BLUEBERRIES MEDICAL CORP.

(formerly CDN MSolar Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2019

The following Management's Discussion and Analysis (the "MD&A") of Blueberries Medical Corp. ("Blueberries" or the "Company") for the three months ended March 31, 2019, as well as information and expectations concerning Blueberries' outlook based on currently available information.

This MD&A should be read in conjunction with Blueberries' interim condensed consolidated financial statements for the three months ended March 31, 2019 as well as the audited annual consolidated financial statements for the year ended December 31, 2018 (collectively, the "Financial Statements") prepared in accordance with IFRS (as defined below), together with the accompanying notes.

All dollar values are expressed in Canadian dollars, unless otherwise indicated, and are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standard Board ("IASB").

This MD&A is prepared as of May 30, 2019.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The following table outlines certain significant forward-looking statements contained in this MD&A and provides the material assumptions used to develop such forward-looking statements and material risk factors that could cause actual results to differ materially from the forward-looking statements.

Forward Looking Statements	Assumptions	Risk Factors
The Company will be able to continue its business activities.	The Company has anticipated all material costs and the operating activities of the Company, and such costs and activities will be consistent with the Company's current expectations; the Company will be able to obtain equity funding when required.	Unforeseen costs to the Company will arise; any particular operation cost increase or decrease from the date of the estimation; and capital markets not being favourable for funding resulting in the Company not being able to obtain financing when required or on acceptable terms.
The Company will be able to carry out anticipated business plans.	The operating activities of the Company for the twelve-month period ending March 31, 2020, will be consistent with the Company's current expectations; debt and equity markets, interest rates and other applicable economic conditions are favourable to the Company.	Sufficient funds not being available; increases in costs, the Company may be unable to retain key personnel to develop or enhance its business, take advantage of future opportunity or respond to competitive pressures.

Forward Looking Statements	Assumptions	Risk Factors
Management’s outlook regarding future trends.	Financing will be available for the Company’s future business, continuing development, and maintenance of operations.	General economic conditions could adversely impact spending by the Company’s clients, put downward pressure on prices which could adversely impact the business, financial condition or results of operations and the Company may be unable to retain personnel.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company’s ability to predict or control. Please also make reference to those risk factors discussed further below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Non-GAAP Measures

Certain financial measures in this document do not have a standardized meaning as prescribed by IFRS and therefore are considered non-GAAP measures. These measures may not be comparable to similar measures presented by other issuers. These measures have been described and presented in order to provide shareholders and potential investors with additional measures for analyzing our ability to generate funds to finance our operations and information regarding our liquidity. The additional information should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. The definition and reconciliation of each non-GAAP measure is presented in the Discussion of Operations and Liquidity and Capital Resources sections of this MD&A.

CORPORATE OVERVIEW AND UPDATE

Blueberries Medical Corp. is a fully licensed cannabis producer in Latin America with a focus on cultivating, processing, and supplying medicinal-grade cannabis oil extracts and related products. Blueberries was incorporated in Canada on March 15, 2013 under the Business Corporations Act (British Columbia), and formerly operated under the name CDN MSolar Corp. (“CMS”). The common shares of the Company are listed on the Canadian Securities Exchange (the “CSE”) under the symbol “CNSX:BBM”.

On February 5, 2019, Blueberries (then being CMS) completed a transaction (the “Transaction”) with Blueberries Cannabis Corp. (the “Private Company” or “BCC”), a private company registered under the Ontario Business Corporations Act. The Private Company’s wholly owned subsidiary, Blueberries SAS is a licensed producer and distributor of medicinal cannabis and cannabis-derived products in Colombia. The Transaction constituted a reverse asset acquisition in accordance with IFRS, whereby the shareholders of BCC took control of CMS. Following the completion of the Transaction, CDN MSolar Corp. legally changed its name to Blueberries Medical Corp.

References within this MD&A to the “Company” or “Blueberries” for periods, dates and/or transactions prior to the Transaction are in reference to the Private Company, as the corporate entity of interest pre-Transaction. Alternatively, references within these financial statements to the “Company” or “Blueberries” for periods, dates and/or transactions subsequent to the Transaction are in reference to Blueberries Medical Corp., as the corporate entity of interest post-Transaction.

Operations

Blueberries's nursery and propagation centers are located in the municipalities of Guatavita and Cogua in the department of Cundinamarca. Blueberries started the construction of a high-tech nursery with a production capacity of up to 21,240 cuttings per month. This capacity is enough to start its own projects and develop its program of small producers. This nursery was developed with the highest standards of quality and automation and will be ready before the end Q2 2019.

With the resolution of unit of agronomic evaluation issued during Q1 2019, Blueberries will be able to evaluate the 142 strains with high levels of THC/CBD that we have registered with the Colombian Agricultural Institute ("ICA"). The first agronomic evaluation test of our best strains with high levels of CBD was commenced in Q1 2019, with expectations to have the first commercial cultivation in Q3 2019.

Along with the Company's own cultivation projects, Blueberries has access to 10.5 additional hectares through its contract growers program. Through this method, Blueberries provides consultation and oversight, supplying plant material of the highest standards and trained personnel for its development. These 10.5 hectares represent an estimated additional production of 168 tons per year and are in line with our objectives of reaching 100 hectares with contract growers before the end of 2020.

Blueberries is currently finalizing plans for a large-scale 1,300,000 ft^2 cannabis greenhouse facility on the Zipaquira Property which is expected to yield approximately 72,000 kg of dried cannabis per year once completed. Build-out of the new facility is being planned over three phases, with the first fully-funded phase of approximately 500,000 ft^2 expected to yield approximately 30,000 kg of dried cannabis per year once completed. The Company anticipates that that the first phase of the build-out will be completed and operational in Q4 2019 at an estimated cost of approximately $2.0 million. Further information regarding the build-out of the additional phases will be released in due course on finalization of construction design and budget.

The Company continues working in the implementation of ISO 9001 and we expect to be certified in Q1 2020.

Production Licenses

The legalization of the cultivation of cannabis as medicinal Cannabis was based on Law 1787 of 2016 enacted by Colombian Congress, Decree 613 of 2017 and regulatory resolutions (577, 578 and 579 of August 8, 2017 enacted by the Ministry of Justice and resolutions 2891 and 2892 of 2017 enacted by the Ministry of Health) which formed a legal framework that regulates the actions of any company in Colombia working with cannabis for medical and scientific purposes, including the cultivation, production, and domestic and international distribution of cannabis, cannabis seeds, High THC Medicinal Cannabis, and Low THC Medicinal Cannabis extracts.

The Company obtained licenses to grow, cultivate, distribute locally and internationally medical cannabis with high concentrations of Tetrahydrocannabinol "THC" (>1% THC) and medical cannabis with low concentrations of THC (<0.1% THC). Below is a summary of the licenses, their function, status and application.

Licenses	Function	Grant Date	Application
Non-psychoactive cannabis cultivation	• Seed production for planting • Grain production • Manufacture of derivatives	Mar 15, 2018	• Less than 1.0% THC Production of low THC extracts • Domestic and international distribution

Licenses	Function	Grant Date	Application
Manufacture of cannabis derivatives	• National use • Exportation	Aug 17, 2018	• Manufacture, Produce, Commercialize and export psychoactive (high THC) and non-psychoactive (Low THC) cannabis derivatives
Psychoactive cannabis cultivation	• Seed production for planting • Grain production • Manufacture of derivatives	Oct 24, 2018	• Production of more than 1.0% THC and high THC extracts. • Domestic and international distribution
Seeds	• Marketing or delivery • Scientific purposes	Process started in Sep 2018	• Marketing: Buying and selling of seeds

Key developments

- On February 6, 2019, the common shares of the Company were listed on the CSE under the symbol "CNSX:BBM".

- On March 4, 2019, Blueberries announced that its common shares are now listed on the Frankfurt Stock Exchange (the "FSE") trading under the ticker symbol "1OA".

- On April 1, 2019, Blueberries announced that had commenced trading on the OTCQB Market (the "OTCQB") under the ticker symbol "BBRRF". OTCQB is a trading platform in the United States operated by the OTC Markets Group in New York which provides real-time quotations and market data to a broad network of broker-dealers and retail investors. The Company also applied for eligibility to The Depository Trust Company ("DTC") for the trading of the Company's shares on the OTC Market DTC manages the electronic clearing and settlement of publicly traded companies to provide for quicker, more efficient and lower cost settlement for securities traded on the OTC Markets.

- On April 30, Blueberries received approval to sell five CBD wellness products in Colombia and Internationally from the Colombian Food and Drug Regulator

Colombian Transactions

- On October 3, 2018, Blueberries signed and completed a share purchase and sale agreement in which Blueberries SAS became a wholly owned subsidiary of the Company. Under the terms of this agreement the two shareholders in Blueberries SAS became minority shareholders in Blueberries.

  Blueberries paid cash of $394,800 ($300,000 USD) and issued 52,000,000 shares as consideration for Blueberries SAS. The Blueberries S.A.S shareholders received 17,500,000 of these total shares issued. The shares were estimated to have a fair value of $0.05 per share, based on recent financing transactions, for a total value of $875,000. Combined with the cash consideration and transaction costs of $32,403, the total cost of the acquisition was $1,302,203.

- On February 13, 2019, Blueberries entered into a letter of intent for a joint venture with Harmony and Life SAS, operating as "El Manantial" medical centers. The Joint Venture will further the development and commercialization of Blueberries' medicinal cannabis products through El Manantial's rapidly growing patient base and collaboration with El Manantial's team of physicians, pharmacists and technicians with deep expertise in a variety of medical areas. It will also provide a direct distribution channel to an established and rapidly growing patient by selling exclusively Blueberries' cannabis-derived products. The Company has also set out to 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 and expect to sign a definitive agreement at the at the beginning of June.

- On February 20, 2019, Blueberries announced that it had completed the acquisition of a 37-acre (15 hectare) agricultural property in the Bogota Savannah (the "Zipaquira Property"). The total purchase price for the Zipaquira Property was US$1.5 million. The Company also has the ability to acquire or lease additional land contiguous to the Zipaquira Property for future project and capacity expansion.

  The Zipaquira Property consists of flat, fertile land ideally located in the Bogota Savannah, approximately 24km from the Company's existing 107,000 ft^2 fully operational cannabis greenhouse facility on its 7.4-acre (3 hectare) Guatavita property. The Zipaquira Property has ideal growing conditions to cultivate consistent, high quality dried flower. There is ample supply of natural spring water and the area's abundant access to natural sunlight is expected to result in electricity costs that are significantly below market.

- On February 15, 2019, Blueberries announced that had entered into a letter of intent for a joint venture with India Colorada SAS, one of the leading Colombian artisanal brewers and producer of the oldest craft beer in Colombia, Cerveza Colón, to research, develop and commercialize non-alcoholic cannabis-based beverages.

  The 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 Joint Venture, 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 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 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.

  For the deal to proceed, Blueberries would have to provide the joint venture with up to $US300,000 for the research and development phase. Upon completion the R&D process (12 months after the execution), depending on the results of the investigation, the Company would sign the definitive agreement.

- On April 15, 2019, Blueberries announced that it had signed a definitive joint venture agreement (the "Agreement") with the International Research Center on Cannabis and Mental Health ("IRCCMH" or the "Center") for the development of medical education programs for physicians and patients in Latin America and product formulation.

  IRCCMH is a leading research and academic organization in the cannabis sector with extensive experience in cannabis research and education, pharmacology, product formulation and the efficacy of cannabis-based treatments. Based in New York and aligned with the Silver School of Social Work at New York University, IRCCMH is comprised of renowned scientists, educators and clinicians and was created to bridge a gap between research and clinical practice. IRCCMH also creates education programs for physicians and patients and acts as advisor to several state-sponsored medical cannabis programs and has guided state regulators to create and implement cannabis programs in Pennsylvania, Delaware, New Jersey, Utah, California and other states.

Corporate Financing

In connection with the Transaction, Blueberries completed the brokered private placement of subscription receipts (the "Subscription Receipts") raising gross proceeds of $8.8 million (the "Offering"). The Offering was completed in multiple tranches, with Blueberries issuing an aggregate of 35,230,000 Subscription Receipts at a price of $0.25 (the "Offering Price") per Subscription Receipt.

On completion of the Transaction, each Subscription Receipt converted into one unit (a "Unit") in the capital of the Company arising from the Transaction. Each Unit consisted of one common share and one-half of one purchase warrant. Each whole purchase warrant entitles the holder thereof to acquire one common share at a price of $0.40

for a period of 24 months following the completion of the Transaction. The proceeds from the Offering were released to the Company on completion of the Transaction.

In connection with the Offering, a cash finder's fee of $616,525, representing 7% of the gross proceeds of the Offering, and 2,466,100 finder warrants (the "Finder Warrants"), representing 7% of the number of Subscription Receipts sold, were paid/issued upon completion of the Transaction. Each Finder Warrant entitles the holder to acquire one unit for $0.25 for a period of 24 months after the completion of the Transaction. Each unit issued upon exercise of the Finder Warrant consists of one common share of the Company and one-half of one unit warrant. Each full unit warrant will entitle the holder thereof to purchase one common share at a price of $0.40 per share at any time for a period of 24 months following the completion of the Transaction.

As of the date of this MD&A, total outstanding equity instruments are as follows:

- 16,151,000 purchase warrants with a gross value of $3,219,611
- 2,466,100 finder warrants with a gross value of $718,278
- 8,465,000 stock options valued at $2,790,456

Directors and Management Members

- Upon the completion of the Transaction, the Board of Directors and Management Members were constituted as follows:

Board of Directors	Management
Christian Toro	Christian Toro – Chief Executive Officer
Andres Vidal	Chris Reid – Interim Chief Financial Officer
Francisco Sole	Camilo Villalba – Chief Operating Officer
Paola Castañeda	Andres Castañeda – Country Manager
Patricio Villalba	
Catherine Lathwell	
Matthew Bajurny	

- On March 19, 2019, the Company announced the appointment of Fabio Valencia Cossio to the Board of Directors. Mr. Valencia is a former Colombian Minister, Senator, and Ambassador to Italy with extensive strategic international business experience.

  Since his tenure with the government, Mr. Valencia has been very active in the private sector where he currently provides legal and commercial consulting services to an extensive group of large multinational companies looking to grow their operations in South America. He is currently engaged with consumer product companies including Diageo plc, Pernod Ricard S.A. and Bacardi Limited. Mr. Valencia has also advised Ribera Salud Spain, a leading provider of health insurance services and Indra Sistemas S.A., Grupo Tradeco, Gilat Satellite Networks, Pacific Rubiales and Gran Colombia Gold.

- On March 20, 2019, the Company announced the appointment of Dr. Patricio Stocker as Chief Executive Officer of the Company. Dr. Stocker is an accomplished executive with extensive international experience having led the successful development of numerous companies, including most recently PharmaCielo Ltd. ("PharmaCielo"), a leading Colombian producer of medicinal cannabis. Dr. Stocker joined PharmaCielo in 2015 and served as CEO through 2018. During his tenure as CEO, Dr. Stocker was instrumental in the development of corporate strategies, formation of strategic relationships, the cannablis licensing process and capital raising initiatives. Dr. Stocker was also actively involved in the development of PharmaCielo's Colombian operations to establish a scalable and competitive cultivation and oil production strategy.

  The company also announced that Mr. Christian Toro had been appointed Executive Chairman of the Board.

- On April 17, 2019, the Company announced the appointment Eduardo Molinari, a former executive of Abbott Laboratories (NYSE: ABT) ("Abbott") and AbbVie Ltd. (NYSE: ABBV) ("AbbVie") as Chief Marketing Officer. Mr. Molinari will lead the development and implementation of the Company's marketing strategies, directing these initiatives in the local and international markets.

  Mr. Molinari has more than 25 years of experience in the pharmaceutical industry, having held executive leadership positions in countries across Latin America, most recently VP Region North – Latin America of AbbVie until December 2018. In 2012, when Abbott spun out it's pharmaceutical business to form AbbVie, Mr. Molinari left Abbott to establish AbbVie in Latin America where he played a key role in the growth of the company in the region. His business expertise is combined with deep experience in R&D both in academia at Northwestern University Medical School in Chicago and in the pharmaceutical industry. Mr. Molinari has shown continued growth as a leader in the industry with a commitment to bringing healthcare solutions to patients globally.

Argentina Project

- On March 25, 2019, the Company entered into a binding agreement to acquire cannabis cultivation, processing, manufacturing, export and other rights in Argentina from BBV Labs Inc. Pursuant to a definitive agreement with the Argentinian state-owned company Cannabis Avatara, S.E. ("Cannava"), BBV Labs has entered into a 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 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.

  Highlights Include:

  - The rights to cannabis licenses in Argentina acquired by Blueberries are amongst very few such agreements currently in place to supply cannabis products to the Argentinian population exceeding 44 million people. The acquisition also expands the Company's production footprint internationally and may provide additional export opportunities to other countries with evolving cannabis regulations.

  - Blueberries to build a large-scale modern cultivation facility and processing center of excellence in Argentina.

  - Cannava will contribute all licenses/permits and authorizations necessary to import seeds, cultivate, grow and harvest cannabis, process cannabis, extract cannabis oil and other derivative products, export cannabis and derivative products, and import/export equipment and products.

  - Cannava will grant access to utilize 3.2 million ft^2 (74 acres or 30 hectares) of prime agricultural land for the cultivation and growth of cannabis in Jujuy Province, Argentina, ideally situated in an area with robust modern infrastructure including fresh water, modern power supply and a nearby airport, with additional land available for potential future expansion.

  - Cannava will contribute all cooperation agreements with the National Institute of Agricultural Technology (INTA), Ministry of Security, Ministry of Public Health, National Council of Scientific and Technological Investigations (CONICET) and other regulatory and technological Argentinian authorities as required.

- On April 4, 2019, the Company announced that that it has commenced the Phase 1 planning process with Argentinian state owned cannabis company Cannabis Avatara, S.E. ("Cannava") in connection with the cooperation agreement entered into under the scope of the "Provincial Program of Promotion of the Cultivation and Production of Cannabis with Scientific, Medicinal and Therapeutic Purposes of the Province of Jujuy in

Argentina" (the "Joint Venture"), through its agreement with BBV Labs Inc. as recently announced by the Company.

The first phase of the Joint Venture project will be a Pilot Cultivation Program (the "Pilot Project") and consists of the preparation and cultivation of cannabis on a 107,000 ft^2 (1 hectare) area on public lands provided by Cannava with the goal of producing 4 million grams (4,000 kg) of dry cannabis flower and approximately 400,000 milliliters (400 liters) of cannabis oil. The Pilot Project will also evaluate and characterize cannabis seeds and strains that are ideal for the climate conditions of Jujuy, and document the proposed operating procedures, technical processes, strains and products that the Joint Venture is seeking to produce. The Company is in the process of preparing the proposed Pilot Project plan for Cannava's approval and processing of the applications for the permits as required, with the goal of completing the Pilot Program by May 2020, with an estimated capital requirement of $750,00 to $1,000,000.

COLOMBIA OPERATING ENVIRONMENT

Competitive Conditions and Environment

Below is a summary of certain geographic, political and economic considerations relevant to carrying on business in Colombia but does not purport to be a comprehensive statement of such considerations. It is included for background information only and should not be relied on or used for any other purpose.

Colombia is a representative democracy with a central government and separation of powers. The country has three branches of government: executive, legislative and judicial. In the executive branch, the President and Vice-President are elected to a maximum of four-year terms. The President acts as both the head of state and head of government. The legislative branch is a bicameral legislature currently consisting of a 108 member Senate and a 171 member House of Representatives. Both chambers are directly elected for four-year terms. Finally, Colombia's judicial system is composed of the following institutions: Supreme Court, Prosecutor General Office, Superior Council of the Judiciary, Constitutional Court and Council for Administrative Law Jurisdiction. The Supreme Court is the highest court of criminal, civil and labour law and judges are appointed by the Supreme Court from a shortlist submitted by the Superior Judicature Council. Supreme Court judges are appointed for eight-year terms.

Colombia is the third-largest country in Latin America after Mexico and Brazil, with an estimated population of nearly 50 million people. Despite being one of the 30 largest countries in the world, Colombia's population density is sparse, with just 41 people per square kilometer (106/square mile), which ranks 173rd in the world. Colombia also has the third-largest Spanish-speaking population in the world after Mexico and the United States.

In recent years, Colombia has undergone a remarkable transformation, making great strides in restoring security and stability and advancing policies that have led to significant social progress and economic growth. Colombia is Latin America's oldest and most stable democracy. For more than a century, the country has experienced peaceful changes of government every four years as citizens have elected government representatives in free and fair elections in a political environment that proudly supports full freedom of the press.

After peace negotiations in Cuba, the Colombian government of President Juan Manuel Santos and guerrilla of FARC-EP, Colombia's largest guerrilla group, announced a final agreement to end the conflict. However, a referendum to ratify the deal was unsuccessful. Afterward, the Colombian government and the FARC-EP signed a revised peace deal in November 2016, which the Colombian congress approved. Notwithstanding the foregoing, portions of the countryside are still under the influence of certain guerrilla factions, such as the Ejército de Liberación Nacional or "ELN", another guerrilla armed group, which has been operating in Colombia for the past 52 years. The ELN and the Colombian government are currently conducting peace talks and negotiations.

Defense of Competition and Antitrust Regulation

Colombia's competition laws prohibit, among other activities:

- Anti-competitive horizontal arrangements: any contract, covenant, meeting of the minds, agreed or consciously parallel practice between two or more competitors, which has the purpose or likely effect of lessening free competition in Colombia. This may include price fixing, bid rigging, geographic sharing of markets and certain non-compete clauses.

- Anti-competitive vertical arrangements: any contract, covenant, meeting of the minds, agreed or consciously parallel practice between two or more businesses, which has the purpose or likely effect of lessening free competition in Colombia. This primarily concerns resale price maintenance, vertical allocation of customers or territories and exclusive-dealing arrangements.

- Abuse of dominance: unilateral conduct by which a firm that possesses a dominant position in the market abuses such position. Prohibited conduct may include tying and bundling, predatory pricing, price discrimination, obstructing or impeding third parties' access to markets or marketing channels, refusals to deal, denying access to essential facilities and certain exclusive dealing arrangements.

- Any other unilateral acts, without regard to whether a firm holds a dominant position, as well as any other conduct tending to limit free competition and to maintain or establish unfair prices.

The Superintendent of Industry and Commerce (the "SIC") may impose, for each violation and to each legal entity that commits any anticompetitive practice, fines of up to 100,000 times minimum legal monthly wages, or up to 150% of the profits derived from the restrictive conduct. SIC may also order corporations to cease engaging in the prohibited conduct.

Additionally, the SIC may impose fines up to 2,000 times minimum legal monthly wages on individuals who assist, facilitate, authorize or condone the commission of the above-noted anti-competitive conduct.

Sale and Ownership of Real Estate

The Colombian Constitution protects private ownership of property by Colombian nationals and foreigners. Ownership of real estate is evidenced by a public deed granted before a notary public and the registry of such deed before the Office of Public Registry. While private parties (including individuals and legal entities) may hold ownership interests in Colombian real property, the Colombian Constitution requires that the state own the subsoil, as well as natural and non-renewable resources.

Non-native Colombian citizens and foreign legal entities are entitled to purchase any real property in Colombia other than: (i) vacant and uncultivated lands located on Colombian shores or border regions; or (ii) real estate located on the island of San Andrés and Providence.

Expropriation is usually conducted by a judicial process and in certain exceptional circumstances, by an administrative process. There are specific expropriation regimes for certain sectors, such as but not limited to, the mining, oil and gas and infrastructure sectors.

There is currently no specific expropriation regime for cannabis-related activities; however, the Land National Agency (ANT) is entitled to expropriate rural land in the following cases: (i) in favour of indigenous, afro-Colombian people and other ethnic people, provided the land they inhabit is insufficient; (ii) in favour of farmers of regions affected by public catastrophes; and (iii) in favour of farmers or other people benefiting from special governmental programs to provide land or areas over which there is an ecological interest of the national government. Every act or transaction affecting rights associated with real property must be registered with the Office of Public Registry.

The property's ownership history and any encumbrances or liens will be recorded on a certificate maintained by the Office of Public Registry.

Land Usage

In Colombia, municipal and district authorities can regulate the use of land in their territory through the following instruments: (i) Land Management Schemes (for territorial entities with a population of less than 30,000 inhabitants); (ii) Basic Plans of Territorial Organization (for territorial entities with a population between 30,000 and 100,000 inhabitants); and (iii) Land Management Plans (for territorial entities with a population greater than 100,000 inhabitants).

Through these instruments, the municipal or district authority classifies the land to establish its uses and the restrictions or prohibitions in the development of particular activities in the territory. It can be classified as urban land, urban expansion land, rural land, sub-urban land and protected land. The owner of a project or work must confirm that the activity is in accordance with the corresponding ordering instrument (being the Plan de Ordenamiento Territorial, Plan Basico de Ordenamiento Territorial or Esquema de Ordenamiento Territorial) but does not preclude an individual's obligation to get urban permits for the construction of buildings.

Environmental Regulations

Authorities

The Ministry of the Environment and Sustainable Development is the authority for environmental management, planning, regulation and policy-making. In addition, the National Agency of Environmental Licenses (the "NAEL"), regional autonomous corporations ("RACs") and urban environmental authorities are responsible for granting licenses and permits within their jurisdictions (collectively, the "Environmental Authorities").

Environmental Licenses, Permits and Fees

<u>Environmental licenses</u>. The environmental license is the authorization granted by the Environmental Authorities for any given project, work or activity that may cause damage to renewable natural resources or the environment, or have a significant impact on the landscape. An environmental license must be obtained prior to initiating any project, work or activity. The license must include all permits, authorizations or concessions for the use of any renewable natural resources required for the project. Whenever an environmental license is required, the specific permits must be requested within the same license application.

<u>Environmental permits</u>. Projects involving the use of the following natural resources require a specific permit: forest use, dumping of sewage, hazardous waste management, water concession (surface water and underground water use) and atmospheric emissions.

Environmental Responsibility

Under Colombian law, liability for environmental damage following land ownership creates a presumption of liability in case of (i) breach of environmental laws; (ii) environmental damage; and (iii) breach of environmental license or any other administrative act emanating from the Environmental Authorities. The Environmental Authorities may investigate potential claims, authorize preventative measures or impose sanctions on parties breaching environmental law.

General principles of environmental law are set out in Law 99 of 1993. Article 9 of the National Code of Natural Resources and Protection of the Environment establishes principles governing the use of natural resources, including the fact that use must occur without causing harm to the interests of the community or to third parties.

Parties that cause environmental damage while acting under the authority of a permit are responsible for rectifying the damage. The imposition of environmental sanctions is in addition to civil and criminal penalties that may be imposed. Environmental damage caused while a party is acting without a license constitutes a breach of Law 99 of 1993 and may lead to the imposition of sanctions and possibly civil or criminal proceedings. Parties that cause environmental damage, in addition to sanctions or penalties that apply, will also be required to carry out studies to assess the characteristics of the damage.

Genetically Modified Organisms

Genetic material of living organisms found in the Colombian territory are the property of the Colombian State. They are inalienable, imprescriptible and not subject to seizure or similar measures. Andean Decision 391 of 1996, signed by the member countries of the Andean Community, regulates access to genetic resources in the form of genes or derived products and establishes that parties require authorization to obtain access.

Under Decree Law 3570 of 2011, the Ministry of the Environment and Sustainable Development is responsible for processing requests for access to genetic resources and signing corresponding access contracts, in accordance with the procedure provided for in Resolution 620 of 1997.

According to Resolution 1352 of 2017, applications for a patent for products or procedures obtained or developed from genetic resources or their derived products must include a copy of the contract of access to genetic resources. The use and transboundary transport of Modified Live Organisms ("OVM") is regulated by the Convention on Biological Diversity, Law 165 of 1994, the Cartagena Protocol on Bio- safety and Decree 1071 of 2015.

The use and transboundary movement of OVMs requires prior authorization from the following authority in the relevant jurisdiction: (i) Ministry of Agriculture and Rural Development, through the ICA, for OVMs for agricultural, livestock, fishing, commercial and agro-industrial forest plantations; (ii) Ministry of the Environment and Sustainable Development when dealing with OVMs for environmental use; and (iii) Ministry of Health, through INVIMA, for OVMs for human consumption.

Exchange Regulation

Law 9 of 1991 outlines the general framework for the current foreign exchange regime in Colombia, which provides that the Colombian Government is in charge of regulating foreign investment operations in Colombia through the Superintendence of Finance (the "CSF") and that the Republic Bank of Colombia ("BR") is in charge of regulating monetary policy and the exchange market.

Colombian exchange regulation provides some restrictions and obligations that should be complied with by residents and non-residents.

The performance of transactions in foreign currencies in Colombia or between individuals or corporations resident in Colombia are generally not allowed, with some particular exceptions. Among the more relevant are transactions between companies dedicated to the exploration and production of oil and gas, payments between residents through foreign accounts registered before the BR and the payment of international transport freights.

The following activities are subject to exchange market requirements: (i) the import and export of goods; (ii) foreign indebtedness; and (iii) foreign investment made in cash and guarantees issued in foreign currency or in transactions between residents and non-residents. These activities must be channeled through exchange market intermediaries such as local banks or through foreign accounts registered before the BR, and are subject to certain BR registration requirements.

Accounts receivable resulting from the aforementioned activities must be repaid in cash and cannot be offset against any credit or inventory arrangements.

Sanctions

All foreign investors must register their investments or will risk incurring sanctions. Not registering a foreign investment in a timely and appropriate manner constitutes an exchange offense punishable by a fine of up to 200% of the amount of the non-registered investment. The amount is reduced to 70% if the offender admits its liability. Other penalties are imposed if foreign exchange regulations are not followed.

Anti-Money Laundering

Colombia has implemented regulations for the control, mitigation and prevention of money laundering from terrorist activities, based on the recommendations made by the Financial Action Task Force and the Basel Committee on Banking Supervision. Colombian Law 526 of 1999 created the Special Administrative Unit for Financial Information and Analysis ("UIAF"), which is responsible for detecting money laundering operations as well as centralizing and analyzing data related to money laundering operations.

Institutions regulated by the "CSF" are required to implement an anti-money laundering and counter- terrorism financing risk management system. CSF-regulated corporations are also required to establish self-regulatory systems to manage money laundering and address terrorism financing risks.

Taxes

Tax regulation is complex and subject to frequent amendments. Recent amendments have implemented base erosion and profit-sharing measures as well as emphasized the enforcement of the value-added tax ("VAT"). Colombia has signed several international treaties following the OECD model to reduce the potential for double taxation. The Colombian tax system is comprised of national, departmental and municipal taxes.

The following is a summary of material Colombian tax regulations impacting Blueberries, which is current as at the date of this Listing Statement and is subject to legislative, judicial or administrative change or interpretation. Any such change or interpretation could result in tax consequences, potentially on a retroactive basis, material to the Issuer's financial position.

Income Tax on Economic Activities

Colombian companies and individuals deemed residents for taxation purposes are taxed on their worldwide income. Non-resident corporations and individuals are taxed on their Colombian sourced income. Entities engaged in business cooperation agreements, including joint ventures, are taxed as separate taxpayers.

Companies are subject to income tax at a rate of 33% in 2019. Companies with a tax base of COP$800,000,000 (approximately US$266,000) or greater are subject to an additional tax surcharge of 4% in 2019.

Colombia's income tax regime presumes that a corporation's net income for tax purposes will, at a minimum, equal 3.5% of the corporation's net equity as calculated at December 31 of the prior year. The corporate tax rate is applied to the presumptive income. Corporations will be subject to the presumptive income whenever the net income of the current taxable year is lower than the presumptive income.

Capital gains are those profits arising from the disposition of assets which have been part of the fixed assets of the taxpayer for a period of at least two calendar years and are taxed at a rate of 10%. Capital losses may only be offset with capital gains over the following 12 taxation years.

Non-Resident Income Tax

For 2019, non-resident corporations will be taxed on their Colombian source income at a rate of 33%. Payments to non-residents are generally subject to withholding tax at a rate of 15% with several exceptions, including payments by way of dividends. The withholding tax rate may be reduced if Colombia is a signatory to a tax treaty with the non-resident's home jurisdiction. Canada and Colombia have entered into a convention for the avoidance of double taxation. Accordingly, the Company may receive tax rate reductions depending on the scope of the payments that take place between Company and Blueberries SAS.

Under Colombian regulation, foreign companies receiving Colombian-sourced payments, such as interests or dividends may subject to local tax obligations which in most cases is a withholding income tax. However, these taxes may be greatly reduced or even eliminated by the application of international tax treaties.

In addition to withholding tax, in some circumstances non-residents will be required to file and pay corporate taxes applicable to Colombian resident corporations, at the rates outlined in "Carrying on Business in Colombia – Taxes – Income Tax on Economic Activities".

Value-Added Tax

The VAT is a 19% indirect national tax applied on: (i) services rendered in Colombia for any individual or corporation, regardless its place of incorporation or tax residency; (ii) services rendered from abroad which are intended to benefit Colombian individuals or companies; (iii) the sale or import of goods; (iv) the first sale of residential units with a price exceeding approximately US$285,000; and (v) the sale or transfer of intangible assets related to industrial property.

In most cases, VAT does not apply to the sale of fixed assets or export of goods and services. VAT does not apply to expressly excluded goods or services, including most groceries, energy, pharmaceuticals, medical services, certain transportation services, residential tenancies, education services, tickets (i.e. cultural events, sporting events, movies) and certain services related to agricultural activities. Various other products and services are exempt from the application of VAT, including the export of services (provided that certain conditions are complied with) and tourism services.

Generally, VAT paid by a corporation may be treated as an input tax credit if the good or service acquired is related to a VAT-taxable activity and can be characterized as an expense for tax purposes. Accordingly, the VAT payments that are generated by Blueberries SAS are creditable against any VAT paid by Blueberries SAS to third parties. Exporters and producers of exempt goods and services are refunded surplus input VAT.

Tax on Dividends

The tax treatment of dividends distributed to Colombian resident individuals differs depending on whether tax on the dividends was first paid by the corporation. If the dividends were taxed at the corporate level, they are subject to a progressive tax rate ranging from 0% to 10%. If the dividends were not taxed at the corporate level, they are subject to a 35% tax rate. In the last case, the 0-10% dividends tax rate will be applied once the 35% rate has been deducted.

The tax treatment of dividends distributed to Colombian resident corporations similarly varies based on whether tax was first paid by the corporation distributing the dividend. If tax was paid on the dividends by the corporation distributing the dividends, the dividends do not constitute taxable income in the hands of the recipient corporation. If tax was not paid by the distributing corporation, dividends are subject to tax at a rate of 33% (2018). Dividends will be subject to a withholding tax at a rate of 20% which is creditable for income tax purposes.

Dividends distributed to non-residents are taxed at a rate of 5% if tax was first paid on the dividends by the distributing corporation. If the dividends were not taxed at the corporate level, they are subject to a tax rate of 35%. In the last case, the 5% dividends tax rate will be applied once the 35% rate has been subtracted.

Under the tax treaty with Canada, Colombia may tax (i) dividends paid by Blueberries SAS at rate ranging between 5% and 15% on the gross amount of the dividend (5% if the Canadian entity controls at least 10% of the voting power of Blueberries SAS) and interest by Blueberries SAS to its parent at a withholding rate not to exceed 10% of the gross amount of the interest.

Medicinal Cannabis Consumption Tax

Law 1819 of 2016 created a Medicinal Cannabis Consumption Tax ("MCCT") levied on the sale of any manufactured products that contains psychoactive or non-psychoactive cannabis. The MCCT is assessed at a rate of 16%. MCCT cannot be used as input tax credits for VAT purposes. In other words, the MCCT cannot be creditable for VAT purposes but can be treated as a deductible expense for income tax purposes. However, it may be treated as deductible expenses. The taxpayer is the buyer or producer of cannabis that submits cannabis to a transformation process. According to Colombian tax law, transformation is understood as (i) any process that implies changing the form of cannabis; (ii) any transmutation of flowering tops or with fruit, in any other product; or (iii) obtaining a derivative through any mechanical, physical, chemical or biological process from psychoactive or non-psychoactive cannabis. These derivatives include, among others, oils, resins, tinctures, extracts or plant materials from cannabis plants.

DISCUSSION OF OPERATIONS

Selected Financial Information

Three months ended March 31, 2019:

Total revenues	-
Total net loss	5,391,164
Loss per share	0.06
Diluted loss per share	0.06
Total assets	8,717,057
Total liabilities	681,229
Total equity	8,035,828

As at March 31, 2019, the Company had total assets of $8,717,057 and total liabilities of $681,229. Blueberries incurred a net loss during the three months ended March 31, 2019 of $5,391,164 causing basic and diluted loss per share of $0.06.

Revenues

The Company did not have revenues during the three months ended March 31, 2019. Since the Company has no revenue from operations a breakdown and discussion of material costs have been presented below.

Pre-Operating Expenses – Cannabis

Pre-operating expenses are non-capital expenditures relating to Blueberries cannabis farms. During the three months ended March 31, 2019, $108,522 was incurred. The expenditures have been broken down by the specific nature of the costs as seen below:

Operating salaries, wages, and benefits	88,495
Supplies	12,380
Fuel and laboratory costs	4,317
Utilities	649
Other pre-operative	2,681
Total	**108,522**

General and Administrative (“G&A”) Expenses

Total G&A expenses of $443,909 were incurred during the three months ended March 31, 2019. The expenditures have been broken down by the specific nature of the costs as seen below:

Salary, wages and benefits	133,378
Legal services	68,635
Accounting services	28,000
Consulting fees	76,786
Travel and accomodations	54,368
Filing fees	28,431
Office costs	23,766
IT services	8,604
Other G&A costs	21,941
Total	**443,909**

Share Based Payments

The Company’s stock option plan provides for the issue of stock options to directors, officers, employees, contractors and consultants, who are all considered related parties to the Company. The plan provides that stock options may be granted up to a number equal to 10% of the Company’s outstanding shares. The plan also indicates that the maximum number of shares which may be issued to any one insider and his or her associates under the plan, together with any other previously established or proposed share compensation arrangements, within a one year period shall be 5% of the shares outstanding at the time of the grant. Vesting and other terms and conditions are determined by the Board of Directors at the time they are granted.

The value of the stock options vesting during the three months ended March 31, 2019 equated to $513,424, all of which was expensed as part of net loss for the period.

Investor Relations

During the three months ended March 31, 2019, the Company incurred a total of $277,753 expenses relating to promotion of BBM stock and communication with investors as part of investor relations. These costs were considered necessary to begin trading on the CSE in order to help promote the Company and raise capital.

Listing Expense

The listing expense incurred by the Company was a one-time, non-cash expense of $4,004,312 for the three months ended March 31, 2019 As detailed in the Financial Statements, the purchase price paid for the acquisition of CMS was the fair value of the 7,392,772 outstanding CMS shares valued at $0.48 per share for a total of $3,548,531. The fair value of the shares was allocated to the fair value of the net liabilities acquired of $444,182 with the difference being recognized as a non-cash listing expense on the completion of the Transaction. Legal and other professional fees relating to the reverse takeover of $11,599 were also included as part of the total listing expense of $4,004,312.

Depreciation

Depreciation and amortization of Property, Plant, and Equipment ("PP&E") and intangible assets are dependent upon estimated useful life of an asset, which is the period over which an asset is expected to be available for use. PP&E is depreciated through profit and loss over an asset's estimated useful life. Agricultural facilities and equipment are estimated to have useful lives between 3 – 5 years, while buildings are estimated to have useful lives of 10 years. Assets under construction are not subject to depreciation until they are available for use. Indefinite life licenses are not amortized but are tested for impairment annually, whereas finite useful life licenses are amortized through the income statement.

During the three months ended March 31, 2019, the company incurred depreciation on PP&E of $6,758. $3,582 of the total depreciation relates to agricultural facilities, $1,851 to buildings and construction, and $1,325 to equipment. The Company also incurred amortization expense on licenses of $6,158.

Business Development

Business development expenses relate to business initiatives towards promotion, development, and growth of the Company's operations and assets outside the normal course of the Company's day-to-day endeavors. During the three months ended March 31, 2019 total business development costs of $22,512 were incurred, which relate entirely to marketing and promotional activities.

Foreign Exchange

The Company incurred a foreign exchange loss of $10,085 for the period ended March 31, 2019. The losses are due to fluctuating foreign currency rates causing additional outflow of working capital required to pay foreign currency transactions. The Company also incurred a currency translation adjustment of $236,843 due to the Colombian subsidiaries' assets and liabilities being translated at the reporting period exchange rate, while revenues, expenses and cash flows are translated at the average exchange rate for the period ended March 31, 2019.

LIQUIDITY AND CAPITAL RESOURCES

The principal activities of the Company are the cultivation, production and distribution of blueberries with development plans to cultivate and distribute medicinal cannabis. These activities are financed through the completion of equity transactions such as equity offerings. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. See discussion of common risk factors below.

The Company has negative cash flow from operations and therefore must utilize its current cash reserves, to maintain its capacity to meet ongoing operating activities. The negative cash flows from operations was driven by the fact that the Cannabis business is in the development phase with no revenue to positively affect cash flows. Net cash used in operating activities was $1,100,584 for the three months ended March 31, 2019 and was mainly attributed to paying off outstanding liabilities recorded in accounts payable in 2018. Accounts payable and accrued liabilities had a balance of $681,229 as at March 31, 2019. This balance was classified as a current liability as all amounts are due within 12 months time. As of March 31, 2019, the Company's working capital is $4,129,161, indicating the Company has current assets available to meet liabilities as they come due.

Net cash used in investing activities was $3,391,644 during the three months ended March 31, 2019. This was mainly attributed to funds used for short-term investments and payments for advances of acquisitions, including a deposit to purchase equipment for $495,300 and the purchase of 15 additional hectares of farmland for $1,994,250.

Net cash generated from financing activities for the three months ended March 31, 2019 totaled $8,044,006. This is mainly attributed to proceeds from subscription receipts which converted into shares and warrants as at the date of the RTO Transaction. During the three months ended March 31, 2019, $4,920,815 was received from the issuance of shares, net of costs and $3,262,660 from warrants, net of costs. Additionally, 735,000 warrants were exercised, bringing in a total of $294,000 proceeds. The increase in proceeds from financing activities was partially offset by payments made on related party notes of $255,224

The Company's liquidity risk from financial instruments is minimal as excess cash is held in bank accounts with reputable financial institutions.

While the Company has no amount of material cash flow from operations, management believes there is sufficient cash resources to meet its administrative overhead costs. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or under terms favourable to the Company.

COMMITMENTS

A summary of the Company's commitments are as follows:

Commitment	2019	2020	2021 and thereafter	Total
Security service agreement(1)	27,599	9,200	-	**36,799**
Consultancy agreement (2)	105,200	-	-	**105,200**
Extraction equipment(3)	495,300	-	-	**495,300**
Short-term and low-value leases(4)	50,496	-	-	**50,496**
Total	**678,595**	**9,200**	**-**	**687,795**

(1) The Company signed a security agreement for a third party to provide security in the farm of Guatavita for 24 hours, 7 days per week. The contract begins April 2019 and ends April 2020 unless extended with an amending contract.

(2) Blueberries signed a consultancy agreement for general consultancy relating to the development of post-harvest and extraction project in the municipalities of Guatavita, Cogua, and Tocancipá (Cundinamarca)

(3) The Company purchased extraction equipment in March 2019. A 50% deposit was paid in the amount of $495,300. The equipment is expected to be received later in 2019, at which point the Company will pay the remaining 50%

(4) The Company has a short-term commercial use office lease outstanding as at March 31, 2019. The lease is expected to expire prior to the end of 2019 and thus has been expensed as incurred in General and Administrative expense ("G&A"). Total payment of $19,072 were recognized in the financial statements relating to this lease.

TRANSACTION WITH RELATED PARTIES

During the period ended March 31, 2019, there were separate related party transactions as follows:

a) As part of the Transaction, the Company assumed the liabilities of CMS. $25,760 of these liabilities was an amount payable to a Director and Office of CMS. The amount was unsecured, non-interest bearing and with no fixed terms of repayment. This Director resigned from his position on the the date of the Transaction and $22,017 of this balance outstanding was paid in March 2019, with the remaining $3,743 being forgiven and recorded as a gain from debt forgiveness within other income on the financial statements.

b) As at December 31, 2018, the Company had two promissory notes outstanding with beneficial shareholders. The first note was originally due to be repaid November 30, 2018. However, for any balances not repaid by this date, interest would accrue at 0.43% monthly (5.16% per annum). As the balance was not paid off by November 30, 2018, interest was accrued up until March 7, 2019, at which time the entire principal note balance of $150,159 and accrued interest of $2,952 were paid. The second note bore an annual interest rate of 5.16%. On March 7, 2019, the Company paid off the entire outstanding principal balance of $76,827 and interest of $1,072. In January 2019, the Company obtained a third promissory note from a beneficial shareholder. The note was non-interest bearing and was paid off in its entirety on March 7, 2019 for a total amount of $22,549. As at March 31, 2019, no promissory note balances remain outstanding.

c) During the three months ended March 31, 2019, the Company incurred professional legal expenses for $10,737 from a vendor who was also a key management personnel of the Company. The amount has been included in general and administrative expenses and was paid within the quarter.

d) Blueberries pays a monthly advisory fee to a firm affiliated with an Officer of the Company. As per the advisory agreement, the Company pays a monthly fee of $10,000. During the period ended March 31, 2019, Blueberries incurred total fees under this agreement of $30,000 in addition to amounts previously accrued of $40,000 for work performed as at December 31, 2018. The total aggregate amount of $70,000 has been paid in full with no remaining balance outstanding as at the period end date.

e) A letter of intent was signed for a potential joint venture operating with Harmony and Life SAS (“Harmony”) as El Manantial Medical Centers. More than 80% of Harmony is owned by a certain Director of the Company and is therefore considered a related party. Blueberries accrued an amount of $9,412 due to Harmony for consulting services in relation to the letter of intent.

RECENT ACCOUNTING PRONOUNCEMENTS

The significant accounting policies used in the preparation of the unaudited interim condensed consolidated financial statements have been disclosed in the financial statements for the three months ended March 31, 2019.

In January 2016, the IASB issued IFRS 16 “Leases”, which provides guidance on accounting for leases. The new standard replaced IAS 17 “Leases” and related interpretations. IFRS 16 eliminates the distinction between operating leases and financing leases for lessees and generally requires balance sheet recognition for all leases. Certain short-term (less than 12 months) and low-value leases (as defined in the standard) are exempt from the requirements, and the Company continues to treat these leases as expenses.

The Company adopted IFRS 16 on January 1, 2019 using the modified retrospective approach with no impact to opening retained earnings at the date of adoption. The modified retrospective approach does not require restatement of prior period financial information as it recognizes the cumulative effect as an adjustment to opening retained earnings and applies the standard prospectively.

On adoption, the Company elected to use the following practical expedients permitted under IFRS 16:

- Apply a single discount rate to a portfolio of leases with similar characteristics;
- Account for leases with a remaining term of less than twelve months as at January 1, 2019 as short-term leases; and
- Account for lease payments as an expense and not recognize a right-of-use asset if the leased asset is of a low dollar value (less than US$5,000).

Per review of Blueberries lease contracts, IFRS 16 had no material impact on the Company's financials as there are no lease agreements that are longer than a 12-month term or greater than the low dollar asset value of US$5,000.

Effective January 1, 2019, the Company adopted the following accounting policy:

The Company assesses whether a contract is a lease based on whether the contract conveys the right to control the use of an underlying asset for a period of time in exchange for consideration.

A lease liability is recognized at the commencement of the lease term at the present value of the lease payments. Lease liabilities include the net present value of fixed payments, variable lease payments that are based on an index or a rate, amounts expected to be paid by the lessee under residual value guarantees, the exercise price of purchase options if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, less any lease incentives receivable. Payments are discounted using the implicit rate within the lease when readily available or the Company's incremental borrowing rate when the rate implicit is not known. The Company applies a single discount rate for a portfolio of leases with reasonably similar characteristics.
Upon recognition of a lease liability at the lease commencement date, a corresponding right-of-use asset is recognized at the amount of the lease liability. Depreciation is recognized on the right-of-use asset over the lease term. The lease liability is measured at amortized cost using the effective interest rate method. The lease liability is remeasured when there is a change in the future lease payments with a corresponding adjustment made to the right-of-use asset

Management of Capital

The Company's objectives when managing capital are to ensure the Company will have sufficient financial capacity, liquidity, and flexibility to fund the Company's operations, growth, and ongoing developmental activities. The Company is dependent upon funding these activities through a combination of available cash, debt and equity, which it considers to be the components of its capital structure as outlined below.

Shareholders' equity	**8,035,828**
Cash	**3,766,958**
Working capital, excluding cash	**362,203**

FINANCIAL INSTRUMENTS

Fair value hierarchy

As of March 31, 2019, Blueberries financial instruments consist of cash and cash equivalents, short-term investments, other receivables, accounts payable and accrued liabilities, and employee benefits. The fair values of these financial instruments approximate their carrying values due to the short-term maturity of these instruments.

The Company characterizes its fair value measurements of financial instruments into a three-level hierarchy depending on the degree to which the inputs are observable, as follows:

- Level 1 inputs are quoted prices in active markets for identical assets and liabilities;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the assets or liabilities either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

A financial instrument is classified to the lowest level hierarchy for which a significant input has been used in measuring fair value.

The company measures cash and cash equivalents and short-term investments at fair value. Both of these financial instruments are classified as level 1 inputs in the fair value hierarchy

FINANCIAL RISKS

The Company has exposure to the following risks from its use of financial instruments:

- Liquidity risk
- Credit risk
- Market risk

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient cash resources in order to finance operations, fund capital expenditures, and to repay debt and other liabilities of the Company as they come due, without incurring unacceptable losses or risking harm to the Company's reputation.

As at March 31, 2019, the Company's financial liabilities consist of accounts payable and accrued liabilities and employee benefits, which have contractual maturity dates within one year. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis. Based on the Company's working capital position at March 31, 2019, management regards liquidity risk to be low.

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its contractual obligations. Financial instruments subject to credit risk include cash and cash equivalents, short-term investments, and other receivables. All of the Company's cash and short-term investments are held at reputable financial institutions. Other receivables consist mainly of GST receivables that the Company will receive from the Government of Canada. As such credit risk is deemed to be low.

Market risk

Market risk is the risk or uncertainty that changes in price, foreign exchange rates, and interest rates will affect the Company's net earnings and the value of financial instruments. Blueberries is exposed to two types of market risk, being foreign currency risk and interest rate risk as outlined below.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Company's functional and reporting currency is the Canadian dollar. However, some of the Company's business transactions and commitments occur in currencies other than Canadian dollars. The Colombian subsidiaries incur expenditures in Colombian pesos, which is their functional currency. Therefore, the Company is exposed to the risk of fluctuations in foreign exchange rates between COP$ and Canadian dollars.

Blueberries does not anticipate a significant impact on its interim condensed consolidated financial statements as a result of a 5% change in the exchange rate between the two currencies.

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 and short-term investments. The Company is also exposed to interest rate risk on promissory notes that may be issued from related or un-related parties. As at the three months ended March 31, 2019, all promissory notes and related party debt was paid in full, as such, fluctuations of interest rates would not have had a significant impact on the interim condensed consolidated financial statements.

Off-Balance-Sheet Arrangements

As of the date of this MD&A, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

SHARE CAPITAL

As at March 31, 2019, 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.

Outstanding common shares as of March 31, 2019 are as follows:

	Common shares	Amount ($)
Balance, September 5, 2018 (date of incorporation)	1	-
Shares redeemed	(1)	-
Shares issued through shareholder agreement (net of issuance costs)(1)	52,000,000	873,013
Shares issued through seed financing (net of issuance costs)(2)	7,000,000	346,925
Shares issued through standalone financing (net of issuance costs)(3)	5,000,000	444,800
Balance, December 31, 2018	**64,000,000**	**1,664,738**
Shares issued pursuant to the Transaction [Note 6]	7,392,772	3,548,531
Fair value of units attributed to common shares (net of issuance costs)(4)	35,230,000	4,515,244
Shares issued from exercise of warrants (net of issuance costs) [Note 12]	665,000	379,019
Balance, March 31, 2019	**107,287,772**	**10,107,532**

1) On October 3, 2018, the Company (being BCC) acquired all 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 S.A.S shareholders received 17,500,000 of these total shares issued. The shares were estimated to have a fair value of $0.05 per share, based on recent financing transactions, for a total value of $875,000. Issuance costs of $1,987 were incurred, resulting in a total net value of $873,013.

2) On October 10, 2018, the Company completed a seed financing where 7,000,000 shares were issued at $0.05 per share, all of which was paid in cash for total gross proceeds of $350,000. The company incurred issuance costs of $3,075 for a total net amount of $346,925.

3) On October 11, 2018 the Company completed a standalone financing where 5,000,000 shares were issued for $444,800, all of which was paid in cash. No issuance costs were incurred relating to the standalone financing.

4) Upon completion of the Transaction and approval of the CSE listing, the subscription units issued by the Company were allocated to common shares and warrants based on the assessed fair value using the Black-Scholes valuation model. As a result, 35,230,000 shares were issued to unit holders for a total gross value of $5,296,049. Commissions and finders' fees of $780,805 were allocated to the shares as issuance costs for a total net value of $4,515,244.

WARRANTS

Prior to the February 5, 2019 Transaction date, the Company issued 35,230,000 subscription receipts at a price of $0.25 per subscription receipt for total proceeds of $8,807,500. Each subscription receipt entitled the holder thereof to receive one unit upon completion of the Transaction and approval of the CSE for the listing of BBM shares. Each unit consists of one common share and one-half of one purchase warrant, for a total of 17,615,000 full purchase warrants. Each full purchase warrant shall entitle the holder thereof to acquire one common share of BBM at a price of $0.40 per share for a period of 24 months following the completion of the Transaction. A fair value of $3,511,451 before issuance costs ($2,993,752 net of issuances costs) was recognized for the purchase warrants on the financial statements of the Company.

During the three months ended March 31, 2019, 665,000 purchase warrants were exercised, and shares issued to the holders thereof. An additional 70,000 warrants were exercised with associated cash proceeds of $28,000 received by the Company, with the issuance of these shares not completed until subsequent to March 31, 2019. The proceeds received from the 70,000 warrants are included in equity as "shares to be issued". 16,880,000 warrants were exercisable as at March 31, 2019.

Finder Warrants

Pursuant to the brokered private placement of subscription receipts, the Company issued 2,466,100 finder warrants of the Company and paid an aggregate finder's fee of $616,525 in cash. Each finder warrant enables the holder thereof to purchase one unit of Blueberries at a price of $0.25 for each finder warrant exercised. Each unit issued upon exercise of the finder warrant consists of one common share of BBM and one-half of one unit warrant. Each full unit warrant will entitle the holder therefor to purchase one share at a price of $0.40 per share at any time for a period of 24 months following the completion of the Transaction.

A fair value of $674,479 was recognized for the issuance of the finder warrants, which was also included as issuance costs on the associated private placement of subscription receipts and allocated proportionately to the resulting shares and purchase warrants upon completion of the Transaction.

Black-Scholes option pricing model assumptions for warrants

The warrants were allocated a value using the Black-Scholes option pricing model to estimate the fair value with the following assumptions:

	Purchase Warrants	Finder Warrants
Risk-free interest rate	1.82%	1.82%
Exercise price	$0.40	$0.25
Estimated stock price	$0.48	$0.48
Expected dividend yield	0%	0%
Expected stock price volatility	90.5%	90.5%
Expected warrant lives	1 year	1 year
Fair value of warrant granted	$0.20	$0.27

CONTRIBUTED SURPLUS

In connection with the Transaction, Blueberries adopted the Stock and Incentive Plan (the "Plan") which was approved by the shareholders of CMS on December 6, 2018. The Board will establish vesting and other terms and conditions for options at the time that they are granted. The plan provides that stock options may be granted up to a number equal to 10% of the Company's outstanding shares. The plan also indicates that the maximum number of shares which may be issued to any one insider and his or her associates under the plan, together with any other previously established or proposed share compensation arrangements, within a one year period shall be 5% of the shares outstanding at the time of the grant.

As at March 31, 2019 a total of 8,465,000 options were issued and outstanding under this plan, 1,000,00 of which had vested by the end of the quarter.

A summary of the changes in stock options is presented below:

	Stock options	Weighted average exercise price (C$)
Balance, December 31, 2018	-	-
Options issued on Transaction date(1)	4,865,000	0.40
Balance, February 5, 2019	**4,865,000**	**0.40**
Options issued(2)(3)	3,600,000	0.55
Balance, March 31, 2019	**8,465,000**	**0.46**

1) At the date of the Transaction, 4,865,000 options were granted with an exercise price of $0.40 per option. These options are for a 5 year term, expiring in February, 2024, with one-third vesting in February 2020, one-third vesting February 2021, and one-third vesting February 2022.

2) 500,000 options were granted in March, 2019 with an exercise price of $0.55 per option. These options are for a 5-year term, expiring in March, 2024, with one-third vesting in March 2020, one-third vesting March 2021, and one-third vesting March 2022.

3) An additional 3,100,000 options were granted in March, 2019 with an exercise price of $0.55 per option. 3,000,000 of these options are for a 5-year term, expiring in March, 2024, with one-third vesting immediately on the grant date, one-third vesting March 2020, and one-third vesting March 2021. The other 100,000 options are for a 5-year term, expiring in March, 2024, with one-third vesting in March 2020, one-third vesting March 2021, and one-third vesting March 2022.

Black-Scholes option pricing model assumptions for stock options

The stock options were allocated a value using the Black-Scholes option pricing model to estimate the fair value with the following assumptions:

	February 5, 2019	March 19, 2019	March 20, 2019
Risk-free interest rate	1.82%	1.65%	1.61%
Exercise price	$0.40	$0.58	$0.63
Estimated stock price	$0.48	$0.55	$0.55
Forfeiture rate	10%	10%	10%
Expected dividend yield	0%	0%	0%
Expected stock price volatility	92.0%	88.5%	88.50%
Expected option lives	3 years	3 years	3 years
Fair value of stock option granted	$0.30	$0.33	$0.38

The following summarizes information about stock options outstanding as at March 31, 2019:

Exercise prices (C$)	Number of options outstanding	Weighted average term to expiry (years)	Number of options exercisable
0.40	4,865,000	4.85	-
0.55	600,000	4.97	-
0.55	3,000,000	4.97	1,000,000
	8,465,000	**4.90**	**1,000,000**

SIGNIFICANT ACCOUNTING ESTIMATES

The timely preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below.

a) 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 professional 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.

b) Stock options and Warrants

All equity-settled, share-based awards and warrants issued by the Company are recorded at fair value using the Black-Scholes option-pricing model. In assessing the fair value of equity-based compensation and warrants, estimates have to be made regarding the expected volatility in share price, option life, dividend yield, risk-free rate, estimated life and estimated forfeitures at the initial grant date.

c) Tax provisions

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.

BUSINESS RISKS

Limited Operating History

Blueberries is an early stage company and has a limited operating history upon which its business and future prospects may be evaluated. Blueberries will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals. In order for Blueberries to meet future operating and debt service requirements, Blueberries will need to be successful in its growing, marketing and sales efforts. Additionally, where Blueberries experiences increased sales, Blueberries's current operational infrastructure may require changes to scale Blueberries's business efficiently and effectively to keep pace with demand, and achieve long-term profitability. If Blueberries's products and services are not accepted by new customers, Blueberries's operating results may be materially and adversely affected.

Managing Growth

In order to manage growth and change in strategy effectively, the Resulting Issuer must (i) maintain adequate systems to meet customer demand; (ii) expand sales and marketing, distribution capabilities and administrative functions; (iii) expand the skills and capabilities of its current management team; and (iv) attract and retain qualified employees. While it intends to focus on managing its costs and expenses over the long term, Blueberries expects to invest to support its growth and may have additional unexpected costs. It may not be able to expand quickly enough to exploit potential market opportunities.

Retention and Acquisition of Skilled Personnel

The loss of any member of the Resulting Issuer's management team, could have a material adverse effect on its business and results of operations. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on the Resulting Issuer's business and operating results. At present and for the near future, Blueberries will depend upon a relatively small number of employees to develop, market, sell and support its products. The expansion of marketing and sales of its products will require Blueberries to find, hire and retain additional capable employees who can understand, explain, market and sell its products. There is intense competition for capable personnel in all of these areas and Blueberries may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Resulting Issuer may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, as the Resulting Issuer moves into new jurisdictions, it will need to attract and recruit skilled employees in those areas.

Legal Proceedings

From time to time, Blueberries may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. Blueberries will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on Blueberries's financial results.

Regulatory Compliance Risks

Achievement of Blueberries's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. Blueberries may not be able to obtain or maintain the necessary licenses, permits, quotas, authorizations or accreditations, or may only be able to do so at great cost, to operate its business. Blueberries cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by local governmental authorities. The impact of the compliance regime, any delays in obtaining, or failure to obtain or keep the regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, results of operations and financial condition of Blueberries.

The officers and directors of Blueberries must rely, to a great extent, on Blueberries's Colombian legal counsel and local consultants retained by Blueberries in order to keep abreast of material legal, regulatory and governmental developments as they pertain to and affect Blueberries's business operations, and to assist Blueberries with its governmental relations. Blueberries must rely, to some extent, on those members of management and the board who have previous experience working and conducting business in Colombia in order to enhance its understanding of and appreciation for the local business culture and practices in Colombia.

Blueberries also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of banking, financing and tax matters in Colombia. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices in Colombia are beyond the control of Blueberries and may adversely affect its business.

Blueberries will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Blueberries may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to Blueberries's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of Blueberries.

Canadian Regulatory and Civil Proceedings

The sale and distribution of cannabis products for medicinal use by licensed producers is legal in certain Canadian provinces. The Canadian federal government legalized marijuana effective October 17, 2018.

Blueberries operates in Colombia pursuant to the Blueberries Licenses and authorizations granted by the Ministry of Justice and the Ministry of Health. Consequently, certain activities conducted by Blueberries are permissible under one regulatory regime while not under another. In the past, Canadian courts and regulatory authorities have taken the view that it is not contrary to Canadian federal or provincial law for a person to be engaged in, or for an entity to hold interests in affiliates that are engaged in, certain regulated activities where such activities may be regulated differently than in the home jurisdictions and have enforced extra-territorial laws even where such laws (or regulatory regimes applicable to certain activities or industries) differs from those in the Canadian jurisdiction. There is a risk however that the Canadian courts or applicable Canadian or other governmental authorities may take a contrary view with respect to the business of Blueberries and view Blueberries as having violated their local laws, despite Blueberries having obtained all applicable Colombian licenses or authorizations and despite that Blueberries does not carry on business in Canada. Therefore, there is a risk that civil and criminal proceedings, including class actions, could be initiated against Blueberries. Such potential proceedings could involve substantial litigation expense, penalties, fines, seizure of assets, injunctions or other restrictions being imposed upon Blueberries or its business partners, while diverting the attention of key executives. Such proceedings could have a material adverse effect on Blueberries's business, revenues, operating results and financial condition as well as impact upon Blueberries's reputation.

Change of Cannabis Laws, Regulations and Guidelines

Cannabis laws and regulations are dynamic and subject to evolving interpretations which could require Blueberries to incur substantial costs associated with compliance or alter certain aspects of its business plan. It is also possible that regulations may be enacted in the future that will be directly applicable to certain aspects of Blueberries's businesses. Blueberries cannot predict the nature of any future laws, regulations, interpretations or applications, nor can it determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on Blueberries's business. Management expects that the legislative and regulatory environment in the cannabis industry in Colombia and internationally will continue to be dynamic and will require innovative solutions to try to comply with this changing legal landscape in this nascent industry for the foreseeable future. Compliance with any such legislation may have a material adverse effect on Blueberries's business, financial condition and results of operations.

Public opinion can also exert a significant influence over the regulation of the cannabis industry. A negative shift in the public's perception of the cannabis industry could affect future legislation or regulation in different jurisdictions.

Reliance on Blueberries Licenses and Authorizations

Blueberries's ability to grow, store and sell cannabis in Colombia is dependent on Blueberries's ability to sustain and/or obtain the necessary licenses and authorizations by certain authorities in Colombia.

The pending licenses and authorizations are subject to ongoing compliance and reporting requirements and the ability of Blueberries to obtain, sustain or renew any such licenses and authorizations on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions. Failure to comply with the requirements of the licenses or authorizations or any failure to maintain the licenses or authorizations would have a material adverse impact on the business, financial condition and operating results of Blueberries.

Although Blueberries believes that it will meet the requirements to obtain, sustain or renew the necessary licenses and authorizations, there can be no guarantee that the applicable authorities will issue these licenses or authorizations. Should the authorities fail to issue the necessary licenses or authorizations, Blueberries may be curtailed or prohibited from the production and/or distribution of cannabis or from proceeding with the development of its operations as currently proposed and the business, financial condition and results of the operation of Blueberries may be materially adversely affected.

Reliance on One Facility

The cultivation facility is currently only licensed facility under the Licenses. The Licenses held by Blueberries are specific to the Cultivation Facility. Adverse changes or developments affecting the cultivation facility, including but not limited to a breach of security, could have a material and adverse effect on Blueberries's business, financial condition and prospects. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by Colombian regulatory authorities, could have an impact on Blueberries's ability to receive or hold the licenses.

Certain contemplated capital expenditures of Blueberries may require approval of Colombian regulatory authorities. There is no guarantee that Colombian Regulatory Authorities will approve any contemplated expansion and/or renovation, which could adversely affect the business, financial condition and results of Blueberries's operations.

Unexpected disruptions affecting operations, whether due to labor disruptions, supply disruptions, power disruptions, damage to equipment or otherwise

Blueberries's operations may be disrupted by a variety of risks and hazards that are beyond its control, including, but not limited to, fires, power outages, labour disruptions, supply disruptions, flooding, and the inability to obtain suitable or adequate machinery, equipment or labour as well as other risks involved in the cultivation and production of medicinal cannabis.

Demand for Cannabis and Derivative Products

The legal cannabis industry in Colombia is at an early stage of its development. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of medicinal cannabis are mixed and evolving and can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medicinal cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medicinal cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for medicinal cannabis and on the business, results of operations, financial condition and cash flows of Blueberries. Further, adverse publicity reports or other media attention regarding cannabis in general, or associating the consumption of medicinal cannabis with illness or other negative effects or events, could have such a material adverse effect. Public opinion and support for medicinal cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. While public opinion and support appears to be rising for legalizing medicinal cannabis, it remains a controversial issue subject to differing opinions surrounding the level of legalization. Blueberries's ability to gain and increase market acceptance of its business may require substantial expenditures on investor relations, strategic relationships and marketing initiatives. There can be no assurance that such initiatives will be successful and their failure may have an adverse effect on Blueberries.

Liability, Enforcement, Complaints, etc.

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

Product Liability

As a distributor of products designed to be ingested by humans, Blueberries faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused damages, loss or injury. In addition, the sale of Blueberries's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Adverse reactions resulting from human consumption of Blueberries's products alone or in combination with other medications or substances could occur. Blueberries may be subject to various product liability claims, including, among others, that Blueberries's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning health risks, possible side effects or interactions with other substances. A product liability claim or regulatory action against Blueberries could result in increased costs, could adversely affect Blueberries's reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of Blueberries. There can be no assurances that Blueberries will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of Blueberries's potential products.

Insurance Coverage

Blueberries's production is, in general, subject to different risks and hazards, including adverse weather conditions, fires, plant diseases and pest infestations, other natural phenomena, industrial accidents, labour disputes, changes in the legal and regulatory framework applicable to Blueberries and environmental contingencies.

Blueberries is in the process of obtaining insurance coverage over Blueberries's production and facilities. Blueberries is seeking insurance against a variety of risks, including losses and damages relating to its plants, equipment and buildings. Any insurance that Blueberries is successful in obtaining may only cover part of the losses it may incur and may not cover losses on crops due to drought or floods. Furthermore, certain types of risks may not be covered by the future policies. There is a risk that any claims to be paid by an insurer due to the occurrence of a casualty covered may not be sufficient to compensate Blueberries for all of the damages suffered. Blueberries may not be able to maintain or obtain insurance of the type and amount desired at a reasonable cost. If Blueberries were to incur significant liability for which it were not fully insured, it could have a materially adverse effect on Blueberries's business, financial condition and results of operations.

Ability to Establish and Maintain Bank Accounts

While Blueberries does not anticipate dealing with banking restrictions, there is a risk that banking institutions in countries where Blueberries operates will not accept payments related to the cannabis industry. Such risks could increase costs for Blueberries. In the event financial service providers do not accept accounts or transactions related to the cannabis industry, it is possible that Blueberries may be required to seek alternative payment solutions, including but not limited to cryptocurrencies such as Bitcoin. There are risks inherent in cryptocurrencies, most notably its volatility and security issues. If the industry was to move towards alternative payment solutions and accept payments in cryptocurrency Blueberries would have to adopt policies and protocols to manage its volatility and exchange rate risk exposures. Blueberries's inability to manage such risks may adversely affect Blueberries's operations and financial performance.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of Blueberries's products are recalled due to an alleged product defect or for any other reason, Blueberries could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. Blueberries may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although Blueberries has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if Blueberries is subject to recall, the image of Blueberries could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for Blueberries's products and could have a material adverse effect on the results of operations and financial condition of Blueberries. Additionally, product recalls may lead to increased scrutiny of Blueberries's operations by regulatory agencies, requiring further management attention, potential loss of applicable licenses and potential legal fees and other expenses.

Risks Inherent in an Agricultural Business

Blueberries's business involves the growing of blueberries with the prospect of growing cannabis in the future. Both of which are agricultural products and grown outdoors. The occurrence of severe adverse weather conditions, especially droughts, hail, floods or frost, is unpredictable and may have a potentially devastating impact on agricultural production, and may otherwise adversely affect the supply of cannabis. Adverse weather conditions may be exacerbated by the effects of climate change and may result in the introduction and increased frequency of pests and diseases. The effects of severe adverse weather conditions may reduce Blueberries's yields or require Blueberries to increase its level of investment to maintain yields. Additionally, higher than average temperatures and rainfall can contribute to an increased presence of insects and pests, which could negatively affect crops. Future droughts could reduce the yield and quality of Blueberries's production, which could materially and adversely affect Blueberries's business, financial condition and results of operations.

The occurrence and effects of plant disease, insects and pests can be unpredictable and devastating to agricultural, potentially rendering all or a substantial portion of the affected harvests unsuitable for sale. Even when only a portion of the production is damaged, Blueberries's results of operations could be adversely affected because all or a substantial portion of the production costs may have been incurred. Although some plant diseases are treatable, the cost of treatment can be high and such events could adversely affect Blueberries's operating results and financial condition. Furthermore, if Blueberries fails to control a given plant disease and the production is threatened, Blueberries may be unable to supply its customers, which could adversely affect its business, financial condition and results of operations. There can be no assurance that natural elements will not have a material adverse effect on any such production.

Risks Inherent in Rural Real Estate

The Colombian Constitution protects the right to own private property and related rights acquired in compliance with civil regulations. According to Colombian Constitution, legally acquired private property ownership rights cannot be affected if the owner is in compliance with applicable laws.

Except in the case of public necessity or social interest, subject to due process and the payment of an indemnification, expropriations without just cause or on a discriminatory basis are restricted.

In August 2011, Colombia and Canada entered into a Free Trade Agreement (CCOFTA), which outlines the issue of expropriations in Article 811 as well as dispute settlements in Chapter 21. The Free Trade Agreement provides that Canadian investments in Colombia will be granted fair and equitable treatment with full protection and security and will be accorded no less favourable treatment than Colombia grants to its own investors or investors of any other country. It also provides that an investment will not be expropriated except in a nondiscriminatory manner in accordance with due process of law with prompt and adequate compensation. The expropriation provisions cover both traditional "direct" takings and so-called "indirect" or "creeping" expropriation, which results from a measure or a series of measures by a government that have an effect equivalent to direct expropriation without a formal transfer of title or outright seizure of the investment. An investor-state dispute resolution process is provided for in the event that the investment is not provided the protections set out in the CCOFTA. Through this process, a Canadian investor can challenge a Colombian measure through binding international arbitration instead of relying on the Colombian local courts.

Energy Prices and Supply

Blueberries requires substantial amounts of electric energy and other resources for its harvest activities and transport of cannabis. Blueberries relies upon third parties for its supply of energy resources used in its operations. The prices for and availability of energy resources may be subject to change or curtailment, respectively, due to, among other things, new laws or regulations, imposition of new taxes or tariffs, interruptions in production by suppliers, imposition of restrictions on energy supply by government, worldwide price levels and market conditions. If energy supply is cut for an extended period of time and Blueberries is unable to find replacement sources at comparable prices, or at all, Blueberries's business, financial condition and results of operations would be materially and adversely affected.

Supply of Cannabis Seeds

If for any reason the supply of cannabis seeds is ceased or delayed, Blueberries would have to seek alternate suppliers and obtain all necessary authorization for the new seeds. If replacement seeds cannot be obtained at comparable prices, or at all, or if the necessary authorizations are not obtained, Blueberries's business, financial condition and results of operations would be materially and adversely affected.

Changes in Corporate Structure

Colombian cannabis licenses are granted on a non-transferable, non-exchangeable and non- assignable basis. Any breach of this restriction may give rise to unilateral termination of the license by the governmental authority.

Notwithstanding the above, Colombian laws do not provide for specific regulations or restrictions regarding the effects of a change in control, modification of the corporate structure, issuance of shares, or any changes in holders or final beneficiaries of cannabis licenses.

Colombian legislation gives special attention to the identification and background of the legal representatives of licensees. Licensees must file a declaration of the legality of the proceeds of the legal representatives. Furthermore, Decree 613 of 2017 provides a set of resolutory conditions, which enable the Ministry of Health or the Ministry of Justice, as applicable, to terminate a license if the licensee fails to request the amendment of the license within 30 calendar days following any changes in (i) the legal representation of the licensee; or (ii) the declaration that a legal representative is criminally liable for drug trafficking or related crimes, after having issued the respective license.

Emerging Market Risks

Emerging market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments.

All of Blueberries's operations are in Colombia. Colombia has a history of economic instability or crises (such as inflation or recession). While there is no current political instability, and historically there has been no change in laws and regulations, this is subject to change in the future and could adversely affect Blueberries's business, financial condition and results of operations.
In particular, fluctuations in the Colombian economy and actions adopted by the Government of Colombia have had and may continue to have a significant impact on companies operating in Colombia, including Blueberries. Specifically, Blueberries may be affected by inflation, foreign currency fluctuations, regulatory policies, business and tax regulations and in general, by the political, social and economic scenarios in Colombia and in other countries that may affect Colombia.

Global economic crises could negatively affect investor confidence in emerging markets or the economies of the principal countries in Latin America, including Colombia. Such events could materially and adversely affect Blueberries's business, financial condition and results of operations.

Global Economy

Financial and securities markets in Colombia are influenced by the economic and market conditions in other countries, including other South American and emerging market countries and other global markets. Although economic conditions in these countries may differ significantly from economic conditions in Colombia, investors' reactions to developments in these other countries, such as the recent developments in the global financial markets, may substantially affect the capital flows into, and the market value of securities of issuers with operations in Colombia.

An economic downturn or volatility could have a material adverse effect on Blueberries's business, financial condition and results of operations. The economy of the Colombia, where Blueberries's operations are located, has experienced significant economic uncertainty and volatility during recent years. A weakening of economic conditions could lead to reductions in demand for Blueberries's products. For example, its revenues can be adversely affected by high unemployment and other economic factors. Further, weakened economic conditions or a recession could reduce the amount of income customers are able to spend on Blueberries's products. In addition, as a result of volatile or uncertain economic conditions, Blueberries may experience the negative effects of increased financial pressures on its clients. For instance, Blueberries's business, financial condition and results of operations could be negatively impacted by increased competitive pricing pressure, which could result in Blueberries incurring increased bad debt expense. If Blueberries is not able to timely and appropriately adapt to changes resulting from a weak economic environment, its business, results of operations and financial condition may be materially and adversely affected.

A crisis in other emerging market countries could dampen investor enthusiasm for securities of issuers with South American operations. Financial conditions in Argentina, Brazil or other emerging market countries could negatively impact Colombia's economy in the future. If such fluctuations were to occur, Blueberries's business, financial condition and results of operations could be materially and adversely affected.

CSE Restrictions on Business

As a condition to initially listing on the CSE, the CSE required that Blueberries deliver an undertaking (the "Undertaking") confirming that, while listed on CSE, Blueberries will only conduct the business of the production, sale and distribution of medicinal marijuana in Colombia pursuant to the Licenses and in accordance with applicable law, unless prior approval is obtained from CSE. The Undertaking could have an adverse effect on Blueberries's ability to do business or operate outside of Colombia and on its ability to expand its business into other areas, including the provision of non-medical marijuana in the event that the laws were to change to permit such sales, if Blueberries is still listed on the CSE and remains subject to the Undertaking at such time. The Undertaking may prevent Blueberries from expanding into new areas of business when Blueberries's competitors have no such restrictions. All such restrictions could materially and adversely affect the growth, business, financial condition and results of Blueberries's operations.

Risks Related to Investment in a Colombian Company

Operational Risks

Operations in Colombia are subject to risk due to the potential for social, political, economic, legal and fiscal instability. The government in Colombia faces ongoing problems including but not limited to inflation, unemployment and inequitable income distribution. Colombia is also home to South America's largest and longest running insurgency and large swaths of the countryside are under guerrilla influence. In addition, Colombia experiences narcotics-related violence, a prevalence of kidnapping and extortionist activities and civil unrest in certain areas of the country. Such instability may require Blueberries to suspend operations on its properties. Although Blueberries is not presently aware of any circumstances or facts which may cause the following to occur, other risks may involve matters arising out of the evolving laws and policies in Colombia, any future imposition of special taxes or similar charges, as well as foreign exchange fluctuations and currency convertibility and controls, the unenforceability of contractual rights or the taking or nationalization of property without fair compensation, restrictions on the use of expatriates in Blueberries's operations, or other matters. Blueberries also bears the risk that changes can occur in the government of Colombia and a new government may void or change the laws and regulations that Blueberries is relying upon.

Currently there are no restrictions on the repatriation from Colombia of earnings to foreign entities and Colombia has never imposed such restrictions. However, there can be no assurance that restrictions on repatriation of earnings from Colombia will not be imposed in the future. Exchange control regulations require that any proceeds in foreign currency originated on exports of goods from Colombia (including minerals) be repatriated to Colombia. However, purchase of foreign currency is allowed through any Colombian authorized financial entities for purposes of payments to foreign suppliers, repayment of foreign debt, payment of dividends to foreign stockholders and other foreign expenses.

Inflation in Colombia

Colombia has in the past experienced double digit rates of inflation. If Colombia experiences substantial inflation in the future, Blueberries's costs in Colombian peso terms will increase significantly, subject to movements in applicable exchange rates. Inflationary pressures may also curtail Blueberries's ability to access global financial markets in the longer term and its ability to fund planned capital expenditures, and could materially adversely affect Blueberries's business, financial condition and results of operations. The Colombian government's response to inflation or other significant macro- economic pressures may include the introduction of policies or other measures that could increase Blueberries's costs, reduce operating margins and materially adversely affect its business, financial condition and results of operations.

Operations in Spanish

As a result of Blueberries conducting its operations in Colombia, the books and records of Blueberries, including key documents such as material contracts and financial documentation are principally negotiated and entered into in the Spanish language and English translations may not exist or be readily available.

Enforcement of Judgments

Blueberries is incorporated under the laws of Canada, however all of its assets are located outside Canada. Furthermore, many of Blueberries's directors and officers reside outside Canada. As a result, investors may not be able to effect service of process within Canada upon Blueberries's directors or officers or enforce against them in Canadian courts judgments predicated on Canadian securities laws. Likewise, it may also be difficult for an investor to enforce in Canadian courts judgments obtained against these persons in courts located in jurisdictions outside Canada.

As a result of the above, public shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the Board or controlling shareholders than they would as public shareholders of a Canadian company.

Financial and Accounting Risks

Access to Capital

In executing its business plan, Blueberries makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. Since its incorporation, Blueberries has financed these expenditures through offerings of its equity securities. Blueberries will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. Blueberries may incur major unanticipated liabilities or expenses. Blueberries can provide no assurance that it will be able to obtain financing to meet the growth needs of Blueberries.

Foreign Sales

Blueberries's functional currency is denominated in Canadian dollars. Blueberries currently expects that sales will be denominated in Colombian pesos and may, in the future, have sales denominated in the currencies of additional countries in which it establishes sales offices. In addition, Blueberries incurs the majority of its operating expenses in Colombia Pesos. In the future, the proportion of Blueberries's sales that are international may increase. Such sales may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the exchange rates of foreign currencies may negatively impact the Resulting Issuer's business, financial condition and results of operations. Blueberrie has not previously engaged in foreign currency hedging. If the Resulting Issuer decides to hedge its foreign currency exposure, it may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets. In addition, those activities may be limited in the protection they provide the Resulting Issuer from foreign currency fluctuations and can themselves result in losses.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with International Financial Reporting Standards, or IFRS, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Blueberries bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the notes to the Blueberries Financial Statements, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. Blueberries's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause Blueberries's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of the Resulting Issuer. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share based payments, impairment of non-financial assets, fair value of biological assets, as well as revenue and cost recognition.

Tax Risks

The Resulting Issuer will operate and will be subject to income tax and other forms of taxation (which are not based upon income) in multiple tax jurisdictions. Taxation laws and rates which determine taxation expenses may vary significantly in different jurisdictions, and legislation governing taxation laws and rates is also subject to change. Therefore, the Resulting Issuer's earnings may be impacted by changes in the proportion of earnings taxed in different jurisdictions, changes in taxation rates, changes in estimates of liabilities and changes in the amount of other forms of taxation. The Resulting Issuer may have exposure to greater than anticipated tax liabilities or expenses. The Resulting Issuer will be subject to income taxes and non-income taxes in a variety of jurisdictions and its tax structure is subject to review by both domestic and foreign taxation authorities and the determination of the Resulting Issuer's provision for income taxes and other tax liabilities will require significant judgment.

The Resulting Issuer will be subject to different taxes imposed by the Colombian government and any changes within such tax legal and regulatory framework may have an adverse effect on our financial results. All current tax legislation is a matter of public record and the Resulting Issuer will be unable to predict which additional legislation or amendments may be enacted.

Risks Related to the Resulting Issuer Shares and Completion of the Share Exchange Transaction

Market for the Resulting Issuer Shares

There can be no assurance that an active trading market for the Resulting Issuer Shares will develop or, if developed, that any market will be sustained. Blueberries cannot predict the prices at which the Resulting Issuer Shares will trade. The price of the Subscription Receipts was determined by negotiations with the Lead Agent in connection with the financing and might not bear any relationship to the market price at which the Resulting Issuer Shares will trade or to any other established criteria of the value of Blueberries's business. Fluctuations in the market price of the Resulting Issuer Shares could cause an investor to lose all or part of its investment in Resulting Issuer Shares. Factors that could cause fluctuations in the trading price of the Resulting Issuer Shares include: (i) announcements of new offerings, products, services or technologies; commercial relationships, acquisitions or other events by the Resulting Issuer or its competitors; (ii) price and volume fluctuations in the overall stock market from time to time; (iii) significant volatility in the market price and trading volume of agriculture companies; (iv) fluctuations in the trading volume of the Resulting Issuer Shares or the size of the Resulting Issuer's public float; (v) actual or anticipated changes or fluctuations in the Resulting Issuers results of operations; (vi) whether Blueberries's results of operations meet the expectations of securities analysts or investors; (vii) actual or anticipated changes in the expectations of investors or securities analysts; (viii) litigation involving the Resulting Issuer, its industry, or both; (ix) regulatory developments in the Canada, Colombia and foreign countries; (x) general economic conditions and trends; (xi) major catastrophic events; (xii) escrow releases, sales of large blocks of the Resulting Issuer Shares; (xiii) departures of key employees or members of management; or (xiv) an adverse impact on Blueberries from any of the other risks cited herein.

No History of Payment of Cash Dividends

Blueberries has never declared or paid cash dividends on the Blueberries Shares. Upon Completion of the Qualifying Transaction, Blueberries intends to retain future earnings to finance the operation, development and expansion of the business. Blueberries does not anticipate paying cash dividends on the Resulting Issuer Shares in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of the Board and will depend on the Resulting Issuer's financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that the Board considers relevant.

Reporting Issuer Status

From the date of incorporation to the date of this Circular, Blueberries has not been subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations and policies of the CSE. As a reporting issuer, the Resulting Issuer would be subject to reporting requirements under applicable securities law and stock exchange policies. Blueberries is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to Blueberries's financial management control systems to manage its obligations as a subsidiary of a public company. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on existing systems and resources. Among other things, the Resulting Issuer will be required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and, if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Resulting Issuer's business and results of operations. The Resulting Issuer may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses. Management of Blueberries expects that being a reporting issuer will make it more expensive to maintain director and officer liability insurance. This factor could also make it more difficult for the Resulting Issuer to retain qualified directors and executive officers.

Tax Issues

There may be income tax consequences in relation to the Resulting Issuer Shares, which will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers.