PLANT FUEL®

PLANTFUEL LIFE INC.
(Formerly Sire Bioscience Inc.)

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2021, AND 2020

(Expressed in Canadian Dollars)

Management's Responsibility for Consolidated Financial Statements

The accompanying unaudited condensed consolidated interim financial statements of PlantFuel Life Inc. (the "Company" or "FUEL") are the responsibility of management and the Board of Directors.

The unaudited condensed consolidated interim financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed consolidated interim financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions, which were not complete at the balance sheet date. In the opinion of management, the unaudited condensed consolidated interim financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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

The Board of Directors is responsible for reviewing and approving the consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed consolidated interim financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these financial statements.

DATED this 30th day of August 2021

PLANTFUEL LIFE INC.

Per: *(signed) "Brad Pyatt"*	Per: *(signed) "Volodymyr Ivanov"*
Name: Brad Pyatt	Name: Volodymyr Ivanov
Title: Chief Executive Officer	Title: Chief Financial Officer

PLANTFUEL LIFE INC. (formerly Sire Bioscience Inc.)
UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	June 30, 2021	September 30, 2020
	($)	($)
ASSETS		
Current		
Cash	563,588	77,280
Sales tax receivables	116,471	128,893
Trade receivables	204,634	105,242
Prepaid expenses	369,279	44,053
Inventories (Note 4)	2,819,420	123,939
Total current assets	4,073,392	479,407
Long-term		
Property, plant and equipment (Note 6)	21,236	6,230,794
Right of Use - asset (Note 5)	36,658	54,022
Intangible assets (Note 9)	22,061,850	326,792
Goodwill (Note 9)	7,581,294	91,545
Total long term assets	29,701,037	6,703,153
TOTAL ASSETS	33,774,430	7,182,560
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 10)	1,989,633	658,368
Due to shareholder (Note 9)	12,817	25,000
Lease liability (Note 5)	25,552	22,588
Current portion of secured loan (Note 7)	-	5,383,328
Total current liabilities	2,028,002	6,089,284
Long-term		
Secured loan (Note 7)	-	-
Lease liability (Note 5)	9,081	30,533
Royalty agreement liability (Note 9(b))	238,520	238,520
Deferred tax liability (Note 9)	90,365	90,365
Total long-term liabilities	337,966	359,418
TOTAL LIABILITIES	**2,365,967**	6,448,702
SHAREHOLDERS' EQUITY		
Share capital (Note 10)	42,776,656	7,939,303
Contributed surplus (Note 10)	1,349,846	711,259
Warrants (Note 10)	-	75,097
Accumulated other comprehensive loss	(6,932)	-
Deficit	(12,711,108)	(7,991,801)
	31,408,463	733,858
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	33,774,430	7,182,560

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

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 13)

Approved on behalf of the board:

(signed) "Brad Pyatt"
Director

(signed) "Wally Rudensky"
Director

PLANTFUEL LIFE INC. (formerly Sire Bioscience Inc.)
UNAUDITED CONSENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Three and nine months ended June 30
(Expressed in Canadian dollars)

	Three months ended,		Nine months ended,	
	2021	**2020**	**2021**	**2020**
	($)	**($)**	**($)**	**($)**
Sales	261,350	206,843	797,594	206,843
Cost of goods sold (Note 4)	274,638	125,718	610,185	125,718
Gross Profit	**(13,288)**	**81,125**	**187,409**	**81,125**
Expenses				
Administration	79,187	22,713	221,315	79,953
Amortization	751,930	-	779,689	-
Wages and Management fees	166,214	177,000	591,192	526,000
Marketing and promotion	472,180	23,067	570,568	58,109
Travel	21,485	2,114	46,658	21,492
Consulting and professional fees	345,241	61,345	663,656	145,280
Share based compensation (Note 10)	494,657	34,625	638,588	34,625
Rent	698	7,960	6,039	16,901
Research and development	246,584	-	271,584	-
Total operating expenses	2,578,176	328,824	3,789,289	882,360
Operating Loss	**(2,591,464)**	**(247,699)**	**(3,601,880)**	**(801,235)**
Interest income	5,643	5,827	16,114	12,172
Interest expense	(15,447)	(158,551)	(191,198)	(458,880)
Accreted interest (Note 9)	-	(16,922)	-	(61,557)
Gain on acquisition (Note 7)	-	456,820	-	456,820
Foreign exchange loss	(2,687)	-	(8,820)	-
Realized loss on property settlement (Note 6)	(75,000)	-	(1,022,483)	-
Exchange Loss on translating to presentation currency	6,932	-	6,932	-
Loss and comprehensive loss for the period	**(2,672,023)**	**39,475**	**(4,801,335)**	**(852,680)**
Basic and diluted loss per share:	(0.02)	0.00	(0.05)	(0.02)
Weighted average number of common shares outstanding	160,399,815	42,307,937	95,136,712	39,733,488

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

PLANTFUEL LIFE INC. (formerly Sire Bioscience Inc.)

UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended June 30
(Expressed in Canadian dollars)

	Nine months ended June 30,	
	2021	**2020**
	($)	**($)**
OPERATING ACTIVITIES		
Loss for the period	(4,801,335)	(852,680)
Items not affecting cash:		
Loss on property settlement	1,022,483	-
Accrued Interest	25,000	-
Foreign exchange gain (loss)	6,932	-
Interest Expense	338,176	61,557
Amortization	779,689	-
Share based compensation	638,588	34,625
Changes in non-cash working capital items:		
Sales taxes	12,422	(129,723)
Trade and other receivables	(99,392)	(5,236)
Inventory	(2,695,481)	(67,006)
Prepaid expenses and deposits	(325,226)	(13,576)
Notes receivable	-	(1,050,000)
Accounts payable and accrued liabilities	1,331,265	958,856
Cash flows used in operating activities	(3,766,879)	(1,063,183)
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	-	(609,918)
Intangible assets	-	(858,000)
Cash flows (used in) provided by investing activities	-	(1,467,918)
FINANCING ACTIVITIES		
Share issue	4,710,606	1,093,705
Repayment of secured loan	(300,000)	(100,000)
Share issuance costs	(126,747)	-
Repayment of lease	(18,488)	-
Proceeds from shareholder loan	(12,184)	50,000
Cash flows (used in) provided by financing activities	4,253,187	1,043,705
CHANGE IN CASH	486,308	(1,487,396)
CASH, BEGINNING OF THE PERIOD	77,280	1,660,717
CASH, END OF THE PERIOD	563,588	173,321

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

PLANTFUEL LIFE INC. (formerly Sire Bioscience Inc.)

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDER'S DEFICIT
For the nine months ended June 30, 2021, and 2020
(Expressed in Canadian dollars)

	Number of Shares[1]	Share Capital	Contributed Surplus	Warrants	Accumulated Other Comprehensive	Deficit	Total
		($)	($)	($)	($)	($)	($)
Balance at September 30, 2019	40,022,233	7,895,598	563,714	699,283		(6,542,426)	2,616,169
Shares issued on acquisition of Fusion Nutrition Inc. (Note 9)	291,364	43,705	-	-	-	-	43,705
Shares issued on notes receivables	2,100,000	1,050,000	-	-	-	-	1,050,000
Expiry of warrants	-	-	-	-	-	-	-
Vesting of stock options	-	-	34,625	-	-	-	34,625
Loss and comprehensive loss for the period	-	-	-	-	-	(852,679)	(852,679)
Balance at June 30, 2020	42,413,597	8,989,303	598,339	699,283	-	(7,395,105)	2,891,820
Balance at September 30, 2020	42,413,597	7,939,303	711,259	75,097		(7,991,802)	733,858
Share based compensation	-	-	638,587	-	-	-	638,587
Shares issued in equity raise, net of issue costs (Note 1)	29,000,000	1,450,000	-	-	-	-	1,450,000
Shares issued in equity raise as part of PlantFuel, Inc. acquisition (Note 1 and 9)	23,427,334	3,387,353	-	-	-	-	3,387,353
Shares issued on acquisition of PlantFuel, Inc. (Note 1 and	65,000,000	29,900,000	-	-	-	-	29,900,000
Shares issued as part of property settlement (Note 6 and 7)	500,000	75,000	-	-	-	-	75,000
Share issued for services	59,524	25,000	-	-	-	-	25,000
Warrants expiration	-	-	-	(75,097)	-	75,097	-
Loss and comprehensive loss for the period	-	-	-	-	(6,932)	(4,794,403)	(4,801,335)
Balance at June 30, 2021	160,400,455	42,776,656	1,349,846	-	(6,932)	(12,711,108)	31,408,463

(1) The number of the Company's shares have been retrospectively restated for all periods to reflect the share consolidation which took place subsequent to the Company's year end.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

PlantFuel Life Inc.(the "Company") formerly Sire Bioscience Inc. ("Sire"), and Blox Labs Inc. ("Blox") was incorporated on April 4, 2014, under the Business Corporations Act of British Columbia as Big Rock Labs Inc. and changed its name to Blox Labs Inc. on November 16, 2017. The Company owns 100% of Big Rock Technologies Inc. which was incorporated on February 13, 2014, under the Business Corporations Act of British Columbia. The head office of the Company is located at 2500 Meadowpine Blvd. Ste 202, Mississauga, Ontario L5N 6C4.

On August 28, 2019, the Company completed a transaction in which Blox acquired all of the issued and outstanding securities of Best Cannabis Products Inc. ("BCP"), a private Canadian company engaged in the hemp sector, in exchange for the issuance of 234,800,000 common shares of the Company. The transaction functioned as a reverse takeover (RTO) and resulted in a change of business for the Company.

BCP was incorporated on February 6, 2018, under the Canada Business Corporations Act. The Company's head office is located at 2500 Meadowpine Blvd. Ste 202, Mississauga, ON, L4T 4B5. BCP's principal business activity was to engage in the investment, cultivation, production of and sale of various hemp and cannabis products including but not limited to CPG trademarked CBD based wellness products, oils, edibles, and animal and pet-related CBD products, upon making application and receiving the requisite licenses mandated under the Cannabis Act of Canada.

On May 3, 2020, the Company completed the acquisition of Fusion Nutrition Inc. See Note 9. On March 15, 2021, the Company completed the acquisition of PlantFuel, Inc. See Note 9.

The Company now focuses on health supplements, nutraceuticals, and plant protein-based products.

The Canadian Securities Exchange (the "CSE") approved the RTO transaction on September 9, 2019. The Company also received approval to change its operating name to Sire Bioscience Inc. effective that same date. On April 2021, the Company received approval and changed its operating name to PlantFuel Life Inc. and has changed its trading symbol to "FUEL.CN".

The Company is listed for trading on the CSE under the symbol "FUEL.CN", OTC "BLLXF", and the Frankfurt stock exchange in Germany under the symbol "BR1B".

The condensed interim consolidated financial statements were prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. For the nine months ended June 30, 2021, the Company incurred a net loss of $4,801,335 (2020–$852,680) and had a working capital surplus of $2,045,391 (September 30, 2020, working capital deficiency of $5,609,877).

During the period, the Company reached a settlement agreement with the holder of the vendor takeback mortgage of its Leamington property in which the property was transferred back to the vendor for $300,000 in cash and 500,000 shares of the Company to settle the $5,558,328 amount owing inclusive accrued interest to the settlement date. See Notes 6 & 7. As a result, the Company will focus on executing its business plan to grow in the nutraceutical market.

On January 27, 2021, the Company closed a private placement for gross proceeds of $1,450,000. On March 15, 2021, the Company closed a private placement for gross proceeds of $3,514,100 in coordination with the closing of the acquisition of PlantFuel, Inc. See Notes 10, 11. Management believes that based on current forecasts for the nutraceutical business, these proceeds will provide sufficient funds to meet the Company's liabilities and commitments as they become due, though there is a risk that additional funds may be required if the forecasts are not met, and that financing may not be available on a timely basis or terms acceptable to the Company. These conditions indicate the existence of a material uncertainty that

1. NATURE OF OPERATIONS AND GOING CONCERN (Continued)

may cast significant doubt on the Company's ability to continue as a going concern. These condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern basis was not appropriate. Consequently, adjustments would then be necessary to the carrying value of assets and liabilities, the reported expenses, and the balance sheet classifications used. Such adjustments, if required, could be material.

The Company has been closely monitoring developments related to COVID-19, including the existing and potential impact on global and local economies. The Company has implemented its business continuity plan ensuring minimal interruption to the business. Governments worldwide have since put in place various measures to contain the spread of the virus, which have directly and indirectly impacted many businesses. The COVID-19 pandemic did not have any significant impact on the Company's financial statements during the reporting period. The longer-term impacts of the COVID-19 situation will depend on future developments which are highly uncertain, rapidly evolving, and difficult to predict. These impacts may differ in magnitude depending on several scenarios, which the Company continues to monitor and take into consideration.

2. BASIS OF PREPARATION

Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), including International Accounting Standards ("IAS") 34, Interim Financial Reporting. These interim condensed consolidated financial statements should be read in conjunction with the audited annual consolidated financial statements for the year ended September 30, 2020, which have been prepared in accordance with IFRS and IFRIC as issued by the IASB in effect as of September 30, 2020.

The accounting policies and methods of computation remain the same as presented in the audited annual consolidated financial statements for the year ended September 30, 2020.

There are no new IFRS and/or IFRIC pronouncements issued that are effective for the first time for this interim period that would be expected to have a material impact on the Company.

The interim consolidated financial statements were authorized for issue by the Board of Directors on August 30, 2021.

Significant Accounting Estimates and Judgments

The preparation of these interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the interim consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Significant Accounting Estimates and Judgments (Continued)

Significant estimates and judgments include:

(i) Share-based payments and warrants

Management utilizes option pricing models to determine the fair value of share-based payments and warrants which requires inputs of assumptions including the volatility of the Company's stock price.

(ii) Business combination

In a business combination, a significant area of judgment and estimation relates to the determination of the fair value of assets and liabilities acquired including any intangible assets and goodwill identified. Further information regarding these judgments and estimates are outlined in Notes 3 and 9.

(iii) Going concern

The assessment of the Company's ability to execute its strategy by effectively operating the Company involves judgment. Management closely monitors the operations and cash flows in the Company. Further information regarding the going concern is outlined in Note 1.

(iv) Income taxes

Management exercises judgment to determine the extent to which deferred tax assets are recoverable and can therefore be recognized in the statements of financial position and comprehensive income or loss.

(v) Property, plant, equipment, and intangible assets

The determination of when property, plant and equipment, and intangible assets are available for use as well as their useful lives.

(vi) Non-financial asset impairment

Management exercises judgment to evaluate the carrying value of property, plant, and equipment, and intangible assets at the end of each reporting period to determine whether there is an indication of asset impairment. If any such indication exists, the Company estimates the recoverable amount of the asset to determine if an asset is impaired.

(Expressed in Canadian dollars)

3. REVERSE TAKEOVER TRANSACTION

On February 28, 2019, Company agreed to acquire all the issued and outstanding securities of BCP, in exchange for the issuance of 234,800,000 common shares of the Company. The transaction closed on August 28, 2019. The Company also changed its operating name from Blox Labs Inc. to Sire Bioscience Inc.

As a result of the transaction, 234,800,000 shares were held by previous shareholders of BCP and 117,498,997 shares were held by shareholders of Blox. This resulted in BCP shareholders owning 66.6% of the Company, and consequently, obtaining control of Blox.

The substance of the transaction is a reverse takeover. The transaction does not constitute a business combination under IFRS 3, thus there is no goodwill recognized, and the difference between the consideration and fair value of the net assets acquired results in a listing expense.

BCP was identified as the acquirer for accounting purposes, and Blox, the legal parent, is the subsidiary for accounting purposes. Since BCP is the acquirer, its assets, liabilities, and operations since incorporation are consolidated, and since Blox is the subsidiary, its operations have only been consolidated since the date of the reverse takeover.

A calculation of the listing expense is a follows:

Fair value of 117,498,997 shares of Blox deemed to be issued	2,953,313
Fair value of 22,572,000 warrants of Blox deemed to be issued	699,283
Fair value of 11,380,000 options of Blox deemed to be issued	563,714
Transaction costs	108,086
Fair value of net assets, including cash of $32,721	(204,608)
Listing expense	4,119,788

The fair value of the Blox shares was based on what BCP would have paid to acquire 100% of Blox.

The fair value of warrants assumed in the transaction was determined to be $699,283 and valued using the Black-Scholes option-pricing model under the following assumptions:

	October 9, 2015	November 17, 2017
Risk-free interest rate	1.72%	1.72%
Expected volatility [1]	245%	259%
Dividend yield	Nil	Nil
Expected life	0.75 years	0.3 years
Exercise price	$0.17	$0.03
Share price	$0.05	$0.05

[1] Expected volatility is based on historical volatility.

(Expressed in Canadian dollars)

3. REVERSE TAKEOVER TRANSACTION (Continued)

As at September 30, 2020, 20,322,000 warrants had expired – see Note 10.

The fair value of options assumed in the transaction was determined to be $563,714 and valued using the Black-Scholes option-pricing model under the following assumptions:

	May 25, 2018	October 17, 2018
Risk-free interest rate	1.60%	1.60%
Expected volatility [1]	267%	254%
Dividend yield	Nil	Nil
Expected life	3.7 years	4.1 years
Exercise price	$0.04	$0.06
Share price	$0.05	$0.05

[1] Expected volatility is based on historical volatility.

During the year ended September 30, 2020, 11,090,000 options held in the original entity (Blox) were canceled by the Company. See Note 10.

4. INVENTORIES

As at June 30, 2021, there were no valuation allowances against inventory.

During the nine months ended June 30, 2021, inventory valued at $610,185 was expensed as product cost of sales. There were no product write-downs of inventory during this period.

Inventory at June 30, 2021, consisted of the following:

Finished goods - $2,819,420

(Expressed in Canadian dollars)

5. LEASES

On February 1, 2020, the Company entered into a three-year lease agreement for its head offices. The Company has the right to renew the lease for an additional three-year term before the lease termination subject to certain provisions incorporated in the lease.

RIGHT-OF-USE ASSET AND LEASE LIABILITY

Right of Use Asset	**2021**
	($)
Total carrying value-September 30, 2020	54,022
Additions	-
Less: accumulated amortization	(17,364)
Total carrying value - June 30, 2021	36,658

Lease liability	**2021**
	($)
Beginning Balance	53,121
Addition	-
Less: lease payments	(18,198)
Finance expenses	(290)
Total lease liability	34,633
Less: current portion	(25,552)
Balance - June 30, 2021	9,081

Lease commitments - undiscounted cash flow:	**2021**
	($)
Future lease payments	76,984
Additional rent payments not recognized under IFRS 16	(33,990)
Finance charges	(8,361)
Total liability	34,633

(Expressed in Canadian dollars)

6. PROPERTY, PLANT, AND EQUIPMENT

	Land	Building	Computer Equipment	Furniture & Fixtures	Total
	($)	($)	($)	($)	($)
Cost					
Balance as of September 30, 2020	**1,301,074**	**4,904,737**	**3,782**	**24,746**	**6,234,339**
Additions	-	-	-	-	-
Disposal of Leamington	(1,301,074)	(4,904,737)	-	-	(6,205,811)
Balance as of June 30, 2021	-	-	**3,782**	**24,746**	**28,528**
Accumulated Depreciation					
Balance as of September 30, 2020	-	-	(1,135)	(2,410)	(3,545)
Amortization	-	-	(397)	(3,350)	(3,747)
Balance as of June 30, 2021	-	-	(1,532)	(5,760)	(7,292)
Net Book Values					
Balance as of September 30, 2020	**1,301,074**	**4,904,737**	**2,647**	**22,336**	**6,230,794**
Balance as of June 30, 2021	-	-	**2,250**	**18,986**	**21,236**

The Company, via its subsidiary, entered into a purchase and sale agreement ("PSA") on April 12, 2018, to purchase land and a greenhouse in Leamington, Ontario for total proceeds of $6,400,000. This transaction was completed by taking a secured loan – vendor takeback mortgage on the property. See Note 7.

The purchase price for the assets acquired under the PSA had been allocated according to their relative fair values as at the date of acquisition. As the Company has decided to focus its efforts on the supplements and plant protein industries, it was decided to return the land and buildings to the original Vendor who held the mortgage on the property. A settlement agreement was reached on January 15, 2021, whereby along with the property and buildings, the Company paid $300,000 in cash and issued the Vendor 500,000 common shares of the Company in return for the settlement of all debts and liabilities associated with the property. The resulting loss has been calculated as $1,022,483. The management will continue to analyze the settlement of the secured loan and make further adjustments as required.

(Expressed in Canadian dollars)

7. SECURED LOAN

On July 13, 2018, the Company entered into a secured loan agreement for $5,800,000 as part of a vendor take-back arrangement in connection with the acquisition of land and a greenhouse in Leamington, Ontario (Note 6). The loan, which is secured by the land and greenhouse assets, bears no interest until the Vendor fully vacates the premises and then at a rate of 12.5% for three years. Principal payments of $500,000 are due August 13, 2018, and December 13, 2018, and the balance of the loan principal is due on July 13, 2021. Interest is repayable in monthly installments beginning in year two. Due to the interest-free period, the loan is initially recognized at $4,951,250 which represents the present value of future repayments using a market interest rate of 13%. The effective interest rate on the loan is 14.7%. On January 15, 2021 (the settlement date) the Company completed a transaction transferring the property back to the Vendor and settling the debt. See Note 6.

	January 15, 2021	September 30, 2019
	($)	($)
Beginning principal amount	4,900,000	5,300,000
Discount	(732,658)	(732,658)
Repayments during the year	(200,000)	(400,000)
Accrued interest	734,410	134,410
Accreted interest	681,576	533,999
Settlement amount	(5,383,328)	(100,000)
	-	4,735,751

8. RELATED PARTY TRANSACTIONS

Key management personnel included the Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), and directors and officers and companies controlled or significantly influenced by them.

During the nine months period ended June 30, 2021, the following amounts were paid to or accrued for key management personnel $337,500.

As at June 30, 2021, a total of $25,101 was owed to the key management personnel (September 30, 2020 - $133,585) for advances, expenses and services rendered. Other board members of the Company were owed $Nil (September 30, 2020 - $8,002) for services rendered. These liabilities are non-interest bearing and payable on demand.

As at March 23, 2020, the Company entered into loan agreements with each of 1610896 Ontario Inc., a company controlled by CFO, Natural Lines Inc., a company controlled by a director of the board of Sire and Layton Hipfner, the Master Grower of Sire Bioscience. Please see note 10.

(Expressed in Canadian dollars)

9. ACQUISITIONS

9 (a) Acquisition of PlantFuel, Inc.

On March 12, 2021, the Company completed its acquisition of PlantFuel, Inc. (PF), an American-based plant protein company. PF is focused on delivering plant-fueled nutritional supplements to consumers using world-class formulations and using clinically proven ingredients. The transaction was completed by issuing 65,000,000 common shares (the consideration shares) of the Company at a value of $0.15 per share. According to the terms of the agreement, the consideration shares are held in escrow and are to be distributed as follows: The shares were subject to the following release provisions, 10% on closing, 30% three months from closing, 30% six months from closing, and 30% 12 months from closing.

The Company has determined that the operations of PF represent a business and as such, the acquisition has been accounted for as a business combination. Under IFRS 3 – Business Combinations, the Company has one year to finalize the purchase price allocation of an acquired Company's intangible assets, assumed liabilities, intangible assets, and goodwill. The Company will analyze the acquired rights, liabilities, intangibles, and goodwill and will make the final allocation within the 12 months. The purchase price allocation to the following identified assets and liabilities are based on their estimated fair values.

Fair Value of Net Assets acquired on March 12, 2021: **(Provision)**

	($)
Prepaid assets	15,568
Brand assets (intangible)	22,511,000
Goodwill	7,489,749
Bank indebtedness	(44,833)
Accounts payable and accruals	(56,660)
Due to shareholder	(14,915)
	29,900,000
Fair Value of consideration	
Common shares of PlantFuel Life Inc.	29,900,000

Significant assumptions used by the Company in determining the value of PF's brand list (intangible asset) included forecasted revenue and operating income and a weighted average cost of capital of 27% which was used as the discount rate.

All items on the balance sheet were deemed to be at fair market value at the date of acquisition. Though the transaction was agreed to at $0.15 per share, the actual trading value of the Company shares as of the date of acquisition was $0.46 per share which resulted in the fair value of $29,900,000.

Amortization of $750,367 has been recorded on the intangible asset during the nine months ended June 30, 2021.

(Expressed in Canadian dollars)

9 (b). Acquisition of Fusion Nutrition Inc.

On May 3, 2020, the Company completed its acquisition of Fusion Nutrition Inc. (Fusion), a Canadian-based supplement company with national distribution which hosts 12 brands. This transaction will accelerate the Company's speed to market in the nutraceutical space taking advantage of Fusion's sales channels with 800 points of distribution as well as strong brand recognition in the marketplace. The Company believes this transaction will allow it to launch more relevant and highly customized products at a faster pace. Fusion customers include but are not limited to Popeye's Supplements, Sport Chek, Supplement King, GNC, and Herc's Nutrition. The transaction was affected by issuing 291,364 common shares (the consideration shares) of the Company at a value of $0.05 per share (CSE required no value under $0.05). According to the terms of the agreement, the consideration shares are held in escrow and are to be distributed as follows: i) upon satisfaction of certain terms in the agreement 50% on the six (6) month anniversary of the closing transaction ii) remaining consideration shares are to be released on the nine (9) and twelve (12) month anniversary in equal portions.

The Company has determined that the operations of Fusion represent a business and as such, the acquisition has been accounted for as a business combination. The Company has finalized the purchase price allocation, which was previously reported as provisional, and it has been allocated to the following identified assets and liabilities based on their estimated fair values.

Fair Value of Net Assets acquired on May 3, 2020:

	$
Accounts receivable	42,013
Inventories	123,648
Prepaid assets	200
Equipment	9,176
Intangible assets	341,000
Goodwill	91,545
Bank indebtedness	(55,070)
Accounts payable and accruals	(149,922)
Royalty agreement liability	(238,520)
Due to shareholder	(30,000)
Deferred tax liability	(90,365)
	43,705
Fair Value of consideration	
Common shares of PlantFuel Life Inc	43,705

Significant assumptions used by the Company in determining the value of Fusion's brand list (intangible asset) included forecasted revenue and operating income and a weighted average cost of capital of 27% which was used as the discount rate given the current financial position of Fusion.

The fair value of receivables acquired of $42,013 and the full amount of the receivable is expected to be collected. All other items on the balance sheet were deemed to be at fair market value at the date of acquisition. Though the transaction was agreed to at $0.50 per share, the actual trading value of PlantFuel Life Inc. shares as of the date of acquisition was $0.15 per share which resulted in the fair value of $43,705.

9 (b). Acquisition of Fusion Nutrition Inc. (continued)

As part of the acquisition, the Company negotiated a ten-year royalty and licensing agreement with Acenzia Inc. a supplier of Fusion. Fusion had an outstanding liability of $238,520 with Acenzia. Rather than payout this liability, the Company and Acenzia came to terms on a royalty and licensing agreement whereby Acenzia has the right to sell Fusion products to a select number of countries in the Middle East. Royalty amounts due under the agreement will be applied to the outstanding balance owed at the date of acquisition for three years at which point the Company has the discretion to pay out any outstanding balance or continue to apply royalties due against said sum. Once paid out in full, the Company will receive license and royalty fees to the end of the agreement.

Amortization of $25,575 has been recorded on the intangible asset during the nine months ended June 30, 2021.

10. EQUITY INSTRUMENTS

Share Capital

Authorized:

Unlimited number of Common shares without par value.
Unlimited number of Preferred shares without par value.

Issued: 160,340,931 common shares – On October 13, 2020, the Company announced a consolidation of its issued and outstanding common shares based on one (1) post-consolidation shares for every ten (10) pre-consolidation common shares. All share and per share data presented in the consolidated financial statements have been retroactively adjusted to reflect the share consolidation.

On August 28, 2019, the Company completed a transaction with BCP pursuant wherein Blox acquired all of the issued and outstanding securities of BCP in exchange for the issuance of 234,800,000 common shares of the Company. In connection with the agreement, the Company announced a non-brokered private placement wherein it issued 47,923,330 common shares at $0.05 per share for gross proceeds of $2,396,167.

The Company issued 5,545,000 common shares at $0.20 per share to various consultants for services provided.

In 2018 and 2019, the Company entered into SAFE Agreements for proceeds totaling $1,437,000. Under the SAFE Agreements, the Company is required to issue common shares of the Company upon the occurrence of certain events including an RTO. Triggered by the RTO transactions, the SAFE Agreements for $1,437,000 were converted to 6,135,000 common shares of BCP. The Company issued 118,000,000 common shares on incorporation for proceeds of $118.

On May 3, 2020, the Company issued 291,364 common shares of the Company at a value of $0.50 per share to acquire 100% of the issued and outstanding shares of Fusion Nutrition Inc. Upon satisfaction of certain terms in the agreement, the shares will be released in three allotments; 50% of the shares on the six (6) month anniversary of the closing transaction and the remaining shares to be released on the ninth (9) and twelve (12) month anniversaries in equal amounts.

(Expressed in Canadian dollars)

10. EQUITY INSTRUMENTS (Continued)

Share Capital (continued)

On January 27, 2021, the Company completed a private placement whereby it issued 29,000,000 common shares at $0.05 for total proceeds of $1,450,000. All shares are subject to a four-month hold period pursuant to securities laws in Canada. The funds raised will be used for working capital purposes. On March 12, 2021, the Company issued 65,000,000 shares to complete the acquisition of 100% of the issued and outstanding shares of PlantFuel, Inc. Please see Note 9.

Concurrent to this transaction, the Company completed a non-brokered private placement whereby it issued 23,427,334 shares at $0.15 per share for total gross proceeds of $3,514,100.10. All shares are subject to a four-month hold period pursuant to securities laws in Canada. The Company paid cash finder's fees to certain registered dealers of up to 6% of the proceeds derived from subscriptions introduced to the Company under the private placement.

Stock option plan and stock-based compensation

Under the Company's current Stock Option Plan (the "Plan"), the Company may grant stock options to the Company's directors, officers, employees, and consultants, or a corporation wholly owned by such directors, officers, employees, and consultants. The aggregate number of shares reserved for issuance under the Plan is up to 10% of the number of outstanding common shares, which was 160,400,455 as at June 30, 2021. The exercise price of options granted is subject to a minimum price of $0.20 per share and must meet or exceed the closing market price of the shares on the trading day immediately preceding the grant of the option.

The continuity of the Company's stock options is as follows:

	Number of Stock Options	Weighted Average Exercise Price
		($)
Balance, September 30, 2020	2,900,000	0.2
Cancelled Options	(115,000)	0.2
Balance, December 31, 2020	2,785,000	0.2
Expired options	(15,000)	0.6
Issuance	6,200,000	0.475
Balance, March 31, 2021	8,970,000	0.39
Issuance	5,500,000	0.33
Balance, June 30, 2021	14,470,000	0.37

(Expressed in Canadian dollars)

10. EQUITY INSTRUMENTS (Continued)

Stock option plan and stock-based compensation (continued)

The following table summarizes the stock options outstanding and exercisable as at June 30, 2021:

Number of Options Outstanding	Number of Options Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life
		($)		(yrs)
75,000	75,000	0.40	May 25, 2023	1.90
40,000	40,000	0.60	October 17, 2023	2.30
2,655,000*	934,877	0.20	March 30, 2025	3.75
6,200,000**	849,315	0.475	March 22, 2023	1.73
5,500,000**	226,027	0.33	May 31, 2023	1.92

*Options granted hereby shall become vested and can be exercised in accordance with the plan, and for greater certainty as follows: 1/36 of each such Option granted shall vest and become exercisable on a cumulative monthly basis commencing on the date that the Option is granted, for three years until all such Options have become fully vested.
**Options granted hereby shall become vested and can be exercised in accordance with the plan, and for greater certainty, as follows: 1/24 of each such Option granted shall vest and become exercisable on a cumulative monthly basis commencing on the date that the Option is granted, for two years until all such Options have become fully vested

The fair value of these options was determined using the Black-Scholes option-pricing model under the following assumptions:

	March 30, 2020- March 22, 2020- May 31, 2021
Risk-free interest rate	.78%
Expected volatility [1]	244-409%
Dividend yield	Nil
Expected life	2-5 years
Exercise price	$0.20-$0.475-$0.33
Share price	$0.20-$0.45-$0.33

1Expected volatility is expected on historical volatility.

During the nine months ended June 30, 2021, the Company recognized share-based compensation costs totaling $560,322 in relation to this option grants.

(Expressed in Canadian dollars)

10. EQUITY INSTRUMENTS (Continued)

Share loans

As at March 23, 2020, the Company entered into loan agreements with each of 1610896 Ontario Inc., a company controlled by Domenic Crudo the CFO, Natural Lines Inc., a company controlled by Michael Lines an advisory board member to Sire and Layton Hipfner, the Master Grower of Sire Bioscience. The principal sum for each loan is $350,000 and the Company has agreed to issue up to 700,000 common shares of the Company at a deemed price of $0.50 per share to each debtor. The loans are repayable over four (4) years and bear interest at 2%. The recourse on the loan is restricted to the shares as pledged collateral. As such, the Company records the transaction as a grant of options. The fair value of options assumed in the transaction was determined to be $293,175 and valued using the Black-Scholes option-pricing model under the following assumptions:

	March 23, 2020
Risk-free interest rate	.78%
Expected volatility [1]	132%-265%
Dividend yield	Nil
Expected life	4.0 years
Exercise price	$0.50
Share price	$0.50

[1] Expected volatility is based on historical volatility.

During the nine months ended June 30, 2021, the Company recognized $78,266 as share-based compensation with respect to these loans.

Warrants

The continuity of the Company's share purchase warrants is as follows:

	Number of Warrants	**Weighted Average Exercise Price**
		($)
Balance, February 6, 2018, and September 30, 2018	-	-
Deemed issuance (from RTO)	2,257,200	0.50
Balance, September 30, 2019	2,257,200	0.50
Expired November 27, 2019	(2,032,200)	-
Balance, September 30, 2020	225,000	0.60
Expired October 9, 2020	(225,000)	-
Balance, December 31, 2020	-	-

Total share purchase warrants outstanding as at June 30, 2021, are Nil.

11. CAPITAL MANAGEMENT

The Company considers its capital resources to be the shareholders' equity, comprising share capital, contributed surplus, warrants, and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, to support the acquisition and development of its cannabis business. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain the future development of the business.

The Company is primarily dependent on external financing to fund its activities. To carry out the planned business development and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the nine months ended June 30, 2021. The Company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Risk Management

The Company classifies its other financial assets and other financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
Level 3:	Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, trade receivable, accounts payable, and accrued liabilities, due to shareholder, lease liability, royalty liability, loans payable, and secured loan.

The fair value of cash, trade receivable, accounts payable, and accrued liabilities, due to shareholder, lease liability, royalty payable, and loans payable approximate their book values because of the short-term nature of these instruments. The fair value of the secured loan approximates its carrying value as it is recorded at market rates.

Financial Instrument Risk Exposure

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board approves and monitors the risk management processes.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Credit risk

The Company's credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's accounts receivables are exposed to credit risk which the Company manages by performing credit assessments of customers and provides allowances for uncollectible accounts receivable.

Accounts receivable are past due when a customer fails to make a payment when contractually due. The following is an aging of accounts receivable past due but not impaired as of June 30, 2021.

	$
1-30 days	105,241
More than 30 days	99,391
	204,634

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

The Company is not exposed to interest rate risk. The Company does not have significant variable interest-bearing assets or liabilities that are tied into market rates.

Currency risk

As the Company operates on an international basis, foreign exchange risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign currency risk arises primarily with respect to the United States Dollar. Fluctuations in the exchange rates between these currencies and the Canadian dollar could have a material effect on the Company's business, financial condition, and results of operations. The Company does not engage in any hedging activity to mitigate this risk.

As at June 30, 2021, the Company had the following financial assets and liabilities denominated in foreign currency presented below in Canadian dollars:

	US Dollars
Cash	$ 309,082
Receivables	$ -
Inventories	2,806,801
Accounts payable and accrued liabilities	(1,545,241)
Total	$ 1,570,643
Effect of +/- 10% change in exchange rate	$ 157,064

(Expressed in Canadian dollars)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Liquidity risk

The Company's approach to managing liquidity risk is to have sufficient liquid capital to meet its current liabilities as they come due. On June 30, 2021, the Company had a working capital surplus of $2,045,391 (September 30, 2020, working capital deficiency of $5,609,877).

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities.

	Less than 1 year	1 to 2 years	2 to 3 years
Accounts payable and accrued liabilities	$1,989,633	-	-
Due to shareholders	$12,817	-	-
Lease liability	$25,552	$9,081	-
Secured loan	-	-	-
Royalty agreement	-	-	$238,520
Total	$2,028,002	$9,081	$238,520

13. SUBSEQUENT EVENTS

On July 16, 2021, the Company had entered into a revolving loan facility and security agreement with Colby Capital Limited, a non-related lender. The facility of $2,000,000 has an interest rate of 10% per annum, calculated daily, which shall be reduced to 8% per annum, calculated daily once a Permitted Purchase Order has been repaid in full. The Company received an advance of $500,000 and, in connection therewith, on July 20, 2021, issued 200,000 common shares to the lender at a deemed price of $0.30 per share under the agreement.

On August 9, 2021, the Company closed a non-brokered private placement offering issuing an aggregate of 12,000,000 units ("Units") at $0.25 per Unit raising gross proceeds of $3,000,000. The majority of the proceeds will be used for working capital purposes in the Company. Each Unit is comprised of one common share and one-half of one common share purchase warrant with each whole warrant entitling the holder to purchase one additional share of the Company at $0.40 per share for 18 months from the date of issuance.

On August 10, 2021, the "Company announced that it has granted an aggregate of 3,000,000 incentive stock options to certain directors and officers of the Company at an exercise price of $0.325 per common share for three years.

On August 10, 2021, the Company engaged BLK SWN Inc. for a marketing program for a period to October 8, 2021, in consideration of USD 235,000.

On August 10, 2021, the Company entered into a consulting agreement and issued 76,923 shares at a deemed price of $0.325 per share for past consulting services and remuneration of $25,000 per quarter payable in shares.