BLUEBERRIES MEDICAL CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2021

Dated May 2, 2022

The following Management's Discussion and Analysis (the "MD&A") of Blueberries Medical Corp. ("Blueberries", "BBM" or the "Company"), formerly CDN MSolar Corp. ("CMS") for the twelve months ended December 31, 2021, as well as information and expectations concerning Blueberries' outlook are based on currently available information.

This MD&A is intended to supplement and complement the Company's audited consolidated financial statements as at and for the twelve months ended December 31, 2021 (the "Financial Statements"). The Financial Statements and notes thereof are prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB").

The MD&A, and the annual audited consolidated financial statements have been filed on SEDAR at www.sedar.com. Additional information can also be found on the Company's website at www.blueberriesmed.com.

This MD&A is prepared as of May 2, 2022. All dollar values are expressed in Canadian dollars, unless otherwise indicated.

HIGHLIGHTS

Blueberries' 2021 strategy was focused in preserving cash resources and reducing fixed costs and expenses, as well as in optimizing working capital expenditures, with a single focus in increasing the revenue generating capabilities of the company. A fully new staff and management team with proven track record in Cannabis / Pharma / Fine Ingredients industries, led strategic actions across the organization to improve operational standards both in cultivation and extraction facilities.
In addition to the transversal operational efficiencies deployed, the company was also reorganized and focused in capitalizing all potential revenue streams, adding multiple non-psychoactive ingredients, formulations, and finished formulas to the portfolio, and completing all the necessary permissions to sell high THC derivatives. Finally, and in anticipation to the possibility to export dry flower out from Colombia, a third-party GACP certified cultivator model was satisfactorily executed.

COVID-19

Blueberries continues to closely monitor and respond where possible to the ongoing COVID-19 situation. As the global situation continues to change rapidly, ensuring the well-being of our employees remains one of our top priorities. Our facilities in Colombia remain open and operational with heightened measures in place to protect the health and safety of employees, vendors, partners, and their families. The Company is committed to enhancing these measures and implementing other necessary practices as the situation warrants.

Plans to support employees to work from home (where practical), preliminary screenings at facilities, employees or contractors showing potential signs of COVID-19 placed into self-isolation, and massive vaccination schemes are plans that are fully deployed and proved to work, as no outbreak has happened at any of the facilities.

CORPORATE OVERVIEW AND UPDATE

Blueberries 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. The common shares of the Company are listed on the Canadian Securities Exchange (the "CSE") under the symbol "CNSX: BBM", in U.S.A on the OTC Markets ("OTC: BBRRF") and in Germany on the Frankfurt Bourse ("FRA: 1OA").

Blueberries' wholly owned subsidiary, Blueberries SAS ("BBSAS") is a licensed producer and distributor of medicinal cannabis and cannabis-derived products in Colombia.

COLOMBIA OPERATIONS

Agricultural Operations

Infrastructure improvement

Blueberries' nursery and propagation centers are in the municipality of Guatavita, Cundinamarca region. In Guatavita, Blueberries has upgraded the original asexual propagation platform with an installed capacity of 360.000 clones/year both after infrastructure improvement and process optimization carried out during 2021. Other significant facility infrastructure improvement relies on precision irrigation and fertilization systems, as well as water reservoirs and electrical systems. These improvements not only imply increased production capabilities but also process optimization and reproducibility as key factors to ensure quality and consistent results.

Genetics development and registration

The company was authorized by the Colombian Agricultural Institute ("ICA") in 2019 as a unit of agronomic evaluation while successfully registered the proprietary genetic bank including more than 150 cultivars, both regulatory authorizations become a complete strategic regulatory platform with the Cannabis Breeding, Research and Development Unit registration granted by ICA in September 2021.

Blueberries continues to execute the plan of cultivating and commercializing its five proprietary CBD predominant strains while received the approval to register 8 high THC cultivars, carefully chosen from Blueberries´ genetic bank to ensure maximum market expectation coverage.

By the end of 2021 the company successfully completed Research and Development psychoactive, both cultivation and resin production quota and it is ready to execute commercial operations using high THC flower and derivatives.

Contract grower model

In anticipation of any immediate increase in the global demand, Blueberries continues to manage 3 separated contracts with external associate growers that have already tested and stabilized production of the top CBD predominant proprietary strain. These agreements will also be extended for the testing of the recently registered THC predominant strain once R&D quotas be approved (expected for early 2022). The execution of these agreements allows Blueberries' cultivation capacity to be expanded with a minimal capital expenditure requirement while shortening the lag phase response in the face of market growth dynamics.

To ensure immediate access to premium GACP CUMSC certified CBD and THC flower both for extraction and dry flower exportation purposes, the company has started the negotiation of an agreement with one of the largest and better equipped cultivators in Colombia, that operates in the same geographic and climatic region, allowing the possibility to propagate and cultivate Blueberries proprietary strains under GACP environment with no CAPEX requirements.

Cogua Property

Acquired by the Company in February 2019, the Cogua property is a 37-acre (15 hectares) agricultural land in the Bogota Savannah. On April 17, 2020, the Ministry of Justice and Law of the Republic of Colombia granted to Blueberries a non-psychoactive cultivation license for the Cogua property, making it the Company's second licensed cultivation facility to grow non-psychoactive cannabis in Colombia. At the date hereof, this facility is not operational yet, the Company is also continuing to refine its strategy for the property, but it is ready from the regulatory affairs point of view to start operations at best convenience.

Extraction and manufacturing

Manufacturing installed capacity

Initial extraction line with a design capacity to process up to 70,000 kg/year (effective capacity 52,500 kg/year) of dried flower is fully operative and will be upgraded with the objective of becoming an EU-GMP compliant and potentially certified pharma grade extraction operation in 2022. The extraction facility is in an industrial park, with capacity to scale up its extraction, processing, and manufacturing capabilities to up to six extraction lines if necessary.

Extraction and equipment optimization

During the 2021 the company carry out a process optimization increasing around two-fold the extraction yield and reducing the running time in 50%. Both optimized factors increased the production capability in 100% without capital expenditure both in new equipment and civil works while the required task force did not change. On the other hand, the critical support equipment related to extraction were *de novo* configurated allowing more astringent operational parameters to guarantee and stable operation under demanding conditions and optimal process variables to high THC resin production.

High CBD finished products

At the extraction facility, Blueberries has developed diverse CBD dominant formulations and commenced stability tests to measure the shelf life of the extracts and finished products. Four of Blueberries' formulations have been approved by the Colombian National Food and Drug Surveillance Institute (Instituto Nacional de Vigilancia de Medicamentos y Alimentos, "INVIMA"), and will be commercialized as compounded formulation in Colombia.

Currently cannabis harvested by several contract and associated growers and by other external licensed producers have been processed in the Company's extraction facility under a tolling agreement model.

Psychoactive Cannabis Derivatives Research Project

The company received authorization to execute a psychoactive Cannabis cultivation and resin manufacturing quota as mandatory step to be authorized for psychoactive Cannabis cultivation and resin manufacturing quota execution with commercial purposes. The aforementioned quota was successfully completed on Dec. 30/2021.

COMMERCIAL EMPHASIS AND NEW REVENUE STREAMS

In 2021, the Company understood its right to win in a vertically integrated cannabis chain and decided to focus on being a company specialized in cannabis-derived ingredients for the industry.

Primary Extraction and Superior Standardization:

BBM finds a White Space in the need for dried flower extraction in Colombia according to the types of cannabis extracts that are demanded in the market. For this reason, it offers two services for the transformation of dried cannabis flower into specialized extracts. In a first stage we offer a primary extraction of CBD or THC flower. We take the flower from a third party and provide the service of transformation to W+D extract (winterized and decarboxylated) with our super critical Co2 fluid extraction process. In a second stage we offer the superior standardization service, through which a customer with CBD or THC flower can convert their W+D extract into a standardized oil at the required potency levels and thus have a stable ingredient to supply any type of industry or market it is offered to. The client in both cases starts from its own genetics in dried flower and has the capacity to maintain a homogeneous ingredient (cannabis oil) in its subsequent transformations from flower to oil.

Magistral Formulas:

in accordance with Colombian regulations that allow the formulation of cannabis oil as a magistral formula, BBM specialized in two lines of magistral formulas: CBD-predominant line and THC-predominant line. In 2021 we developed a B2B business model of master formulas through which we offer a model to commercial allies that have access to health promoting entities, health care institutions, hospitals, clinics, and groups of doctors; where we offer our developed master formulas to these allies and these in turn make the commercial process of access to doctors and patients.

Bulk Ingredients:

- Within the specialization in cannabis-derived ingredients, BBM was able to close a commercial agreement with an American supplier of cannabis raw materials with US GMP pharmaceutical and cosmetic grade for its commercialization in Colombia and Latin America. This agreement gives BBM an advantage in the market as it can offer cannabis raw materials at very competitive prices. In the case of Argentina, due to the favorable regulation on the use of cannabis in cosmetics, BBM is set to be the leading supplier of cannabis-derived ingredients such as CBD isolate and other minor cannabinoids to pharmaceutical and cosmetic companies.

- In Colombia there is only one company with the capacity to remediate cannabis extract to obtain a high value product known as broad spectrum. BBM closed an agreement with this company in Colombia through which it can offer more value-added products to the national and international industry with a super critical post Co2 extraction process. This agreement allows us to develop differentiated products in the market since we have the capacity to develop broad spectrum with high content in minor cannabinoids, starting from GACP flower or with a higher percentage of terpenes than what is offered in the market.

Peru:

BBM was successful in 2021 exporting 180 kg of a specialized standardized oil for Peruvian development of magistral formulas. This export to Peru opened an opportunity to penetrate the Peruvian formulations market through our Peruvian customer. In 2021, we also started working with customers in Brazil and Mexico to put our specialized raw materials for master formulas.

Specialty ingredients for industry:

BBM decided to specialize in offering ingredients for specialized industries such as food (chocolate and cookies), beverages, cosmetics, and supplements; based on CBD and minor cannabinoids. These industry specialties are a functional in-process solution through suspensions and co-processing that facilitate the use of cannabis as ingredients in finished products where a homogeneous potency of cannabis is ensured in the finished products.

THC and CBD flower:

An own cultivation of cannabis flower limits the penetration in the market of CBD and THC dried flower according to what the market demands. For this reason, we started to develop a new model of associated growers through which we can access to dried flower with the genetics we need, the % of CBD or THC desired or the quality certification we require (GACP). This model of associated grower puts us in advantage in the market for when the regulation of the decree of flower exportation in Colombia is finished. In addition, this model allows us to close preferential prices of dried flower to export, either CBD or THC.

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 the ("Decree") 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.

Decree 613 of 2017 specifically outlines the different types of cannabis licenses and general requirements for issuing these licenses. The new requirements from this Decree to obtain a license include providing certification of land use, shareholder structure information, a farming crop plan and manufacturing projected for five years, and registry of plant cultivars with the ICA. The Decree also outlines that the license holder must inform the Ministry of Justice and the National Narcotics Fund of non-psychoactive seeds that become psychoactive either during agricultural evaluation or seed cultivation. Additionally, the Decree outlines new events for termination of licenses including not obtaining at least one quota for each year of licenses and beginning cultivation or commercialization without the ICA registry of plant cultivars.

Blueberries, as a member of Board of Directors of Asocolcanna, the largest association of cannabis licensed producers in Colombia, is closely following the evolution of the Colombian new regulatory framework for medical cannabis, with the intention to be well equipped and timely prepared to seize the additional revenue streams that the new Decree allows. These new revenue opportunities are primarily related to the possibility to export dry flower of THC and CBD strains for the medical market, more efficient access of medical cannabis through pharmacies, the manufacture of FMCGs using non photoactive cannabis derivatives, and the extend of the magistral formulations for veterinary use.

The opportunity to connect cannabis formulas with patients more easily and the delivery of raw materials and solutions for the FMCGs industry and for veterinary products show to be the more immediate opportunities. Thus, the company has focused their efforts and invested time and resources in preparing high value-added formulations and non-psychoactive specialty ingredients for specific Food & Beverages applications and for veterinary uses. Also, it has approached to national pharmacy chains that will help the company to distribute its medical formulas across de country

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 (<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 flower · Domestic and international distribution
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
	· Scientific purposes	Dec. 5, 2019	· Scientific research
Seeds	· Marketing or delivery · Scientific purposes	Dec. 3, 2019	· Marketing: Buying and selling of seeds
Manufacture of cannabis derivatives	· National use · Exportation	Aug. 17, 2018	· Manufacture, Produce, Commercialize and export psychoactive and non-psychoactive cannabis derivatives
	· Scientific Research	Jan. 29, 2020	· Scientific research and extension to extraction

CHANGES IN COLOMBIAN CANNABIS REGULATIONS

At the date hereof, the Colombian Government is still pending to issue the final regulations to implement Decree 811 signed back in July 2021, and that include improvements to the monitoring and control of cannabis according to international agreements, more efficient licensing and quota requirements for psychoactive derivatives, the possibility to export both psychoactive and non-psychoactive dry flower, upgraded regulations on international trade such as enabling use of duty free zones for production of cannabis derivatives, and the use of CBD in food and beverages and other consumer product categories.

While monitoring the progress of the regulation approvals in the local Ministers, the company has launched specific plans to: a) be ready to export premium grade GACP certified flower exploring a third-party cultivator model agreement with one of the largest flower processors in Colombia, b) started the development of multiple non-psychoactive high value-added ingredients for Food and Beverages, including specialties for chocolate and water soluble forms for beverages, c) explored synergies with veterinary laboratories to initiate the development of CBD predominant formulas for pets, d) complete the analysis of moving the core extraction facility to a free trade zone.

All this proactive activates are in full alignment with the commercial sense and focus of the new organization and management team and will capitalized as fast as the final regulations are officially implemented (expected to happen during first quarter 2022).

Annual Information

Selected financial information for the previous three years is set out below.

	Year ended December 31, 2021 $	Year ended December 31, 2020 $	Year ended December 31, 2019 $
Current assets	1,563,617	522,634	2,870,867
Total assets	3,593,880	7,270,212	9,786,447
Current liabilities	1,935,803	2,096,898	1,092,373
Total liabilities	2,159,134	3,380,433	1,711,035
Revenue	138,747	65,978	-
Gross (loss) profit	(245,453)	62,399	-
Loss before other income (expenses)	(2,228,572)	(4,285,390)	(10,790,272)
Other income (expenses)	(2,918,440)	(654,717)	2,396
Net loss	(5,147,012)	(4,940,107)	(10,787,876)
Total loss and comprehensive loss	(5,199,324)	(5,141,547)	(11,166,642)
Net loss per share – basic and diluted	0.04	0.04	(0.10)

The Company began its operation in Colombia in 2020 and generated a total revenue of $65,978 in the first year of operation. The Company expanded its service and products offering during 2021, resulting in an increase of revenue to $138,747.

From 2020 to 2021, the Company has put in placed a cost savings measures to reduce its general and administrative expenses and allocated most of its resources to operation in Colombia.

During the year ended December 31, 2019, the Company incurred a one-time, non-cash expense of $4,004,312 related to the listing fee or reverse takeover. The Company also recognized a non-cash share-based compensation expense of $2,450,488 in 2019.

DISCUSSION OF OPERATIONS

Selected Financial Information

The following table summarizes results of operations of the Company for the year ended December 31, 2021, and 2020.

Revenues

For the year ended December 31, 2021, the Company generated a total revenue of $138,747, an increase of $72,769 (or 110%) from comparative period. The Company commenced operations in late second quarter of 2020, with sales of cloned cuttings from its cultivars to associated growers and sales of its cosmetics products. With the delay in the approval of Decree 811 in Colombia, which would allow exports and sales of dried flower outside Colombia, the Company has pivoted and offered services, including but not limited to, providing extraction services to third parties. The Company expects that once Decree 811 is approved, the Company plans to develop markets outside Colombia.

CBD derivatives (standard oil) derived the largest share of the Company's revenue of 55%, followed by extraction services at 30%. Sales from CBD derivatives was mainly exports to Futura Farms in Peru.

Clones' sales represent approximately 11% of total revenue, which mainly derived from CBD seeds. Given the current local regulations and market dynamics, many businesses are shifting to THC.

For the year ended December 31,		2021	
Extraction Services	$	41,903	30%
Formulas		452	0%
Oil		1,695	1%
Cloned cuttings		14,703	11%
Cosmetics		3,866	3%
CBD Isolate		295	0%
Standard Oil		75,833	55%
Total Revenue	**$**	**138,747**	100%

The Company is planning to produce THC derivatives in the coming year. Extraction quotas from the Colombia government have been received and the Company is waiting to receive the cultivation quota. The Company plans to operate in a GACP CUMS environment with a strategic partner.

Cost of sales and Direct cost of production

Cost of sales and direct cost of production include direct expenses relating to extraction and agricultural operations for propagation including strain management, cost allocated from mother plants, irrigation, nutrients, consumables such as supplements, supplies, spare parts, trays, peat, personnel costs, electricity, and allocation of operational fixed costs.

For the year ended December 31, 2021, the Company incurred $105,406 (2020 - $3,579) and $278,794 (2020 - $Nil) of cost of sales and direct cost of production, respectively. Costs of sales increased primarily due to the increase in revenue and higher costs directly attributable to the various revenue streams compared to last year, where the Company's sales only consisted of cloned cuttings and cosmetics products. In 2021, the Company has begun to expand its workforce and facilities in anticipation of further expansion of its commercial operations, particularly once Decree 811 is approved.

Operating expenses and Pre-Operating expenses

		Operating expenses				
		Cultivation		Extraction services		Pre-operating expenses
For the years ended December 31,		**2021**				**2020**
Salary, wages, and benefits	$	12,434	$	12,763	$	439,375
Supplies, spare parts and equipment		-		-		110,517
License costs		-		-		3,389
Facilities		4,415		-		68,260
Laboratory		-		-		34,350
Consultants		-		-		26,182
Fuel and oil		-		-		24,125
Transportation		21,431		-		25,796
Utilities		4,961		-		56,669
Other		59,195		1,015		199,914
Total	**$**	**102,436**	**$**	**13,778**	**$**	**988,577**

Salary, wages, and benefits included within pre-operating expenses in prior year relate to employee costs associated with pre-operating activities. As the Company is fully operational this year, costs directly attributable to the production of cultivation and extraction, are reflected as direct cost of production.

General and Administrative ("G&A") Expenses
The Company incurred a total G&A expense of $554,154, a decrease of $1,930,567 (or 78%), compared to $2,484,721 incurred in the comparative period. The nature of G&A expenses is as follows:

For the years ended December 31,		2021		2020
Audit and accounting	$	85,473	$	76,800
Consulting		45,737		219,943
Director and management fees		100,700		464,701
Filing and transfer agent fees		79,750		55,409
General office		25,395		109,381
Insurance		79,547		53,645
Legal		19,087		149,552
Marketing and investor relations		46,455		68,990
Other*		(16,809)		52,039
Salary, wages, and benefits		418,901		418,007
Share based compensation (recovery) expense		(339,563)		805,914
Travel		9,481		10,340
Total general and administrative expenses	**$**	**554,154**	**$**	**2,484,721**

* Included in Other expense was $24,303 (2020 - $Nil) of sales tax recovered in 2021, which was related to recoverable sales tax originated from 2020 and prior years.

Consulting

Blueberries enters into consulting agreements for advice and assistance on operations, quality management, facility development, financial and technical counsel, human resources services, and regulatory compliance. Consulting agreements are typically no longer than one year and are entered into for the purposes of increasing efficiency and productivity of the Company's operations. For the year ended December 31, 2021, the Company incurred a decrease of $174,206 in consulting expense, compared to the comparative period. The decrease is due to consulting fees related to start-up costs in the comparable period, mainly engagement of new services by the company at the start of the operations on compliance with EU-GMP standards in 2020.

Director and management fees

Director and management fees are incurred specifically for certain directors and officers of the Company for services provided to Blueberries either from themselves personally or through a related entity.

For the year ended December 31, 2021, the Company incurred a decrease of $364,001 in director and management fees expenses, respectively, compared to the comparative periods. The overall decrease reflects savings measures implemented due to COVID-19 pandemic, with certain directors and officers leaving the company. The Company continues to manage its costs and focuses its resources on commercial and revenue-generating activities in Colombia.

General office

General office expenses include office and equipment rent, utilities, communication, and cleaning services, which are expensed as incurred. For the year ended December 31, 2021, the Company incurred a decrease of $83,986 in general office expenses, respectively, compared to the comparative period. The decrease reflects savings measures implemented due to COVID-19 pandemic. Blueberries closed its Toronto offices, with significant monthly rental fee savings.

Legal fees

For the year ended December 31, 2021, the Company incurred a decrease of $130,465 in legal expenses compared to the comparative period. Legal fees incurred in 2020 mainly relate to legal services in relation to the structure and format of potential business ventures the Company was pursuing, while in 2021, the legal fees were primarily related to procurement of services for ongoing administrative matters

<u>Salary, wages, and benefits</u>

Salary, wages, and benefits include payroll, training, benefits, and severance costs of employees in Colombia. For the year ended December 31, 2021, the Company incurred a total of $418,901, consistent to the comparative period of $418,007.

<u>Share based compensation</u>
The Company's Stock Option Plan (the "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. When an optionee resigns or a contractual relationship with an optionee ends, the Plan allows 90 days for vested options to be exercised.

For the year ended December 31, 2021, the Company recognized a total of $339,563 of share-based compensation recovery, a decrease of $1,145,477 compared to the comparative period. The increase is primarily due to 3,333,33 unvested options forfeited resulting in a reversal of stock-based compensation of $744,590.

Depreciation and Amortization

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.

Right-of-use assets are also depreciated on a straight-line basis over the lesser of the asset useful life and the lease term. As of December 31, 2021, the Company had four right-of-use assets two of which were relating to rural property leased and depreciated over a 6-year lease term. The remaining two were leases of the extraction facility and a vehicle, with terms of five and three years, respectively.

During the three months ended and year ended December 31, 2021, the Company incurred total depreciation and amortization expenses of $197,215 and $828,375 respectively (2020 - $196,256 and $713,739). The slight increase in 2021 versus 2020 reflects ramping up of operations with capital investments carried out throughout 2020, resulting in higher depreciation and amortization expenses.

Finance Expense

On July 16, 2020, Blueberries closed $1,000,000 unsecured convertible debentures (the "Debentures"), maturing 24 months from the date of closing, and bearing interest at a rate of 13% per annum, with an effective interest rate of 32.36%. The finance expense consists of accrued interest of $130,000 (2020 – $60,667) on the convertible debenture and the accretion of convertible debt liability of $139,417 (2020 - $59,021).

Foreign Exchange

The Company incurred a foreign exchange loss of $65,458 and $169,947 for the three months ended and year ended December 31, 2021 respectively while the Company incurred foreign exchange gain of $108,050 and foreign exchange loss $41,064 for the three months ended and year ended December 31, 2020 respectively. The foreign exchange gains and losses are due to fluctuating foreign currency rates causing additional inflow or outflow of working capital required to pay foreign currency transactions.

Other income (expenses)

Changes of fair value of derivative liabilities

The Company recognized a gain of $479,466 (2020 - $575,471) from the changes of fair value of derivative liability in connection with the convertible debenture of $1,000,000 completed in 2020. The gain in 2021 is due to the reduced derivative liability compared to 2020, which derived primarily from lower share price in 2021 compared to 2020.

Long-lived assets impairments

The Company recognized impairment charges as follows:

- Impairment of property, plant and equipment of $1,936,390 (2020 - $Nil). During the year ended December 31, 2021, as management concluded that an impairment test was required under IAS 36, the Company engaged a third-party consultant to provide a valuation of its property, plant and equipment. In addition, for certain equipment not appraised, the Company has evaluated the replacement costs based on third-party quotes to determine any potential impairment. Based on these assessments, the Company recognized an impairment of property, plant and equipment of $370,420 (2020 - $Nil).
- Impairment of right-of-use assets of $289,386 (2020 - $Nil) and Impairment of intangible assets $590,586 (2020 - $Nil). These impairments were recognized due to continued uncertainty of local and export markets in Colombia, management performed cash flow analysis. While management continues to believe that the future market for Colombian cannabis products is strong, the timing and amount of future cash flows from potential revenue streams, were not sufficient to meet the current cost structure of the Company.
- Impairment of investment in joint operation $572,156 (2020 - $Nil). During the year ended December 31, 2021, as management concluded that an impairment test was required under IAS 36, the Company engaged a third-party consultant to provide a valuation of the farmland and based on the result, the Company recognized an impairment of property, plant and equipment of $1,565,970 (2020 - $Nil) related to the farmland in the consolidated statements of loss and comprehensive loss.

SELECTED QUARTERLY FINANCIAL INFORMATION

The table below presents the quarterly financial highlights for the last eight quarters

		Revenue		Net loss		Net loss per share
2021 FISCAL YEAR						
December 31, 2021	$	(35,139)	$	(3,858,997)	$	(0.02)
September 30, 2021		135,981		(428,623)	$	(0.00)
June 30, 2021		14,785		(269,067)	$	(0.00)
March 31, 2021		23,120		(590,325)	$	(0.01)
2020 FISCAL YEAR						
December 31, 2020		26,371		(1,408,271)	$	(0.01)
September 30, 2020		34,963		(1,048,398)	$	(0.01)
June 30, 2020		4,644		(814,084)	$	(0.01)
March 31, 2020	$	-	$	(1,669,354)	$	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

The principal activities of the Company are cultivating, producing, and distributing psychoactive and non-psychoactive cannabis by-products in Colombia. 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 were driven by the fact that the Cannabis business is in the development phase with minimal revenue to positively affect cash flows.

For the year ended December 31, 2021, the net cash used in operating activities decreased by $709,900 (or 30%) compared to the comparative period. The decrease is mainly attributed to decrease of operation expenses of $2,364,670 in 2021. The decrease is offset by the increase in non-cash working capital of $554,884, primarily derived from higher cash outflows from paying off trade accounts payable and accrued liabilities in 2021 compared to 2020.

For the year ended December 31, 2021, the net cash used in investing activities decreased by $562,269 compared to the comparative period. The Company purchased majority of its equipment in Colombia in 2020 and spent $832,176 in acquiring new equipment. In contrast, the Company spent only $9,540 for the year ended December 31, 2021. The decrease is offset by cash generated from advances towards property, plant and equipment in connection with the farmland in Cogua of $255,646 in 2020.

For the year ended December 31, 2021, the net cash generated from investing activities increased by $1,981,744 compared to the comparative period. In 2021, the Company closed two (2) non-brokered private placements with a total net gross proceeds of $2,837,854 as follows:

- On January 19, 2021, Blueberries closed a non-brokered private placement offering for aggregate gross proceeds of $1,000,000 from the sale of common shares at a price of $0.065 per share.
- On September 9, 2021, Blueberries completed a non-brokered private placement for aggregate gross proceeds of $1,901,382 from the sale of 20,813,817 common shares at a price of $0.10, of which 19,013,817 common shares were paid in cash by a non-arm's length party and 1,800,000 common shares were issued to an arm's length third party service provider.

In 2020, the Company closed non-brokered private placement offering of $1,000,000 in principal amount of unsecured convertible debentures with a net proceed of $988,000.

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 cash flow from operations, management believes that with the cost saving measures implemented, the company will be able to meet its administrative overhead costs in the coming months. The Company will require additional funding to complete its extraction facility post-harvest build-out through development and into production and for working capital as it starts generating revenue. The Company will continue to pursue opportunities to raise additional capital through debt and equity markets to fund its future growth and operating activities. 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. Should the COVID-19 cause a prolonged interruption of global markets, this could impact the Company's ability to secure financing required to progress in building out the extraction facility and/or could result in an impairment of asset values.

OFF-BALANCE-SHEET ARRANGEMENTS

As of the date hereof, 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.

OUTSTANDING SHARE DATA

The outstanding number of common shares, stock options, and warrants are as follows:

	December 31, 2021	**May 2, 2022**
Common shares	163,810,263	163,810,263
Stock options	7,510,001	4,730,000
Purchase warrants	-	-
Finder warrants	-	-

FINANCIAL RISK MANAGEMENT

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

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, 2021, the Company's financial liabilities consist of trade accounts payable and accrued liabilities, employee benefits, convertible debt, 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.

Other than its lease liabilities, all of the Company's obligations are due in the next 12 months.

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 cash equivalents 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 on these instruments. The Company also has trade receivables of $54,670, of which $45,012 has been provided for as potentially uncollectible.

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, except for the Colombian and Panama subsidiaries, is the Canadian dollar. 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 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's convertible debt has fixed interest rate . As at December 31, 2021, the fluctuations of interest rates would not have had a significant impact on the 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. There were no changes to the Company's capital management during the year, except the issuance of the convertible debt. The Company is not exposed to any external capital requirements.

		December 31, 2021		December 31, 2020
Derivative liability	$	366,400	$	845,866
Convertible debt		1,106,710		837,293
Shareholders' equity	$	1,434,746	$	3,889,779

RELATED PARTY TRANSACTIONS

The Company has defined key management personnel as senior executive officers, as well as the Board of Directors. The total remuneration of key management personnel and the Board of Directors for the year ended December 31, 2021, was $532,604 (2020 - $1,238,509), including $281,475 (2020 - $660,725) of share-based compensation, and 250,000 shares (2020 – $Nil) issued valued at $32,500. During the year ended December 31, 2021, the Company reversed a total of $359,371 (2020 - $41,882) of stock-based compensation in connection with options granted to key management personnel who resigned during the year ended December 31, 2021. As at December 31, 2021, the Company had $8,460 (December 31, 2020 - $70,614) of unpaid compensation to key personnel included in accounts payable and accrued liabilities.

On September 9, 2021, the Company's Chairman, CEO and Director (the "Chairman"), through Terraflos Inc. ("Terraflos"), a company that is controlled by the Chairman, indirectly acquired an aggregate of 19,013,817 common shares at a price of $0.10 per common share in a non-brokered private placement. .

Of the $1,000,000 convertible debt that were issued on July 16, 2020, $814,647 was issued Glassford S.A. ("Glassford), a company controlled by the Chairman. Concurrent to the closing of non-brokered private placement on September 9, 2021, Terraflos acquired the debenture from Glassford.

BUSINESS RISKS

COVID-19

Early 2020, the World Health Organization declared the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", a pandemic resulting in worldwide emergency measures to combat the spread of the virus. These measures, which include self-quarantine period, have caused disruption to businesses globally, which are resulting in an economic slowdown and uncertainties potentially affecting the Company's cash flows, financial condition and results of operations. It is not possible to reliably estimate the length or effect of these developments due to uncertainties including the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and actions that may be taken by governmental authorities and central banks to contain COVID-19 or to treat its impact.

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' current operational infrastructure may require changes to scale the Company's business efficiently and effectively to keep pace with demand and achieve long-term profitability, including the possibility to upgrade the operation to be compliant with EU-GMP pharma grade certification. If Blueberries' new products and services are not accepted by new customers, the Company's operating results may be materially and adversely affected.

Managing Growth

In order to manage growth and change in strategy effectively, the Company 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 Company'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 Company'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 Company 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 Company 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' financial results.

Regulatory Compliance Risks

Achievement of Blueberries' 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' 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' 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' 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' business, revenues, operating results and financial condition as well as impact upon Blueberries' 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' 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' 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' 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' ability to grow, store and sell cannabis in Colombia is dependent on Blueberries' 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' 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' 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' operations.

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

Blueberries' 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' 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' 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' 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' 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' 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' 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' 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' potential products.

Insurance Coverage

Blueberries' 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 additional insurance coverage over Blueberries' growing 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' 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' inability to manage such risks may adversely affect Blueberries' 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' 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' 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' 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' 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' 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' production, which could materially and adversely affect Blueberries' 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' 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' 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 favorable 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' 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' 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' 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' business, financial condition, and results of operations.

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' 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' business, financial condition and results of operations. The economy of Colombia, where Blueberries' 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' 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' 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' 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' 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' 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' competitors have no such restrictions. All such restrictions could materially and adversely affect the growth, business, financial condition and results of Blueberries' 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' 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' costs in Colombian peso terms will increase significantly, subject to movements in applicable exchange rates. Inflationary pressures may also curtail Blueberries' ability to access global financial markets in the longer term and its ability to fund planned capital expenditures, and could materially adversely affect Blueberries' 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' 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' directors and officers reside outside Canada. As a result, investors may not be able to effect service of process within Canada upon Blueberries' 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' 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' 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 Company's business, financial condition and results of operations. Blueberries has not previously engaged in foreign currency hedging. If the Company 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 Company 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' operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause Blueberries' operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of the Company. 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 Company 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 Company'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 Company may have exposure to greater than anticipated tax liabilities or expenses. The Company 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 Company's provision for income taxes and other tax liabilities will require significant judgment.

The Company 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 Company will be unable to predict which additional legislation or amendments may be enacted.

DISCLOSURE OF INTERNAL CONTROLS

Management has established processes to provide sufficient knowledge to support representations that it has exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented in the financial statements, and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

The Company utilizes the Venture Issuer Basic Certificate, which certificate does not include representations related to the establishment and maintenance of disclosure controls and procedures ("DC&P) or internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers do not make any representations related to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

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.

CAUTIONARY NOTE 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.	COVID-19 caused closures and other unforeseen costs to the Company will arise; any particular operation cost increase or decrease from the date of the estimation; and due to COVID-19 capital markets not being favourable for funding resulting in the Company not being able to obtain financing when required or on acceptable terms.

Forward Looking Statements	Assumptions	Risk Factors
The Company will be able to carry out anticipated business plans.	In the next twelve months, the operating activities of the Company 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.	COVID-19 related uncertainty continuing; 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.
Management's outlook regarding future trends.	Financing will be available for the Company's future business, continuing development, and maintenance of operations.	COVID-19 situation and 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.

May 2, 2022

"Facundo Garreton"
Facundo Garreton
Chairman, Chief Executive Officer and Director

"Guillermo Pablo Rodriguez"
Guillermo P. Rodriguez,
Chief Financial Officer