years expiring in 2038. Share issuance costs will be fully amortized in 2023. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the group can utilise the benefits therefrom.

13. CONTINGENCIES AND COMMITMENTS

Contingencies

Management of Blueberries considers there to be no contingent liabilities that have to be recognized in the consolidated financial statements as of December 31, 2018.

Commitments

During 2018 the subsidiary signed a binding agreement to buy 15 additional hectares of farmland in Cogua, Cundinamarca, Colombia for $1,500,000 USD plus 4,000,000 shares in the Company. This consideration was paid on February 20, 2019. The transfer of ownership title has yet to occur. This land will be used for future expansion of the business. This contract has an opt-out penalty of $300,000 USD should the subsidiary choose before close. The seller of this land is a legal entity whose minority beneficial owner is also a minority shareholder of the Company.

On May 30, 2018 the subsidiary signed a binding agreement for one year with Hempson USA. This party will act as a broker and will be entitled to commissions up to 10% gross medicinal Cannabis sales for all of Europe. This agreement will expire May 30, 2019.

14. SUBSEQUENT EVENTS

a) Reverse Takeover

On February 5, 2019 the Company completed a Transaction ("the Transaction") with CDN MSolar Corp.(the "Pubco") The Pubco was previously established to be the exclusive worldwide marketing and business development partner of Dongying Minghui New Energy Science & Technology Co., Ltd. but has not had much active business in sometime. Simultaneously with the Transaction CDN MSolar Corp. legally changed its name to Blueberries Medical Corp. ("BBM"). The address of the Company's corporate office and its principal place of business are 885 West Georgia Street, Suite 2200, HSBC Building, Vancover, BC, V6E.

On February 6, 2019, the common shares of the Company were listed on the Canadian Securities Exchange (the "CSE") under the symbol "CNSX:BBM".

Pursuant to the Transaction, the Company, formerly CDN MSolar Corp. acquired all of the issued and outstanding shares of Private Company through a three-cornered amalgamation of Private Company and a wholly-owned subsidiary of the Company, with the former shareholders of Private Company receiving one BBM Share for each share of Private Company held. The Transaction constitutes a reverse take-over as the former shareholders of Private Company now own (on a non diluted basis) approximately 93.1% of the issued and outstanding BBM Shares immediately following the completion of the Transaction. On closing of the Transaction there were 106,622,772 BBM Shares issued and outstanding, with an additional 26,179,150 BBM Shares reserved for issuance upon the exercise of securities convertible into BBM Shares.

Subsequent to closing the Transaction 885,000 warrants were exercised for cash proceeds of $354,000. This resulted in 107,507,722 BBM shares outstanding at the date of reporting these financial statements.

b) Letter of Intent with Harmony and Life SAS

On February 14 2019 Blueberries Medical Corp announced that its subsidiary had entered into a Letter of Intent dated February 13, 2019 for a potential joint venture operating with Harmony and Life SAS as El Manantial Medical Centers.

The Agreement will further the development and commercialization of Blueberries' medicinal cannabis products through El Manantial's patient base and collaboration with El Manantial's team of physicians and pharmacists. It will also provide a direct distribution channel to patients. The Company expected build two BPE (Good Elaboration Practices) certified pharmacies in support of the initiative which will provide additional sales channels for Blueberries' products. Blueberries and El Manantial will also develop a treatment-focused medical education program designed to assist physicians in prescribing cannabis-based treatment plans to patients.

Pharmacy Build-Out

Blueberries will make a strategic investment of up to C$400,000 in the construction of specialized pharmacies that are BPE (Good Elaboration Practices) certified. In addition to the pharmacies owned and operated by El Manantrial, the Companyowned pharmacies will also sell cannabis and cannabis-derived products exclusively from Blueberries.

Additional Letter Agreement Terms

- Collaborate on the research, development, and commercialization of Blueberries cannabis derived medicinal products.
- Blueberries to be exclusive supplier of cannabis and cannabis-derived products to El Manantial for

research and sale through their medical center network and pharmacies.

• Blueberries will make a strategic investment of up to C$300,000 for the development of educational programs for the medical community to deliver to patients. The program will include certification for physicians obtained through comprehensive training.

• Blueberries will invest up to C$100,000 for medical center facility upgrades to expand capacity given there is a rapidly growing patient base.

• Blueberries will pay a monthly consulting fee to Harmony and Life S.A.S of US$6,000 from March 2019 to February 2020 to oversee the construction and build-out of Blueberries owned pharmacies.

The potential Joint Venture is subject to completion of satisfactory due diligence by each of the Company and El Manatial, and the execution of a definitive agreement.

The letter of Intent does not have a firm expiry date and it is understood nothing is binding until a definitive agreement is executed.

c) Letter of Intent with Leading Colombian Craft Brewer

On February 25, 2019 Blueberries S.A.S entered into a Letter of Intent for a potential joint venture with India Colorada SAS, one of the leading Colombian artisanal brewers and producer of craft beer in Colombia, Cerveza Colón, to research, develop and commercialize non-alcoholic cannabis-based beverages.

The potential Joint Venture is expected to undertake the research, development and commercialization of non-alcoholic cannabis-based beverages with the goal of being first to market in Latin America. Pursuant to the Agreement, both companies will apply their respective expertise toward the research and development of beverages containing tetrahydrocannabinol (THC), the psychoactive chemical compound in cannabis, as well as cannabidiol (CBD), the non-psychoactive compound. The potential Joint Venture is expected to commercialize newly developed cannabis-based beverages through India Colorada's established and growing distribution channels in addition to Blueberries' distribution channels. The potential Joint Venture will make decisions regarding commercialization of the products in different countries where permitted by regulation on an individual market basis. Pursuant to the terms of the Agreement, the parties intend to complete the development of new products and commercialization plan over the following 12 months. India Colorada is arms'-length to the Company.

For the potential Joint Venture to proceed Blueberries would have to provide India Colorada SAS $US300,000 for research towards development and commercialization.

The letter of Intent would expire on one party notifying the other with 30 days notice.

d) Listing on Frankfurt Stock Exchange

On March 4, 2019 Blueberries Medical Corp announced it is now listed on the Frankfurt Stock Exchange (FSE) trading under the ticker symbol "10A"

e) Blueberries to Acquire Cannabis Cultivation, Processing and Manufacturing Rights in Argentina

On March 26, 2019 Blueberries Medical Corp entered a Letter of Intent agreement effective March 21, 2019 to acquire 75% of the shares of an entity that will have the right to a joint venture with Cannava to focus on cannabis cultivation, processing, manufacturing, export and other rights in Argentina (the "Letter Agreement") from BBV Labs Inc. ("BBV Labs"). Pursuant to a definitive agreement with the Argentinian state-owned company Cannabis Avatara, S.E. ("Cannava"), BBV Labs has entered into a potential joint venture (with Cannava to develop and cultivate cannabis on a 3.2 million square foot (74 acres or 30 hectares) prime agricultural property. Cannava will contribute the land to the potential Joint Venture as well as all required permits and authorizations necessary to import seeds, cultivate, grow and harvest cannabis, process cannabis and extract cannabis oil and other derivative products for scientific, medicinal and therapeutic purposes and to export cannabis and derivative products and import and export related equipment and products.