



Global Cannabis Applications Corp.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended December 31, 2021 and 2020

(Stated in Canadian Dollars)
(unaudited)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed consolidated interim financial statements of Global Cannabis Applications Corp. (the “Company”) 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 in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

GLOBAL CANNABIS APPLICATIONS CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Stated in Canadian Dollars) (unaudited)

	December 31, 2021	June 30, 2021
ASSETS		
Current assets		
Cash	268,380	1,016,931
GST and other receivables	15,930	29,985
Loan receivable (Note 7)	-	-
Prepaid expenses	31,012	45,100
	315,322	1,092,016
Equipment (Note 6)	1,496	1,763
Digital currencies (Note 5)	41,917	37,298
Intangible asset (Note 4)	390,653	330,770
	749,387	1,461,847
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable (Note 8)	696,586	719,491
Accrued liabilities	398,061	383,061
Deferred revenue - current (Note 10)	10,333	10,333
Loan payable (Note 9)	458,604	442,965
	1,563,584	1,555,850
Deferred revenue – long term (Note 10)	7,627	11,307
	1,571,211	1,567,157
SHAREHOLDERS' EQUITY		
Share capital (Note 11)	15,954,959	15,869,359
Subscriptions received (Note 11)	-	-
Share-based payment reserve (Note 11)	3,830,160	3,783,642
Deficit	(20,606,943)	(19,758,311)
	(821,824)	(105,310)
	749,387	1,461,847

Going concern (Note 1)
Subsequent events (Note 13)

Approved on behalf of the Board:

"Bradley Moore"

Bradley Moore

"Alexander Helmel"

Alexander Helmel

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

GLOBAL CANNABIS APPLICATIONS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Stated in Canadian Dollars) (unaudited)

	Three months ended		Six months ended	
	December 31,		December 31,	
	2021	2020	2021	2020
Revenue:				
Software licencing revenue	\$ 1,840	\$ -	\$ 3,680	\$ -
Expenses:				
Accounting and audit fees	25,549	17,707	33,049	23,207
Amortization of intangible assets (Note 4)	25,500	-	46,173	-
Interest charges (Note 9)	7,887	8,712	15,639	16,215
Consulting fees (Note 8)	242,649	90,100	428,888	245,600
Licences and Permits	-	-	10,299	-
Depreciation of equipment (Note 6)	132	-	267	-
Foreign exchange	38	-	1,263	-
IT costs	17,388	3,351	32,901	7,401
Legal fees	40,486	-	40,486	-
Marketing	50,416	66,500	118,916	66,500
Office and miscellaneous	15,681	-	18,520	-
Research and development costs (Note 4)	1,750	-	20,153	-
Share based compensation (Notes 8 and 11)	-	359,000	46,518	359,000
Transfer agent, listing, and filing fees	12,473	8,589	18,621	13,032
Travel	16,995	-	20,619	-
	(456,944)	(553,959)	(852,312)	(730,955)
Other items:				
Change in fair value of loan receivable (Note 7)	-	1,295,454	-	1,363,636
Gain on debt settlement (Note 11)	-	(463,841)	-	(1,383,089)
Net and comprehensive income (loss)	\$ (455,104)	\$ 277,654	\$ (848,632)	\$ (750,408)
Basic and diluted income (loss) per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding	179,583,276	154,857,100	179,364,350	135,942,701

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

GLOBAL CANNABIS APPLICATIONS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars) (unaudited)

	Six months ended December 31, 2021	Six months ended December 30, 2020
Operating Activities		
Net income (loss)	\$ (848,632)	\$ (750,408)
Items not affecting cash:		
Amortization of intangible assets	46,173	-
Change in fair value of note receivable	-	(1,363,636)
Depreciation	268	-
Accrued interest	15,639	14,591
Gain from debt settlement	-	1,383,089
Share based compensation	46,518	359,000
Shares issued for services	-	621,250
Changes in non-cash working capital items:		
GST and other receivables	14,055	13,124
Prepaid expenses	14,088	-
Accounts payable and accrued liabilities	(7,906)	(310,927)
Deferred revenue	(3,680)	-
Cash used in operating activities	(723,477)	(33,917)
Financing Activities		
Obligation to issue shares	-	30,000
Shares issued for cash, net of issue costs and subscriptions	85,600	402,000
Cash provided by financing activities	85,600	432,000
Investing Activities		
Purchase of digital currencies	(4,619)	-
Purchase of intangible assets	(106,056)	-
Cash used in investing activities	(110,675)	-
Increase (decrease) in cash	(748,552)	398,083
Cash, beginning	1,016,931	3,171
Cash, ending	\$ 268,379	\$ 401,254

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

GLOBAL CANNABIS APPLICATIONS CORP.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Stated in Canadian Dollars) (unaudited)

	Share capital		Obligation to issue shares (\$)	Subscriptions received (\$)	Share-based payment reserve (\$)	Deficit (\$)	Total (\$)
	Number of Shares	Amount (\$)					
Balance, June 30, 2020	114,712,001	15,066,447	-	17,000	3,139,131	(20,080,164)	(1,857,586)
Shares issued for cash, net of costs (Note 11)	9,172,727	393,157	-	(17,000)	25,843	-	402,000
Shares issued for debt (Note 11)	24,216,818	1,172,498	-	-	831,841	-	2,004,339
Shares issued for intangible(Notes 4 and 10)	18,224,250	400,934	-	-	-	-	400,934
Obligation to issue shares	-	-	30,000	-	-	-	30,000
Share based compensation (Note 11)	-	-	-	-	359,000	-	359,000
Net and comprehensive income (loss)	-	-	-	-	-	(750,408)	(750,408)
Balance, December 31, 2020	166,325,796	17,033,036	30,000	-	4,355,815	(20,830,572)	588,279
Balance, June 30, 2021	179,145,424	15,869,359	-	-	3,783,642	(19,758,311)	(105,310)
Shares issued for exercise of warrants (Note 11)	1,007,059	85,600	-	-	-	-	85,600
Share based compensation (Note 11)	-	-	-	-	46,518	-	46,518
Net and comprehensive income (loss)	-	-	-	-	-	(848,632)	(848,632)
Balance, December 31, 2021	180,152,483	15,954,959	-	-	3,830,160	(20,606,943)	(821,824)

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

GLOBAL CANNABIS APPLICATIONS CORP.

Notes to the Condensed Consolidated Interim Financial Statements

Six months ended December 31, 2021

(Stated in Canadian Dollars) (unaudited)

1. Nature and Continuance of Operations

Global Cannabis Applications Corp. (the “Company”, “Global Cannabis”, or “GCAC”) was incorporated on July 14, 2014, under the *Business Corporations Act* (British Columbia). The Company’s shares trade on the Canadian Securities Exchange (“CSE”) under the trading symbol “APP”. The head office of the Company is Suite 830, 1100 Melville Street, Vancouver, BC V6E 4A6. The registered and records office of the Company is Suite 1500, 1055 West Georgia Street, Vancouver, BC V6E 4N7. The Company designs and develops data technologies and applications for the medical cannabis industry.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2021, the Company has not generated significant revenues from operations and has an accumulated deficit of \$20,606,943 (June 30, 2021: \$19,758,311). The continued operations of the Company are dependent on its ability to generate future cash flows from operations or obtain additional financing. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. These adjustments could be material. Management intends to finance operating costs over the next twelve months with private placements of common shares and loans from directors. While management has been successful in obtaining sufficient funding for its operating and capital requirements from the inception of the Company to date, there is no assurance that additional funding will be available to the Company, when required, or on terms which are acceptable to management.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from novel coronavirus (“COVID-19”). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations, cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in the future.

2. Statement of Compliance

These financial statements were authorized for issue on March 1, 2022, by the directors of the Company.

Statement of Compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the IFRS Interpretations Committee (“IFRIC”).

These unaudited condensed interim consolidated financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended June 30, 2021.

3. Significant Accounting Policies and Basis of Preparation

Basis of Measurement

These consolidated financial statements have been prepared on an accrual basis except for certain financial instruments, and are based on historical costs. These financial statements are presented in Canadian dollars which is also the Company’s functional currency.

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Consolidation

These consolidated financial statements include the accounts of the Company and its controlled entities. Details of controlled entities are as follows:

	Country of incorporation	Percentage owned*	
		December 31, 2021	June 30, 2021
Antisocial Holdings Ltd. **	Canada	100%	100%
FORO Technologies Inc. **	Canada	100%	100%
GCAC Europe UAB **	Lithuania	100%	100%
Citizen Green OU **	Estonia	45.8%	45.8%
GCAC Australia Pty Ltd. **	Australia	61%	61%
OPINIT LLC **	USA	100%	100%

* Percentage of voting power is in proportion to ownership.

** These companies are dormant.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

4. Intangible Assets

	Tracelocker	
Cost:		
Balance June 30, 2020 and 2021	\$	400,934
Additions		106,056
Balance December 31, 2021	\$	506,990
Accumulated amortization:		
Balance June 30, 2020 and 2021		70,164
Amortization		46,173
Balance December 31, 2021		116,337
Carrying amount:		
Balance June 30, 2020 and 2021	\$	330,770
Balance December 31, 2021	\$	390,653

During the year ended June 30, 2021, costs incurred of \$174,314 (2020: \$13,918) have been expensed as research and development as these costs do not meet capitalization criteria. During the six months ending December 31, 2021, costs incurred of \$20,153 were expensed as research and development as these costs do not meet capitalization criteria.

On August 30, 2020, the Company entered a software license and support agreement with Abbey Technology GmbH to licence the use of the TraceLocker App in Canada, EU, and Israel. TraceLocker is an Ethereum blockchain powered compliance platform that provides binding attestations of regulated goods' chain of custody. Under the terms of the agreement, the Company agreed to pay a one-time fee of \$400,934 (USD\$302,500) which was settled with 18,224,250 units consisting of one common share and one share purchase warrant with a fair value of \$400,934 on September 25, 2020 (Note 11). The initial term of the agreement ends on August 12, 2021, and annual renewal fees are USD\$42,000 thereafter. During the six months ending December 31, 2021, the Company spent \$106,056 in development costs associated with the TraceLocker App platform.

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5. Digital Currencies

During the year ended June 30, 2021, and the period ended December 31, 2021, the Company acquired GCAC tokens, an Ethereum ERC-20 token listed on Uniswap.org, as follows:

		GCAC Token
Balance June 30, 2020	\$	-
Digital currencies purchased *		37,298
Balance June 30, 2021	\$	37,298
Digital currencies purchased *		4,619
Balance December 31, 2021	\$	41,917

* On April 8, 2021, the Company purchased 100,000 GCAC tokens for CAD 24,798.

On June 1, 2021, the Company purchased 550.8239 GCAC tokens for CAD 12,500.

On September 2, 2021, the Company purchased 349.0397 GCAC tokens for CAD 2,672.

On December 6, 2021, the Company purchased 557.4984 GCAC tokens for CAD 1,947.

6. Equipment

Cost:		
Balance, June 30, 2020 and 2021	\$	8,851
Additions		
Balance December 31, 2021	\$	8,851
Accumulated depreciation:		
Balance June 30, 2020	\$	7,067
Depreciation		21
Balance June 30, 2021	\$	7,088
Depreciation		267
Balance December 31, 2021	\$	7,355
Carrying amount:		
As at June 30, 2020		-
As at June 30, 2021		1,763
Balance December 31, 2021	\$	1,496

7. Loan Receivable

During the year ended June 30, 2018, the Company entered into a loan agreement whereby it was committed to loan an arm's-length party (the "Borrower") \$4,000,000. The loan was to be used to support the marketing and listing of the Company's proposed crypto currency token which, as of June 30, 2019, the Company is no longer pursuing. By June 30, 2019, the Company had advanced \$3,500,000 to the Borrower. The term of the loan was one year, and the loan bore no interest prior to the maturity date and 12% per annum after the maturity date of April 6, 2019. The loan was secured by 13,636,363 shares of the Company owned by a significant shareholder.

Upon the adoption of IFRS 9, the Company classified the loan receivable as FVTPL as it is not held solely for purposes of principal and interest. At June 30, 2020, the fair value of the loan was estimated to be \$340,909, based on the fair value of the underlying security. During the year ended June 30, 2021 the Company called its security and at that point the fair value of the loan was estimated to be \$3,409,089 resulting in a gain on change in fair value of \$3,068,182. On April 14, 2021, the 13,636,363 shares of the Company held as security were returned to treasury and a reduction in share capital of \$3,409,091 was recognized.

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8. Related Party Transactions

Key management compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. The Company considers its Chief Executive Officer, Chief Financial Officer, Chief Marketing Officer, and directors of the Company to be key management. The Company has incurred charges during the six months ended December 31, 2021, from directors and senior management, or companies controlled by them, for consulting fees in the amount of \$246,692 (2021: \$207,000).

During the six months ended December 31, 2021, share based compensation for key management totaled \$Nil (2020: \$298,832).

At December 31, 2021, a balance of \$ 26,443 (June 30, 2021: \$75,243) was owing to related parties and included in accounts payable. These amounts are unsecured, non-interest bearing and due on demand.

9. Loan Payable

The Company has a loan payable of \$310,716 which is unsecured and bears interest at 7% per annum. The loan was originally due December 31, 2019, but was renewed during the year ended June 30, 2019, and June 30, 2020, and continues on the same terms until repaid.

	Principal	Interest	Total
Balance June 30, 2020	\$ 310,716	102,552	413,268
Interest	-	29,697	29,697
Balance June 30, 2021	310,716	132,249	442,965
Interest	-	15,639	15,639
Balance December 31, 2021	\$ 310,716	\$ 147,888	\$ 458,604

10. Deferred Revenue

Total deferred revenue received	17,960
Less: current portion	10,333
Long term portion	\$ 7,627

11. Share Capital

a) Authorized

Unlimited common shares, without par value.

b) Issued

During the six months ended December 31, 2021, the Company received a gross amount of \$85,600 in connection with the exercise of 1,007,059 warrants.

During the year ended June 30, 2021

On May 5, 2021, the Company closed a non-brokered private placement and issued 2,760,439 units at a price of \$0.195 per unit for gross proceeds of \$538,286 and 645,076 units at a fair value of \$0.195 per unit to settle an aggregate of \$125,790 in debt to various creditors of the Company. Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of three years from closing at an exercise price of \$0.26 per common share.

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Under the residual method, a value of \$102,165 was allocated to the warrants. In connection with the private placement, the Company paid finder's fees in the amount of \$9,105, issued 14,000 finder's warrants with each finder's warrant having the same terms as the warrants. The fair value of the finder's warrants was determined to be \$1,200 using the Black Scholes Option Pricing Model (expected life: 1.5 years, bond equivalent yield: 0.508%, volatility: 143%).

On February 22, 2021, the Company closed the final tranche of a non-brokered private placement. Pursuant to the private placement, the Company issued 6,184,490 units at a price of \$0.105 per unit for gross proceeds of \$649,371 and 1,087,618 units at a fair value of \$0.105 per unit to settle an aggregate of \$114,200 in debt to various creditors of the company. Each unit consists of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the company for a period of three years from closing at an exercise price of \$0.17 per common share. In connection with the private placement, the Company paid finder's fees in the amount of \$23,885, issued 44,755 finders' units with a fair value of \$4,699 and 195,192 finder's warrants with each finders' unit having the same terms as the financing units and each finder's warrant having the same terms as the warrants. The fair value of the finder's warrants was determined to be \$46,400 using the Black Scholes Option Pricing Model (expected life: 1.5 years, bond equivalent yield: 0.305%, volatility: 139%).

On February 3, 2021, the Company closed its first tranche of a non-brokered private placement. Pursuant to the private placement, the Company issued 3,288,571 units at a price of \$0.105 per unit for gross proceeds of \$345,299 and 1,360,000 units at a fair value of \$0.105 per unit to settle an aggregate of \$142,800 in debt to various creditors of the Company. Each unit consist of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of three years from closing at an exercise price of \$0.17 per common share. In connection with the private placement, the Company issued 223,919 finders' units. Each finder's unit consists of one common share and one common share purchase warrant, having the same terms as the warrants. The fair value of the finder's warrants was determined to be \$19,850 using the Black Scholes Option Pricing Model (expected life: 1.5 years, bond equivalent yield: 0.229%, volatility: 111%).

On December 31, 2020, the Company closed a non-brokered private placement and issued 8,400,000 units at a price of \$0.05 per unit for gross proceeds of \$420,000 and 3,160,000 units at a fair value of \$0.05 per unit to settle an aggregate of \$158,000 in debt to various creditors of the Company. Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of \$0.10 per common share. The Company paid finders fees of \$18,000 cash and issued 360,000 finders warrants with the same terms as the warrants above. The fair value of the finder's warrants issued was determined to be \$25,843 using the Black Scholes Option Pricing Model (expected life: 1 year, bond equivalent yield: 0.203%, volatility: 132%).

On September 25, 2020, the Company closed a non-brokered private placement and issued 772,727 units at a price of \$0.022 per unit for gross proceeds of \$17,000 (received prior to June 30, 2020) and 39,281,068 units at a fair value of \$0.022 per unit to settle an aggregate of \$864,184 in debt to various creditors of the Company, including the vendors of the software license (Note 4). Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of three years from closing at an exercise price of \$0.05 per common share. No finders' fees were paid in connection with the private placement.

The Company received a gross amount of \$1,066,440 in connection with the exercise of 10,761,133 warrants and a gross amount of \$10,000 in connection with the exercise of 100,000 share purchase options during the year ended June 30, 2021. In connection with the exercise of share purchase options, \$7,050 was allocated from the option reserve to share capital.

On April 14, 2021, 13,636,363 shares of the Company held as security were returned to treasury (Note 7).

During the year ended June 30, 2020

On November 22, 2019, the Company issued 3,205,000 units at a price of \$0.05 per unit for gross proceeds of \$160,250. Each unit consists of one common share and one common share purchase warrant, whereby each warrant

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entitles the holder to purchase one additional common share of the company for a period of two years from closing at an exercise price of \$0.085 per common share. The value allocated to the warrants was \$64,100 using the residual method.

On November 22, 2019, the Company settled an aggregate of \$544,375 in debt through the issuance of 10,887,500 common shares, each issued with a fair value of \$0.03, to various creditors of the Company. The Company recognized a gain on debt settlement of \$217,750 in connection with the debt settlement.

c) Warrants

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

	Number of warrants	Weighted average exercise price (\$)
Balance, June 30, 2020	24,658,729	0.24
Issued	67,777,845	0.09
Exercised	(10,761,133)	0.11
Expired	(15,145,663)	0.28
Balance, June 30, 2021	66,529,778	0.09
Issued	-	-
Exercised	(1,007,059)	0.085
Expired	(1,025,000)	0.085
Balance, December 31, 2021	64,497,719	0.09

The following table details the warrants outstanding and exercisable at December 31, 2021:

Number of Warrants	Exercise Price	Expiry Date
535,000	\$0.10	August 11, 2022
37,781,069	\$0.05	September 25, 2023
10,377,600	\$0.10	December 31, 2022
4,872,480	\$0.17	February 3, 2024
7,512,055	\$0.17	February 22, 2024
3,419,515	\$0.26	May 5, 2024
64,794,719	\$0.09	

At December 31, 2021, the weighted average remaining contractual life of all warrants outstanding was 1.71 years.

d) Share-based compensation

The Company has a stock option plan whereby share purchase options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the greater of the market price of the Company's shares on the date of the grant and the date prior thereto and, unless otherwise stated, vest on the grant date. The term of any share purchase option shall not exceed five years. Under the stock option plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the share purchase option grant.

During the six months ended December 30, 2021, the Company granted 750,000 share purchase options to consultants of the Company. The share purchase options are exercisable at \$0.14 per share for a period of five years. The fair value of the options was determined to be \$46,518 using the Black Scholes Stock Option Pricing model (expected life: 5 years, bond equivalent yield: (0.939%), volatility: 135%).

During the year ended June 30, 2021, the Company granted 10,125,000 share purchase options to consultants, management, and directors of the Company. The share purchase options are exercisable between \$0.10 and \$0.25 per share for a period of five years. The fair value of the options was determined to be \$456,103 using the Black

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Scholes Stock Option Pricing model (expected life: 2.5 years, bond equivalent yield: (0.423% - 0.957%), volatility: 127-135%).

During the year ended June 30, 2020, the Company did not grant any incentive share purchase options.

A continuity schedule of the Company's share purchase options is as follows:

Balance June 30, 2020	6,805,000	0.18
Granted	10,125,000	0.11
Exercised	(100,000)	0.10
Expired/forfeited/cancelled	(2,065,000)	0.26
Balance June 30, 2021	14,765,000	0.13
Granted	750,000	0.14
Exercised	-	-
Expired/forfeited/cancelled	(1,900,000)	0.10
Balance December 31, 2021	13,615,000	0.12

Details of the Company's outstanding and exercisable share purchase options at December 31, 2021, is as follows:

Exercise price	Remaining contractual life (years)	Number of options outstanding	Expiry Dates
\$0.10	0.43	300,000	March 7, 2022
\$0.395	1.15	500,000	November 24, 2022
\$0.64	1.34	50,000	January 31, 2023
\$0.37	1.41	100,000	February 27, 2023
\$0.265	1.51	25,000	April 3, 2023
\$0.365	1.62	75,000	May 14, 2023
\$0.225	1.99	450,000	September 28, 2023
\$0.17	2.07	140,000	October 26, 2023
\$0.12	2.20	500,000	December 13, 2023
\$0.10	2.25	175,000	January 1, 2024
\$0.13	2.27	400,000	January 8, 2024
\$0.10	2.62	1,025,000	May 13, 2024
\$0.10	4.13	7,950,000	November 16, 2025
\$0.17	4.33	175,000	January 21, 2026
\$0.25	4.54	150,000	Apr 14, 2026
\$0.15	4.61	850,000	May 10, 2026
\$0.14	4.77	750,000	July 7, 2021
\$0.12	3.36 years	13,615,000	

e) Share based payment reserve

The reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the share purchase options or finders' warrants are exercised, at which time the corresponding amount will be transferred to share capital.

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants. During the year ended June 30, 2021, an amount of \$nil (2020 - \$64,100) was allocated to warrants under this method.

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f) Loss per share

The calculation of basic and diluted income (loss) per share for the six months ended December 31, 2021, was based on the income (loss) attributable to common shareholders of \$848,632 (2020: loss of \$750,408) and the weighted average number of common shares outstanding of 179,364,350 (2020: 154,857,100).

12. Financial Risk and Capital Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk was on its cash. Management believes that the credit risk with respect to cash is minimal as balances are held with a high-credit quality financial institution.

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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management does not believe the Company is exposed to significant interest rate risk as cash is non interest bearing and liabilities bear interest at a fixed rate as at December 31, 2021.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is not exposed to significant foreign exchange risk.

Fair value

The carrying value of cash, accounts payable and loan payable approximate their fair value due to the relatively short-term nature of these instruments.

Capital Risk Management

The Company defines its capital as shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to continue the development of mobile applications. As the Company is in the preliminary stages of operations, its principal source of funds is from the issuance of common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets or adjust the amount of cash.

The Company is not subject to externally imposed capital requirements. There were no changes in management's approach to managing capital.

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13. Subsequent Events

- On January 25, 2022 the Company announced that it has signed a letter of intent to acquire 33% of a South African cell captive (CC) insurance company focused on cannabis grow operations in Southern Africa from Blue Anchor Risk Solutions. As part of the transaction, Global Cannabis will grant Blue Anchor exclusive sublicense rights for Efixii software in South Africa, Lesotho and Zimbabwe, and Blue Anchor will pay Global Cannabis royalties fees based on the usage. The LOI is expected to become a definitive agreement no later than February 15, 2022. Cultivators using Efixii will be offered preferred insurance rates by Blue Anchor due to Efixii's superior compliance and transparency, which reduces certain underwriters' risks.
- On February 1, 2022, the Company announced that it has been approved as a sale for medical purposes (without possession) licence holder by Health Canada under the Cannabis Act. Global Cannabis will operate Canada's first medical cannabis on-line retail store that uses blockchain technology on a per batch basis to safely and reliably deliver medical cannabis treatments.
- On February 8, 2022, the Company announced that it has entered into a \$1.8-million two-year unsecured promissory note dated February 1, 2022.
- An aggregate of 650,000 share purchase options with exercise prices between \$0.06 and \$0.10 were granted.