



Blueberries Medical Announces Closing of US\$1.1 Million Non-Brokered Private Placement, reports 2022 Q3 Financial Results and provides Corporate and Operations Update

Toronto, Ontario (November 28, 2022) – Blueberries Medical Corp. (CSE: BBM) (OTC: BBRRF) (FRA: 10A) (the “Company” or “Blueberries”), a Latin American licensed producer of medicinal cannabis and cannabis-derived products, announces the completion of a non-brokered private placement consisting of the sale of **54,498,889** common shares (“Common Shares”) at a price of **CAD\$0.027** per Common Share for aggregate gross proceeds of **CAD\$1,471,470** (or US\$1,100,000) (the “Offering”). The net proceeds from the sale of the Common Shares will be used to: (i) add manufacturing capacities to extend the production of new cannabinoids isolates and high concentrated THC distillates; (ii) upgrade of the physical infrastructure of the extraction laboratory to comply with Q7A Good Manufacturing Practice guidelines for Active Pharmaceutical ingredients; (iii) extend the business development and commercial network to cover Europe, USA and Australia; and (iv) other general corporate and working capital purposes.

The Offering was led by Terraflos Inc. (“Terraflos”), a cannabis & natural products producer company with operations throughout Latin America that was founded, and is controlled, by Facundo Garreton, the Chairman, interim-CEO and a director of Blueberries. Terraflos one year ago announced the closing of its US\$8 million seed round funding to continue developing and expanding its businesses in Latin America; in Uruguay through YVY Life Sciences, a company controlled by Terraflos, and in Colombia, through Blueberries Medical Corp. Terraflos is currently considering various opportunities in Argentina, Mexico and Brazil, and aims to expand its operations into those markets in the short term. In addition, Terraflos has also launch DrGea.com, a platform dedicated to the sale of cannabis and natural products and the training of doctors specialized in the use of medicinal cannabis, dissemination and education of cannabis and its ecosystem in Colombia and expected to be scaled up throughout Latin America in 2022 and beyond. Terraflos also acquired a property in Garzón, Uruguay, where it expects to develop the first cannabis hub in the region focused on research and development as well as the promotion of the industry, tourism and training.

Facundo Garreton commented, “We are a company that integrates the productive value chain of plants, we go from seeds to people, linking regenerative agriculture, organic extraction, manufacturing, sale and distribution of natural products, generating social impact and impacting health and the welfare of the human being”

Early Warning Disclosure

Immediately prior to the Offering Mr. Garreton, directly and through Terraflos, owned 33,249,687 Common Shares, options exercisable into 2,750,000 Common Shares (the “Options”), and a convertible debenture of the Issuer convertible at a price of \$0.065 per share (the “Debenture”). In connection with extending the maturity date of the Debenture, Mr Garreton was paid a fee of \$133,439 payable in Common Shares at an exercise price of \$0.05 per share (the “Amending Fee”). If the Options were exercised in full and if the Debenture and the Amending Fee were converted in full, it would result in the issuance of 22,839,696 Common Shares to Mr. Garreton for an aggregate holdings on an as converted basis of 56,089,383 Common Shares, representing, on a partially diluted basis, approximately 29.07% of the outstanding Common Shares prior to the Offering. Immediately following the Offering, Mr. Garreton owned on an as converted basis (assuming the exercise the Options in full and conversion of the Debenture and the Amending Fee in full), directly and through Terraflos: 110,588,272 Common Shares representing, on a partially diluted basis, approximately 44.69% of the outstanding Common Shares.

Mr. Garreton, through Terraflos, acquired the Common Shares for investment purposes, and he may, depending on market and other conditions, increase or decrease his beneficial ownership, control or direction over additional securities of the securities or otherwise. Other than as noted above and a right to a board seat for so long as Mr. Garreton holds at least 8% of the outstanding Common Shares on an as converted basis, Mr. Garreton does not have any plans related to any of the matters in the enumerated list in Item 5.1 of Form 62-103F1.

Mr. Garreton will prepare and file a report containing the information required by Form 62-103F1 - Required Disclosure under the Early Warning Requirements in connection with the matters referred to in this press release. Once filed, a copy of the early warning report will be available under the Company’s issuer profile on SEDAR at www.sedar.com.

Participation by Terraflos in the Offering was considered a “related party transaction” pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The Company was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with Terraflos’ participation in the Offering in reliance of sections 5.5(b) and 5.7(1)(b) of MI 61-101. A material change report will be filed in connection with the participation of Terraflos in the Offering less than 21 days in advance of the closing of the Offering, which the Company deemed reasonable in the circumstances so as to be able to avail itself of potential financing opportunities and complete the Offering in an expeditious manner.

Business and Operations Update

Over the past 18 months, Blueberries has positioned itself as one of the most efficient but also most active cannabis operators in the region, operating with efficiency and reducing infrastructure and G&A expenses at optimal levels of operation, and satisfactorily developing and introducing new products and services in several markets in South America. The company management team kept strong focus on reducing cash expenses and fixed costs, optimizing working capital expenditures, and increasing the Company’s revenue generating capabilities and alternatives.

On the agricultural front, Blueberries continue to develop new alternatives to obtain more efficient biomass and flowers both for CBD and THC, via securing access through partnerships with third-party large-scale cultivators in different regions of Colombia. These agreements are already allowing Blueberries to obtain premium GACP certified biomass and flowers at a fraction of the company historical cost in Guatavita farm and let us prioritize CAPEX allocation and other operational resources in extraction, purification and transformation processes, the updated company core. In the same direction of generating efficiencies and cost savings, the Company satisfactorily completed in October the negotiation of new industrial warehouse located less than 20 km away from the largest international airport in Colombia, and that will generate 80% of savings in the lease in comparison with the average lease expense in 2021-2022. Our strategy with this new location is to build up the company’s new laboratory and extraction GMP pharma facility with an area of more than 4.000 sq ft. This new production facility is currently under final design stage while the civil works will be terminated in April 2023.

With regards to the product portfolio and business development, the company developed a numerous of CBD and THC resins, distillates, and Isolates, as well as functional ingredients; the most relevant a novel CBD water soluble powder that allows translucid effect and reduced off note to water-based products and applications. Final formulations in the form of oral tinctures are also available in multiple combinations of cannabinoids, terpenes, and other natural ingredients. The income generated from the sale of these products have progressed towards the penetration of new countries and markets in Latin-America, and very soon reaching more developed markets like Australia.

“Cannabis industry today is shaped by rapidly changing factors and a longer-term horizon for revenue and profits, so the three fundamentals we traced back in 2021 are still valid. We characterize ourselves in Blueberries with efficiency in everything we do, a naturally driven sales disposition, and a predominant tendency to create different and better solutions and conditions. Having secured the access to premium cannabis GACP certified biomass and flowers and having accomplished a stable revenue position in Latin America, we are now ready to take the company to the next level and extend our internal production capabilities and the go to market strategy into developed markets”, said Jose María Forero, President of the Company.

Financial Highlights

All financial information in this press release is reported in Canadian dollars, unless otherwise indicated. During the first 9 months of 2022, the Company has generated \$178,397 of revenue, most of it was related to the extraction services

The Company has pivoted its core business from cultivation to the extraction services and identified a unique niche in export market of isolated products to the Latin America countries. To date, the Company has been successful in exporting isolated products to Argentina. “Accordingly, in aligning with the Company’s strategy, the Company has begun to expand its commercial revenues, adding more final products and services to others cannabis companies in Colombia and Latin America (Latam)” said Guillermo Rodriguez, Chief Financial Officer of Blueberries Medical Corp.

Third Quarter 2022 Financial Review

The Company’s current strategic focus is centered in the optimization of the cash position, giving special attention to the continued reduction and control of expenses and to the generation of income through multiple commercial avenues and various product lines and B2B services. The management rigorously ensures that all activities are guided under the three fundamentals pillars of ***Operate with Excellence, Connect with Demand, and Differentiate.***

Results for the first three quarters of 2022 fall within the expectation of the management based on the strategic decision taken for the last quarter of 2021.

SUMMARY BALANCE SHEET

	<u>As at September 30, 2022</u>	<u>As at December 31, 2021</u>
Total current assets	\$ 541,473	\$ 1,563,617
Total assets	2,162,032	3,593,880
Total liabilities	2,133,626	2,159,134
Total equity	\$ 28,406	\$ 1,434,746

Blueberries' commercial operations have successfully moved from introductory sales of cuttings of its cultivars to associate growers to effective sales of cannabis derivatives and extracts to customer both in Colombia and Peru. The Company launched a tolling service processing flower and biomass from small and mid-size licensed producers that is also positively impacting revenue results this year.

STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2022</u>	2021	<u>2022</u>	2021
Revenues	\$ 104,856	\$ 135,981	\$ 178,397	\$ 173,886
Cost of sales - product revenues	-	(56,394)	(757)	(64,760)
Cost of sales - extraction services	(5,967)	-	(60,386)	-
Direct cost of production - cultivation	(10,553)	(61,049)	(51,127)	(157,521)
Direct cost of production - extraction services	(102,161)	(56,389)	(159,131)	(130,752)
Gross profit	\$ (13,826)	\$ (37,851)	\$ (93,004)	\$ (179,147)
Expenses				
Operating expenses - cultivation	\$ (5,997)	\$ (30,834)	\$ (28,252)	\$ (84,105)
Operating expenses - extraction services	(15,829)	(12,663)	(32,832)	(25,788)
General and administrative expenses	(304,319)	(103,678)	(956,489)	(227,939)
Depreciation and amortization	(136,927)	(272,943)	(305,484)	(631,160)
Finance expense	(87,002)	(67,682)	(239,087)	(195,151)
Foreign exchange loss	429	(77,427)	(3,589)	(104,489)
Total expenses	(549,645)	(565,227)	(1,565,733)	(1,268,632)
Other income (expense)				
Gain on amendment of convertible debt	198,839	-	198,839	-
Gain on debt settlement	-	66,596	-	66,596
Gain on disposal of equipment	-	-	20,181	-
Changes of fair value of derivative liabilities	(67,262)	-	(67,262)	-
Other expense	6,387	107,859	32,497	93,230
Total other expenses	137,964	174,455	184,255	159,826
Net loss	\$ (358,244)	\$ (428,623)	\$ (1,474,482)	\$ (1,287,953)
Other Comprehensive Loss				
Foreign currency translation adjustment	(81,858)	(12,501)	(35,033)	(282,224)
Comprehensive loss	\$ (440,040)	\$ (441,124)	\$ (1,509,515)	\$(1,570,177)
Net loss per share - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding - basic and diluted	163,810,263	147,747,726	163,810,263	143,407,759

Revenue

For the three months ended September 30, 2022, the Company generated a total revenue of \$104,856, a decrease of \$31,125 (or 23%) from comparative period. The decrease in revenue in this period is solely related to sales generated from product revenues as the Company pivoted its focus to extraction services. In the comparative period, the revenue for the three months ended September 30, 2022, was generated solely from product revenue. For the nine months ended September 30, 2022, the Company generated a total revenue of \$178,397, an increase of \$4,511 (or 3%) from comparative period.

Cost of Sales

For the three months ended September 30, 2022, the Company incurred \$5,967 (2021 - \$56,394) in cost of sales, solely related to the cost of sales related to revenue generated from extraction services; while in the comparative period, the cost of sales was solely related to revenue generated from product revenues. For the nine months ended September 30, 2022, the Company incurred \$61,143 (2021 - \$64,760) in cost of sales, of which primarily consisted of costs associated to revenue generated in extraction services. Costs of sales increased primarily due to the increase in revenue and higher costs directly attributable to the extraction costs compared to product revenues in the comparative period.

	<u>Operating Expenses</u>		<u>Operating expenses</u>	
	Cultivation	Extraction services	Cultivation	Extraction services
	September 30, 2022		September 30, 2022	
For the three months ended				
Salary, wages, and benefits	\$ 2,464	\$ 4,263	\$ 15,794	\$ 8,074
Supplies, spare parts and equipment	144	12,740	2,920	383
License costs	4	-	328	-
Facilities	1,104	1,791	755	1,234
Laboratory	17	331	-	636
Fuel and oil	13	78	3,692	-
Transportation	14	649	262	52
Utilities	69	410	550	186
Other	2,167	10,572	6,533	2,098
	\$ 5,996	\$ 30,834	\$ 30,834	\$ 12,663

	<u>Operating Expenses</u>		<u>Operating expenses</u>	
	Cultivation	Extraction services	Cultivation	Extraction services
	September 30, 2022		September 30, 2022	
For the nine months ended				
Salary, wages, and benefits	\$ 11,610	\$ 4,539	\$ 43,079	\$ 16,442
Supplies, spare parts and equipment	681	13,566	7,963	780
License costs	20	-	894	-
Facilities	5,200	1,907	2,059	2,515
Laboratory	80	352	-	1,294
Fuel and oil	63	82	10,072	-
Transportation	64	691	718	106
Utilities	325	437	1,500	379
Other	10,209	11,258	17,820	4,273
	\$ 28,252	\$ 32,832	\$ 84,105	\$ 25,789

Operating Expenses

Operating expenses are non-capital expenditures relating to Blueberries' cannabis farming and cultivation operations.

During the three months ended September 30, 2022, a total of \$36,830 of operating expenses were incurred, a decrease of \$6,667 (or 15%) from the comparative period. The Company incurred minimal operating expenses related to cultivation as it focused its efforts in expanding its extraction services, with most of the operating costs incurred were to purchase supplies and parts. In the comparative period, the Company's operating expenses were 71% and 29% related to cultivation and extraction services, respectively. During the three months ended September 30, 2021, the Company has not yet generated any revenue from extraction services.

During the nine months ended September 30, 2022, a total of \$61,084 of operating expenses were incurred, a decrease of \$48,810 (or 44%) from the comparative period. In the comparative period, the operating expenses in cultivation made up of 77% of the total operating expenses, while in the current period, it only accounted for 46% of the total operating expenses. This is consistent to the Company's shifting in its efforts to seize the opportunities in the extraction market.

General and Administrative Expenses

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Audit and accounting	\$ 42,402	\$ (4,403)	\$ 167,970	\$ 4,280
Consulting	31,571	25,662	94,969	48,709
Director and management fees	41,495	4,738	41,495	105,438
Filing and transfer agent fees	20,888	35,229	55,817	68,071
General office	(14,376)	4,955	20,068	29,934
Insurance	24,831	20,625	72,256	58,808
Legal	3,958	(1,988)	12,378	2,841
Marketing	2,650	-	2,650	-
Other	6,992	12,389	7,628	35,283
Salary, wages, and benefits	110,608	104,979	375,853	264,490
Share based compensation expense (recovery)	31,514	(98,527)	103,174	(389,952)
Travel	1,786	19	2,231	37
Total	\$ 304,319	\$ 103,678	\$ 956,489	\$ 227,939

Audit and accounting fees - Audit and accounting fees include cost of audit, accounting and taxation services provided by the Company's external auditor and other third parties. The increase of \$163,690 and \$46,805 in the three months ended and nine months ended September 30, 2022, respectively, was related to increased anticipated audit fees from prior year, the timing of accrual of the audit fees as well as costs related to accounting fees provided by a third party which began in the third quarter of 2021.

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 three months ended and nine months ended September 30, 2022, the Company incurred \$41,495 (2021 - \$4,738) and \$41,495 (2021 - \$105,438) in director and management fees expenses. The overall decrease for nine months ended September 30, 2022, reflects savings measures implemented, with certain directors and officers leaving the Company in 2021. During the nine months ended September 30, 2022, the total director and management fees consisted of a compensation of an office who resigned in the second quarter of 2021. From the second quarter of 2021 to the second quarter of 2022, the Company did incur any compensation to the director and/or management.

General office - General office expenses include office and equipment rent, utilities, communication, and cleaning services, which are expensed as incurred. For the nine months ended September 30, 2022, the Company incurred \$20,068, a decrease of \$9,866 (or 33%) in general office expenses, compared to the comparative period; while the general office expenses for the three months ended September 30, 2022 was decreased by \$19,331 (or 65%) compared to the comparative period.

Salary, wages, and benefits - Salary, wages, and benefits include payroll, training, benefits, and severance costs of employees in Colombia. For the three months and nine months ended September 30, 2022, the Company incurred an increase of \$5,629 and \$111,363, respectively, compared to the comparative period. The Company has increased its head count in Colombia as it focuses its efforts in expanding commercial and revenue-generating activities.

Share-based compensation expense (recovery) - For the three months and nine months ended September 30, 2022, total share-based compensation expenses incurred were \$31,514 (an increase of \$130,041 from comparative period) and \$103,174 (an increase of \$493,126 from comparative period), respectively. A total of 3,099,998 unvested options forfeited in the first quarter of 2021, which resulted in a reversal of stock-based compensation of \$744,590 for the nine months ended September 30, 2021. On July 1, 2022, the Company granted 1,500,000 options to certain director and officers of the Company to purchase Blueberries' common shares. The options are exercisable at price of \$0.05 per option for a 5-year term and vesting one-third each on every one-year anniversary from the grant date. The fair value of each option was \$0.0279, estimated using the Black-Scholes option pricing model.

About Blueberries Medical Corp.

Blueberries is a Latin American licensed producer of naturally grown premium quality cannabis with its primary operations ideally located in the Bogotá Savannah of central Colombia. The Company is led by a specialized team with proprietary expertise in agriculture, genetics, extraction, medicine, pharmacology and marketing. Blueberries is fully licensed for the cultivation, production, domestic distribution, and international export of CBD and THC-based medical cannabis in Colombia.

Blueberries' combination of leading scientific expertise, agricultural advantages and distribution arrangements has positioned the Company to become a leading international supplier of naturally grown, processed, and standardized medicinal-grade cannabis oil extracts and related products.

Additional information about the Company is available at www.blueberriesmed.com. For more information, please contact:

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Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to: the use of proceeds from the Offering, commencement of commercial production of CBD-dominant oils and products, successful implementation of full GMP standards at its extraction facility to allow for additional export potential to international markets, achieving additional milestones is contemplated, or at all, ability to expand distribution networks, ability to expand and upgrade the Company's cultivation facilities in Colombia, internal expectations, expectations regarding the ability of the Company to access new Latin American and international markets, the ability to attract and retain new customers, and future expansion plans including development of the cultivation, production, industrialization and marketing of cannabis for commercial and scientific purposes.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the Colombian and international medical cannabis market and changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion; political and social uncertainties; inability to obtain adequate insurance to cover risks and hazards; and the presence of laws and regulations that may impose restrictions on cultivation, production, distribution and sale of cannabis and cannabis related products in Colombia, Argentina and elsewhere; and employee relations. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

Additional information regarding the Company, and other risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in the Company's Listing Statement dated January 31, 2019 and such other risk factors included in the management's discussion and analysis of the Corporation for the year ended December 31, 2020, each filed on its issuer profile on SEDAR at www.sedar.com.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.