



Blueberries
Medical Corp.

BLUEBERRIES MEDICAL CORP.

(FORMERLY CDN MSOLAR CORP.)

CONSOLIDATED FINANCIAL STATEMENTS

**For the year ended December 31, 2019
And for the period from September 5, 2018 (Date of Incorporation)
to December 31, 2018**

(EXPRESSED IN CANADIAN DOLLARS)

Independent Auditor's Report

To the Shareholders of Blueberries Medical Corp.:

Opinion

We have audited the consolidated financial statements of Blueberries Medical Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and December 31, 2018, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year ended December 31, 2019 and for the period from September 5, 2018 (date of incorporation) to December 31, 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019 and December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2019 and for the period from September 5, 2018 to December 31, 2018 in accordance with International Financial Reporting Standards

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company has incurred a net loss of \$10,787,876 during the year ended December 31, 2019 with no revenue-generating operations. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is

a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

Toronto, Ontario

April 29, 2020

The logo for MNP LLP, featuring the letters 'MNP' in a large, bold, sans-serif font, followed by 'LLP' in a smaller, similar font.

Chartered Professional Accountants

Licensed Public Accountants

Management's Responsibility for Consolidated Financial Statements

The accompanying audited consolidated financial statements of Blueberries Medical Corp. (the "Company" or "Blueberries") were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). Management is responsible for the presentation of the consolidated financial statements and believes that they fairly represent the Company's financial position and the results of its operations in accordance with IFRS. Management has included amounts in the Company's consolidated financial statements based on estimates, judgments, and policies that it believes reasonable in the circumstances.

The consolidated financial statements were prepared by the management of the Company, reviewed by the Audit Committee of the Board of Directors and approved by the Board of Directors.

To discharge its responsibilities for financial reporting and for the safeguarding of assets, management believes that it has established appropriate systems of internal accounting control which provide reasonable assurance, at appropriate cost, that the assets are maintained and accounted for in accordance with its policies and that transactions are recorded accurately on the Company's books and records.

April 29, 2020

"Camillo Villalba"
Chief Executive Officer

"Ian D. Atacan"
Chief Financial Officer

BLUEBERRIES MEDICAL CORP.
Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)	Note Reference	As at December 31,	
		2019	2018
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 2,666,191	\$ 412,405
Other receivables		184,165	1,415
Prepays		20,511	-
		2,870,867	413,820
Non-Current Assets			
Advances towards property plant & equipment	9	2,272,690	-
Property plant & equipment	10	2,294,121	155,217
Right-of-use asset	11	823,444	-
Intangible assets	12	1,101,427	1,298,240
Advances on joint venture	13	389,640	-
Other non-current assets	14	34,258	-
Total Assets		\$ 9,786,447	\$ 1,867,277
LIABILITIES AND EQUITY			
Current Liabilities			
Trade accounts payable & accrued liabilities		\$ 793,399	\$ 244,971
Current portion of lease liability	11	222,271	-
Employee benefits		76,703	68,406
Related party debt	22	-	429,504
		1,092,373	742,881
Non-Current Liabilities			
Long-term lease liability	11	618,662	-
Total Liabilities		1,711,035	742,881
Equity			
Share capital	15	13,487,620	1,664,738
Warrants	16	4,614,288	-
Contributed surplus	17	1,680,488	-
Accumulated other comprehensive loss		(383,455)	(4,689)
Deficit		(11,323,529)	(535,653)
Total equity		8,075,412	1,124,396
Total liabilities and equity		\$ 9,786,447	\$ 1,867,277
Related party transactions	22		
Commitments	24		
Subsequent events	26		

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

On behalf of the Board

"Christian Toro"

"Francisco Sole"

BLUEBERRIES MEDICAL CORP.

Consolidated Statements of Loss and Comprehensive Loss

For the year ended December 31, 2019

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

<i>(Expressed in Canadian Dollars)</i>	Note Reference	2019	2018
Expenses			
Pre-operating expenses		\$ (1,042,256)	\$ (137,802)
General and administrative expenses	18	(5,462,462)	(395,318)
Depreciation and amortization	10, 11, 12	(294,129)	(5,816)
Listing expense	8	(4,004,312)	-
Other income (expense)		2,396	(8,896)
Foreign exchange gain		12,887	12,179
Loss before income tax		(10,787,876)	(535,653)
Current and deferred income tax	19	-	-
Net loss		\$ (10,787,876)	\$ (535,653)
Other Comprehensive Loss			
Foreign currency translation adjustment		\$ (378,766)	\$ (4,689)
		(378,766)	(4,689)
Comprehensive loss		\$ (11,166,642)	\$ (540,342)
Loss per share - basic and diluted	20	(0.099)	(0.011)
Weighted average number of shares outstanding	20	108,918,229	48,059,322

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

BLUEBERRIES MEDICAL CORP.

Consolidated Statements of Changes in Equity

For the year ended December 31, 2019

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

<i>(Expressed in Canadian Dollars)</i>	Note Reference	Common Shares	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total
Balance at incorporation on September 5, 2018		1	1	-	-	-	-	1
Shares canceled		(1)						-
Shares issued - shareholders agreement	15	52,000,000	\$ 875,001					\$ 875,001
Share issuance costs	15		(1,988)					(1,988)
Shares issued - seed financing	15	7,000,000	350,000					350,000
Share issuance costs	15		(3,075)					(3,075)
Shares issued - standalone financing	15	5,000,000	444,800					444,800
Other comprehensive loss						(4,689)		(4,689)
Net loss							(535,653)	(535,653)
Balance at December 31, 2018		64,000,000	\$ 1,664,738	-	-	(4,689)	(535,653)	\$ 1,124,396

Balance at December 31, 2018		64,000,000	\$ 1,664,738	-	-	(4,689)	(535,653)	\$ 1,124,396
Shares issued pursuant to the Transaction	15	7,392,772	3,548,531					3,548,531
Shares issued for subscription receipts	15	35,230,000	5,296,049					5,296,049
Share issuance costs - subscription receipts	15		(780,805)					(780,805)
Shares issued for private placement	15	14,515,059	2,412,154					2,412,154
Share issuance costs - private placement	15		(257,460)					(257,460)
Warrants issued for subscriptions	16			4,728,062				4,728,062
Warrant issuance costs	16			(643,711)				(643,711)
Warrants issued as finder fee	16			778,750				778,750
Warrants exercised	15,16	1,464,000	834,413	(248,813)				585,600
Share based compensation	15,17	1,100,000	770,000		1,680,488			2,450,488
Other comprehensive loss						(378,766)		(378,766)
Net loss							(10,787,876)	(10,787,876)
Balance at December 31, 2019		123,701,831	\$ 13,487,620	4,614,288	1,680,488	(383,455)	(11,323,529)	\$ 8,075,412

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

BLUEBERRIES MEDICAL CORP.
Consolidated Statements of Cash Flows

For the year ended December 31, 2019
and for the period from September 5, 2018 (Date of Incorporation) to December 31, 2018

<i>(Expressed in Canadian Dollars)</i>	Note Reference	2019	2018
Cash generated from (used in)			
Operating activities			
Net loss		(10,787,876)	(535,653)
Adjustment for:			
Depreciation and amortization	10,11,12	294,129	5,816
Share based compensation	17	2,450,488	-
Interest on lease, related party debt, & decommissioning provision		29,865	2,206
Gain on debt forgiveness	22	(3,743)	-
Unrealized foreign exchange loss		4,517	3,164
Listing expense	8	3,992,713	-
Change in non-cash working capital	21	(273,748)	242,428
Net cash used in operating activities		(4,293,655)	(282,039)
Investing activities			
Purchase of property, plant, and equipment		(2,254,423)	(11,885)
Purchase of licences		(10,422)	(1,699)
Advances towards property, plant, and equipment	9	(2,268,684)	-
Payment of other non-current assets	14	(34,258)	-
Cash acquired from RTO Transaction	8	35	-
Cash consideration on Blueberries SAS acquisition	7	-	(394,800)
Cash acquired from Blueberries SAS acquisition		-	1,963
Advances to joint venture	13	(389,640)	-
Net cash used in investing activities		(4,957,392)	(406,421)
Financing activities			
Proceeds from new related party note	22	21,508	311,128
Payments of related party notes	22	(243,504)	-
Principal portion of lease payments	11	(24,907)	-
Issuance of shares, net of costs	15	7,143,986	789,737
Issuance of warrants, net of costs	16	4,389,053	-
Warrants exercised	16	585,600	-
Net cash generated in financing activities		11,871,736	1,100,865
Net cash from operating, investing and financing activities		2,620,689	412,405
Effects of exchange rate changes on cash		(366,903)	-
Cash, beginning of period		412,405	-
Cash, end of period		2,666,191	412,405
Interest paid in cash		6,217	-
Interest received in cash		8,818	-
Taxes paid in cash		163	-

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

Blueberries Medical Corp.

Notes to Consolidated Financial Statements

For the year ended December 31, 2019 and

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

(Expressed in Canadian Dollars)



1. NATURE OF OPERATIONS

Blueberries Medical Corp. (the "Company", "Blueberries" or "BBM"), is a licensed producer of psychoactive and non-psychoactive cannabis by-products in Colombia.

Blueberries, which formerly operated under the name CDN MSolar Corp. ("CMS"), was incorporated in Canada on March 15, 2013 under the Business Corporations Act (British Columbia). On September 30, 2013, the Company completed an amalgamation with MN Ventures Ltd. ("MN"), a reporting issuer and continued under the name CDN MSolar Corp.

On February 5, 2019, Blueberries completed a transaction (the "Transaction") with Blueberries Cannabis Corp. (the "Private Company" or "BCC"), a private company registered under the Ontario Business Corporations Act. Simultaneously with the Transaction, CMS legally changed its name to Blueberries Medical Corp. Blueberries carries out its operations through the Private Company's wholly owned subsidiary, Blueberries S.A.S ("BBSAS").

References within these financial statements to the "Company" 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" for periods, dates and/or transactions subsequent to the Transaction are in reference to Blueberries, as the corporate entity of interest post-Transaction. The comparative periods reflected in these financial statements are those of the Private Company, as the financials are a continuance of BCC.

The Company's corporate office and its principal place of business are 8500 West Georgia Street, Suite 2200, Vancouver, BC, V6C 3E8. On February 6, 2019, the common shares of the Company were listed on the Canadian Securities Exchange (the "CSE") under the symbol "CNSX: BBM". The common shares are also listed on the Frankfurt Stock Exchange ("FSE") under the symbol "10A" and on the OTCQB Market in the United States under the ticker symbol "BBRRF".

2. GOING CONCERN

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to discharge its obligations and realize its assets in the normal course of operations for the foreseeable future. Since incorporation, the Company has incurred a net loss with no revenue-generating operations, which were primarily financed from proceeds received through issuance of share capital. For the year ended December 31, 2019, the Company has incurred a net loss of \$10,787,876.

Until the Company's assets start generating cash flow, it will continue to exhaust its remaining financial resources to fund existing operations. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern as it will be contingent upon the Company's ability to successfully identify and procure necessary capital, which may be by way of strategic transactions to obtain financing and/or generate profitable operations that are beneficial to the Company and its shareholders.

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

3. BASIS OF PRESENTATION

The consolidated financial statements of the Company have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee ("IFRIC") interpretations applicable to companies reporting under IFRS and include the operating results of Blueberries and its subsidiaries.

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. See Note 6 for critical accounting estimates and judgments.

Blueberries Medical Corp.

Notes to Consolidated Financial Statements
For the year ended December 31, 2019 and
for the period from September 5, 2018 (Date of Incorporation) to December 31, 2018
(Expressed in Canadian Dollars)



3. BASIS OF PRESENTATION (CONTINUED)

These consolidated financial statements as at and for the year ended December 31, 2019 and as at and for the period from September 5, 2018 (Date of Incorporation) to December 31, 2018 were approved for distribution on April 29, 2020 by the Blueberries Board of Directors.

4. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of measurement

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting.

b) Basis of consolidation

These consolidated financial statements as at December 31, 2019 include the accounts of the Company and its subsidiaries. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. All intercompany transactions, balances, income, and expenses are eliminated upon consolidation.

The following table summarizes the Company's subsidiaries, their country of incorporation, and the Company's ownership interest.

Subsidiaries	Country of incorporation	Ownership Interest
Blueberries Research Corporation ("BRC")	Canada	100%
Blueberries SAS ("BBSAS")	Colombia	100%
Centro De Desarrollo e Investigacion ("CDIBBSAS")	Colombia	100%

All intercompany balances and transactions are eliminated upon consolidation in preparing the financial statements.

c) Functional and presentation currency

Amounts included in these consolidated financial statements are expressed in Canadian dollars ("C\$") unless otherwise noted. C\$ is used as presentation currency in view of the Company's Canadian based public market listing and head office location.

The Company's entities measure the items in their financial statements in their functional currencies (the currency of the primary economic environment they operate in). The functional currency of the Company is the Canadian dollar. The functional currency of the Colombian subsidiaries is the Colombian Peso.

Transaction in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the date of such transaction. At each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the exchange rate at the reporting date. Foreign exchange gains and losses are recognized in the statement of loss and comprehensive loss.

At the financial reporting date, the Colombian subsidiaries' assets and liabilities are translated at the reporting period exchange rate, while revenues, expenses and cash flows are translated at the average exchange rate for the period. Shareholders' equity is translated at the rate effective at the time of the transaction. The resulting translation adjustments are recognized in other comprehensive income (loss) ("OCI") and in accumulated OCI in shareholders' equity.

d) Cash and cash equivalents

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

e) Property, plant & equipment ("PPE")

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Blueberries Medical Corp.

Notes to Consolidated Financial Statements
For the year ended December 31, 2019 and
for the period from September 5, 2018 (Date of Incorporation) to December 31, 2018
(Expressed in Canadian Dollars)



4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying value of the asset) is included in the consolidated statement of loss and comprehensive loss in the period the asset is derecognized.

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

PPE is depreciated over their estimated useful lives using the following methods and rates:

	Method	Estimated useful life
Agricultural facilities	Straight-line	3 - 5 years
Buildings	Straight-line	10 years
Equipment and vehicles	Straight-line	3 - 5 years

f) Intangible assets

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

Intangible assets that are acquired by the Company, which have definite useful lives, are measured at cost less accumulated amortization and impairment losses. These intangible assets are comprised of license costs and costs related to the retention of the licenses. Finite life intangible assets are amortized through profit or loss on a straight-line basis over their estimated useful lives, estimated to be 5 years from the beginning of operations.

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

g) Impairment of non-financial assets

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

h) Financial instruments

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired, and measures as follows:

Financial assets

- Cash and cash equivalents – classified as fair value through profit and loss ("FVTPL") and measured at fair value
- Other receivables – classified at amortized costs and measured at amortized cost

The initial classification of a financial asset depends upon the Company's business model for managing its financial assets and the contractual terms of the cash flows. On initial recognition, the Company may irrevocably designate a financial asset that meets the amortized cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Blueberries Medical Corp.

Notes to Consolidated Financial Statements

For the year ended December 31, 2019 and

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

(Expressed in Canadian Dollars)



4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities

- Trade accounts payable and accrued liabilities - classified at amortized costs and measured at amortized cost
- Employee benefits - classified at amortized costs and measured at amortized cost
- Related party debt - classified at amortized costs and measured at amortized cost

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. Financial liabilities at FVTPL are stated at fair value, with changes being recognized through the consolidated statements of income and comprehensive income. Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. A financial liability is classified as measured at FVTPL if it is held-for-trading, a derivative, or designated as FVTPL on initial recognition.

All financial instruments are initially recognized at fair value. For financial assets and liabilities not classified as FVTPL, transaction costs directly attributable to the acquisition or issuance of the financial assets or financial liabilities are recognized with the asset or liability. Transaction costs of financial assets and liabilities carried at FVTPL are expensed in profit or loss.

Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses ("ECLs") on its financial assets measured at amortized cost. Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the related financial asset.

i) Contingent liabilities and assets

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

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

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

j) Segment reporting

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

k) Income taxes

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

Blueberries Medical Corp.

Notes to Consolidated Financial Statements

For the year ended December 31, 2019 and

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

(Expressed in Canadian Dollars)



4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current tax

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

Deferred tax

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income (loss) or in equity depending on the item to which the adjustment relates. Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Estimates

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

l) Share capital and warrants

Common shares and warrants are classified as equity instruments. The share capital represents the amount received upon issuance of shares. Incremental costs directly attributable to the issuance of shares or warrants are recognized as a deduction from the proceeds in equity in the period in which the transaction occurs.

m) Share-based compensation

Share-based compensation expense is determined based on the estimated fair value of shares on the date of grant using the Black-Scholes option pricing model. Forfeitures are estimated at the grant date and are subsequently adjusted to reflect actual forfeitures. The expense is recognized over the vesting period, with a corresponding increase to contributed surplus. At the time the stock options are exercised, the issuance of common shares is recorded as an increase to shareholders' capital and a corresponding decrease to contributed surplus.

n) Provisions

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

o) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. The Company's related party transactions are conducted on commercial terms and conditions in the normal course of business.

p) Leases

As a result of the adoption of IFRS 16, the accounting policy applied starting from January 1, 2019 is as follows:

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- i. the contract involves the use of an identified asset;
- ii. the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- iii. the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Lease policies until December 31, 2018

The determination of whether an arrangement is, or contains, a lease was based on the substance of the agreement at the inception date.

i. Finance leases

Leases which transfer substantially all the risks and rewards incidental to ownership of the leased item to the Company, as a lessee, were capitalized at the inception of the lease at the fair value of the leased asset, or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between financing costs and lease liability.

Capitalized leases were depreciated over the shorter of the estimated useful life of the asset and the lease term, if there was no reasonable certainty that the Company would obtain ownership by the end of the lease term.

ii. Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership to the Company as a lessee were classified as operating leases. Operating lease payments were recognized on a straight-line basis over the lease term as an expense in the consolidated statements of income or loss or capitalized within plant and equipment if they met the capitalization criteria.

5. NEW ACCOUNTING STANDARDS AND AMENDMENTS

a) Accounting standard changes applicable to 2019

IFRS 16 "Leases"

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.

5. NEW ACCOUNTING STANDARDS AND AMENDMENTS (CONTINUED)

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 i.e. less than 5,000 United States dollars ("US\$").

As at the January 1, 2019 adoption date, IFRS 16 had no material impact on the Company's financials, as there were no lease agreements with term greater than 12-months or leased asset values greater than the low dollar value threshold 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 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.

The lease liability is measured at amortized cost using the effective interest rate method. The liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the amount expected to be payable under a residual value guarantee, or if there is a change in the assessment of whether the Company will exercise a purchase, extension, or termination option that is within the Company's control.

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 on a straight-line basis, over the shorter of the estimated useful life of the asset or lease term.

Leases with terms of less than twelve months and leases for which the underlying asset is of low value (US\$5,000) are recognized as an expense in the financial statements on a straight-line basis over the lease term.

b) Accounting standards not yet applicable

There are no IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The 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.

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6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

b) Impairment testing

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

c) 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.

d) 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.

e) Valuation of deferred income tax assets

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

f) Lease liabilities and right-of-use assets

A lease liability and a corresponding right-of-use asset is recognized at the commencement date of a lease at the present value of the lease payments over the lease term. The Company uses the implicit rate within the lease, if readily available, or the incremental borrowing rate when the rate implicit is not known. The discount rate is based on judgements including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use asset, lease liability, and resulting interest expense and depreciation expense, may differ due to changes in the market conditions. The lease term is also subject to certain assumptions including, the Company's intent regarding extension and termination options of a lease.

7. ACQUISITIONS

On October 3, 2018, the Company (being BCC) acquired all the issued and outstanding shares of BBSAS (the "Acquisition") in exchange for shares in the Company and cash of \$394,800 (US\$300,000). 52,000,000 shares in Blueberries were issued to founders at that time. The BBSAS 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.

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

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7. ACQUISITIONS (CONTINUED)

Net assets of BBSAS

Intangible assets	1,299,246
Cash	1,963
Other receivables	1,239
Property, plant & Equipment	154,295
Accounts payable	(14,586)
Employee benefits	(23,784)
Payable to shareholders	(116,170)
Total consideration	1,302,203

8. REVERSE TAKEOVER TRANSACTION (RTO or the "Transaction")

On February 5, 2019, the Company completed the Transaction to acquire all of the issued and outstanding shares of BCC (64,000,000 shares) through a three-cornered amalgamation of BCC and a wholly-owned subsidiary of the Company, with the former shareholders of BCC receiving one BBM share for each share of Private Company held. BCC also had 35,230,000 subscription receipts which enabled the holder thereof to receive one unit in the capital of the Company upon completion of the Transaction.

The Company (then being CMS) did not meet the definition of a "business" under IFRS guidelines, thus causing the Transaction to be treated as a share based payment under IFRS 2 rather than a business combination, with CMS' main attribute being its public listing. Under this premise, as consideration for 100% of the outstanding shares of CMS, by way of reverse acquisition, the Private Company issued 7,392,772 shares on a one for one basis to the shareholders of CMS. These shares were assigned a fair value of \$0.48 per share for total consideration of \$3,548,531. The consideration has been allocated first to the fair value of the net assets acquired with any excess to non-cash cost of the Transaction as follows:

Consideration (7,392,772 shares at a value of \$0.48 per share)	3,548,531
Net liabilities of CMS	
Cash	35
Accounts receivable	31,812
Accounts payable and accrued liabilities	(450,269)
Amounts due to related parties	(25,760)
Total net liabilities acquired at fair value	(444,182)
Excess attributed to the cost of listing	3,992,713
Transaction costs related to the acquisition	
Legal and other professional fees	11,599
Listing expense	4,004,312

9. ADVANCES TOWARDS PROPERTY, PLANT, AND EQUIPMENT

Advances towards property, plant and equipment include \$1,994,250 (US\$1,500,000) that was paid in February 2019 for 15 hectares of farmland in Cogua (Zipaquira), Colombia. The title on the land has not yet been transferred to the Company. The Company is currently working on the permitting and zoning of the property. The seller of this land is a legal entity whose minority beneficial owner is also a minority shareholder of the Company.

The remaining advances of \$278,440 includes advances towards construction of buildings and various equipment for the Company's Guatavita, Colombia property.

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10. PROPERTY, PLANT, AND EQUIPMENT

Cost	Land	Agricultural Facilities	Buildings & Construction	Equipment & Vehicles	Furniture & Fixtures	Total
Balance, December 31, 2017	-	-	-	-	-	-
Net Assets acquired	2,456	77,296	58,654	15,889	-	154,295
Additions	-	2,838	7,983	1,065	-	11,886
Foreign currency translation	(83)	(3,310)	(2,224)	(582)	-	(6,199)
Balance, December 31, 2018	2,373	76,824	64,413	16,372	-	159,982
Additions	-	629,123	252,123	1,305,429	16,631	2,203,306
Foreign currency translation	(139)	(17,241)	(9,994)	18,830	94	(8,450)
Balance, December 31, 2019	2,234	688,706	306,542	1,340,631	16,725	2,354,838
Accumulated Depreciation						
Balance, December 31, 2017	-	-	-	-	-	-
Depreciation	-	(3,309)	(1,625)	(882)	-	(5,816)
Foreign currency translation	-	742	293	16	-	1,051
Balance, December 31, 2018	-	(2,567)	(1,332)	(866)	-	(4,765)
Depreciation	-	(23,096)	(16,758)	(17,589)	(1,952)	(59,395)
Foreign currency translation	-	1,974	965	462	42	3,443
Balance, December 31, 2019	-	(23,689)	(17,125)	(17,993)	(1,910)	(60,717)
Net Book Value, December 31, 2018	2,373	74,257	63,081	15,506	-	155,217
Net Book Value, December 31, 2019	2,234	665,017	289,417	1,322,638	14,815	2,294,121

11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As at December 31, 2019, the Company recognized a lease liability and a corresponding right-of-use asset relating to a leased vehicle and leased extraction facilities in Tocancipa and the rural property in the municipality of Guatavita, Colombia. See Note 24.

Right-of-use asset

Balance at January 1, 2019	-
Additions ⁽¹⁾	834,951
Depreciation ⁽²⁾	(28,381)
Foreign exchange adjustment	16,874
Balance, December 31, 2019	823,444

⁽¹⁾ The right-of-use asset additions consist of the initial recognition of the lease liability at \$925,990 and estimated dismantlement costs of \$9,294, prior to any interest expense recognized.

⁽²⁾ The right-of-use assets have been depreciated on a straight-line basis over the lease terms.

Long-term lease liability

Balance at January 1, 2019	-
Additions	834,951
Payments	(24,321)
Interest expense	14,398
Foreign exchange adjustment	15,905
Less - current portion	(222,271)
Balance, December 31, 2019	618,662

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12. INTANGIBLE ASSETS

By December 31, 2019, Blueberries S.A.S. was granted licenses to produce, manufacture, market and export cannabis derivatives and products using extracts in Colombia by the Ministry of Health. The licenses obtained for cannabis operations are as follows:

- a license to use seed for planting as well as their export and use for medical and scientific purposes
- a low THC cultivation license (non-psychoactive, less than 1% THC content)
- a production license authorizing the domestic and international distribution of high and low THC Medicinal Cannabis extracts
- a high THC cultivation license (psychoactive, more than 1% THC content)

The fair value attributed to the aforementioned licenses, as assessed under the Acquisition Note, are straight-line amortized over their estimated useful life of 5 years.

Other finite life intangibles consist of assets such as software related licenses, which are amortized over their estimated useful lives.

A continuity schedule for the balance of the intangible assets is as follows:

	Total
December 31, 2017	-
Asset acquisition	1,299,246
Additions	1,699
Foreign currency translation	(2,705)
December 31, 2018	1,298,240
Additions	10,427
Amortization	(206,353)
Foreign currency translation	(887)
December 31, 2019	1,101,427

13. ADVANCE ON JOINT VENTURE

In 2019, Blueberries entered into a Letter of Intent ("LOI") agreement with BBV Labs Inc. ("BBV Labs"), to purchase 75% of BBV Labs' shares for a total consideration of 16,000,000 Blueberries common shares. During the year, BBV Labs entered into a joint venture agreement ("JV Agreement") with Cannabis Avatara, S.E. ("Cannava"), an Argentinean state-owned company, for the purpose of acquiring cannabis cultivation, processing, manufacturing, and other rights in Argentina. In accordance with the terms of the LOI, Blueberries agreed to make an advance of \$389,640 (US\$300,000) to Cannava on behalf of BBV Labs as contribution to the joint venture. The payment was made by Blueberries on June 24, 2019 and is recorded as an advance on the balance sheet of the financial statements.

On July 2, 2019, Blueberries entered into a definitive share purchase agreement with BBV Labs, subject to certain closing conditions. The agreement allows Blueberries to acquire cannabis cultivation, processing, manufacturing, and other rights in Argentina through a joint venture agreement between BBV Labs and Cannava.

On November 29, 2019 Blueberries and BBV Labs entered into an amending agreement, whereby the closing of the definitive share purchase agreement has been postponed to November 30, 2020. In case either party decides not to proceed with the closing by November 30, 2020, the parties agreed that the only indemnification payable shall be liquidated damages in an amount equivalent to: (i) the average trading value of the shares of BBM during the three (3) calendar months preceding such date, (b) multiplied by 16,000,000, (c) plus twenty five percent. Any delay in closing or payment of the liquidated damages after November 30, 2020 will generate interest at a rate of 5% per year.

14. OTHER NON-CURRENT ASSETS

In accordance with the LOI, in 2019, Blueberries paid an exclusivity fee to BBV Labs of US\$25,000 (C\$34,258) as reimbursement of expenses incurred in negotiation of the JV Agreement with Cannava. As the definitive share purchase agreement has not yet closed, the payment has been recorded as other non-current asset on the balance sheet of these consolidated financial statements.

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15. SHARE CAPITAL

As at December 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 December 31, 2019 are as follows:

	Number of Shares	Amount (\$)
Balance, September 5, 2018 (date of incorporation)	1	-
Shares redeemed	(1)	-
Shares issued through shareholder agreement ⁽¹⁾	52,000,000	875,001
Shares issued through seed financing ⁽²⁾	7,000,000	350,000
Shares issued through standalone financing ⁽³⁾	5,000,000	444,800
Share issue costs	-	(5,063)
Balance, December 31, 2018	64,000,000	1,664,738
Shares issued pursuant to the Transaction	7,392,772	3,548,531
Fair value of units attributed to common shares ⁽⁴⁾	35,230,000	5,296,049
Shares issued from exercise of warrants	1,464,000	834,413
Share based compensation	1,100,000	770,000
Private placement of common shares ⁽⁵⁾	14,515,059	2,412,154
Share issue costs	-	(1,038,265)
Balance, December 31, 2019	123,701,831	13,487,620

⁽¹⁾ On October 3, 2018, the Company (being BCC) acquired all the issued and outstanding shares of BBSAS in exchange for shares in the Company and cash of \$394,800 (US\$300,000). 52,000,000 shares in Blueberries were issued to founders at that time. The BBSAS 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 \$875,001. Issuance costs of \$1,988 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 35,230,000 subscription units issued at \$0.25 per unit 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.

⁽⁵⁾ On August 30, 2019, and October 31, 2019, in two tranches, the Company closed a private placement of 14,515,059 units at a price of C\$0.25 per unit for total gross proceeds of C\$3,628,765. Each unit consists of one common share in the capital of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one share at a price of C\$0.35 until August 29, 2021 and October 30, 2021. In connection with the private placement, commissions and finder's fees of C\$257,460 was paid together with the issuance of 988,003 finder warrants. The units issued by the Company were allocated to common shares and warrants based on the assessed fair value using the Black-Scholes valuation model.

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16. WARRANTS

The following table reflects the continuity of warrants for the year ended December 31, 2019:

	Number of purchase warrants	Number of finder warrants	Total number of warrants
Balance, September 5, 2018 (date of incorporation)	-	-	-
Balance, December 31, 2018	-	-	-
Warrants issued - RTO	17,615,000	2,466,100	20,081,100
Warrants issued - Private Placement August 2019	13,830,000	954,100	14,784,100
Warrants issued - Private Placement October 2019	685,059	33,903	718,962
Warrants exercised	(1,464,000)	-	(1,464,000)
Balance, December 31, 2019	30,666,059	3,454,103	34,120,162

Purchase Warrants

Prior to the February 5, 2019, the date of the Transaction, the Company issued 35,230,000 subscription receipts at a price of \$0.25 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 consisted 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 entitled 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 initially for the purchase warrants on the financial statements of the Company.

On August 30, 2019, the Company closed a private placement of 13,830,000 units at a price of C\$0.25 per unit for total gross proceeds of C\$3,457,500. Each unit consists of one common share in the capital of the Company and one share purchase warrant. Each warrant entitles the holder to acquire one share at a price of C\$0.35 until August 29, 2021. A fair value of \$1,194,728 before issuance costs (\$1,070,235 net of issuances costs) was recognized initially for the purchase warrants on the financial statements of the Company.

On October 31, 2019, the Company closed the second tranche of above private placement. 685,059 units were subscribed to for total gross proceeds of C\$171,265. A fair value of \$21,883 before issuance costs (\$20,364 net of issuances costs) was recognized initially for the purchase warrants on the financial statements of the Company.

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 initially 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.

In connection with the August 2019 private placement, finder's fees of C\$238,525 was paid together with the issuance of 954,100 finder warrants. Each finder warrant entitles the holder to acquire one unit for \$0.25 until August 29, 2021. Each unit issued upon exercise of the finder warrant consists of one common share of BBM and one warrant. Each full unit warrant will entitle the holder therefor to purchase one share at a price of \$0.35 per share until August 29, 2021. A fair value of \$103,189 was initially 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.

For the second tranche that was closed on October 31, 2019, finder's fees of C\$8,475 was paid together with the issuance of 33,903 finder warrants. Each finder warrant entitles the holder to acquire one common share of BBM for \$0.35 until October 30, 2021. A fair value of \$1,082 was initially 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.

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16. WARRANTS (CONTINUED)

Black-Scholes option pricing model assumptions for warrants

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

	Expiring February 4, 2021		Expiring August 29, 2021		Expiring October 30, 2021	
	Purchase	Finder	Purchase	Finder	Purchase	Finder
Risk-free interest rate	1.82%	1.82%	1.40%	1.40%	1.55%	1.55%
Exercise price	\$0.40	\$0.25	\$0.35	\$0.25	\$0.35	\$0.35
Estimated stock price	\$0.48	\$0.48	\$0.24	\$0.24	\$0.14	\$0.14
Expected dividend yield	0%	0%	0%	0%	0%	0%
Expected stock price volatility	90.5%	90.5%	85.4%	85.4%	85.3%	85.3%
Expected warrant life	1 year	1 year	2 years	2 years	2 years	2 years
Fair value of warrant granted	\$0.20	\$0.27	\$0.09	\$0.11	\$0.03	\$0.03

17. 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 establishes 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 December 31, 2019 a total of 9,565,000 options were issued and outstanding under this plan, 1,000,000 of which have fully vested.

The following table reflects the continuity of stock options since September 5, 2018, the date of incorporation:

	Stock options	Weighted average exercise price (C\$)
Balance, September 5, 2018	-	-
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 to 5)	4,700,000	0.56
Balance, December 31, 2019	9,565,000	0.48

⁽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. The fair value of the options has been estimated at \$0.30 at the grant date using the Black-Scholes option pricing model.

⁽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. The fair value of the options has been estimated at \$0.34 at the grant date using the Black-Scholes option pricing model.

⁽³⁾ Another 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. The fair value of the options has been estimated at \$0.38 at the grant date using the Black-Scholes option pricing model.

⁽⁴⁾ 200,000 options were granted in April 2019 with an exercise price of \$0.75 per option. These options are for a 5-year term, expiring in April 2024, with one-third vesting in April 2020, one-third vesting April 2021, and one-third vesting April 2022. The fair value of the options has been estimated at \$0.49 at the grant date using the Black-Scholes option pricing model.

⁽⁵⁾ An additional 900,000 options were granted in June 2019 with an exercise price of \$0.55 per option. These options are for a 5-year term, expiring in June 2024, with one-third vesting in June 2020, one-third vesting June 2021, and one-third vesting June 2022. The fair value of the options has been estimated at \$0.23 at the grant date using the Black-Scholes option pricing model.

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17. CONTRIBUTED SURPLUS (CONTINUED)

Black-Scholes option pricing model assumptions for stock options

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

Risk-free interest rate	1.35% - 1.82%
Estimated stock price	\$0.37 - \$0.71
Forfeiture rate	10%
Expected dividend yield	0%
Expected stock price volatility	88.17% - 92.00%
Expected option life	3 years

The following summarizes stock options issued and outstanding as at December 31, 2019:

Exercise prices	Number of options outstanding	Weighted average term to expiry (years)	Number of options exercisable
0.40	4,865,000	4.10	-
0.55	4,500,000	4.27	1,000,000
0.75	200,000	4.30	-
0.48	9,565,000	4.19	1,000,000

18. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended December 31, 2019	For the period from September 5, 2018 to December 31, 2018
Share based compensation	2,450,488	-
Marketing and investor relations	670,327	-
Director and management fees	494,847	-
Legal	389,350	171,800
Consulting	356,729	-
Salary, wages, and benefits	406,528	-
Audit and accounting	241,738	132,200
General office	191,430	860
Travel	106,765	-
Filing and transfer agent fees	69,487	58,597
Insurance	37,147	-
Other	47,626	31,861
Total general and administrative expenses	5,462,462	395,318

19. INCOME TAX

Reconciliation of effective tax rate

For 2019, the Company's statutory tax rate is 27% (2018 - 26.5%), composed of a 15% rate of Canadian Federal corporate tax and the 12% rate of British Columbia provincial tax. The reconciliation of the combined Canadian income tax to the effective tax rate is as follows:

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**19. INCOME TAX (CONTINUED)**

	2019	2018
Net Loss before recovery of income taxes	(10,787,876)	(535,653)
Expected income tax recovery	(3,060,996)	(141,948)
Difference in foreign tax rates	30,929	(18,814)
Share based compensation and non-deductible expenses	1,806,565	3,295
Share issuance cost booked in equity	(448,611)	(1,342)
Change in tax benefits not recognized	1,672,113	158,809
Income tax (recovery) expense	-	-

Recognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. The following table summarizes the components of deferred tax:

	2019	2018
Deferred tax assets		
Tax losses-Colombia	8,421	
Deferred tax liabilities		
Unrealized foreign exchange rate gain	(8,421)	
Net deferred tax Asset	-	

Unrecognized deferred tax assets

The following table summarizes deductible temporary differences for which no deferred tax asset has been recognized:

	2019	2018
Tax losses - Colombia	2,720,885	279,469
PPE - Colombia	38,093	-
Share issuance costs - 20(1)(e) - Canada	1,332,941	4,735
Non-capital losses carried forward - Canada	2,191,628	246,527
Total	6,283,547	530,731

Share issue and financing costs will be fully amortized in 2023. The Company has available non-capital losses which may be carried forward to reduce taxable income in future years.

The Company's Canadian non-capital income tax losses expire as follows:

2038	246,527
2039	1,945,101
	2,191,628

The Company's foreign non-capital income tax losses expire as follows:

2030	279,469
2031	2,467,732
	2,747,201

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

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20. BASIC AND DILUTED LOSS PER SHARE

For the year ended December 31, 2019, and the period from September 5, 2018 to December 31, 2018 there is no difference between the calculated basic and diluted loss per share. All purchase warrants, finder's warrants, and stock options have been excluded from the calculation as they have an anti-dilutive effect on loss per share.

21. SUPPLEMENTAL CASHFLOW INFORMATION

	Year ended December 31, 2019	For the period from September 5, 2018 to December 31, 2018
Prepays	(11,295)	-
Other receivables	(184,640)	(176)
Inventory	(9,461)	-
Trade accounts payable and other accounts payable	562,994	197,982
Employee benefits	12,567	44,622
Related party debt	(225,456)	-
Working capital adjustment for receivables	31,812	-
Working capital adjustment on payables	(450,269)	-
Change in non-cash working capital	(273,748)	242,428

22. RELATED PARTY TRANSACTIONS

During the year ended December 31, 2019, there were separate related party transactions as follows:

- 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 officer of CMS. The amount was unsecured, non-interest bearing and with no fixed terms of repayment. This Director resigned from his position on 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 these financial statements.
- 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 was 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 December 31, 2019, no promissory note balances remained outstanding.
- In 2019, the Company incurred professional legal expenses of \$10,737 from a vendor who was also a key management personnel of the Company. \$8,639 of this has been included as transaction costs as part of the listing expense. The remaining \$2,098 has been included in general and administrative expenses.
- Until June 2019, when a key management personnel resigned from his position, Blueberries paid a monthly advisory fee to a firm affiliated with that personnel. As per the advisory agreement, the Company paid a monthly fee of \$10,000, for six months, incurring total fees under this agreement of \$60,000, recorded within general and administrative expenses.
- During the year ended December 31, 2019, the Company paid key management personnel, including officers, directors, or their related entities, for management services. Compensation of key management personnel and directors for services provided was \$2,405,153 for the year ended December 31, 2019, including \$1,510,018 of share-based compensation. Of the total compensation amounts, \$15,518 is unpaid in accounts payable and \$17,934 is in employee benefits liabilities at December 31, 2019.

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23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Fair value of financial instruments

As of December 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 financial instruments are classified as Level 1 inputs in the fair value hierarchy.

Risk management

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 December 31, 2019, the Company's financial liabilities consist of trade accounts payable and accrued liabilities, employee benefits and lease liability, which have contractual payment obligations 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 December 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, and other receivables. All of the Company's cash and short-term investments are held at reputable financial institutions. Other receivables consist mainly of harmonized sales tax and general sales tax receivables that the Company expects to 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 Colombian pesos and Canadian dollars. Blueberries does not anticipate a significant impact on its condensed interim consolidated financial statements as a result of a 5% change in the exchange rate between the two currencies.

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23. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (CONTINUED)

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 unrelated parties. As at December 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 condensed interim consolidated financial statements.

Capital risk management

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.

	December 31, 2019	December 31, 2018
Shareholders' equity	8,075,412	1,124,396

24. COMMITMENTS AND TRANSACTION AGREEMENTS

A summary of the Company's commitments as of December 31, 2019 are as follows:

Commitment	2020	2021 and thereafter	Total
Security service agreement	15,533	-	15,533
Consulting and administrative agreements	21,664	-	21,664
Electrical and infrastructure construction	259,547	-	259,547
Greenhouse construction	31,741	-	31,741
Irrigation system	43,603	-	43,603
Total	372,088	-	372,088

In addition to short-term commitments tabled above, the Company has lease liabilities. Details of the leases are as follows. See Note 11.

Leases	Lease Term	Lease Payments				Total
		2020	2021	2022	2023 and after	
Cultivation area (Guatavita - El Recuerdo)	May 21, 2025	-	-	5,698	-	5,698
Cultivation area (Guatavita)	November 4, 2025	1,972	2,046	2,124	6,671	12,813
Vehicle	November 25, 2022	14,221	14,221	14,221	-	42,663
Extraction facility (Tocancipa)	October 6, 2024	206,078	206,078	206,078	377,810	996,044
Total		222,271	222,345	228,121	384,481	1,057,218

25. GEOGRAPHICAL SEGMENT INFORMATION

The Company is engaged in the growth, cultivation, and development of medicinal cannabis and related products with operations in Colombia. Management has defined the operating segments of the Company based on geographical areas, identifying operations held in Colombia as a separate reporting segment. The Canada segment reflects balances and expenses related to all Company operations in Canada, which collectively represent the corporate operations of the Company.

The following tables show information regarding the Company's segments for the year ended December 31, 2019, and for the period from September 5, 2018, the date of incorporation to December 31, 2018.

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25. GEOGRAPHICAL SEGMENT INFORMATION (CONTINUED)

For the year ended December 31, 2019	Colombia	Canada	Total
Expenses:			
Pre-operating expenses	1,042,256	-	1,042,256
General and administrative expenses	1,403,148	4,059,314	5,462,462
Depreciation and amortization	107,974	186,155	294,129
Listing expense	-	4,004,312	4,004,312
Other income	13,025	(15,421)	(2,396)
Foreign exchange loss (gain)	(39,967)	27,080	(12,887)
Net Loss	2,526,436	8,261,440	10,787,876
Assets, December 31, 2019	4,700,352	5,086,095	9,786,447
Liabilities, December 31, 2019	1,193,878	517,157	1,711,035

For the period from incorporation to December 31, 2018	Colombia	Canada	Total
Expenses:			
Pre-operating expenses	137,802	-	137,802
General and administrative expenses	136,939	258,379	395,318
Depreciation and amortization	5,816	-	5,816
Listing expense	-	-	-
Other income	8,896	-	8,896
Foreign exchange loss (gain)	-	(12,179)	(12,179)
Net Loss	289,453	246,200	535,653
Assets, December 31, 2018	1,455,071	412,206	1,867,277
Liabilities, December 31, 2019	447,011	295,870	742,881

26. SUBSEQUENT EVENTS

1. Subsequent to year-end, there was a global outbreak of coronavirus disease ("COVID-19"), which has had a significant impact on businesses through the restrictions put in place by the Colombian, Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Colombia, Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which will negatively impact the Company's business and financial condition. COVID-19 has increased the Company's risk profile significantly, notably due to the following:

- a potential curtailment or total shut down of operations by government;
- potential loss of manpower at its facilities;
- potential of a Blueberries employee falling ill and causing a disruption to the operations;
- the ability to procure and transport critical supplies and parts to the facilities; and
- the ability of the Colombian operations to transport finished products to clients to generate revenues.

If any of these events were triggered, the result could be a complete shutdown of the Colombian operations for an undetermined period. To minimize this risk, the following actions have been taken: a policy has been instituted supporting employees to work from home where practical; preliminary screenings at facilities, any employees or contractors showing potential signs of COVID-19 will be placed into self-isolation; special arrangements at the facilities have been implemented to maximize social distancing. The Company is treating the threat of a COVID-19 outbreak very seriously. A care-and-maintenance plan has been prepared and would be executed in the event of an outbreak at one of the facilities. The Company has entered into a cash preservation mode; all non-critical expenditures have been deferred for the foreseeable future. Should the COVID-19 cause a prolonged interruption of operations, this could impact the Company's ability to secure financing required to progress its strategic initiatives and/or could result in an impairment of asset values.

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26. SUBSEQUENT EVENTS (CONTINUED)

2. On January 3, 2020, Blueberries granted 1,000,000 options to an officer of the Company, exercisable at \$0.25 per common share through January 3, 2025. The options vest in three equal tranches with one-third vesting immediately on the grant date, one-third vesting on the first anniversary of the grant date, and one-third vesting on the second anniversary of the grant date.

3. On March 19, 2020 Blueberries granted 250,000 options to key employees and consultants of the Company, exercisable at \$0.25 per common share through March 19, 2025. The options vest in three equal tranches with one-third vesting on the first anniversary of the grant date, one-third vesting on the second anniversary of the grant date, and one-third vesting on the third anniversary of the grant date.

4. On March 27, 2020 Blueberries granted 2,410,000 options to directors, officers, and key employees of the Company, exercisable at \$0.10 per common share through March 27, 2025. These options vest immediately.

5. On April 23, 2020 Blueberries announced that the Ministry of Justice and Law of the Republic of Colombia granted a non-psychoactive cultivation license for the Company's Zipaquira property, making it the Company's second fully licensed cultivation facility in Colombia.