BLUEBERRIES MEDICAL CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FOR THE YEARS ENDED
DECEMBER 31, 2022 and 2021

(EXPRESSED IN CANADIAN DOLLARS)

Management's Responsibility for Consolidated Financial Statements

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

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

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

April 21, 2023

"Facundo Garreton"	*"Guillermo Rodriquez"*
Chairman & CEO	Chief Financial Officer

Independent Auditor's Report

To the Shareholders of Blueberries Medical Corp.:

Opinion

We have audited the consolidated financial statements of Blueberries Medical Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2022 and December 31, 2021, and the consolidated statements of loss and other comprehensive loss, changes in equity and cash flows for the periods then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the periods then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss during the year ended December 31, 2022 and December 31, 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Assessment of Impairment Indicators and Impairment test for Property, Plant and Equipment ("PP&E")

Key Audit Matter Description

The Company's total PP&E, including asset held for sale and deposit on land, as at December 31, 2022 amounted to $1,464,104. At each reporting period management assesses whether there are indicators of impairment. If indicators of impairment exist, the recoverable amount of the assets or cash-generating unit ("CGU") is estimated and an impairment loss is recognized for the amount by which the carrying value of the assets or CGU exceeds the recoverable amount. Management applies significant judgment in assessing whether indicators of impairment exist and in estimation of the recoverable amount.

Internal and external factors, such as (i) a significant change in the market capitalization of the Company's share price; (ii) changes in conditions of PP&E, (iii) changes in forecasted earnings of the CGUs and (iv) changes in interest rates, are evaluated by management in determining whether there are any indicators of impairment.

We determined that this is a key audit matter due to (i) the significance of the PP&E balance; (ii) the complexity in evaluating significant management judgment in determining the recoverable amount of the PP&E; and (iii) the significant audit effort and subjectivity in applying audit procedures to evaluate management's assessment as to whether there are indicators of impairment and the complexity in auditing the impairment test.

Audit Response

We responded to this matter by performing procedures over the impairment of PP&E. Our audit work in relation to this included, but not restricted to, the following:

- We assessed managements external valuation experts qualifications, independence and expertise in the preparation and review of the valuations;
- With the assistance of an external valuation expert in Colombia we determined the appropriateness of the methodology used by management's expert in measuring the fair value of the PP&E, including the validation of the underlying data, comparison of recent transactions with properties of similar size, location and service infrastructure;
- We assessed the reasonableness of internal and external factors such as significant changes in the conditions of the PP&E, which may indicate a change in value of the PP&E; and
- We assessed the adequacy of the Company's disclosures included in Notes 6,7,8 and 24 of the accompanying consolidated financial statements in relation to this matter.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 21, 2023

BLUEBERRIES MEDICAL CORP.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes		December 31, 2022		December 31, 2021
ASSETS					
Current Assets					
Cash		**$**	**1,412,764**	$	1,343,143
Accounts receivables	3		**255,921**		201,883
Inventories	4		**12,311**		-
Prepaids			**40,124**		18,591
Assets held for sale	5		**464,522**		-
			2,185,642		1,563,617
Non-Current Assets					
Advances towards property, plant and equipment	6		**380,229**		428,280
Property, plant and equipment	7		**619,353**		1,601,982
Right-of-use asset	8		**168,937**		-
Intangible assets	9		**1**		1
Total Assets		**$**	**3,354,162**	$	3,593,880
LIABILITIES AND EQUITY					
Current Liabilities					
Trade accounts payable & accrued liabilities		**$**	**449,413**	$	312,023
Employee benefits			**42,866**		41,866
Current portion of lease liability	8		**51,083**		108,804
Current portion of convertible debt	11		**1,146,373**		1,106,710
Derivative liability	11		**57,677**		366,400
			1,747,412		1,935,803
Non-Current Liabilities					
Long-term lease liability	8		**138,982**		223,331
Total Liabilities			**1,886,394**		2,159,134
Equity					
Share capital	12		**18,247,318**		16,780,242
Contributed surplus	14		**6,835,755**		6,702,359
Accumulated other comprehensive loss			**(736,781)**		(637,207)
Deficit			**(22,878,524)**		(21,410,648)
Total equity			**1,467,768**		1,434,746
Total liabilities and equity		**$**	**3,354,162**	$	3,593,880

Going concern	1
Commitments	22
Subsequent events	24

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

On behalf of the Board

"Facundo Garreton"
Facundo Garreton, Director

"Catherine Lathwell"
Catherine Lathwell, Director

BLUEBERRIES MEDICAL CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For the years ended December 31,	Notes		2022		2021
Revenues					
Revenues		**$**	**235,449**	$	138,747
Cost of sales			**(143,552)**		(105,406)
Direct cost of production - extraction services			**(65,226)**		(91,432)
Direct cost of production - cultivation			**(44,391)**		(187,362)
Gross loss		**$**	**(17,720)**	**$**	**(245,453)**
Expenses					
Operating expenses - extraction services	16	**$**	**(95,173)**	$	(13,778)
Operating expenses - cultivation	16		**(46,218)**		(102,436)
General and administrative expenses	15		**(1,219,448)**		(554,154)
Depreciation and amortization	7,8,9		**(296,325)**		(828,375)
Recovery (expected) credit loss	3		**34,298**		(45,012)
Finance expense	8,11		**(360,077)**		(269,417)
Foreign exchange loss			**(123,113)**		(169,947)
Total expenses			**(2,106,056)**		(1,983,119)
Other income (expense)					
Impairment of property, plant and equipment	6, 7		**-**		(1,936,390)
Gain on disposal of property, plant and equipment	7		**16,994**		-
Impairment of right-of-use assets	8		**-**		(289,386)
Impairment of intangible assets	9		**-**		(590,586)
Impairment of investment in joint operation	10		**-**		(572,156)
Gain on termination/modification of lease	8		**215,294**		18,998
Loss on modification of convertible debt	11		**(85,916)**		-
Changes of fair value of derivative liabilities	11		**527,042**		479,466
Gain on debt settlement	12		**-**		66,596
Other expense			**(17,514)**		(94,982)
Total other income (expenses)			**655,900**		(2,918,440)
Net loss		**$**	**(1,467,876)**	$	(5,147,012)
Other Comprehensive Loss					
Foreign currency translation adjustment			**(99,574)**		(52,312)
Comprehensive loss		**$**	**(1,567,450)**	$	(5,199,324)
Net loss per share - basic and diluted	17	**$**	**(0.01)**	$	(0.04)
Weighted average number of shares outstanding - basic and diluted	17		**168,886,872**		148,504,538

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

BLUEBERRIES MEDICAL CORP.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Notes	Common Shares	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total
Balance at December 31, 2021		**163,810,263**	**$ 16,780,242**	**$ -**	**$ 6,702,359**	**$ (637,207)**	**$ (21,410,648)**	**$ 1,434,746**
Shares issued - private placement	12	54,498,889	1,471,470					1,471,470
Share issuance costs - private placement	12		(4,394)					(4,394)
Stock option expense	14				133,396			133,396
Other comprehensive income						(99,574)		(99,574)
Net loss							(1,467,876)	(1,467,876)
Balance at December 31, 2022		**218,309,152**	**$ 18,247,318**	**$ -**	**$ 6,835,755**	**$ (736,781)**	**$ (22,878,524)**	**$ 1,467,768**

	Notes	Common Shares	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total
Balance at December 31, 2020		**126,701,831**	**$ 13,637,620**	**$ 4,614,288**	**$ 2,486,402**	**$ (584,895)**	**$ (16,263,636)**	**$ 3,889,779**
Shares issued - private placements	12	34,398,432	2,901,382					2,901,382
Share issuance costs - private placements	12		(63,528)					(63,528)
Share issuance costs - debt settlement	12	1,800,000	180,000					180,000
Shares issued - exercise of options	14	660,000	92,268		(26,268)			66,000
Shares issued - share based compensation	14	250,000	32,500					32,500
Stock option recovery	14				(372,063)			(372,063)
Warrants expired	13			(4,614,288)	4,614,288			-
Other comprehensive loss						(52,312)		(52,312)
Net loss							(5,147,012)	(5,147,012)
Balance at December 31, 2021		**163,810,263**	**$ 16,780,242**	**$ -**	**$ 6,702,359**	**$ (637,207)**	**$ (21,410,648)**	**$ 1,434,746**

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

BLUEBERRIES MEDICAL CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the years ended December 31,	Notes		**2022**		2021
Cash generated from (used in)					
Operating activities					
Net loss		**$**	**(1,467,876)**	$	(5,147,012)
Adjustment for:					
Depreciation and amortization	7,8,9		**296,325**		828,375
Recovery (expected) credit loss	3		**(34,298)**		45,012
Share based compensation (recovery)	13		**133,395**		(339,563)
Finance expense: interest on leases	8		**20,450**		41,539
Finance expense: interest on convertible debentures	8,11		**339,627**		269,417
Gain on termination/modification of lease	8		**(215,294)**		(18,998)
Gain on debt settlement	12		**-**		(66,596)
Gain on disposal of property, plant and equipment	7		**(16,994)**		-
Loss on modification of convertible debt	11		**85,916**		-
Changes in fair value of derivative liabilities	11		**(527,042)**		(479,466)
Unrealized foreign exchange loss			**-**		169,947
Impairment of property, plant and equipment	6		**-**		1,936,390
Impairment of right-of-use assets	8		**-**		289,386
Impairment of intangible assets	9		**-**		590,586
Impairment of investment in joint operation	10		**-**		572,156
Change in non-cash working capital	18		**(82,756)**		(371,433)
Net cash used in operating activities			**(1,468,547)**		(1,680,260)
Investing activities					
Purchase of property, plant, and equipment	7		**-**		(9,540)
Proceeds from disposal of property, plant and equipment	7		**101,939**		-
Purchase of licences	9		**-**		(39,232)
Net cash generated from (used in) investing activities			**101,939**		(48,772)
Financing activities					
Lease payments	8		**(86,092)**		(138,186)
Lease termination fee payment	8		**(34,733)**		
Issuance of shares, net of costs	12		**1,467,076**		2,837,854
Options exercised	14		**-**		66,000
Net cash generated from financing activities			**1,346,251**		2,765,668
Increase in cash			**(20,357)**		1,036,636
Effects of exchange rate changes on cash			**89,978**		-
Cash, beginning of year			**1,343,143**		306,507
Cash, end of year		**$**	**1,412,764**	$	1,343,143

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

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

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

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to discharge its obligations and realize its assets in the normal course of operations for the foreseeable future. Since incorporation, the Company has incurred a net loss with no significant revenue-generating operations, which were primarily financed from proceeds received through issuance of share capital. For the year ended December 31, 2022, the Company has incurred a net loss of $1,467,876 (2021 - $5,147,012) and has a working capital of $438,230 (2021 – working capital deficit of $372,186).

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

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

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

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

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues, and expenses. See Note 3 for critical accounting estimates and judgments.

These consolidated financial statements as at and for the years ended December 31, 2022 and 2021 were approved by the Company's Board of Directors on April 21, 2023.

a) Basis of measurement and going concern

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

b) Basis of consolidation

These consolidated financial statements as at December 31, 2022 include the accounts of the Company and its subsidiaries. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition of control up to the effective date of disposition or loss of control. All intercompany transactions, balances, income, and expenses are eliminated upon consolidation.

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

Subsidiaries	Country of incorporation	Ownership Interest
Blueberries Research Corporation ("BRC")	Canada	100%
Blueberries SAS ("BBSAS")	Colombia	100%
Centro De Desarrollo e Investigacion ("CDIBBSAS")	Colombia	100%
BBV Labs Inc. ("BBV Labs.")	Panama	100%
SATIN S.A.S. ("SATIN")	Argentina	75%

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

c) Functional and presentation currency

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

The Company's subsidiaries measure the items in their financial statements in their functional currencies (the currency of the primary economic environment they operate in). The functional currency of the Company is the Canadian dollar. The functional currency of the operating subsidiaries in Colombia is the Colombian Peso. The functional currency of Panama and Argentina subsidiaries is U.S. dollar.

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

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

SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash comprised of cash on account held in reputable banks and financial institutions.

b) Revenue recognition

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue is recognized when control of a good or services transferred to a customer. For the Company, control typically transfers at a point in time, when delivery is made of products or the service is completed. Accordingly, revenue is then recognized only when the performance obligation is fulfilled. The Company will recognize the revenue upon satisfaction of following condition:

· All parties to the contract have approved the contract and are committed to perform their respective obligations;

· Each party's rights in relation to the goods or services to be transferred can be identified;

· The payments can be identified;

· The contract has commercial substance (i.e., the entity expects the risks, timing or amount of the entity's future cash flows to change as a result of the contract); and

· It is possible (i.e., more likely than not) that the entity will collect the consideration it is entitled to in exchange for the goods or services.

Product revenue represents revenue recognized upon transfer of control of products or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for the products or services transferred, net of discounts and sales taxes. The Company derives revenue primarily from the sale of products and CBD oil extraction services.

c) Assets Held for Sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale or disposition rather than through continuing use. Such assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs of disposal ("FVLCD") and are presented separately within the consolidated statements of financial position.

The criteria for held for sale classification is regarded as met only when the sale or disposition is highly probable, and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. The Company must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification. When the assets or disposal group are sold, the gains or losses on the sale are recognized in other (loss) income within the consolidated statements of loss and comprehensive loss.

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

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

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

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

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

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

e) Intangible assets

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

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

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

f) Impairment of non-financial assets

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

g) Convertible debentures

Convertible debentures are financial instruments which are accounted for separately dependent on the nature of their components: a financial liability and an equity instrument. The identification of such components embedded within a convertible debenture requires significant judgment given that it is based on the interpretation of the substance of the contractual arrangement. Where the conversion option has a fixed conversion rate, the financial liability, which represents the obligation to pay coupon interest on the convertible debentures in the future, is initially measured at its fair value and subsequently measured at amortized cost. The residual amount is accounted for as an equity instrument at issuance. Where the conversion option has a variable conversion rate, the conversion option is recognized as a derivative liability measured at fair value through profit and loss. The residual amount is recognized as a financial liability and subsequently measured at amortized cost. The determination of the fair value is also an area of significant judgment given that it is subject to various inputs, assumptions and estimates including contractual future cash flows, discount rates, credit spreads and volatility.

h) Financial instruments

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

Financial assets

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

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

Financial liabilities

- Trade accounts payable and accrued liabilities - classified at amortized cost and measured at amortized cost.
- Debt host of convertible debt - classified at amortized cost and measured at amortized cost.
- Derivative liability – classified as FVTPL and measured at fair value.

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

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

Embedded derivatives
A derivative embedded in a hybrid contract with a financial liability, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss; any directly attributable transaction costs are recognized in profit or loss as incurred. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Subsequent to initial recognition, derivatives are measured at fair value and changes therein are recognized in profit or loss.

Impairment of financial assets

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

i) Segment reporting

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

j) Income taxes

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

Current tax

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

Deferred tax

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

Estimates

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

k) Share capital and warrants

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

l) Share-based compensation

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

m) Provisions

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

n) Related party transactions

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

o) Leases

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

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

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

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

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

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

A lease modification is accounted for as a separate lease from the original lease if the modification increases the scope of the lease by adding the right to use one or more underlying assets; and the consideration for the lease increase by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract. If the lease modification merely extends the Company's right to use an existing leased asset to which it already has access, the modification is not accounted for as a separate lease. Instead, the Company recalculates the existing lease obligations on the effective date of the lease modification to include the lease payments until the end of the extended period and a corresponding adjustment is also made to the right of use asset. The additional right of use asset and lease obligations relating to the extended period are therefore recognized on the date of modification.

p) Critical accounting estimates and judgments

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

Significant estimates and judgments made by management in the preparation of these consolidated financial statements are outlined below.

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

Impairment testing
At the date of each statement of financial position, the Company reviews the carrying amounts of its finite-life intangible assets and property, plant and equipment, carried at cost to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount, being its value in use or fair value less cost to sell of the cash-generating unit to which the asset belongs. Judgement is also applied in determining the Company's CGUs. As part of the impairment testing, estimations would be involved in establishing the recoverable amount, including but not limited to, cash flow forecasts and discount rates.

Convertible debentures
The accounting for convertible debentures involves discounted cash flow technique which includes both inputs that are not based on observable market data and inputs that are available from observable market data. Where available, the Company seeks comparable interest rates and, if unavailable, uses those considered appropriate based on management's assessment of the Company's risk profile.

Derivative liability on convertible debentures
The valuation of the derivative liability involves using the Monte-Carlo simulation model and inputting the current share price of the underlying stock, the interest rate for the option, a risk-free interest rate for the option, the expected conversion option price, and the expected life of the option. The derivative liability is valued at FVPL at each reporting date.

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

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

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

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

Biological assets
Biological assets are required to be recorded at fair value. As of December 31, 2022 and 2021, the Company had not started full commercialization of its cultivation operation, the Company did not recognize any fair value for its biological assets as the future economic benefit of any cannabis grown prior to the full commercialization is minimal and uncertain.

(Expressed in Canadian Dollars)

q) Accounting standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted as follows. The Company is reviewing the new standards but does not expect their future adoption to have a material impact on Blueberries in the current or future reporting periods.
Amendments to IAS 1 – Presentation of Financial Statements
In January 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements, to clarify its requirements for the presentation of liabilities as current or non-current in the statement of financial position. This will be effective on and after January 1, 2024.

Amendments to IAS 12 – Income Taxes
In May 2021, the IASB issued an amendment to IAS 12 Income Taxes to clarify the accounting for deferred tax on transactions such as leases and decommissioning obligations. The scope of the recognition exemption in IAS 12 no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted.

3. ACCOUNTS RECEIVABLES

		December 31, 2022		December 31, 2021
Trade receivable	$	33,534	$	54,670
Expected credit loss		(4,536)		(45,012)
Recoverable sales tax		180,759		178,931
Other receivable		46,164		13,294
Total	**$**	**255,921**	**$**	**201,883**

4. INVENTORIES

Inventories are measured at the lower of cost and net realizable value (“NRV”). The cost of inventories is based on the weighted-average cost method. Net realizable value is determined as the estimated selling price in the ordinary course of business less estimated costs to complete and the estimated costs necessary to make the sale.

Inventory recognized as cost of goods sold during the year ended December 31, 2022 was $139,751 (2021 - $105,406). As of December 31, 2022, the Company had a total of $12,311 (2021 - $Nil) in inventories, which consisted of finished goods.

5. ASSETS HELD FOR SALE

Assets held for sale consists of a property used as a cultivation facility, located in Guatavita, Colombia and equipment located in the property. In December 2022, based on sample testing of the soil combined with the limited area available to scale operation, the Company has determined to sell the property. The disposal of the property is expected to be completed within a year from the reporting date.

6. ADVANCES TOWARDS PROPERTY, PLANT, AND EQUIPMENT

Advances towards property, plant and equipment consisted of $1,994,250 (US$1,500,000) that was paid in February 2019 to purchase 15 hectares of farmland in Cogua (Zipaquira), Colombia (the “farmland”). The seller of this land is a legal entity whose minority beneficial owner is also a minority shareholder of the Company.

Balance, December 31, 2020	**$**	**1,994,250**
Impairment		(1,565,970)
Foreign exchange adjustment		-
Balance, December 31, 2021		428,280
Foreign exchange adjustment		(48,051)
Balance, December 31, 2022	**$**	**380,229**

Due to the permitting and zoning of the farmland, the title on the land has not been legally transferred to the Company. In 2021, due to impairment indicators being present, the Company’s management conducted an impairment test, which was required under IAS 36 and engaged a third-party consultant to provide a valuation of the farmland. Based on the result, the Company recognized an impairment of advances towards property, plant and equipment of $ 1,565,970 in the consolidated statements of loss and comprehensive loss.

Subsequent to December 31, 2022, the Company terminated the agreement to purchase the land (Note 24).

(Expressed in Canadian Dollars)

7. PROPERTY, PLANT, AND EQUIPMENT

	Land	Agricultural Facilities	Buildings & Construction	Equipment & Vehicles	Furniture & Fixtures	Total
COST						
Balance, December 31, 2020	**$ 2,096**	**$ 951,030**	**$ 606,502**	**$ 1,499,615**	**$ 30,246**	**$ 3,089,489**
Additions	-	-	7,820	1,720	-	9,540
Foreign currency translation	(305)	(138,145)	(88,511)	(217,904)	(4,393)	(449,258)
Balance, December 31, 2021	**1,791**	**812,885**	**525,811**	**1,283,431**	**25,853**	**2,649,771**
Disposal	-	-	-	(103,975)	-	(103,975)
Foreign currency translation	(201)	(91,201)	(58,993)	(127,498)	(2,901)	(280,794)
Balance, December 31, 2022	**$ 1,590**	**$ 721,684**	**$ 466,818**	**$ 1,051,958**	**$ 22,952**	**$ 2,265,002**
ACCUMULATED DEPRECIATION						
Balance, December 31, 2020	**$ -**	**$ (106,191)**	**$ (70,822)**	**$ (165,936)**	**$ (9,554)**	**$ (352,503)**
Depreciation	-	(171,450)	(61,714)	(173,836)	(9,347)	(416,347)
Foreign currency translation	-	24,691	13,533	32,160	1,582	71,966
Balance, December 31, 2021	**-**	**(252,950)**	**(119,003)**	**(307,612)**	**(17,319)**	**(696,884)**
Depreciation	-	(92,601)	(52,293)	(139,934)	(6,785)	(291,613)
Disposal	-	-	-	19,030	-	19,030
Foreign currency translation	-	35,844	17,567	44,283	2,490	100,184
Balance, December 31, 2022	**$ -**	**$ (309,707)**	**$ (153,729)**	**$ (384,233)**	**$ (21,614)**	**$ (869,283)**
NET BOOK VALUE						
Net Book Value, December 31, 2020	**$ 2,096**	**$ 844,839**	**$ 535,680**	**$ 1,333,679**	**$ 20,692**	**$ 2,736,986**
Cost	**$ 1,791**	**$ 812,885**	**$ 525,811**	**$ 1,283,431**	**$ 25,853**	**$ 2,649,771**
Accumulated Depreciation	-	(252,950)	(119,003)	(307,612)	(17,319)	(696,884)
Impairment	-	(296,292)	(74,128)	-	-	(370,420)
Foreign currency translation	-	15,580	3,935	-	-	19,515
Net Book Value, December 31, 2021	**$ 1,791**	**$ 279,223**	**$ 336,615**	**$ 975,819**	**$ 8,534**	**$ 1,601,982**
Cost	**$ 1,590**	**$ 721,684**	**$ 466,818**	**$ 1,051,958**	**$ 22,952**	**$ 2,265,002**
Accumulated Depreciation	-	(309,707)	(153,729)	(384,233)	(21,614)	(869,283)
Impairment	-	(263,050)	(65,811)	-	-	(328,861)
Transferred to assets held for sale (Note 5)	(1,590)	(227,996)	(205,771)	(29,165)	-	(464,522)
Foreign currency translation	-	13,612	3,405	-	-	17,017
Net Book Value, December 31, 2022	**$ -**	**-$ 65,457**	**$ 44,912**	**$ 638,560**	**$ 1,338**	**$ 619,353**

In 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.

During the for the year ended December 31, 2022, the Company returned an equipment acquired in 2021 to a vendor and received a refund of $101,939. The difference between the total refund received and the net carrying value of the equipment of $16,994 at the time of return, has been recognized as a gain of disposal of property, plant and equipment in the consolidated statements of loss and comprehensive loss.

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As at January 1, 2019, the Company recognized a lease liability and a corresponding right-of-use asset relating to a leased vehicle and a leased extraction facility in Tocancipa, a rural property in the municipality of Guatavita, Colombia.

During the year ended December 31, 2021, the Company amended the terms of its lease on its extraction facility in Tocancipa and recognized a gain of modification of lease of $18,998 and terminated the lease on vehicle. The Company impaired its right-of-use assets due to the market uncertainties in 2021.

During the year ended December 31, 2022, the Company terminated the lease in Tocancipa and entered into an extraction facility lease in Tenjo. In connection with the termination of the lease in Tocanpica, the Company paid a termination fee of $24,733 (“termination fee”). The difference of $215,294 between the reduction of lease liability on termination date of $250,027 and the termination fee was recognized as a gain on termination of lease in the statements of loss and comprehensive loss and entered into an extraction facility lease in Tenjo.

(Expressed in Canadian Dollars)

In order to operate in the new extraction facility in Tenjo, the Company is required to file an application of change of address under its current license, which has been filed in November 2022. The Company remains to operate in Tocancipa (Note 24) and will be moving to Tenjo once the approval to operate in Tenjo has been issued.

Right-of-use asset

Balance, December 31, 2020	**$**	**608,789**
Contract Adjustment Tocancipa		(108,191)
Termination of a vehicle lease		(10,101)
Depreciation (1)		(123,999)
Impairment		(289,386)
Foreign exchange adjustment		(77,112)
Balance, December 31, 2021		-
Addition		188,461
Depreciation (1)		(4,712)
Foreign exchange adjustment		(14,812)
Balance, December 31, 2022	**$**	**168,937**

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

Long-term lease liability

Balance, December 31, 2020	**$**	**654,800**
Contract Adjustment Tocancipa		(127,189)
Termination of a vehicle lease		(9,993)
Payments		(138,186)
Interest expense		41,539
Foreign exchange adjustment		(88,836)
Less - current portion		(108,804)
Balance, December 31, 2021	**$**	**223,331**
Termination of a lease in Tocacipa		(250,027)
Payments		(86,092)
Addition		188,461
Interest expense		20,450
Foreign exchange adjustment		(14,861)
Less - current portion		(51,083)
Balance, December 31, 2022	**$**	**138,982**

9. INTANGIBLE ASSETS

By December 31, 2021, Blueberries S.A.S. was granted licenses to produce, manufacture, market and export cannabis derivatives and products using extracts in Colombia by the Ministry of Health. The licenses obtained for cannabis operations are as follows:

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

The fair value attributed to the licenses are straight-line amortized over their estimated useful life of 5 years. Other finite life intangibles consist of assets such as software related licenses, which are amortized over their estimated useful lives of three years.

During the year ended December 31, 2021, the intangible assets were considered by management as impaired. Due to continued uncertainty of local and export markets in Colombia, management performed a 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 is not projected to be sufficient to meet the current cost structure of the Company.

(Expressed in Canadian Dollars)

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

		Total
Balance, December 31, 2020	$	**841,335**
Additions		39,232
Amortization		(288,029)
Impairment		(590,586)
Foreign currency translation		(1,951)
Balance, December 31, 2021 and 2022	$	**1**

10. INVESTMENT IN JOINT OPERATION

The Company's investment in Argentina (the "Argentina Project") is structured via its 100% ownership of BBV Labs, a Panamanian company that owns 75% of the rights to a joint venture (the "Joint Venture") with an Argentinian state-owned company, Cannabis Avatara, S.E. ("Cannava"), via 75% owned Argentinian operating company, SATIN S.A.S. ("SATIN").

In 2019, the Company paid an exclusivity fee to BBV Labs of $34,258 (US$25,000) as reimbursement of expenses incurred in negotiation of the Joint Venture with Cannava and pursuant to the terms of the Joint Venture, advanced a total of $387,898 (US$300,000) to Cannava.

On November 30, 2020, the Company completed the acquisition of BBV Labs, at a purchase price of $150,000, and the payment of the purchase price satisfied by the Company issuing 3,000,000 common shares in the capital of the Company to the vendors, such common shares to be fair valued at $0.05 per common share.
Blueberries' and Cannava's commitments under the Joint Venture are as follows:

- The first phase of the Joint Venture will be a Pilot Cultivation Program (the "Pilot Project").
- Blueberries will build a large-scale modern cultivation facility and processing center of excellence in Argentina.
- Cannava will contribute all licenses/permits and authorizations necessary to import seeds, cultivate, grow, and harvest cannabis, process cannabis, extract cannabis oil and other derivative products, export cannabis and derivative products, and import/export equipment and products.
- Cannava will grant access to utilize 3.2 million ft2 (74 acres or 30 hectares) of prime agricultural land for the cultivation and growth of cannabis in Jujuy Province, Argentina.
- Cannava will contribute all cooperation agreements with the National Institute of Agricultural Technology ("INTA"), Ministry of Security, Ministry of Public Health, National Council of Scientific and Technological Investigations ("CONICET") and other regulatory and technological Argentinian authorities as required.

The agreement with Cannava is considered to be a joint operation; however, currently only minimal activities have taken place. As of December 31, 2022, the Argentine government has approved the use of Cannabis for medical and industrial purposes, but rules and operational decrees are not established yet and therefore, the Pilot Project has not yet been implemented. As a result of the delay and uncertainties as to whether the project will move forward, the Company has determined that the investment in the joint venture is impaired and recognized $572,156 of impairment of investment in joint venture in 2021.

11. CONVERTIBLE DEBT

On July 16, 2020, Blueberries closed a non-brokered private placement offering (the "Offering") of $1,000,000 in principal amount of unsecured convertible debentures (the "Initial Debentures"). The Initial Debentures will mature 24 months from the date of closing (the "Maturity Date") and bear interest at a rate of 13% per annum, with an effective interest rate of 32.36%. The Initial Debentures will be convertible at the option of the investors, in whole or in part, into common shares of the Company (the "Shares") at a conversion price of the lower of: (i) $0.065 per Share or; (ii) the volume-weighted average price of the Shares on the CSE for the 15 consecutive trading day period ending on the conversion date subject to a minimum conversion price of $0.05 ("Conversion price"). As the conversion option does not meet the fixed for fixed criteria it has been recorded as a derivative liability.

At any time prior to the Maturity Date, the Company may prepay all or part of the outstanding principal amount of the Debenture and any accrued and unpaid interest thereon at any time and from time to time, provided that prior to such prepayment, the Company must provide the investors with at least five business days prior notice of such intention to make such prepayment at which time the investors may, but shall not be obligated to, convert any or all of the Debentures in accordance with the terms of the Debentures.

On July 29, 2022, the Company entered into an amendment agreement in connection with the Initial Debentures (the "Amended Debentures") in which the maturity date of the Initial Debentures was extended from July 13, 2022 to July 13, 2023 (the "New Maturity Date"). All the remaining terms of the Amended Debentures, including the Conversion Price, remain the same as the Initial Debentures. As consideration for the extension, the Company agreed to pay a total of $163,800 to the holders of the Debenture in cash, or at the option of the holders of the Debenture, in the common shares of the Company at a conversion price of $0.05 per share, on the New Maturity Date. In addition, the Company incurred a total of $3,761 in legal fees.

(Expressed in Canadian Dollars)

The amendment was accounted for as a debt extinguishment and recognition of a new liability. The total transaction fees related to the amendment was $167,561, along with the recognition of the new convertible debenture liability of $960,036 and derivative liability of $218,319, offset by the derecognition of convertible debenture liability of $1,260,000 at July 29, 2022 amendment date, which resulted in a loss of $85,916 on debt modification being recorded on the consolidated statements of loss and comprehensive loss.

The fair value of the derivative liability was determined using a Monte-Carlo simulation with the following key assumptions:

	At inception	As at	At amendment	As at
Measurement date	13-Jul-2020	31-Dec-2021	29-Jul-2022	31-Dec-2022
Principal	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Issuance/Amendment date	13-Jul-2020	13-Jul-2020	13-Jul-2020	13-Jul-2020
Maturity date	13-Jul-2022	13-Jul-2022	13-Jul-2023	13-Jul-2023
Remaining life (years)	2.00	0.53	0.96	0.53
Interest rate (per year)	13%	13%	13%	13%
Risk free rate (per year)	0.28%	0.39%	3.15%	4.47%
Stock price ($/share)	$0.05	$0.07	$0.04	$0.02
Conversion price	Lesser of $0.065 & 15-day VWAP, minimum of $0.05			

On July 16, 2020, the Company initially recognized $717,605 as convertible debt liability, and $270,395 as derivative liability of the conversion feature. Upon amendment to extend the maturity term of the convertible debt liability, on July 29, 2022, the Company recognized $960,036 as convertible debt liability, and $218,319 as derivative liability of the conversion feature.

The table below shows the continuity of the convertible debt liability and derivative liability.

Fair Value of Derivative Liability		
Balance at December 31, 2020	**$**	**845,866**
Change in fair value of derivative liability		(479,466)
Balance at December 31, 2021		**366,400**
Initial fair value of new derivative liability, at amendment		218,319
Change in fair value of derivative liability		(527,042)
Balance, December 31, 2022	**$**	**57,677**

Convertible Debt Liability		
Balance, December 31, 2020	**$**	**837,293**
Accrued interest		130,000
Accretion		139,417
Balance, December 31, 2021		**1,106,710**
Accrued interest, prior to amendment		69,333
Accretion, prior to amendment		83,957
Derecognition of convertible debt liability, at amendment		(1,260,000)
Initial fair value of new convertible debt liability, at amendment		960,036
Accrued interest, post to amendment		60,666
Accretion, post to amendment		125,671
Balance, December 31, 2022	**$**	**1,146,373**

12. SHARE CAPITAL

As of December 31, 2022, the Company was authorized to issue unlimited common shares with no par value, with holders of common shares entitled to one vote per share and to dividends, if declared.

(Expressed in Canadian Dollars)

	Number of Shares		Amount
Balance, December 31, 2020	**126,701,831**	**$**	**13,637,620**
Shares issued from exercise of options	660,000		92,268
Shares issued as compensation (1)	250,000		32,500
Shares issued from private placements (2)	34,398,432		2,901,382
Share issue costs (2)	-		(63,528)
Shares issued from debt settlement (3)	1,800,000		180,000
Balance, December 31, 2021	**163,810,263**		**16,780,242**
Shares issued from private placement (4)	54,498,889		1,471,470
Share issue costs (4)	-		(4,394)
Balance, December 31, 2022	**218,309,152**	**$**	**18,247,318**

(1) On January 27, 2021, the Company issued 250,000 shares to an officer and director of the Company valued at $32,500. The fair value of the shares was determined based on the share price of the Company on January 19, 2021.

(2) On January 19, 2021, the Company completed a non-brokered private placement for aggregate gross proceeds of $1,000,000 from the sale of common shares at a price of $0.065 per share. As part of the private placement the Company issued 15,384,615 shares. In connection with the private placement, the Company incurred a total of $51,856 of share issued costs.

(3) On September 9, 2021, the Company 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 (Note 19) and 1,800,000 common shares were issued to an arm's length third party service provider ("service provider") pursuant to a settlement agreement entered in September 2021. As part of the settlement agreement with the service provider, a fixed instalment payment plan was established to settle payable related to past services provided by the service provider. The Company recognized a gain on debt settlement of $66,596 on the settlement agreement, calculated as the difference between the fair value of the 1,800,000 common shares, which was determined to be $180,000 based on the price of each share in the private placement, and the total debt settled of $246,596. In connection with the private placement, the Company incurred a total of $11,672 of share issued costs.

(4) On November 28, 2022, the Company completed a non-brokered private placement for an aggregate gross proceed of $1,471,470 (US$1,100,000) from the sale of 54,498,889 common shares at a price of $0.027, which was entirely purchased by Terraflos, a company that is controlled by Facundo Garreton, the Company's Chairman, CEO and Director. In connection with the private placement, the Company incurred a total of $4,394 of share issued costs.

13. WARRANTS

The following table reflects the continuity of warrants:

	Number of purchase warrants	Number of finder warrants		Amount
Balance, December 31, 2020	**30,666,059**	**3,454,103**	**$**	**4,614,288**
Warrants expired	(30,666,059)	(3,454,103)		(4,614,288)
Balance, December 31, 2021 and 2022	-	-	**$**	-

In 2021, a total of 30,666,059 of warrants and 3,454,103 finder warrants expired originated from the private placements completed in 2019.

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

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

(Expressed in Canadian Dollars)

14. CONTRIBUTED SURPLUS

In connection with the Transaction, the Company adopted the Stock and Incentive Plan (the "Plan") which was approved by the shareholders of CMS on December 6, 2018. The Board establishes vesting and other terms and conditions for options at the time that they are granted. The Plan provides that stock options may be granted up to a number equal to 10% of the Company's outstanding shares. The plan also indicates that the maximum number of shares which may be issued to any one insider and his or her associates under the plan, together with any other previously established or proposed share compensation arrangements, within a one-year period shall be 5% of the shares outstanding at the time of the grant. As of December 31, 2022, the Company had 15,675,915 options remaining reserved on common shares.

The following table reflects the continuity of stock options:

	Stock options	Weighted average exercise price ($)
Balance, December 31, 2020	**11,905,000**	**0.39**
Options forfeited [1]	(3,333,333)	0.44
Options expired [1]	(3,941,666)	0.44
Options exercised [2]	(660,000)	0.10
Options issued [3]	3,540,000	0.13
Balance, December 31, 2021	**7,510,001**	**0.23**
Options expired [4]	(2,855,001)	0.32
Options issued [5]	1,500,000	0.05
Balance, December 31, 2022	**6,155,000**	**0.14**

[1] During the year ended December 31, 2021, 3,333,333 unvested options were forfeited resulting in a reversal of stock-based compensation of $744,590 and a total of 3,941,666 options were expired unexercised.

[2] During the year ended December 31, 2021, 660,000 options were exercised at the exercise price of $0.10 per option.

[3] On January 19, 2021, February 3, 2021, June 2, 2021, and December 1, 2021, Blueberries granted 2,250,000, 500,000, 500,000 and 290,000 options, respectively, to certain directors and managers of the Company to purchase Blueberries' common shares. The options are exercisable at price ranges from $0.10 to $0.135 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 of the option range from $0.0521 to $0.1134, estimated using the Black-Scholes option pricing model.

[4] During the for the year ended December 31, 2022, a total of 2,855,001 options were expired unexercised.

[5] On July 1, 2022, Blueberries 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.

The stock options issued in 2022 and 2021 were allocated a fair value using the Black-Scholes option pricing model with the following assumptions:

	2022	2021
Risk-free interest rate	3.06%	0.33% - 1.82%
Estimated stock price	$0.04	$0.06 - $0.71
Forfeiture rate	0%	0 - 10%
Expected dividend yield	0%	0%
Expected stock price volatility	115.36%	85.93% - 125.95%
Expected option life	5 years	5 years

(Expressed in Canadian Dollars)

The following summarizes stock options issued, exercisable and outstanding as at December 31, 2022:

Exercise prices ($)	Number of options outstanding	Weighted average term to expiry (years)	Number of options exercisable
0.05	1,500,000	4.50	-
0.10	325,000	2.24	325,000
0.10	255,000	3.92	85,001
0.13	500,000	3.42	166,667
0.13	2,250,000	3.05	750,000
0.14	500,000	3.10	166,667
0.25	50,000	2.22	33,333
0.40	675,000	1.10	675,000
0.55	100,000	1.22	100,000
0.15	**6,155,000**	**3.18**	**2,301,668**

During the year ended December 31, 2022, the Company recognized a total share-based compensation expense of $133,395 (2021 – recovery of $(339,563)) in the consolidated statements of loss and comprehensive loss.

15. GENERAL AND ADMINISTRATIVE EXPENSES

For the years ended December 31,	2022	2021
Audit and accounting	$ 227,256	$ 85,473
Consulting	137,897	45,737
Director and management fees	84,132	100,700
Filing and transfer agent fees	79,246	79,750
General office	31,639	25,395
Insurance	111,465	79,547
Legal	18,306	19,087
Marketing	3,692	46,455
Other	4,918	(16,809)
Salary, wages, and benefits	385,314	418,901
Share based compensation expense (recovery)	133,395	(339,563)
Travel	2,188	9,481
Total	**$ 1,219,448**	**$ 554,154**

16. OPERATING EXPENSES

	Operating expenses		Operating expenses	
	Cultivation	Extraction services	Cultivation	Extraction services
For the years ended December 31,	2022		2021	
Salary, wages, and benefits	$ 362	$ 7,291	$ 12,434	$ 12,763
Supplies, spare parts and equipment	452	-	-	-
Facilities	14,328	22,975	4,415	-
Fuel and oil	311	-	-	-
Transportation	139	12,437	21,431	-
Utilities	982	4,234	4,961	-
Other	27,538	48,236	59,195	1,015
Leases	2,106	-	-	-
Total	$ 46,218	$ 95,173	$ 102,436	$ 13,778

17. BASIC AND DILUTED LOSS PER SHARE

For the years ended December 31, 2022, and 2021, there is no difference between the calculated basic and diluted loss per share. All purchase warrants, finder's warrants, and stock options have been excluded from the calculation as they have an anti-dilutive effect on loss per share.

(Expressed in Canadian Dollars)

18. SUPLLEMENTAL CASH FLOW INFORMATION

For the years ended December 31,		2022		2021
Prepaids	$	(21,533)	$	(13,181)
Accounts receivables		(19,740)		71,147
Inventory		(12,311)		-
Trade accounts payable and other accounts payable		(30,172)		(434,149)
Employee benefits		1,000		4,750
Change in non-cash working capital	**$**	**(82,756)**	**$**	**(371,433)**

19. RELATED PARTY TRANSACTIONS

a) 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, 2022, was $331,686 (2021 - $532,604), including $122,162 (2021 - $281,475) of share-based compensation and Nil (2021 – 250,000) shares issued valued at $Nil (2021 - $32,500). During the year ended December 31, 2022, the Company reversed a total of $Nil (2021 - $359,371) 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, 2022, the Company had $8,242 (2021 - $8,460) of unpaid compensation to key personnel included in accounts payable and accrued liabilities.

b) 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 (Note 12).

c) Of the $1,000,000 convertible debt (Note 11) 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.

d) On November 28, 2022, Terraflos acquired an aggregate of 54,498,889 common shares at a price of $0.027 per common share for an aggregate gross proceed of $1,471,470 (US$1,100,000) (Note 12).

See Note 24.

20. FINANCIAL INSTRUMENTS

As of December 31, 2022, the Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, convertible debt, derivative liability, and employee benefits. The fair values of these financial instruments approximate their carrying values due to the short-term maturity of these instruments.

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

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

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

The Company measures cash and derivative liability at fair value. Cash are classified as Level 1 input in the fair value hierarchy, while the derivative liability is considered as a Level 3 input.

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, 2022, 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, with the exception of lease liabilities. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis.

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 accounts receivables. All of the Company's cash are held at reputable financial institutions. Accounts 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 $33,534, of which $4,536 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 Colombia, Argentina 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, 2022, 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, 2022		December 31, 2021
Derivative liability	$	57,677	$	366,400
Convertible debt		1,146,373		1,106,710
Shareholders' equity	$	1,467,768	$	1,434,746

(Expressed in Canadian Dollars)

21. INCOME TAX

Reconciliation of effective tax rate

For 2022, the Company's statutory tax rate is 27% (2021 - 27%), composed of a 15% rate of Canadian Federal corporate tax and the 12% rate of British Colombia provincial tax. The reconciliation of the combined Canadian income tax to the effective tax rate is as follows:

		2022		2021
Net Loss before recovery of income taxes	$	(1,467,876)	$	(5,147,012)
Expected income tax recovery		(396,326)		(1,389,693)
Difference in foreign tax rates		(72,737)		(195,906)
Share based compensation and non-deductible expenses		94,445		195,599
Changes in fair value of derivative liabilities		(142,301)		(129,456)
Change in tax rates		-		129,457
Book to filing adjustments		(76,383)		376,498
Change in tax benefits not recognized		485,336		1,029,611
Others		107,966		(16,110)
Income tax (recovery) expense	$	-	$	-

Recognized deferred tax assets

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

		2022		2021
Deferred tax assets				
Lease liability	$	59,128	$	-
Non-capital losses carried forward		19,988		-
Deferred tax liabilities				
Right-of-use asset		(59,128)		-
Others		(19,988)		-
Net deferred tax Asset	$	-	$	-

Unrecognized deferred tax assets

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

		2022		2021
Tax losses - Colombia	$	6,847,950	$	5,699,489
Non-capital losses carried forward - Canada		5,029,708		3,998,612
Share issuance costs - 20(1)(e) - Canada		560,167		792,305
Property, plant and equipment - Colombia		294,855		327,999
Advances towards property, plant and equipment		1,390,278		1,565,970
Investment in joint venture		566,218		566,218
Reserve and others		9,306		21,207
Lease liability		21,128		329,866
Unrealized foreign exchange rate losses		147,956		6,555
Total	$	14,867,566	$	13,308,221

Share issue and financing costs will be fully amortized in 2026. The Company has available non-capital losses which may be carried forward to reduce taxable income in future years.

(Expressed in Canadian Dollars)

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

2039	$	2,060,938
2040		1,151,588
2041		850,113
2042		967,069
	$	5,029,708

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

2030	$	391,472
2031		1,981,247
2032		1,254,401
2033		2,434,136
2034		786,695
	$	6,847,951

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

22. COMMITMENTS

A summary of the Company's commitments as of December 31, 2022, are as follows:

Leases	Lease Term	2023	2024	2025	2026 and after	Total
Cultivation area (Guatavita - El Amarillal)	04-Nov-25	$ 1,569	$ 1,629	$ 1,550	$ -	**$ 4,749**
Extraction facilty (Tocancipa)	06-Oct-24	7,266	-	-	-	**7,266**
New extraction facilty (Tenjo)	30-Sep-32	42,248	42,248	42,248	285,172	**411,915**
Total		**$ 51,083**	**$ 43,877**	**$ 43,798**	**$ 285,172**	**$ 423,929**

23. GEOGRAPHICAL SEGMENT INFORMATION

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

(Expressed in Canadian Dollars)

The following tables show information regarding the Company's segments for the years ended December 31, 2022 and 2021:

For the year ended December 31, 2022	**Colombia**	**Canada**	**Total**
Revenues			
Products revenue	$ 164,814	$ -	$ 164,814
Extraction services	47,090	-	47,090
Cultivation and others	23,545	-	23,545
Cost of Sales			-
Products revenue	(78,954)	-	(78,954)
Extraction services	(50,243)	-	(50,243)
Cultivation and others	(14,355)	-	(14,355)
Direct cost of production - extraction services	(65,226)	-	(65,226)
Direct cost of production - cultivation	(44,391)	-	(44,391)
Expenses:			
Operating expenses - cultivation	(46,218)	-	(46,218)
Operating expenses - extraction services	(95,173)	-	(95,173)
General and administrative expenses	(584,601)	(634,847)	(1,219,448)
Depreciation and amortization	(296,325)		(296,325)
Recovery (expected) credit loss	34,298	-	34,298
Finance expense	(20,450)	(339,627)	(360,077)
Foreign exchange loss	(137,871)	14,758	(123,113)
Gain on disposal of property, plant and equipment	16,994	-	16,994
Gain on termination of lease	215,294	-	215,294
Loss on modification of convertible debt	-	(85,916)	(85,916)
Changes of fair value of derivative liabilities	-	527,042	527,042
Other expense	(17,514)	-	(17,514)
Net Loss	**(949,286)**	**(518,590)**	**(1,467,876)**
Assets - December 31, 2022	**2,005,619**	**1,348,543**	**3,354,162**
Liabilities - December 31, 2022	**$ 362,629**	**$ 1,523,765**	**$ 1,886,394**

For the year ended December 31, 2021	**Colombia**	**Canada**	**Total**
Revenues			
Products revenue	$ 97,123	$ -	$ 97,123
Extraction services	27,750	-	27,750
Cultivation and others	13,875	-	13,875
Cost of Sales - product revenues			
Products revenue	(58,468)	-	(58,468)
Extraction services	(19,648)	-	(19,648)
Cultivation and others	(27,290)	-	(27,290)
Direct cost of production - cultivation	(187,362)	-	(187,362)
Direct cost of production - extraction services	(91,432)	-	(91,432)
Expenses:			-
Operating expenses - cultivation	(102,436)	-	(102,436)
Operating expenses - extraction services	(13,778)	-	(13,778)
General and administrative expenses	(556,489)	3,613	(554,154)
Depreciation and amortization	(571,157)	(257,218)	(828,375)
Expected credit loss	(45,012)	-	(45,012)
Finance expense	-	(269,417)	(269,417)
Foreign exchange loss	(162,500)	(7,447)	(169,947)
Impairment of property, plant and equipment	(1,936,390)	-	(1,936,390)
Impairment of right-of-use assets	(289,386)	-	(289,386)
Impairment of intangible assets	(590,586)	-	(590,586)
Impairment of investment in joint operation	-	-	(572,156)
Gain on modification of lease	18,998	-	18,998
Changes of fair value of derivative liabilities	-	479,466	479,466
Gain on debt settlement	-	66,596	66,596
Other expense	(92,699)	(2,283)	(94,982)
Net Loss	**(4,586,887)**	**13,310**	**(5,147,011)**
Assets - December 31, 2021	**2,309,626**	**1,284,254**	**3,593,880**
Liabilities - December 31, 2021	**$ 532,150**	**$ 1,626,984**	**$ 2,159,134**

24. SUBSEQUENT EVENTS

Subsequent to December 31, 2022, due to the pending approval of application of change of address, the Company entered into a lease agreement to extend its occupancy in Tocancipa (Note 8) until May 2023, which may be extended until the change of address is approved in the license granted by the Instituto Nacional de Vigilancia de Medicamentos y Alimentos ("INVIMA").

On April 5, 2023, in connection with the advances on farmland (Note 6), the Company, the seller and Terraflos entered into a termination and settlement agreement ("Termination agreement"). Pursuant to the Termination agreement, the Company terminated the agreement to purchase the farmland and agreed to receive $380,776 (US$281,140) as compensation to be settled as follows:

- $243,792 (US$180,000) in cash on closing;
- Transfer of 3,905,000 shares of the Company owned by the seller to Terraflos valued at $136,984 (US$101,140) (the "deemed value"), and in turn, Terraflos is to pay the deemed value in cash to the Company by July 30, 2023.