BLUEBERRIES MEDICAL CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FOR THE SIX MONTHS ENDED
June 30, 2023 and 2022

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Management’s Comments on Unaudited Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim condensed interim consolidated financial statements of Blueberries Medical Corp. (the “Company” or “Blueberries”) for the six months ended June 30, 2023 and 2022 have been prepared by the management of Blueberries, reviewed by the Audit Committee of the Board of Directors and approved by the Board of Directors.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited interim condensed interim consolidated financial statements have not been reviewed by an auditor.

August 17, 2023

“Facundo Garreton”
Chairman & CEO

“Guillermo Rodriquez”
Chief Financial Officer

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

	Notes		June 30, 2023		December 31, 2022
ASSETS					
Current Assets					
Cash and cash equivalents		**$**	**790,951**	$	1,412,764
Accounts receivables	3		**469,899**		255,921
Inventories	4		**148,795**		12,311
Prepaids			**107,858**		40,124
Assets held for sale	5		**520,645**		464,522
			2,038,148		2,185,642
Non-Current Assets					
Advances towards property, plant and equipment	6		**-**		380,229
Property, plant and equipment	7		**705,775**		619,353
Right-of-use asset	8		**179,637**		168,937
Intangible assets	9		**1**		1
Total Assets		**$**	**2,923,561**	$	3,354,162
LIABILITIES AND EQUITY					
Current Liabilities					
Trade accounts payable & accrued liabilities		**$**	**535,734**	$	449,413
Employee benefits			**23,211**		42,866
Current portion of lease liability	8		**47,738**		51,083
Current portion of convertible debt	10		**1,372,441**		1,146,373
Derivative liability	10		**57,677**		57,677
			2,036,801		1,747,412
Non-Current Liabilities					
Long-term lease liability	8		**153,904**		138,982
Total Liabilities			**2,190,705**		1,886,394
Equity					
Share capital	11		**18,247,318**		18,247,318
Contributed surplus	12		**6,873,908**		6,835,755
Accumulated other comprehensive loss			**(576,088)**		(736,781)
Deficit			**(23,812,282)**		(22,878,524)
Total equity			**732,856**		1,467,768
Total liabilities and equity		**$**	**2,923,561**	$	3,354,162

Going concern	1
Commitments	19
Subsequent Event	21

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

On behalf of the Board

"Facundo Garreton"
Facundo Garreton, Director

"Catherine Lathwell"
Catherine Lathwell, Director

BLUEBERRIES MEDICAL CORP.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

(Unaudited)

	Notes	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Revenue		**$ 67,265**	$ 39,826	**$ 145,159**	$ 73,541
Cost of sales		**(10,249)**	(35,379)	**(77,616)**	(55,176)
Direct cost of production		**(28,367)**	(79,922)	**(50,036)**	(151,958)
Gross profit (loss)		**$ 28,649**	$ (75,475)	**$ 17,507**	$ (133,593)
Expenses					
Operating expenses	14	**$ (34,094)**	$ (58,651)	**$ (59,876)**	$ (103,892)
General and administrative expenses	13	**(311,134)**	(331,097)	**(572,354)**	(652,170)
Depreciation and amortization	7, 8	**(1,017)**	(83,867)	**(15,073)**	(168,557)
Finance expense	10	**(135,794)**	(77,201)	**(245,559)**	(152,085)
Foreign exchange (loss) gain		**(39,596)**	22,165	**(46,555)**	(4,018)
Total expenses		**(521,635)**	(528,651)	**(939,417)**	(1,080,722)
Other income (expense)					
Gain on disposal of property, plant and equipment	7	**-**	20,181	**-**	20,181
Other expense		**(288)**	72,228	**(11,848)**	26,110
Total other expenses		**(288)**	92,409	**(11,848)**	46,291
Net loss		**(493,274)**	(511,717)	**$ (933,758)**	$ (1,168,024)
Other Comprehensive Loss					
Foreign currency translation adjustment		**126,542**	(36,467)	**160,693**	46,825
Comprehensive loss		**$ (366,670)**	$ (548,184)	**$ (773,065)**	$ (1,121,199)
Net loss per share - basic and diluted	16	**$ (0.00)**	$ (0.00)	**$ (0.00)**	$ (0.01)
Weighted average number of shares outstanding - basic and diluted	16	**218,309,152**	163,810,263	**218,309,152**	163,810,263

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

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

	Notes	Common Shares		Share Capital		Contributed Surplus		Accumulated Other Comprehensive Loss		Deficit		Total
Balance at December 31, 2022		**218,309,152**	**$**	**18,247,318**	**$**	**6,835,755**	**$**	**(736,781)**	**$**	**(22,878,524)**	**$**	**1,467,768**
Stock option expense	12	-		-		38,153		-		-		38,153
Other comprehensive income		-		-		-		160,693		-		160,693
Net loss		-		-		-		-		(933,758)		(933,758)
Balance at June 30, 2023		**218,309,152**	**$**	**18,247,318**	**$**	**6,873,908**	**$**	**(576,088)**	**$**	**(23,812,282)**	**$**	**732,856**

Balance at December 31, 2021		**163,810,263**	**$**	**16,780,242**	**$**	**6,702,359**	**$**	**(637,207)**	**$**	**(21,410,648)**	**$**	**1,434,746**
Stock option expense	12	-		-		71,660		-		-		71,660
Other comprehensive loss		-		-		-		46,825		-		46,825
Net loss		-		-		-		-		(1,168,024)		(1,168,024)
Balance at June 30, 2022		**163,810,263**	**$**	**16,780,242**	**$**	**6,774,019**	**$**	**(590,382)**	**$**	**(22,578,672)**	**$**	**385,207**

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

BLUEBERRIES MEDICAL CORP.

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

For the six months ended	Notes	**June 30, 2023**	June 30, 2022
Cash generated from (used in)			
Operating activities			
Net loss		**$ (933,758)**	$ (1,168,024)
Adjustment for:			
Depreciation and amortization	7,8	**15,073**	168,557
Gain on disposal of property, plant and equipment	6	**-**	(20,181)
Share based compensation (recovery)	12	**38,153**	71,660
Interest on leases	8	**7,130**	7,024
Finance expense	10	**226,068**	152,085
Unrealized foreign exchange loss		**46,555**	4,018
Change in non-cash working capital	16	**(351,530)**	(233,607)
Net cash used in operating activities		**(952,309)**	(1,018,468)
Investing activities			
Purchase of property, plant, and equipment	6	**(21,021)**	-
Proceed from disposal of property,plant and equipment	7	**243,792**	110,939
Net cash generated from investing activities		**222,771**	110,939
Financing activities			
Principal portion of lease payments	8	**(30,391)**	(29,326)
Net cash used in financing activities		**(30,391)**	(29,326)
Decrease in cash		**(759,929)**	(936,855)
Effects of exchange rate changes on cash		**138,116**	60,845
Cash, beginning of period		**1,412,764**	1,343,143
Cash, end of period		**$ 790,951**	$ 467,133

The accompanying notes are an integral part of these condensed interim 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 condensed interim 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 six months ended June 30, 2023, the Company has incurred a net loss of $933,758 (2022 - $1,168,024) and has a working capital of $1,347(2022 – $438,230).

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 condensed interim 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 condensed interim consolidated financial statements would require adjustments to the amounts and classifications of assets and liabilities.

2. BASIS OF PRESENTATION

STATEMENT OF COMPLIANCE

The unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRIC") interpretations applicable to companies reporting under IFRS, including IAS 34, Interim Financial Reporting and include the operating results of Blueberries and its subsidiaries. Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2022, which were prepared in accordance with IFRS.

These unaudited condensed interim consolidated financial statements as at and for the six months ended June 30, 2023 and 2022 were authorized for issuance on August 17, 2023 ("date of issuance") by the Company's Board of Directors.

a) Basis of measurement and going concern

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

b) Basis of consolidation

These condensed interim consolidated financial statements as at June 30, 2023 include the accounts of the Company and its subsidiaries. Subsidiaries are included in the condensed interim 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 condensed interim consolidated financial statements.

c) Functional and presentation currency

Amounts included in these condensed interim 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.

d) Significant accounting policies

The significant accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company's audited annual consolidated financial statements for the year ended December 31, 2022 and to be adopted in its consolidated financial statements as at and year ended December 31, 2023.

e) Critical accounting estimates and judgments

The preparation of the condensed interim 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 condensed interim 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 June 30, 2023 and 2022, 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.

a) 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.

(Expressed in Canadian Dollars)

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

		June 30, 2023		December 31, 2022
Trade receivable	$	71,557	$	33,534
Expected credit loss		(5,084)		(4,536)
Recoverable sales tax		213,584		180,759
Other receivable		189,842		46,164
Total	**$**	**469,899**	**$**	**255,921**

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 six months ended June 30, 2023 was $77,483 (2022 - $Nil). As of June 30, 2023, the Company had a total of $148,795 (2022 - $12,311) 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.

Balance, December 31, 2022	**$**	**464,522**
Foreign exchange adjustment		56,123
Balance, June 30, 2023	**$**	**520,645**

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, 2021	**$**	**428,280**
Foreign exchange adjustment		(48,051)
Balance, December 31, 2022		380,229
Foreign exchange adjustment		547
Settlement agreement		(380,776)
Balance, June 30, 2023	**$**	**-**

Due to the permitting and zoning of the farmland, the title on the land had 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 for the year ended December 31, 2021.

(Expressed in Canadian Dollars)

On April 5, 2023, 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 (received);
- 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.

7. PROPERTY, PLANT, AND EQUIPMENT

	Land	Agricultural Facilities	Buildings & Construction	Equipment & Vehicles	Furniture & Fixtures	Total
COST						
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**
Additions	-	-	-	21,021	-	21,021
Foreign currency translation	192	87,192	56,400	128,690	2,773	275,247
Balance, June 30, 2023	**$ 1,782**	**$ 808,876**	**$ 523,218**	**$ 1,201,669**	**$ 25,725**	**$ 2,561,270**
ACCUMULATED DEPRECIATION						
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)**
Depreciation	-	-	(8,749)	(4,930)	(1,394)	(15,073)
Foreign currency translation	-	(37,418)	(27,986)	(51,726)	(4,111)	(121,241)
Balance, June 30, 2023	**$ -**	**$ (347,125)**	**$ (181,715)**	**$ (435,959)**	**$ (25,725)**	**$ (1,005,597)**
NET BOOK VALUE						
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)	(162,539)	(205,771)	(94,622)	-	(464,522)
Foreign currency translation	-	13,612	3,405	-	-	17,017
Net Book Value, December 31, 2022	**$ -**	**$ -**	**$ 44,912**	**$ 573,103**	**$ 1,338**	**$ 619,353**
Cost	**$ 1,782**	**$ 808,876**	**$ 523,218**	**$ 1,201,669**	**$ 25,725**	**$ 2,561,270**
Accumulated Depreciation	-	(347,125)	(181,715)	(435,959)	(25,725)	(1,005,597)
Impairment	-	(294,831)	(73,762)	-	-	(368,593)
Transferred to assets held for sale (Note 5)	(1,782)	(189,553)	(230,632)	(98,156)	-	(520,123)
Foreign currency translation	-	22,633	5,757	10,428	-	38,818
Net Book Value, June 30, 2023	**$ -**	**$ -**	**$ 42,866**	**$ 677,982**	**$ -**	**$ 705,775**

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.

In 2022, the Company returned 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 for the year ended December 31, 2022.

(Expressed in Canadian Dollars)

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 extraction facility in Tocancipa, a rural property in the municipality of Guatavita, Colombia.

In 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. The Company impaired its right-of-use assets due to the market uncertainties in 2021.

In 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 Tocancipa, 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 for the year ended December 31, 2022 and entered into an extraction facility lease in Tenjo.

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 21) and will be moving to Tenjo once the approval to operate in Tenjo has been issued.

Due to the pending approval of application of change of address, the Company extended its occupancy in Tocancipa until the change of address is approved in the license granted by the Instituto Nacional de Vigilancia de Medicamentos y Alimentos ("INVIMA").

Right-of-use asset

Balance, December 31, 2021	**$**	**-**
Addition		188,461
Depreciation [1]		(4,712)
Foreign exchange adjustment		(14,812)
Balance, December 31, 2022		168,937
Depreciation [1]		(9,025)
Foreign exchange adjustment		19,725
Balance, June 30, 2023	**$**	**179,637**

(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, 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**
Payments		(30,391)
Interest expense		19,439
Foreign exchange adjustment		22,529
Less - current portion		(47,738)
Balance, June 30, 2023	**$**	**153,904**

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)

(Expressed in Canadian Dollars)

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.

In 2022, the management assessed the intangible assets were 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. Consequently

10. 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.

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 for the year ended December 31, 2022.

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	30-Jun-2023
Principal	$1,000,000	$1,000,000	$1,000,000	$1,000,000	$1,000,000
Issuance/Amendment date	13-Jul-2020	13-Jul-2020	13-Jul-2020	13-Jul-2020	13-Jul-2020
Maturity date	13-Jul-2022	13-Jul-2022	13-Jul-2023	13-Jul-2023	13-Jul-2023
Remaining life (years)	2.00	0.53	0.96	0.53	0.04
Interest rate (per year)	13%	13%	13%	13%	13%
Risk free rate (per year)	0.28%	0.39%	3.15%	4.47%	4.47%
Stock price ($/share)	$0.05	$0.07	$0.04	$0.02	$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.

(Expressed in Canadian Dollars)

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

Fair Value of Derivative Liability		
Balance at December 31, 2021	**$**	**366,400**
Initial fair value of new derivative liability, at		218,319
Change in fair value of derivative liability		(527,042)
Balance, December 31, 2022 and June 30, 2023	**$**	**57,677**
Convertible Debt Liability		
Balance, December 31, 2021	**$**	**1,106,710**
Accrued interest, prior to amendment		69,333
Accretion, prior to amendment		83,957
Derecognition of convertible debt liability, at amendment		(1,260,000)
Initial fair value of new convertible debt liability, at amendm		960,036
Accrued interest, post to amendment		60,666
Accretion, post to amendment		125,671
Balance, December 31, 2022		**1,146,373**
Accrued interest		64,639
Accretion		161,429
Balance, June 30, 2023	**$**	**1,372,441**

11. SHARE CAPITAL

As of June 30, 2023, 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.

	Number of Shares		Amount
Balance, December 31, 2021	**163,810,263**		**16,780,242**
Shares issued from private placement [1]	54,498,889		1,471,470
Share issue costs [1]	-		(4,394)
Balance, December 31, 2022 and June 30, 2023	**218,309,152**	**$**	**18,247,318**

(1) 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.

12. 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 June 30, 2023, 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, 2021	**7,510,001**	**0.23**
Options expired [1]	(2,855,001)	0.32
Options issued [2]	1,500,000	0.05
Balance, December 31, 2022 and June 30, 2023	**6,155,000**	**0.14**

(1) During the for the year ended December 31, 2022, a total of 2,855,001 options were expired unexercised.

(2) 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

(Expressed in Canadian Dollars)

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

	2022
Risk-free interest rate	3.06%
Estimated stock price	$0.04
Forfeiture rate	0%
Expected dividend yield	0%
Expected stock price volatility	115.36%
Expected option life	5 years

The following summarizes stock options issued, exercisable and outstanding as at June 30, 2023:

Exercise prices ($)	**Number of options outstanding**	**Weighted average term to expiry (years)**	**Number of options exercisable**
0.05	1,500,000	4.01	-
0.10	325,000	1.74	325,000
0.10	255,000	3.42	85,001
0.13	500,000	2.93	333,334
0.13	2,250,000	2.56	1,500,000
0.14	500,000	2.60	333,334
0.25	50,000	1.72	50,000
0.40	675,000	0.60	675,000
0.55	100,000	0.72	100,000
0.15	**6,155,000**	**2.69**	**3,401,669**

During the six months ended June 30, 2023, the Company recognized a total share-based compensation expense of $38,153 (2022 – $71,660) in the condensed interim consolidated statements of loss and comprehensive loss.

13. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended June 30,		**Six months ended June 30,**	
	2023	**2022**	**2023**	**2022**
Audit and accounting	$ 90,722	$ 55,275	$ 127,722	$ 124,568
Consulting	16,409	38,767	24,315	63,398
Director and management fees	48,339	-	90,827	-
Filing and transfer agent fees	21,150	23,368	32,450	34,929
General office	3,516	26,166	7,304	35,444
Insurance	19,434	24,561	45,881	47,425
Legal	9,737	7,528	21,337	8,420
Other	(5,792)	803	6,021	1,081
Salary, wages, and benefits	90,160	127,447	178,344	265,245
Share based compensation expense	17,459	27,182	38,153	71,660
Total	**$ 311,134**	**$ 331,097**	**$ 572,354**	**$ 652,170**

(Expressed in Canadian Dollars)

14. OPERATING EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Salary, wages and benefits	$ 4,667	$ 7,663	$ 8,322	$ 20,621
Supplies, spare parts and equipment	-	32,294	-	34,000
Facilities and leases	25,721	1,253	30,700	9,874
Fuel and oil	-	37	-	254
Transportation	9,949	994	13,151	1,756
Utilities	-	522	-	1,340
Other	(6,243)	15,888	7,703	36,047
Total	**$ 34,094**	**$ 58,651**	**$ 59,876**	**$ 103,892**

15. BASIC AND DILUTED LOSS PER SHARE

For the six months ended June 30, 2023, and 2022, 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.

16. SUPLLEMENTAL CASH FLOW INFORMATION

For the six months ended	June 30, 2023	June 30, 2022
Accounts receivables	$ (213,978)	$ (78,287)
Inventories	(136,484)	-
Prepaids	(67,734)	(33,923)
Trade accounts payable and other accounts payable	86,321	(114,488)
Employee benefits	(19,655)	(6,909)
Change in non-cash working capital	**$ (351,530)**	**$ (233,607)**

17. 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 six months ended June 30, 2023, was $169,852 (2022 - $141,934), including $36,252 (2022 - $63,575) of share-based compensation.

b) 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 11).

See Note 6.

18. FINANCIAL INSTRUMENTS

As of June 30, 2023, 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 June 30, 2023, 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 receivable. 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 $71,557, of which $5,084 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 condensed interim 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 June 30, 2023, the fluctuations of interest rates would not have had a significant impact on the condensed interim consolidated financial statements.

Capital risk management
The Company's objectives when managing capital are to ensure the Company will have sufficient financial capacity, liquidity, and flexibility to fund the Company's operations, growth, and ongoing developmental activities. The Company is dependent upon funding these activities through a combination of available cash, debt, and equity, which it considers to be the components of its capital structure as outlined below. There were no changes to the Company's capital management during the year, except the issuance of convertible debt. The Company is not exposed to any external capital requirements.

		June 30, 2023		**December 31, 2022**
Derivative liability	$	57,677	$	57,677
Convertible debt		1,372,441		1,146,373
Shareholders' equity	$	732,856	$	1,467,768

19. COMMITMENTS

A summary of the Company's commitments as of June 30, 2023, are as follows:

Leases	**Lease Term**		**2023**		**2024**		**2025**		**2026 and after**		**Total**
Cultivation area (Guatavita - El Amarillal)	November 4, 2025	$	880	$	1,826	$	1,737	$	-	**$**	**4,443**
New extraction facilty (Tenjo)	September 30, 2032		23,676		47,352		47,352		319,625		**438,005**
Total		**$**	**24,555**	**$**	**49,178**	**$**	**49,089**	**$**	**319,625**	**$**	**442,448**

(Expressed in Canadian Dollars)

20. 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.

The following tables show information regarding the Company's segments for the six months ended June 30, 2023 and 2022:

For the six months ended June 30, 2023	Colombia	Canada	Total
Revenues	$ 145,159	$ -	$ 145,159
Cost of Sales	(77,616)	-	(77,616)
Direct cost of production	(50,036)	-	(50,036)
Expenses:			
Operating expenses	(59,876)	-	(59,876)
General and administrative expenses	(225,067)	(347,288)	(572,355)
Depreciation and amortization	(15,073)	-	(15,073)
Finance expense	-	(245,559)	(245,559)
Foreign exchange loss	(578)	(45,973)	(46,551)
Other expense	(26,607)	14,756	(11,851)
Net Loss	**(309,694)**	**(624,064)**	**(933,758)**
Assets - June 30, 2023	**2,375,450**	**548,111**	**2,923,561**
Liabilities - June 30, 2023	**$ 484,897**	**$ 1,705,808**	**$ 2,190,705**

For the six months ended June 30, 2022	Colombia	Canada	Total
Revenues	$ 73,541	$ -	$ 73,541
Cost of Sales	(55,176)	-	(55,176)
Direct cost of production	(151,958)	-	(151,958)
Expenses:			
Operating expenses	(103,892)	-	(103,892)
General and administrative expenses	(371,164)	(281,006)	(652,170)
Depreciation and amortization	(168,557)	-	(168,557)
Finance expense	-	(152,085)	(152,085)
Foreign exchange loss	(2,450)	(1,567)	(4,017)
Gain on disposal of property, plant and equipment	20,181	-	20,181
Other expense	26,110	-	26,110
Net Loss	**(733,365)**	**(434,658)**	**(1,168,023)**
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**

21. SUBSEQUENT EVENT

On July 13, 2023, the Amended Debentures, in the principal amount of $1,000,000 (Note 10), matured. As of the date of the issuance, the Company is holding discussions with investors on how to proceed.