



Form 2A
LISTING STATEMENT

Dated: March 27, 2023

1. GLOSSARY OF TERMS

The following is a glossary of certain definitions used in this Listing Statement. Terms and abbreviations used in the financial statements of the Company set out in the appendices to this Listing Statement are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

- “Affiliate”** means a company that is affiliated with another company, which occurs if:
- (a) one of them is the subsidiary of the other, or
 - (b) each of them is controlled by the same person.
- A company is “controlled” by a person if:
- (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that person, and
 - (b) the voting securities, if voted, entitle the person to elect a majority of the directors of the company.
- A person beneficially owns securities that are beneficially owned by:
- (a) a company controlled by that person, or
 - (b) an Affiliate of that person or an Affiliate of any company controlled by that person.
- “Arm’s Length Transaction”** means a transaction which is not a Related Party Transaction.
- “Associate”** means, when used to indicate a relationship with a person or company:
- (a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;
 - (b) any partner of the person or company;
 - (c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which the person or company serves as trustee or in a similar capacity; and
 - (d) in the case of a person, a relative of that person including:
 - (i) that person’s spouse or child, or
 - (ii) any relative of that person or of his or her spouse who has the same residence as that person.
- “BCBCA”** means the *Business Corporations Act* (British Columbia).
- “Board”** means the board of directors of the Company.
- “Brands”** means the “Sweet Poison” brands of tequila and mezcal products.
- “Change of Control”** includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
- (a) any one Person holds a sufficient number of the voting shares of the issuer to affect materially the control of the issuer, or

- (b) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding hold in total a sufficient number of the voting shares of the issuer to affect materially the control of the issuer;

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to affect materially the control of the issuer or Issuer. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold more than 20% of the voting shares of the issuer is deemed to materially affect the control of the issuer.

“CEO”	means Chief Executive Officer.
“CFO”	means Chief Financial Officer.
“Closing”	means the closing of the Proposed Transaction.
“Closing Date”	means the date on which Closing occurs.
“Company”, “we” or “us”	means Yellow Stem Tech Inc.
“Control Person”	means, in respect of an issuer, any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of that issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of the issuer, except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.
“Distribution Agreement”	means the Product Distribution Agreement dated November 3, 2022 between the Company and Sweet Poison whereby the Company was granted the exclusive rights, on a world-wide basis, to use the Sweet Poison Brands and market and distribute the Products.
“Exchange” or “CSE”	means the Canadian Securities Exchange.
“Exchange Policies”	means the policies of the Exchange, as amended from time to time.
“Insider”	means, in relation to an issuer: (a) a director, senior officer of the issuer; (b) a director, senior officer of the entity that is an Insider or subsidiary of the issuer; (c) a person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer; or (d) the issuer itself if it holds any of its own securities.
“Listing Statement”	means this Listing Statement, together with all appendices attached hereto and including the summary hereof.

“MD&A”	means management’s discussion and analysis.
“NEO”	means “Named Executive Officer”, and has the meaning ascribed to it in Form 51-102F6 – <i>Statement of Executive Compensation</i> under National Instrument 51-102 – “ <i>Continuous Disclosure Obligations</i> ”.
“Non-Arm’s Length Party”	means, in relation to an issuer, a promoter, officer, director, other Insider or Control Person of that issuer and any Associates or Affiliates of any such person; and in relation to an individual, means any Associate of the individual or entity of which the individual is a promoter, officer, director, Insider or Control Person.
“Option Agreement”	means that Share Purchase Option Agreement dated November 3, 2022 between the Company and the shareholders of Sweet Poison, whereby the Company was granted the right to acquire Sweet Poison in certain circumstances.
“Products”	mean the tequila and mezcal products produced by Sweet Poison under its Brands.
“Promoter”	has the meaning specified in the <i>Securities Act</i> (British Columbia).
“Proposed Transactions”	means the acquisition of the worldwide distribution rights for the Products pursuant to the Distribution Agreement, and the option to acquire all of the issued and outstanding shares of the Sweet Poison companies pursuant to the Option Agreement.
“Related Party Transaction”	has the meaning ascribed to that term in Exchange Policies, and includes a transaction that involves Non-Arms-Length Parties, or other circumstances which may compromise the independence of the issuer with respect to the transaction.
“SEDAR”	means the System for Electronic Document Analysis and Retrieval, the electronic filing system for the disclosure documents of public companies and investments funds across Canada, available at www.sedar.com .
“Shareholders”	means the holders of Shares of the Company.
“Shares”	means the common shares without par value in the capital of the Company, as constituted as of the date of this Listing Statement.
“Stock Option Plan”	means the Company’s stock option plan as currently in effect.
“Sweet Poison”	means Sweet Poison Spirits S de RL de CV and Sweet Poison Spirits LLC, being the producers of the Products and holders of the Brands.
“TSX Trust”	means TSX Trust Company, the Company’s register and transfer agent.

FORWARD-LOOKING INFORMATION

This Listing Statement contains forward-looking information within the meaning of applicable Canadian securities legislation with respect to the Company and the Issuer. Forward looking information may include, but is not limited to: information with respect to amounts and use of available funds; anticipated developments in operations in future periods; planned asset acquisitions; future business operations; the adequacy of financial resources; the costs and timing of development of the Company's business; the costs, timing and receipt of approvals, consents and permits under applicable legislation; executive compensation approaches and practices; and the composition of directors and committees.

Any statements that express, involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words and phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has made certain assumptions, as contemplated below.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual events or results to differ from those expressed or implied by the forward-looking information, including, without limitation:

- risks related to the fact that the Company may not have sufficient funds to effectively compete in the market for the Products;
- there may be many factors beyond the Issuer's control which adversely affect its ability to carry out its business plan;
- changes in the market and the appetite for the Products;
- the Company may incur greater losses than forecast;
- general economic conditions may adversely affect the Issuer's growth and profitability;
- there are inherent risks in the production of the Products and activities and conditions or events that are beyond the Issuer's control;
- government regulations or actions may alter or prohibit the Company's business and may result in a restriction in the marketing and distribution of the Products;
- there is the possibility of cost overruns or unanticipated expenses;
- there are risks associated with obtaining and renewing necessary licences and permits;
- future sales or issuances of equities securities may have a dilutive effect on the shareholders of the Company and affect the value of its Shares;
- there may be conflicts of interests of certain directors and officers of the Issuer;
- the Company does not intend to pay any cash dividends in the foreseeable future;
- there is reliance on management and dependence on key personnel;
- uninsurable risks; and
- litigation.

This list is not exhaustive of factors that may affect any of the forward-looking information contained in this Listing Statement. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Forward-looking information involves statements about the future and is inherently uncertain, and the actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking information due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this Listing Statement under the heading “Risk Factors” and elsewhere in this Listing Statement. Forward-looking information contained in this Listing Statement is based on the beliefs, expectations and opinions of management of the Company on the date the statements are made, and the Company does not assume any obligation to update forward-looking information, whether as a result of new information, future events or otherwise, other than as required by applicable law. In making the forward-looking statements in this Listing Statement, the Company has applied several material assumptions which may prove to be inaccurate, including, but not limited to, the assumptions that any financing needed to fund the operations of the Company will be available on reasonable terms. Other assumptions are discussed throughout this Listing Statement and, in particular in the “Risk Factors” section of this Listing Statement. For the reasons set forth above, prospective investors should not place undue reliance on forward-looking information.

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Schedule "A" – Interim Financial Statements for the nine months ended January 31, 2023

Schedule "B" – Management Discussion and Analysis for the nine months ended January 31, 2023

Schedule "C" – Annual Audited Financial Statements for the fiscal years ended April 30, 2022 and 2021

Schedule "D" – Management Discussion and Analysis for the fiscal year ended April 30, 2022

2. CORPORATE STRUCTURE

2.1 Corporate Name and Head and Registered Office

The Company's head office and registered office is located at Suite 750 – 580 Hornby Street, Vancouver, British Columbia V6C 3B6.

2.2 Jurisdiction of Incorporation

The Company was incorporated on October 1, 2018 pursuant to the *Business Corporations Act* (British Columbia) under the name of “1181427 B.C. Ltd”. The Company changed its name to “Euro Grow Ltd.” on October 3, 2018; to “Hemp for Health Inc.” on May 3, 2019; and to “Yellow Stem Tech Inc.” on June 20, 2022.

The Company's Shares were initially listed on the CSE on November 21, 2019, and currently trade under the symbol “YY”. The Company is a reporting issuer in British Columbia and Ontario.

2.3 Intercorporate Relationships

The Company has no subsidiaries or affiliated entities.

2.4 Fundamental Change

The Company was originally listed and began trading on the CSE on November 21, 2019 under the name Hemp for Health Inc. and symbol “HFH”, following completion of its initial public offering (“IPO”).

Following the Company's closing of its IPO and listing on the CSE, the Company continued its business of growing hemp on 600 hectares in the Tuscany region of Italy. Proceeds from the Company's prior sales of securities were primarily used to fund the purchase of hemp seed, the planting, nurturing and cultivation of the Company's hemp crops, and selling the harvested hemp biomass.

Commencing in November 2021, following the discontinuance of its operations in Italy, the Company undertook:

- (i) a share consolidation on the basis of one new Share for every two previously outstanding common shares (the “Consolidation”),
- (ii) a debt settlement whereby 8,002,500 post-consolidated Shares were issued in full settlement of an aggregate of \$400,125 of outstanding debt (the “Debt Settlement”). Included in this were 1,452,500 Shares issued to Robert Eadie and Gary Arca (directors and officers of the Company) for outstanding fees and advances; and
- (iii) a private placement which raised aggregate gross proceeds of \$1,197,500 through the distribution of 23,950,000 units at \$0.05 per unit (each unit consisting of one post-consolidated Share and one-half of one Warrant), (the “Financing”).

On June 17, 2022 the Company undertook a change of business (“COB”), from growing and processing hemp to mining for cryptocurrencies. The Company's COB involved (i) acquiring 150 Siacoin mining rigs for the aggregate purchase price of US\$525,000, (ii) engaging Enigma Data Technologies LLC, a Delaware based company (“Enigma”) to set-up, host and operate the cryptocurrency mining activities, in exchange for which Enigma received 2,668,000 shares of the Company, at a deemed value of \$0.25 a share, and (iii) changing the Company's name to “*Yellow Stem Tech Inc.*”. The Company is responsible for ongoing operating costs, to be at an all-in cost of US\$0.055 per kilowatt hour per mining rig. The Company may add additional mining rigs from time to time.

The Company's common shares commenced trading under a new name, *Yellow Stem Tech Inc.*, on the CSE, with trading symbol “YY”, effective at the opening on June 20, 2022.

Due to a steady decline in all cryptocurrencies, the Company ceased its mining operations in or around September, 2022. The Company continues to own the mining rigs, and continues to monitor the industry with a view to re-engaging operations once the price of Siacoin increases to a point where the mining operations could be undertaken at a profit.

On November 3, 2022 the Company entered into the Distribution Agreement with Sweet Poison whereby the Company was granted the exclusive rights, on a world-wide basis, to use the Sweet Poison Brands and market and distribute the Products. Concurrently, the Company entered into the Option Agreement with Sweet Poison for the option to acquire the Sweet Poison companies.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 General Development of the Business

Since incorporation in 2018, the Company's principal business was growing hemp on 100 hectares in the Tuscany region of Italy pursuant to a production agreement between the Company's former Italian subsidiary and a farmers' cooperative. The Company's closed its IPO and listed on the CSE in November 2019. It planted its first crop of hemp in the spring/summer of 2020, which was harvested in the fall of that year. With restrictions imposed during the COVID global pandemic, the Company was unable to effectively continue its farming operations in Italy, and its various production agreements with the farmers expired, resulting in the Company ceasing operations in 2021.

The Company then restructured its share capital by completing the Financing, the Debt Settlement, and the Consolidation (see item 2.4 above) and changed its business to the mining for the cryptocurrency – Siacoin.

In the latter part of 2022, the downfall of the cryptocurrency market forced the Company to suspend operating its mining rigs. Management decided that while it waited for the crypto market to stabilize and regain its footings, the Company would review other opportunities to move the Company forward, particularly, opportunities that would lend themselves to a younger market that would tie into the use of cryptocurrencies, tokens, crypto exchanges and WEB 3.0 applications to effect the sale and marketing of products or services. In November 2022, it identified and pursued the business opportunity with Sweet Poison.

The Company now proposes to complete the Proposed Transactions involving the worldwide distribution of the Sweet Poison's Products for an initial period of ten years, renewable for a further ten years and beyond.

3.2 Significant Acquisitions and Dispositions

As an addition to the Company's current activities and in its efforts to increase shareholder value, the Company entered into the Distribution Agreement on November 3, 2022 with Sweet Poison. The Distribution Agreement grants the Company the worldwide distribution rights to Sweet Poison's premium Tequila and Mezcal products under the "Sweet Poison" brand names for an initial period of ten years, renewable for a further ten years and beyond.

In consideration of the rights and licences granted by Sweet Poison to the Company, the Company will issue and deliver an aggregate of 5,000,000 common shares (the "Shares") at a deemed price of US\$0.20 per share, subject to resale restrictions as follows:

- (i) 25% of the Shares will become free-trading four months following the Closing Date
- (ii) an additional 25% of the Shares will become free-trading 12 months following Closing;
- (iii) an additional 25% of the Shares will become free-trading 18 months following Closing; and
- (iv) the remaining 25% of the Shares will become free-trading 24 months following Closing.

The Distribution Agreement also provides for the Company to engage two principals of Sweet Poison as consultants on terms to be negotiated, and for Sweet Poison to have board representation with two directors being appointed to the Company’s Board.

Concurrent with the Distribution Agreement, the Company also entered into the Option Agreement with the shareholders of Sweet Poison, whereby the Company was granted the option to acquire all of the shares of Sweet Poison subject to the Company fulfilling its obligations under the Distribution Agreement. The terms of the Option Agreement include:

1. The option price is US\$1,000,000;
2. The option may be exercised by the Company at any time after 24 months from the date of the Option Agreement and prior to 36 months;
3. The option price will be payable as to US\$400,000 in cash and US\$600,000 in Shares as follows:
 - (i) one-third (US\$133,333 in cash and US\$200,000 in Shares) upon exercise of the option, based on a share price of US\$0.20 per share;
 - (ii) an additional one-third (US\$133,333 in cash and US\$200,000 in Shares) on or before 12 months following the exercise of the option, based on a share price calculated as the volume weighted average price per Share for the 10 trading days prior to issue (“VWAP”); and
 - (iii) the remaining one-third on or before 18 months following the exercise of the option, based on the then current VWAP.

The Company has agreed to pay a finder’s fee to an independent third party in consideration of introducing Sweet Poison to the Company, equal to 10% of each payment made by the Company from time to time under both the Distribution Agreement and the Option Agreement. The finder’s fee will be paid in Shares at the deemed price of US\$0.20 per Share.

3.3 Financing Activities

Since November 18, 2019, the Company has issued the following securities:

Date	Number and Type of Securities	Issue/Exercise Price Per Security ⁽¹⁾	Aggregate Issue/Exercise Price	Nature of Consideration Received
November 19, 2019	196,000 Shares	\$0.40	\$78,400	Cash
March 10, 2020	2,050,000 Shares	\$0.40	\$820,000	Cash
December 3, 2022	8,002,500 Shares	\$0.05	N/A	Debt settlement
December 9, 2021	13,450,000 Shares	\$0.05	\$672,500	Cash
December 9, 2021	6,725,000 Warrants	\$0.10	N/A	N/A
December 9, 2021	520,000 Finders’ Warrants	\$0.10	N/A	N/A
February 2, 2022	10,500,000 Shares	\$0.05	\$525,000	Cash
February 2, 2022	5,250,000 Warrants	\$0.05	N/A	N/A
June 29, 2022	2,668,000 Shares	\$0.25	N/A	N/A
Proposed Transaction	5,000,000 Shares	US\$0.25	N/A	Distribution Agreement
Proposed Transaction	500,000 Shares	US\$0.20	N/A	Finder’s Fee

4. NARRATIVE DESCRIPTION OF THE BUSINESS

As referred to in Item 3.2 above, the Company entered into the Distribution Agreement and the Option Agreement with Sweet Poison.

Arm's Length Transaction

The Proposed Transaction is considered an arm's length transaction, as Sweet Poison is unrelated to the Company.

Business Objectives and Milestones

The Company's business objectives that it expects to accomplish in the forthcoming 12 month period are to (i) complete the Proposed Transactions; (ii) initiate marketing and distribution of Products by signing up established agents in key countries in North and South America and Europe; (iii) commence the distribution and sales of the Products; and (iv) continue to monitor the cryptocurrency industry with a view to restarting mining operations.

The milestones to be completed regarding the Proposed Transactions are as follows:

- (i) submit this Listing Statement to the CSE together with the approval of the Company's Shareholders to the Proposed Transactions;
- (ii) arrange a financing of up to \$2 million to start-up the distribution of Sweet Poison Products;
- (iii) evaluate the logistics of shipping to various locations in the United States;
- (iv) sign up agents for the marketing and distribution of Sweet Poison Products in key countries in North and South America and Europe;
- (v) continue to pursue opportunities that are synergistic with the marketing and distribution of the Products and use of the Brand; and
- (vi) continue to assess the price of Siacoin increasing to a point where mining such currency can be profitable.

The timeframe to complete the milestones and business objectives is as follows:

Timeframe	Business Objectives	Estimated Costs (C\$)
30 days	Submit Listing Statement and shareholder approval to the CSE	\$20,000
60 days	Arrange financing for the distribution and marketing of Sweet Poison	160,000
90 days	Commence with marketing and sign up initial distribution agents	\$190,000
Month 7 to Month 12	Ship and sell initial commitment of Sweet Poison Products in key countries	\$1,200,000

The Company will need to raise additional funds in order to pay for the costs associated with the marketing and distribution of the Brands and Products. There is no assurance that the Company will be able to raise such funding on terms acceptable to it, or at all. See "*Risk Factors*".

Funds Available

The Company currently has approximately \$30,000 of available funds. Assuming completion of a financing to raise gross proceeds of \$2,000,000 in tranches, and payment of remaining trade payables, the Company expects to use its available funds over the next 12 months as outlined below:

Use of Funds	Amount (C\$) ¹
Costs associated with this Listing Statement	50,000
Formulation of initial marketing and distribution plans	50,000
Costs related to signing up distribution agents in North & South America and Europe.	300,000
Purchase of initial inventory for distribution (excluding sales)	950,000
G & A expenses	260,000 ⁽¹⁾
Costs of financing	160,000
Working Capital	130,000
Contingency	\$100,000
Total	\$2,000,000

1. The Company's general and administrative expenses are expected to consist of the following for the next 12 months:

G&A Expense	Amount
Audit and accounting	\$30,000
Legal and corporate	\$60,000
Management fees	\$30,000
Shareholder communication	\$48,000
CSE fees	\$10,000
CSE monthly fee and SEDAR fees	\$13,000
Travel	\$45,000
Office and miscellaneous	\$24,000
Total	\$260,000

4.2 Asset Backed Securities

The Company does not have any asset-backed securities outstanding.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

The Company's audited financial statements for the fiscal years ended April 30, 2022 and 2021, are attached hereto as Schedule "C" and are available on SEDAR. The Company's unaudited financial statements for the nine months ended January 31, 2023 are attached hereto as Schedule "A" and are available on SEDAR.

The following financial data summarizes selected financial data for the Company prepared in accordance with IFRS, and is derived from the Company's audited annual financial statements for the years ended April 30, 2022, 2021 and 2020, and the Company's interim financial statements for the nine-month period ended January 31, 2023. The information set forth below should be read in conjunction with the Company's annual

and interim financial statements and the related notes thereto attached hereto as Schedules “A” and “C” and available on SEDAR at www.sedar.com.

Item	Nine Months Ended Jan. 31, 2023	Fiscal Year Ended April 30, 2022	Fiscal Year Ended April 30, 2021	Fiscal Year Ended April 30, 2020
Revenues	Nil	Nil	Nil	Nil
Expenses	\$252,784	\$672,525	\$1,508,166	\$2,136,754
Net Loss	(\$675,646)	(\$588,670) ¹	(\$1,508,166)	(\$2,125,740)
Current Assets	\$135,235	\$276,464	\$24,920	\$ 969,926
Total Assets	\$388,493	\$953,966	\$31,373	\$1,143,223
Current Liabilities	\$499,794	\$469,661	\$494,023	\$97,707
Working Capital	(\$364,559)	(\$193,197)	(\$469,103)	\$872,219
Shareholders' Equity	(\$111,301)	\$484,305	(\$462,650)	\$1,045,516
No. of Shares Outstanding	46,701,501	44,033,501	24,162,001	24,162,001

1. Includes \$83,855 of forgiven amounts payable.

5.2 Quarterly Information

The results for each of the four most recently completed quarters ending at the end of the most recently completed financial year, namely April 30, 2022, are summarized below:

	April 30, 2022	Jan 31, 2022	Oct. 31, 2021	July 31, 2021
Revenue	Nil	Nil	Nil	Nil
Net Income (loss)	(\$130,721)	(\$62,590) ¹	(\$353,658)	(\$41,701)
Basic and diluted income (loss) per Share	(\$0.01)	(\$0.00)	(\$0.01)	(\$0.00)

1. Includes \$83,855 of forgiven amounts payable.

5.3 Dividends

The Company has not paid and does not anticipate that any dividends will be paid on its Shares in the foreseeable future.

5.4 Foreign GAAP

The Company's financial information is not prepared or presented on the basis of foreign GAAP.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's MD&A for the nine months ended January 31, 2023 and for the year ended April 30, 2022 are attached to this Listing Statement as Schedules “B” and “D” respectively.

7. MARKET FOR SECURITIES

The Company's common shares are currently listed for trading on the CSE under the symbol “YY”.

8. CONSOLIDATED CAPITALIZATION

The Company's authorized share capital consists of an unlimited number of common Shares without par value. As of the date of this Listing Statement, the outstanding capital of the Company consists of the following, after giving effect to the Proposed Transactions:

Designation of Security	Number Authorized	Amount Outstanding
Common Shares	Unlimited	52,201,501 ¹
Warrants	n/a	11,975,000
Finders' warrants	n/a	520,000
Stock Options	10% of issued Shares	nil

1. Includes 5,000,000 Shares to be issued pursuant to the Distribution Agreement, and 500,000 finder's fee Shares. See Item 10.6 below – Prior Sales.

9. OPTIONS TO PURCHASE SECURITIES

The Company has established a Stock Option Plan under which the Company is authorized to grant stock options of up to 10% of its issued and outstanding shares, from time to time. As at the date of this Listing Statement, there are no options granted under the Plan.

Summary of Stock Option Plan

The purpose of the Plan is to provide the Company with a Share-related mechanism to attract, retain and motivate directors, employees, executive officers and consultants, to reward or compensate such persons from time to time for their contributions toward the long term goals of the Company, and to enable and encourage such persons to acquire Shares as long-term investments.

The Plan is administered by our directors. The material terms of the Plan are as follows:

1. The aggregate maximum number of options which may be granted under the Plan at any one time is 10% of the number of Shares the Company has outstanding at the time of grant.
2. The term of any options granted under the Plan will be fixed by the Board at the time such options are granted, provided that options will not be permitted to exceed a term of ten years.
3. The exercise price of any options granted under the Plan will be determined by the Board, in its sole discretion, but shall not be less than the greater of the closing market prices of the Company's Shares on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options.
4. The Board may impose vesting periods on any options granted.
5. All options will be non-assignable and non-transferable (except upon the death of an option holder, in which case any outstanding options may be exercised by the option holder's successors).
6. If an option expires or terminates for any reason without having been exercised in full, the un-purchased Shares subject thereto shall again be available for the purposes of the Plan.
7. The Board shall not grant options to any one person in a 12 month period which will, when exercised, exceed 5% of the issued and outstanding Shares of the Company (calculated at the date such options are granted); and
8. Once options are granted, they may not be amended or varied.

If the option holder ceases to be a director of the Company (other than by reason of death, disability or termination for just cause), then the option granted shall expire on no later than the 90th day following the date that the option holder ceases to be a director of the Company, subject to the terms and conditions set out in the Plan. If the option holder holds his or her Option as an employee or consultant of the Company (other than an employee or consultant performing Investor Relations Activities) and such Option Holder ceases to be an employee or consultant of the Company other than by reason of death, the Expiry Date of the Option shall be the 30th day following the date the Option Holder ceases to be an employee or consultant of the Company, unless the Option Holder ceases to be such as a result of (i) termination for cause; or (ii) an order of a Regulatory Authority, in which case the Expiry Date shall be the date the Option Holder ceases to be an employee or consultant of the Company. If the Option holder is engaged in investor relations activities and ceases to be an employee, consultant or management company employee of the Company (other than by reason of death or termination for just cause), then the option granted shall expire on the date that the Option Holder ceases to be an employee or consultant of the Company. If the option holder's position as a director, officer, employee or consultant is terminated for just cause, then the option granted shall expire the date of termination for just cause.

As of the date of this Listing Statement, there are no outstanding options. Based on there being 52,200,501 Shares outstanding, a total of 5,220,050 options will be eligible to be granted under the Plan.

10. DESCRIPTION OF THE SECURITIES

10.1 General

Common Shares: The Company is authorized to issue an unlimited number of Shares, of which there are 46,701,500 Shares outstanding as of the date of this Listing Statement, and an additional 5,000,000 Shares to be issued pursuant to the Distribution Agreement together with 500,000 finder's fee Shares.

Shares are not subject to any future call or assessment and do not have any pre-emptive, conversion or redemption rights, and all have equal voting rights. There are no special rights or restrictions of any nature attached to any Shares, all of which rank equally as to all benefits which might accrue to Shareholders. All Shareholders are entitled to receive a notice of any general meeting. At any general meeting, subject to the restrictions on joint registered owners of Shares, every Shareholder has one vote for each Share of which he is the registered owner. Voting rights may be exercised in person or by proxy. Shareholders are entitled to share pro rata in any: (i) dividends if, as and when declared by the Board, and (ii) such of the Company's assets as are distributable to them upon liquidation of the Company. Rights pertaining to the Shares may only be amended in accordance with applicable corporate law.

Warrants: There are 11,975,000 Warrants outstanding as of the date of this Listing Statement, with various exercise prices and expiry dates. See Section 14.2 for full particulars.

Finders' Warrants: There are 520,000 Finders' Warrants as of the date of this Listing Statement. Each Warrant entitles the holder to acquire one Share at \$0.10 until December 9, 2023.

All outstanding warrants are subject to anti-dilution provisions, such that in the event of any future consolidation, share split, corporate re-organization or similar event, the number of Shares that may be acquired and exercise price of the Warrants will be adjusted accordingly.

Options: There are currently no options outstanding under the Company's Stock Option Plan

10.2 Debt securities

The Company has no debt securities that are to be listed on the CSE.

10.4 Other securities

The Company has no other securities that are to be listed on the CSE.

10.5 Modification of terms:

The rights and restrictions applicable to the Shares may only be modified by special resolution of the Shareholders, at a duly called meeting.

10.6 Other Attributes:

There are no rights attaching to the Shares that are materially limited or qualified by the rights of any other class of securities, nor is there any other class of securities which ranks ahead of or equally with the Shares.

10.7 Prior Sales

In the past 24 months, the Company has issued the following securities:

Date	Number and type of Securities ¹	Issue/Exercise Price per Security	Aggregate Issue / Exercise Price	Nature of Consideration Received
November 19, 2019	196,000 Shares	\$0.40	\$78,400	Cash
March 10, 2020	2,050,000 Shares	\$0.40	\$820,000	Cash
December 3, 2021	8,002,500 Shares	\$0.05	N/A	Debt settlement
December 9, 2021	13,450,000 Shares	\$0.05	\$672,500	Cash
December 9, 2021	6,725,000 Warrants	\$0.10	N/A	N/A
December 9, 2021	520,000 Finders' Warrants	\$0.10	N/A	N/A
February 2, 2022	10,500,000 Shares	\$0.05	\$525,000	Cash
February 2, 2022	5,250,000 Warrants	\$0.05	N/A	N/A
June 29, 2022	2,668,000 Shares	\$0.25	N/A/	Hosting
To be issued on Closing	5,000,000 Shares	US\$0.20	N/A	Distribution Rights
To be issued on Closing	500,000 Shares	US\$0.20	N/A	Finder's Fees

(1) All number of securities and amounts are on a post-consolidated basis.

10.8 Stock Exchange Price

The Company's Shares commenced trading on the CSE on November 21, 2019. The following summarizes the trading of the Company's Shares on the CSE in the month of February 2023 and March 2023 (to the date of this Listing Statement) and the immediately preceding seven quarters.

Period	Price Ranges	Volume Traded
March 27, 2023	\$0.02 - \$0.03	90,000
February, 2023	\$0.02 - \$0.03	76,500
Quarter ended January 31, 2023	\$0.025 - \$0.00	227,880
Quarter ended October 31, 2022	\$0.03 - \$0.01	878,330
Quarter ended July 31, 2022	\$0.05 - \$0.01	841,620
Quarter ended April 30, 2022	\$0.09 - \$0.04	745,213
Quarter ended January 31, 2022	\$0.05 - \$0.19	857,725
Quarter ended October 31, 2021	\$0.07 - \$0.13	450,041

Quarter ended July 31, 2021	\$0.06 - \$0.20	674,283
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11. ESCROWED SECURITIES

There are presently no securities of the Company which are subject to escrow.

Securities Subject to Resale Restrictions

As of the date of this Listing Statement no securities are subject to any resale restrictions, other than:

- (i) the 5,000,000 Shares to be issued pursuant to the Distribution Agreement. 25% of such Shares will be subject to a hold period expiring four months and a day from the date of issue; an additional 25% of the Shares will become free-trading 12 months following Closing; an additional 25% of the Shares will become free-trading 18 months following Closing; and the remaining 25% of the Shares will become free-trading 24 months following Closing; and
- (ii) the 500,00 Shares to be issued as a finder's fee, which will be subject to a hold period expiring four months and a day from the date of issue.

12. PRINCIPAL SHAREHOLDERS

To the knowledge of our directors and officers, no person will beneficially own, as of the Closing Date, directly or indirectly, or exercise control or direction over, more than 10% of our Shares, other than Robert Eadie, the Company's President and CEO, who owns 6,840,501 shares which represents 13.23% of the Company's issued and outstanding shares.

13. DIRECTORS AND OFFICERS

13.1-13.5 Name, Address, Occupation and Security Holding

The name, province or state and country of residence, and position with the Company, of each of our directors and executive officers are set out in the table below. Details of their principal business or occupation in which they have been engaged during the immediately preceding five years are as set out under "Management of the Company" following the table.

Name, Position, Province or State and Country of Residence	Principal Occupation or Employment for the Past Five Years	Date Elected or Appointed	Number of Shares and Percentage ¹
Robert Eadie ⁽²⁾ <i>President, CEO and Director</i> Mexico City, Mexico	Executive Chairman, President & CEO of Starcore International Mines Ltd., a gold and silver producer listed on the Toronto Stock Exchange; director and officer of a publicly traded company listed on the Canadian Stock Exchange ("CSE").	October 1, 2018	6,840,501 13.10%

Gary Arca <i>CFO, Corporate Secretary & Director</i> Delta, BC, Canada	CFO of Starcore International Mines Ltd., listed on the Toronto Stock Exchange; director and officer of a publicly traded company listed on the CSE; member of the Canadian Institute of Chartered Professional Accountants and the British Columbia Institute of Chartered Professional Accountants.	November 5, 2018	1,985,500 3.80%
Gina Pala⁽²⁾ <i>Director</i> Victoria, B.C.	Currently a Principal at AlliedOne Consulting since 2018 and Interim CIO at the Financial Institutions Commission since 2019. Prior thereto, Senior Vice President, Information Technology at BC Investment Management Corporation from 2010 to 2017.	June 30, 2019	50,000 0.09%
Tanya Lutzke⁽²⁾ <i>Director</i> Vancouver, B.C.	Police Constable with the City of Vancouver from 2005 to present.	March 18, 2022	NIL

1. Based on closing of the Proposed Transactions, with 52,201,500 Shares outstanding.
2. Member of the audit committee.

The term of office for the directors and members of the committees expires at each annual general meeting. The Board, after each such meeting, appoints committees for the ensuing year. The Company currently have one Board committee, being an audit committee which presently consists of Robert Eadie, Gina Pala and Tanya Lutzke.

As of the date hereof, our directors and executive officers, as a group beneficially own, directly or indirectly, or exercise control or direction over 9,003,001 Shares representing 17.25% of the Company's 52,201,501 Shares to be issued and outstanding .

13.6 Cease Trade Orders

Other than as disclosed below, none of our directors or executive officers or a shareholder holding sufficient securities of the Company to materially affect the control of the Company are, as at the date of this Listing Statement, or have been within 10 years before the date of this Listing Statement, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

- In February 2016, Starcore International Mines Ltd. (“Starcore”) was the subject of an administrative enforcement action by the Securities & Exchange Commission in the United States (the “SEC”), due to its failure to meet its reporting obligations under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”) which resulted in revocation of its Exchange Act registration by order of the SEC pursuant to section 12(j) of the Exchange Act. At the time of the enforcement action by the SEC, Messrs. Eadie and Arca were directors of Starcore.

13.7 Penalties and Sanctions

None of our directors, executive officers or any shareholder holding a sufficient number of our securities to materially affect control of the Company:

- (a) is, as at the date of this Listing Statement, or has been within the 10 years before the date of this Listing Statement, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

13.8 Bankruptcies

No director or officer of the Company, or a shareholder holding sufficient securities of the Company to materially affect the control of the Company, or a personal holding company of any such persons has, within the 10 years before the date of the Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

13.9 Conflicts of Interest

Our directors are required to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests which they may have in any project or opportunity of the Company. However, our directors and officers may serve on the boards and/or as officers of other companies which may compete in the same industry as the Company, giving rise to potential conflicts of interest. To the extent that such other companies may participate in ventures in which we may participate, they may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such conflicts of interest arise at a meeting of our directors, such conflicts of interest must be declared, and the declaring parties must abstain from voting for or against the approval of such participation. The remaining directors will determine whether or not we will participate in any such project or opportunity.

Our directors and officers are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosures by directors of conflicts of interest, and we will

rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers. Such directors or officers in accordance with the *Business Corporations Act* (BC) will disclose all such conflicts and they will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

13.10 Management

Further information on the business experience and professional qualifications of our directors, officers and promoters is set forth below:

ROBERT EADIE, *President, CEO & Director*

Mr. Eadie, age 57, has been a director and our President since December, 2010, and Chief Executive Officer since March 2018. Mr. Eadie is a self-employed business owner, and is currently President, CEO and a director of Starcore International Mines Ltd., a company listed on the Toronto Stock Exchange, since October 2003. Mr. Eadie is also a director of a publicly traded company listed on the CSE.

Mr. Eadie is not an employee of the Company, and, in his capacity as CEO, will dedicate a minimum of 45% of his time to the affairs of the Company. Mr. Eadie is not currently subject to any written employment agreement or other written non-competition and confidentiality agreement with the Company.

GARY ARCA, *CFO, Corporate Secretary and Director*

Mr. Arca, age 62, has been a director of the Company since January 8, 2018 and the Chief Financial Officer and Corporate Secretary since March 2018. He has over 35 years of management and accounting experience. He is currently a director and CFO of Starcore International Mines Ltd., a company listed on the Toronto Stock Exchange. Mr. Arca is also a director of a publicly traded company listed on the CSE. He is a Chartered Professional Accountant (CPA) and is a member of the Chartered Professional Accountants of Canada (since May 1985) and Chartered Professional Accountants of BC.

Mr. Arca is not an employee of the Company, and, in his capacity as CFO, will dedicate a minimum of 25% of his time to the affairs of the Company. Mr. Arca is not currently subject to any employment agreement or other written non-competition and confidentiality agreement with the Company.

GINA PALA, *Director*

Ms. Pala, age 53, has been a director of the Company since June 30, 2019. She is a senior IT Executive with over 15 years in both the public and private sectors specializing in financial services and technology. In her current role as Interim CIO at the Financial Institutions Commission, she provides strategic IT advice and leadership. Previously in the role of Senior Vice President, Information Technology at BC Investment Management Corporation (BCIMC), Ms. Pala managed a team of over 70 IT specialists.

Ms. Pala is not an employee of the Company, and in her role as a director and a member of the Audit Committee, she will dedicate a minimum of 10% of her time to the affairs of the Company. Ms. Pala is not currently subject to any employment agreement or other written non-competition and confidentiality agreement with the Company.

TANYA LUTZKE, *Director*

Ms. Lutzke, age 53, has been a director of the Company since March 18, 2022. Currently a police constable in the City of Vancouver, she has over 10 years' experience in financial services, the banking industry and law enforcement. Most recently, from March 2018 to November 17, 2021, she served as a director of

iMining Technologies Inc., a company listed on the TSX Venture Exchange, engaged in cryptocurrency and related technologies.

Ms. Lutzke is not an employee of the Company, and in her role as a director and a member of the Audit Committee, she will dedicate a minimum of 10% of her time to the affairs of the Company. Ms. Lutzke is not currently subject to any employment agreement or other written non-competition and confidentiality agreement with the Company.

14. CAPITALIZATION

The following tables provide information about our capitalization as of the date of this Listing Statement, and refers to our outstanding Shares:

Issued Capital	Number of Securities (non-diluted)	Number of - Securities ⁽¹⁾ (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
<u>Public Float</u>				
Total outstanding ⁽²⁾ (A)	52,201,501	64,696,501	100%	100%
Held by Related Persons ⁽³⁾ (B)	9,003,001	9,873,001	17.25%	15.26%
Total Public Float (A-B)	43,198,500	54,823,500	82.75%	84.74%
<u>Freely-Tradeable Float</u>				
Number of outstanding securities subject to resale restrictions ⁽⁴⁾ (C)	5,500,000	5,500,000	10.54%	8.50%
Total Tradeable Float (A-C)	46,701,500	59,196,501	89.46%	91.50%

(1) Includes 11,975,000 Warrants and 520,000 Finders' Warrants.

(2) Includes the 5,000,000 Shares to be issued under the Distribution Agreement.

(3) Related Persons or employees of the Company, or persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Company (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Company upon exercise or conversion of other securities held). See below.

(4) Includes restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders. In this instance, the 5,000,000 Shares to be issued under the Distribution Agreement and the 500,000 finder's fee Shares will be subject to resale restrictions expiring between four and 24 months from the date of issue.

Securities Held by Related Persons

For purposes of row (B) in the above table, the following is a list of the securities held by related persons:

Name	Shares	Warrants	Options
Robert Eadie	6,967,501	500,000	Nil
Gary Arca	1,985,500	370,000	Nil
Gina Pala	50,000	Nil	Nil
Total	9,003,001	870,000	Nil

Public Security holders (Registered)

For the purposes of this table, “public security-holders” are registered Shareholders other than related persons enumerated in section (B) of the previous chart.

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of Shares</u>
1 – 499 securities	0	-
500 – 999 securities	30	15,000
1,000 – 1,999 securities	2	2,250
2,000 – 2,999 securities	3	7,500
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	22	43,300,750
Totals	55	43,325,500

Public Security holders (Beneficial)

The following table includes (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Company has been given written confirmation of shareholdings.

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of Shares</u>
1 – 499 securities	10	1,338
500 – 999 securities	41	21,123
1,000 – 1,999 securities	8	9,337
2,000 – 2,999 securities	9	22,000
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	1	4,000
5,000 or more securities	72	52,143,703
Unable to confirm	0	0
Totals	141	52,201,501

Non-Public Security-holders (Registered)

The following table includes “non-public security holders”, being those related persons enumerated in section (B) of the issued capital chart.

<u>Size of Holding</u>	<u>Number of holders</u>	<u>Total number of Shares</u>
1 – 499 securities	0	-
500 – 999 securities	0	-
1,000 – 1,999 securities	0	-
2,000 – 2,999 securities	0	-
3,000 – 3,999 securities	0	-
4,000 – 4,999 securities	0	-
5,000 or more securities	3	9,003,001
Totals	3	9,003,001

14.2 Securities Convertible or Exchangeable into Shares

The following table details securities convertible or exchangeable into Shares.

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of Shares upon conversion / exercise
Finders' Warrants exercisable at \$ 0.10 with an expiry date of December 9, 2023	520,000	520,000
Warrants exercisable at \$0.10 with an expiry date of December 9, 2023	6,725,000	6,725,000
Warrants exercisable at \$0.10 with an expiry date of February 2, 2024	5,250,000	5,250,000
Totals	12,495,000	12,495,000

14.3 Listed securities reserved for issuance not included in item 14.2

There are no other Shares reserved for issuance that are not included in section 14.2.

15. EXECUTIVE COMPENSATION

For purposes hereof, "Named Executive Officer" or "NEO" means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as CEO, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as CFO, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

At the date of this Listing Statement the Company has two NEO's – Robert Eadie, President and CEO; and Gary Arca, CFO and Corporate Secretary.

A. Compensation and Discussion Analysis

The Company currently does not have a Compensation Committee. Executive compensation is considered by the members of the Board who review proposed compensation and determine if it is competitive with similar companies and whether it recognizes and rewards executive performance consistent with the success of the Company's business. These programs are intended to attract and retain capable and experienced people. It is the Company's philosophy to ensure that compensation goals and objectives, as applied to

actual compensation paid to the Company’s CEO and other executive officers, are aligned with the Company’s overall business objectives and with shareholder interests.

In addition to industry comparables, the Board considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Company and its shareholders, overall financial and operating performance of the Company and the assessment of each executive’s individual performance and contribution toward meeting corporate objectives.

B. Option-based awards

The Company currently has in place a 10% “rolling” stock option plan (the “Plan”) for the purpose of attracting and motivating directors, officers, employees and consultants of the Company and advancing the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Plan to purchase shares of the Company.

The Company’s Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Company takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the Plan, and closely align the interests of the executive officers with the interests of shareholders. For a description of the Plan, see Item 9 – *Options to Purchase Securities – Summary of Stock Option Plan*.

Under the Company’s Plan, the Company is authorized to grant stock options of up to 10% of its issued and outstanding shares, from time to time. As at the date hereof, there are no outstanding options under its Plan.

C. Summary Compensation Table

The compensation paid to the NEOs and directors during the Company’s most recently completed financial years ended of April 30, 2022 and 2021 is as set out below:

Table of compensation excluding compensation securities							
Name and position	Year Ended April 30	Salary, consulting fee, retainer or commission ⁽¹⁾ (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites	Value of all other compensation (\$)	Total compensation (\$)
Robert Eadie <i>President, CEO & Director</i>	2022	36,000	Nil	Nil	Nil	Nil	36,000
	2021	18,000	Nil	Nil	Nil	Nil	18,000
Gary Arca <i>CFO, Corporate Secretary & Director</i>	2022	15,000	Nil	Nil	Nil	Nil	15,000
	2021	7,500	Nil	Nil	Nil	Nil	7,500
Gina Pala <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil
Tanya Lutzke <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and position	Year Ended April 30	Salary, consulting fee, retainer or commission ⁽¹⁾ (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites	Value of all other compensation (\$)	Total compensation (\$)
Emiliano Vanni ⁽³⁾ <i>Former Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Includes the dollar value of cash and non-cash base salary earned during a financial year covered, including amounts paid and accrued as unpaid.
- (2) These amounts include all amounts set out in the table for each Named Executive Officers and directors.
- (3) Mr. Vanni resigned on March 18, 2022.

D. Stock options and other compensation securities

There are no share-based awards and option-based awards outstanding as at the date of this Listing Statement.

Exercise of Compensation Securities During the Year

There were no compensation securities exercised during the fiscal year ended April 30, 2022, or during the interim period to the date of this Listing Statement.

E. Pension Plan Benefits

The Company does not provide a defined plan or a defined contribution plan for any of its executive officers or employees, nor does it have a deferred compensation plan for any of its executive officers.

F. Termination of Employment, Change in Responsibilities and Employment Contracts

There is no written employment contract between the Company and any Named Executive Officer.

There are no compensatory plan(s) or arrangement(s), with respect to the Named Executive Officers pertaining to the resignation, retirement or any other termination of employment of an officer's employment or from a change of a NEO's responsibilities following a change in control.

G. Securities Authorized for Issuance under Equity Compensation Plans

The only equity compensation plan which the Company has in place is the Company's incentive stock option plan, the material terms of which are set forth above.

The following table sets out equity compensation plan information as at the date of this Listing Statement.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)⁽¹⁾
Equity compensation plans as approved by securityholders	Nil	N/A	5,220,150
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total			5,220,150

(1) Based on 52,201,500 shares outstanding.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No officer, director, employee or former officer, director or employee of the Company (i) has been indebted to the Company at any time during the most recently completed financial year or is currently indebted to the Company for any purpose, or (ii) is the subject of a guarantee, support agreement (including, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower), letter of credit or other similar arrangement or understanding.

The Company is indebted to Robert Eadie for approximately \$372,400 (€260,000) for advances made by him in 2021 to fund the ongoing operations of the Company's former subsidiary in Italy. The Company has issued a Promissory Note to Mr. Eadie regarding the loan, which is unsecured, non-interest bearing, and repayable on demand.

17. RISK FACTORS

An investment in the securities should be considered highly speculative due to the nature of the Company's proposed new business and the present stage of development. We have no history of earnings, have limited cash reserves, a limited history of operations involving cryptocurrencies, and no history of operations involving the distribution of spirits, have not paid dividends, and are unlikely to pay dividends in the immediate or near future. An investment in securities of the Company should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment and who are able to understand the unique nature and risks of the Company, cryptocurrencies and mining. Potential investors should consult with their professional advisors to assess an investment in the Company. In evaluating the Company and its business, investors should carefully consider, in addition to other information contained in this Listing Statement, the risk factors below. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with its operations.

Risks Related to our Business

Proposed Transactions Not Approved

The Exchange may exercise its discretion and require that completion of the Proposed Transaction is subject to Exchange approval. There can be no assurance that all necessary approvals will be obtained. If the Proposed Transactions are not completed, the Company will continue to search for other opportunities; however, it will have incurred significant costs associated with the Proposed Transactions.

The Exchange may refuse to accept the Proposed Transactions if the Company fails to meet the minimum listing requirements prescribed by the Exchange upon completion of the Proposed Transactions.

Failure to Realize Benefits of Transaction

The Company may not realize the anticipated benefits of the Proposed Transactions, or may not realize them in the time frame expected. The Company cannot provide assurance that it will be able to generate or sustain any cash flow generated by the Proposed Transactions. Difficulties encountered as a result of the Proposed Transactions may prove problematic to overcome such as, without limitation, the inability to obtain necessary import permits, inability to integrate or retain key personnel, the inability to retain business relationships with customers, and difficulties with adoption or implementation of new business plans, standards, controls, processes and systems within Sweet Poison.

Credit and Liquidity 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 is on its cash held in bank accounts. Although the majority of cash is deposited in bank accounts held with a major bank in Canada, there will be cross-border and international transactions with other banks. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company's secondary exposure to this risk is on its other receivables. The Company may on occasion extend a customer a 30 to 60 day payment term, which increases The Company's credit risk in the event of non-payment.

Liquidity risk is the risk that The Company will not be able to meet its financial obligations as they fall 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. the Company attempts to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

Future Capital Needs and Uncertainty of Additional Financing

The Company anticipates that its cash balance will be sufficient to meet its presently anticipated working capital and capital expenditure requirements. However, the Company may need to raise additional funds in order to support rapid expansion, development of new or enhanced services and products, respond to competitive pressures, acquire complementary businesses or technologies or take advantage of unanticipated opportunities. the Company may need or be required to raise additional funds through public or private financing, strategic relationships or other arrangements. There can be no assurance that such additional funding, if needed, will be available on terms attractive to the Company, or at all. Furthermore, any additional equity financing may be dilutive to shareholders and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Company will be reduced, the shareholders may experience additional dilution in net book value per share, control of the Company may change, or such equity securities may have rights, preferences or privileges senior to those of the holders of the Company's Shares. If adequate

funds are not available on acceptable terms, the Company may be unable to develop or enhance its business, take advantage of future opportunity or respond to competitive pressures, any of which could have a material adverse effect on the Company's business, financial condition and operating results.

Market Risk for Securities

There can be no assurance that an active trading market for the Issuer's Shares will be established and sustained. The market price for the Shares could be subject to wide fluctuations. Factors such as government regulation, cryptocurrency price fluctuations, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the Company's securities. The stock market has from time to time experienced extreme price and volume fluctuations, which have often been unrelated to the operating performance of particular companies.

Dividend Risk

The Company has not paid dividends in the past and does not anticipate paying dividends in the near future. The Company expects to retain earnings to finance further growth.

Risks Related to the Company's Proposed Transaction

No Operating History

The Company has no operating history in the distribution of alcoholic beverages, which can make it difficult for investors to evaluate the Company's operations and prospects and may increase the risks associated with investment in the Company.

Regulatory Risks

The business objectives and milestones of the Company are contingent upon, in part, compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the manufacture, distribution and sale of alcoholic spirits. The Company cannot predict the time required to secure all appropriate regulatory approvals for the Products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the distribution of Products, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

Furthermore, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the ability of the Company to sell and distribute the Products. Amendments to current laws and regulations governing the importation, distribution, transportation and/or production of alcohol products, or more stringent implementation thereof could have a substantial adverse impact on the Company.

Licensing Requirements

Licensing requirements for the distribution and sale of alcoholic products could subject the Company to stringent ongoing compliance and reporting requirements by governmental authorities. Failure to comply with the requirements of a license, should it receive one, or any failure to maintain such licence could have a material adverse impact on the business, financial condition and operating results of the Company. Furthermore, any licence the Company receives may have an expiry date. Upon expiration of such, the Company may be required to submit an application for renewal and any such renewal cannot be assured.

The Company may be required to demonstrate compliance with regulatory requirements, such as quality control standards, record-keeping of all activities as well as inventories of spirits, and physical security measures to protect against potential diversion to maintain its license. It may also be required to employ

qualified quality assurance personnel who ultimately approve the quality of the product prior to making it available for sale. This approval process may include testing (and validation of testing) for microbial and chemical contaminants to ensure that they are within established tolerance limits for human consumption.

Product Liability

As a distributor of alcoholic products designed to be ingested by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation. In addition, the sale of the Company's products would involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the distribution products could occur. The Company may be subject to various product liability claims, including, among others, that the distributed products caused injury or illness, include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Products.

Product Recalls

Distributors of consumable products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. If a Sweet Poison Product were subject to recall, the brand image and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Dependence on Sweet Poison

The Company's current distribution activities are entirely dependent on Sweet Poison's relationship with its manufacturers. Complications may arise in the commercial relationships between Sweet Poison and the manufacturers, which could materially affect the Company's ability to carry on its distribution business and would thereby have a significant effect on the results of operations and financial condition of the Company.

Management Experience and Dependence on Key Personnel, Employees and a third party provider

The Company's success is currently largely dependent on the performance of the Company's directors and officers. The members of the Company's management team do not have experience in the spirits distribution industry, but the Company will engage the skills and experience of Sweet Poison's management team in delivering the Products for distribution.

The Company will not be directly manufacturing the Products, and will have limited input into how manufacturing operations are conducted. As such, the Company may have limited access to data on such

operations. This may have a material adverse effect on the Company's profitability, results of operation and financial condition.

Uninsured or Uninsurable Risks

The Company intends to insure its operations in accordance with the industry practice. The Company may become subject to liability for hazards against which the Company cannot insure or against which the Company may elect not to insure because of high premium costs or for other reasons. The payment of any such liabilities would reduce or eliminate the funds available for operations. Payments of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position.

Property and Inventory Loss

Sweet Poison relies on the use of warehouses and other facilities, and their operations can be susceptible to damage and loss from fire and smoke, water, catastrophes and severe weather. If the majority of inventory is stored at a single location and that location experiences a loss, the ability to conduct business could be disrupted. There is no assurance that their business can recover in the event of such a loss of property.

General Business Risks

COVID 19 Pandemic

The precise impacts of the global Coronavirus disease (COVID-19) on the Company are currently unknown. Rules in all jurisdictions are changing and the Company will need to evaluate and evolve with measures as they are announced. Government restrictions on the movement of people and goods may cause operations to slow or cease. This may cause the Company to enact force majeure under one or more of its agreements. Such disruptions in work may cause the Company to miss actual or self-imposed deadlines, push out earlier forecasts, and increase fiscal losses. In addition, the outbreak of COVID-19 has caused considerable disruption to the world economy and financial markets which could have a materially adverse impact on the ability of the Company to raise additional funding in the future and could negatively impact, among other factors, the Company's share price.

Military and Geopolitical Matters

Recent military conflicts in eastern Europe, and geopolitical tensions in other parts of the world, may escalate and cause unknown adverse consequences on world economics, stock markets and cryptocurrencies. These changes could be severe, and have significant adverse consequences on the Company's proposed new business.

Taxes

Alcoholic beverages are subject to substantial taxes. Significant increases in alcohol related taxes have been proposed or enacted and are likely to continue to be proposed or enacted in numerous jurisdictions. These tax increases may disproportionately affect profitability and make the Company less competitive versus certain competitors.

Tax regimes, including excise taxes, sales taxes and import duties, can disproportionately affect the retail price of spirits, or disproportionately affect the relative retail price of Sweet Poison's Products versus spirits manufactured by certain competitors.

Increases in alcohol taxes are expected to continue to have an adverse impact on the sales of spirits, due to resulting lower consumption levels, a shift in sales from manufactured spirits and from the premium price

to the mid-price or low-price spirits categories, from local sales to legal cross-border purchases of lower price products, or to illicit products such as contraband and counterfeit.

Foreign Operations and Risks Associated with Foreign Operations

The Company intends to distribute Sweet Poison's Products to mainly international clients. Operations in a number of countries may subject the Company to a number of risks associated with international business activities and it may not be aware of all the factors that may affect its business in foreign jurisdictions.

The Company's ability to capitalize on growth in new markets and to then maintain its level of operations in such markets is subject to certain risks associated with operating in various international locations. The Company's business and operations may be adversely affected by factors which are not within its control, including changes in foreign government laws, policies or regulations, social instability, economic sanctions, risk of terrorist activities, revolution, border disputes, implementation of tariffs and other trade barriers and protectionist practices, volatility of financial markets, labour disputes and other risks arising out of foreign governmental sovereignty over the areas in which its business is conducted. The Company's operations may also be adversely affected by laws and policies of such foreign jurisdictions affecting foreign trade, taxation and investment.

In addition, the Company may not be aware of all the factors that may affect its business in foreign jurisdictions. International operations carry certain risks and associated costs, such as: the complexity and expense of having certain business operations abroad; complications in compliance with foreign laws and unexpected changes in legal and regulatory restrictions or requirements; international import and export legislation; trading and investment policies; foreign currency fluctuations; exchange controls; tariffs and other trade barriers; difficulties in collecting accounts receivable; potential adverse sales and use tax and income tax consequences; uncertainties of laws and enforcement relating to intellectual property and privacy rights; unauthorized copying of software; and other factors depending upon the country involved.

If the Company's operations are disrupted and/or the economic integrity of its contracts is threatened for unexpected reasons, its business may be harmed. Changes in regulatory, geopolitical, social or economic policies and other factors may have a material adverse effect on its business in the future, or may require the Company to exit a particular market or significantly modify its current business practices. The Company's activities in foreign jurisdictions could be substantially affected by factors beyond its control, any of which could have a material adverse effect on its business, operating results and financial condition. The Company believes that its management is sufficiently experienced to reduce these risks.

18. PROMOTERS

Robert Eadie may be considered to be a Promoter of the Company, as he was primarily responsible for originally forming, organizing and financing the Company, for developing its former hemp growing business, for completing the Company's initial public offering and listing on the CSE, for locating the new business opportunity to mine for Siacoins and to expand the business to distribution of alcoholic products. Information about Mr. Eadie is disclosed elsewhere in this Listing Statement in connection with his role as an officer and director of the Company. See "Directors and Officers" and "Executive Compensation" for details.

Mr. Eadie is the President and CEO of the Company, and holds an aggregate of 6,840,501 Shares.

Mr. Eadie will be entitled to receive management fees, and stock options under the Company's Plan. See "*Options and Other Rights to Purchase Securities*"; "*Directors and Executive Officers – Management of*

the Company; Cease Trade Orders, Bankruptcies, Penalties or Sanctions”; and *“Interest of Management and Others in Material Transactions”* for disclosure regarding the Promoter.

19. LEGAL PROCEEDINGS

19.1 – 19.2 Material Legal Proceedings and Regulatory Actions

As of the date of this Listing Statement, the Company is not a party to any legal proceedings or any regulatory actions. No legal proceedings are contemplated by the Company, and the Company is not aware of any material legal proceedings or regulatory actions being contemplated against it or any of its assets.

The Company has not been subject to any penalties or sanctions imposed against it by a court relating to provincial and territorial securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Listing Statement.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

For purposes of this Listing Statement, “informed person” means:

- (a) any director or executive officer of the Company;
- (b) a person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Company’s outstanding Shares; and
- (c) any associate or affiliate of any of the foregoing persons.

Other than (i) the sale of HFH Italy to a former director as disclosed herein, and (ii) the loans by Robert Eadie to HFH Italy, and (iii) Shares issued for outstanding debts to Robert Eadie and Gary Arca, both directors of the Company (see Item 2.4 – *Debt Settlement*), no informed person has had any material interest, direct or indirect, in any material transaction with the Company since its incorporation that has materially affected or is reasonably expected to materially affect the Company.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditor

The Company’s auditor is Kingston Ross Pasnak LLP, Chartered Professional Accountants, of Suite 1500, 9888 Jasper Avenue NW, Edmonton, Alberta T5J 5C6.

Transfer Agent and Registrar

The Company’s register and transfer agent is TSX Trust Company, with offices at 2700 – 650 W. Georgia Street, Vancouver, British Columbia.

22. MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company, currently in effect:

1. Distribution Agreement dated November 3, 2022 between the Company and Sweet Poison.

2. Option Agreement dated November 3, 2022 between the Company and the shareholders of Sweet Poison.
3. Asset Purchase Agreement between Enigma and the Company, dated March 18, 2022 pertaining to the Acquisition of the Rigs. (See Item 4 – *Narrative Description of the Business*).
4. Operating Agreement between Enigma and the Company, dated March 18, 2022 pertaining to the Hosting of the Rigs. (See Item 4 – *Narrative Description of the Business*).

Copies of all material contracts may be inspected at our registered office at suite 750 – 580 Hornby Street, Vancouver, BC, during normal business hours. The material contracts are also available on SEDAR.

23. INTEREST OF EXPERTS

The only persons who are named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described or included in this Listing Statement are the Company’s auditors, Davidson & Company LLP for the financial years ended April 30, 2022 and 2021.

No direct or indirect interest in any asset of the Company or of a Related Person of the Company has been received or is to be received by a person or company whose profession or business gives authority to a statement made by the person or company and who is named as having prepared or certified a part of this Listing Statement or prepared or certified a report or valuation described or included in this Listing Statement.

24. OTHER MATERIAL FACTS

There are no other material facts that are not disclosed under the preceding items and that are necessary in order for this Listing Statement to contain full, true and plain disclosure of all material facts relating to the Company and its securities.

25. FINANCIAL STATEMENTS

Attached hereto are the following financial statements of the Company:

- (i) audited financial statements for the fiscal years ended April 30, 2022 and 2021 – Schedule “C”;
- (ii) unaudited financial statements for the nine months ended January 31, 2023 - Schedule “A”.

Additional historical financial statements for the Company can be found under the Company’s profile on SEDAR.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, **Yellow Stem Tech Inc.** (the “Company”) hereby applies for the listing of its common shares on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to the Company. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, B.C., this 27th day of March, 2023.

"Robert Eadie"
Robert Eadie, CEO

"Gary Arca"
Gary Arca, CFO

"Gina Pala"
Gina Pala, Director

"Tanya Lutzke"
Tanya Lutzke, Director

"Robert Eadie"
Robert Eadie, Promoter

Schedule “A”

**Interim Financial Statements of the Company
for the nine months ended January 31, 2023**

Yellow Stem Tech Inc.

Condensed Interim Consolidated Financial Statements

For the nine months ended January 31, 2023

YELLOW STEM TECH INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE LOSS
(Stated in Canadian Dollars)

	For the three months ended		For the nine months ended	
	January 31,		January 31,	
	2023	2022	2023	2022
Expenses:				
Audit and accounting fees (note 11)	\$ 7,556	\$ (2,527)	\$ 36,998	\$ 10,687
Foreign exchange loss (gain)	33	(3,470)	1,127	(3,371)
Legal and corporate services	13,355	13,303	47,471	17,219
Management and consulting fees (note 11)	16,500	1,500	49,500	34,500
Office, rent and administration (note 11)	7,431	8,271	24,910	31,512
Research and development (note 3)	-	106,744	-	417,478
Shareholder communication and marketing	5,052	1,556	26,221	5,942
Transfer agent and filing fees	2,500	7,806	26,085	14,575
Travel and accommodations	173	13,262	40,472	13,262
Total expenses	52,600	146,445	252,784	541,804
Other items:				
Amounts payable forgiven (note 11)	-	83,855	-	83,855
Write down of data centre equipment (note 3)	(422,862)	-	(422,862)	-
Total loss and comprehensive loss for the period	\$ (475,462)	\$ (62,590)	\$ (675,646)	\$ (457,949)
Basic and diluted loss per share for the period	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.02)
Weighted average shares outstanding – basic and diluted - Note 8	46,701,501	29,163,496	46,121,501	27,733,433

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements

YELLOW STEM TECH INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)

For the nine months ended January 31,	2023	2022
Cash provided by (used in):		
Operating activities		
Loss for the period	\$ (675,646)	\$ (457,949)
Items not involving cash:		
Amortization	1,382	1,383
Trade and other payables forgiven	-	83,855
Trade payable settled by share issuances (note 6)	-	70,925
Write down of data centre equipment (note 3)	422,862	-
Cash spent in operating activities before working capital changes	(251,402)	(301,786)
Change in non-cash working capital items		
Amounts receivable	(11,843)	(582)
Prepaid expenses and advances	4,350	-
Trade and other payables	30,133	(105,838)
Cash outflow for operating activities	(228,762)	(408,206)
Financing activities		
Advances payable	-	-
Share issuances	-	672,500
Share subscriptions	-	115,000
Share issue costs	-	(52,000)
Advances, net of repayments	-	421,920
Cash inflow for financing activities	-	1,157,420
Total increase / (decrease) in cash	(228,762)	749,214
Cash, beginning of period	270,100	12,348
Cash, end of period	\$ 41,338	\$ 761,562

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements

YELLOW STEM TECH INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Stated in Canadian Dollars)

	Number of Shares Outstanding	Share Capital	Reserves	Accumulated Deficit	Total Equity (Deficiency)
Balance – April 30, 2021	12,081,001	\$ 3,324,180	\$ 83,660	\$ (3,870,490)	\$ (462,650)
Loss for the period	-	-	-	(395,359)	(395,359)
Balance – October 31, 2021	12,081,001	3,324,180	83,660	(4,265,849)	(858,009)
Debt settlement	8,002,500	400,125	-	-	400,125
Private placement	23,950,000	1,187,500	-	-	1,187,500
Share issuance costs	-	(59,200)	7,200	-	(52,000)
Loss for the period	-	-	-	(193,311)	(193,311)
Balance – April 30, 2022	44,033,501	4,852,605	90,860	(4,459,160)	484,305
Enigma share issuance (note 6)	2,668,000	80,040	-	-	80,040
Loss for the period	-	-	-	(675,646)	(675,646)
Balance – January 31, 2023	46,701,501	\$ 4,932,645	\$ 90,860	\$ (5,134,806)	\$ (111,301)

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

YELLOW STEM TECH INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the nine months ended January 31, 2023 and 2022
(Stated in Canadian Dollars)

Note 1 **Corporate Information**

Yellow Stem Tech Inc. (the “Company”) was incorporated as Hemp for Health Inc. on October 1, 2018 under the *Business Corporations Act* of British Columbia and is listed on the Canadian Securities Exchange (the “CSE”) under the trading symbol “YY”. Until recently, the Company was in the business of growing, processing, packaging and selling hemp-based products in Europe through a wholly-owned Italian subsidiary, Hemp For Health H4H s.r.l. (“H4Hsrl”). The Company sold H4Hsrl, and effectively the hemp operations, for nominal value in March, 2022 (see Note 5).

Change of Business (“COB”)

During the period ending January 31, 2023, the Company completed the COB and changed its name to “Yellow Stem Tech Inc”. The Company entered into a binding letter of agreement to engage a third party to host cryptocurrency mining activities on behalf of the Company.

Pursuant to an asset purchase agreement and an operating agreement, both dated March 18, 2022, the Company engaged Enigma Data Technologies LLC, a Delaware based company (“Enigma”) to initially source and acquire 150 Siacoin mining rigs for the aggregate purchase price of \$672,893 (US\$525,000) (paid). The Company has engaged Enigma to set-up, host and operate the cryptocurrency mining activities in exchange for 2,668,000 shares of the Company, valued at fair value on date of issue of \$0.03 per share, or \$80,040, which has been recorded as a prepaid to be expensed once the mining rigs have been placed in operation. The Company will be responsible for ongoing operating costs, to be at an all-in cost of US\$0.055 per kilowatt hour per mining rig.

The above transactions resulted in a COB for the Company and required CSE and shareholder approval which was completed on June 17, 2022. In conjunction with the COB, the Company changed its name to “Yellow Stem Tech Inc” and on June 20, 2022, the Company’s common shares commenced trading on the CSE under the trading symbol “YY”.

The registered address and the Company’s corporate office and principal place of business is 750 – 580 Hornby Street, Vancouver, British Columbia, Canada.

On December 2, 2021, the Company’s outstanding common shares were consolidated on the basis of two existing shares for one new share. All share, per share, and warrant amounts have been retroactively restated.

Note 2 **Basis of Preparation and Going Concern**

a) **Statement of Compliance**

These unaudited condensed interim consolidated financial statements for the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

YELLOW STEM TECH INC.

Notes to the Condensed Interim Consolidated Financial Statements

January 31, 2023

(Stated in Canadian Dollars) - Page 2

Note 2 Basis of Preparation and Going Concern – (cont'd)

a) Statement of Compliance – (cont'd)

These unaudited condensed interim consolidated financial statements, for the nine month period ended January 31, 2023, have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting, and do not include all the information required for full annual financial statement. For summary of significant accounting policies, see note 3 of the Company’s April 30, 2022 audited annual financial statements.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s April 30, 2022 audited annual financial statements.

The financial statements were authorized for issue by the Board of Directors on March 22, 2023.

b) Basis of Measurement and Going Concern

The unaudited condensed consolidated financial statements have been prepared on a historical cost basis, except for cashflow information. The preparation of unaudited condensed consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 of the Company’s April 30, 2022 audited annual financial statements.

The Company has not generated revenue from operations and incurred a loss of \$675,646 during the period ended January 31, 2023. While the Company has been successful in obtaining the necessary financing through the issuance of common shares in the past, there is no assurance it will be able to raise funds in this manner in the future. As at January 31, 2023, the Company had \$41,338 in cash, a working capital deficiency of \$364,559 and no long-term debt.

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. These financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in the accompanying consolidated financial statements.

YELLOW STEM TECH INC.

Notes to the Condensed Interim Consolidated Financial Statements

January 31, 2023

(Stated in Canadian Dollars) - Page 3

Note 2 Basis of Preparation and Going Concern – (cont'd)

c) Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiary, which is controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from the entity's activities. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposal or loss of control.

The Company's wholly-owned subsidiary, H4Hsrl, carried out its operations in Italy during the year ended April 30, 2022, before it was sold in March 2022. All intra-group transactions, balances, income and expenses were eliminated, in full, on consolidation. All expenses are included in the related expense categories, including office and administration.

The condensed interim consolidated financial statements are presented in Canadian dollars ("CDN"), which is the functional currency of the Company and its subsidiary.

Note 3 Summary of Additional Accounting Policies and Critical Accounting Estimates and Judgements

In addition to the summary of significant accounting policies (see note 3 of the Company's April 30, 2022 audited annual financial statements) the following accounting policies have been incorporated by the Company in the current period:

Data Centre Equipment

Items of data centre equipment are recorded at cost less accumulated depreciation. Cost includes all expenditures incurred to bring assets to the location and condition necessary for them to be operated in the manner intended by management. Data centre equipment is amortized on a straight-line basis over a one year life.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any replaced parts is derecognized. All other repairs and maintenance are charged to profit or loss during the fiscal period in which they are incurred.

As at January 31, 2023, none of the Company's Siacoin mining rigs (see Note 1) had been placed into operations and, as such, have not been amortized. Once operations have begun, the rigs will be amortized accordingly.

Impairment tests on non-financial assets are subject to impairment tests at the end of each reporting period and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs of disposal, the asset is written down accordingly.

YELLOW STEM TECH INC.

Notes to the Condensed Interim Consolidated Financial Statements

January 31, 2023

(Stated in Canadian Dollars) - Page 4

Note 3 Summary of Additional Accounting Policies and Critical Accounting Estimates and Judgements – (cont'd)

Data Centre Equipment – (cont'd)

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit. The Company has determined that an impairment on its data centre equipment was required during the current period due to the decrease in the fair market value of identical equipment, not yet put into service, as a result of the significant reduction in the applicable cryptocurrencies over the past two quarters. An impairment loss of \$422,862 (US\$337,500) was therefore charged to profit or loss for the period ended January 31, 2023, bringing the value of the mining rigs to \$250,031 (US\$187,500).

Carrying Value of Data Centre Equipment

The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as the relationship between mining rewards and the required computing power, digital currency prices, the periodic contribution margin of digital currency mining activities, changes in underlying costs, such as electricity, and technological changes. When required, the determination of fair value and value in use requires management to make estimates and assumptions about digital currency prices, required computing power, technological changes and operating costs, such as electricity. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances some or all of the carrying value of the assets may be impaired or the impairment charge reduced with the impact recorded in profit or loss.

Note 4 Sweet Poison Spirits

In December, 2022, the Company entered into a Product Distribution Agreement (the "Distribution Agreement") with Sweet Poison Spirits S de RL de CV, a Mexican company headquartered in Guadalajara, Mexico, and Sweet Poison Spirits LLC, a California limited liability corporation headquartered in San Diego, California (collectively, "Sweet Poison"). The Distribution Agreement grants the Company the worldwide distribution rights to Sweet Poison's premium Tequila and Mezcal products under the "Sweet Poison" brand names for an initial period of ten years, renewable for a further ten years and beyond.

In consideration of the rights and licences granted by Sweet Poison, the Company will issue to the shareholders of Sweet Poison 5,000,000 common shares (the "Shares") at a deemed price of US\$0.20 per share, subject to resale restrictions as follows:

- (i) 25% of the Shares will become free-trading four months following the date of issuance ("Closing");
- (ii) 25% of the Shares will become free-trading 12 months following Closing;
- (iii) 25% of the Shares will become free-trading 18 months following Closing; and
- (iv) the remaining 25% of the Shares will become free-trading 24 months following Closing.

YELLOW STEM TECH INC.

Notes to the Condensed Interim Consolidated Financial Statements

January 31, 2023

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Note 4 **Sweet Poison Spirits – (cont'd)**

Concurrent with the Distribution Agreement, the Company also entered into an agreement (the “Option Agreement”) with the shareholders of Sweet Poison, whereby the Company was granted the option to acquire all of the shares of Sweet Poison subject to the Company

fulfilling its obligations under the Distribution Agreement. The terms of the Option Agreement include:

- (i) The option price is US\$1,000,000, exercisable by the Company at any time after 24 months from the date of the Option Agreement and prior to 36 months;
- (ii) The option price will be payable as to US\$400,000 in cash and US\$600,000 in common shares of the Company (based on a share price of \$0.20 per share for the first tranche, and the following tranches at the volume weighted average price per share for the 10 trading days prior to issue) in three equal tranches over 18 months from exercise of the option.

Subject to regulatory policies, the Company will pay Finder’s Fees of 10% on each of the Sweet Poison transactions, such Finder’s Fees payable in the form of shares at a deemed price of US\$0.20 per share.

Closing under the Distribution Agreement is subject to any necessary regulatory approvals, including the approval of the shareholders.

Note 5 **Italian Hemp Operations**

The Company sold H4Hsrl and all Italian hemp operations in March, 2022 for a nominal value to dispose of all Italian assets and liabilities, the right to recover Italian VAT taxes and any outstanding Italian liabilities, and is currently in the process of transferring ownership.

Payments to farmers are fully expensed to research and development as the Company was testing plant strains and has had no significant revenue. During the year ended April 30, 2022, research and development costs were \$420,175 (including VAT taxes due to uncertainty of recovery), with respect to planting in 2022, including seedling costs crop costs from the farmers. Any revenue realized were credited against the research and development costs as realized.

Note 6 **Advances Payable**

During the year ending April 30, 2022, the CEO and director of the Company advanced 260,000 Euros (\$373,520) to the Company’s Italian subsidiary, H4Hsrl, on behalf of the Company to pay certain crop costs and administrative expenses of H4Hsrl. These advances are non-interest bearing and are due on demand.

YELLOW STEM TECH INC.

Notes to the Condensed Interim Consolidated Financial Statements

January 31, 2023

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Note 7 Share Capital and Reserves

a) Common share issuances

The Company is authorized to issue an unlimited number of no par value common shares, issuable in series. The holders of common shares are entitled to one vote per share at meetings of the Company and to receive dividends, which may be declared from time-to-time. To date, equity financings have provided the main source of financing. No dividends have been declared by the Company since its inception. All shares are ranked equally with regard to the Company's residual net assets.

Enigma

The Company has engaged Enigma of the mining rigs to set-up, host and operate the cryptocurrency mining activities in exchange for 2,668,000 shares of the Company. The shares were valued at \$0.03, or \$80,040, the fair market value on June 29, 2022, the date of issue (see note 1).

Consolidation

On December 2, 2021, the Company's outstanding common shares were consolidated on the basis of two existing shares for one new share (the "Consolidation"). All share, per share, and warrant amounts have been retroactively restated.

Financings

The Company completed a financing in two tranches to raise a total of \$1,197,500 in gross proceeds as follows:

- On December 9, 2021, the Company closed Tranche 1 of its non-brokered private placement, raising \$672,500 in gross proceeds through the issuance of 13,450,000 units at a price of \$0.05 per unit. Each unit consists of one share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one common share of the Company at a price of \$0.10 per share for a period of 2 years, provided that in the event the closing price of the Company's shares is equal to or greater than \$0.20 per share for 30 consecutive trading days at any time following four months after the date of closing, the Company may, by notice to the warrant holders, reduce the remaining exercise period of the warrants to not less than 30 days following the date of such notice.
- Aggregate compensation of \$52,000 and 520,000 finders' warrants (having the same general terms as the warrants forming part of the units) was paid by the Company as finders' fees, valued at \$7,200 using the Black Scholes method. Assumptions used in the model were a stock price and exercise price of \$0.10, no dividend, a 2 year expected life, a 100% volatility and a risk free rate of 0.95%
- On February 2, 2022, the Company closed the final tranche of its non-brokered private placement, with the final tranche raising \$525,000 through the issuance of 10,500,000 units at a price of \$0.05 per unit. Each unit has the same terms as Tranche 1 above. No finders' fees were payable in this final tranche.

YELLOW STEM TECH INC.

Notes to the Condensed Interim Consolidated Financial Statements

January 31, 2023

(Stated in Canadian Dollars) - Page 7

Note 7 Share Capital and Reserves – (cont'd)a) Common share issuances – (cont'd)Debt Settlement

During the year ended April 30, 2022, the Company issued 8,002,500 post-consolidated shares in full settlement of outstanding debt in the aggregate amount of \$400,125, representing \$59,625 in fees and \$340,500 in advances owing. Included in this were 1,452,500 shares issued to officers and directors for outstanding fees and advances of \$72,625.

b) Warrants

A summary of the Company's outstanding share purchase warrants at January 31, 2023, April 30, 2022 and April 30, 2021 is as follows:

	Number of warrants	Weighted average exercise price
Balance, April 30, 2021	4,381,900	\$ 0.60
Warrants expired	(4,079,400)	0.60
Warrants granted	12,495,000	0.10
Balance, April 30, 2022	12,797,500	0.11
Warrants expired	(302,500)	0.60
Balance, January 31, 2023	12,495,000	\$ 0.10

A summary of the Company's outstanding share purchase warrants is presented below:

Number of Warrants	Exercise Price	Expiry Date
7,245,000	\$0.10	December 9, 2023
5,250,000	\$0.10	February 2, 2024
12,495,000	\$0.10	

During the period ending January 31, 2023, 302,500 warrants exercisable at \$0.60 per share expired unexercised.

c) Share-Based Payments

The Company's Board has adopted a Stock Option Plan available to eligible directors, officers, employees and consultants to acquire up to 10% of common shares then outstanding (the "Plan"). Under the Plan, options may be granted by the Board at an option price in accordance with regulatory policy for a maximum term of 10 years. No amounts are paid or payable by the recipient on receipt and the options are not dependent on any performance-based criteria. Share purchase options will vest at the discretion of the Company and in accordance with regulatory policy. No share purchase options have been granted in prior periods and none were granted during the period ended January 31, 2023.

YELLOW STEM TECH INC.

Notes to the Condensed Interim Consolidated Financial Statements

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(Stated in Canadian Dollars) - Page 8

Note 8 **Loss Per Share**

The denominator for the calculation of loss per share, being the weighted average number of common shares for the period ended January 31, 2023 and 2022 is as follows:

For the period ending January 31,	2023	2022
Issued and outstanding, beginning of the period	44,033,501	24,162,001
Weighted average shares issued during the period	2,088,000	3,571,432
Basic and diluted weighted average number of shares	46,121,501	27,733,433

Note 9 **Capital Management**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in equity as capital. 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. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

Note 10 **Financial Instruments**

As at January 31, 2023, the Company's financial instruments consist of cash, amounts receivable, advances payable, and trade and other payables. The fair value of the Company's amounts receivable, advances payable, and trade and other payables approximate their carrying value, which is the amount on the statements of financial position, due to their short-term maturities or ability of prompt liquidation. The Company's cash is carried at FVTPL, where fair value is calculated in accordance with level 1 of the fair value hierarchy.

a) **Currency Risk**

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At January 31, 2023, US dollar amounts were converted at a rate of \$1.335 Canadian dollars to \$1 US. A 10% increase or decrease in the US dollar exchange may increase or decrease loss for the period by approximately \$19.

b) **Interest Rate Risk**

The Company's cash earns interest at a variable interest rate. Because of the nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of January 31, 2023. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Interest rate risk consists of two components, i) to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the

YELLOW STEM TECH INC.

Notes to the Condensed Interim Consolidated Financial Statements

January 31, 2023

(Stated in Canadian Dollars) - Page 9

Note 10 Financial Instruments – (cont'd)b) Interest Rate Risk – (cont'd)

Company is exposed to interest rate cash flow risk; and ii) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's exposure to interest rate fluctuations is minimal.

c) 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 is exposed to credit risk with respect to its cash, the balance of which at January 31, 2023 is \$41,338 (April 30, 2022 – \$270,100). As at that date, cash was held at a chartered Canadian financial institution and the Company does not consider the risks to be significant.

Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. Additional cash requirements could be met with the issuance of additional share capital; however, there is no assurance the Company will be able to raise funds in this manner in the future. As at January 31, 2023, the Company was holding cash of \$41,338 (April 30, 2022 – \$270,100).

Note 11 Related Party Transactions

The following is a summary of charges incurred by the Company with related parties for the period ended January 31, 2023 and 2022:

Period ended January 31,	2023	2022
Audit and accounting	\$ 4,500	\$ -
Management fees	49,500	27,500
Office and administration	20,250	-
Total	\$ 74,250	\$ 27,500

During the nine months ended January 31, 2023, the Company incurred fees and operational expenses totalling \$74,250 (January 31, 2022: \$27,500) from companies controlled by an officer and director of the Company and by another officer and director. As of January 31, 2023, the Company had amounts payable to officers and directors, and companies with directors in common of \$61,875 (April 30, 2022: \$8,363).

During the year ended April 30, 2022, \$83,855 in amounts payable for fees, expenses and advances were forgiven as debts to the Company. Included in these amounts was \$64,629 of amounts owing to officers and directors and companies controlled by officers and directors which included amounts payable for fees and advances.

Schedule “B”

**Management Discussion and Analysis
for the nine months ended January 31, 2023**

Form 51-102-F1

YELLOW STEM TECH INC.

MANAGEMENT DISCUSSION & ANALYSIS For the period ended January 31, 2023

Directors and Officers as at March 22, 2023

Directors:

Robert Eadie
Gary Arca
Gina Pala
Tanya Lutzke

Officers:

President & CEO – Robert Eadie
CFO & Corporate Secretary – Gary Arca

Contact Name: Robert Eadie

Contact e-mail: robert.e@ystem.ca

YELLOW STEM TECH INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the period ended January 31, 2023

1.1 Date of This Report

This Management's Discussion & Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated financial statements of Yellow Stem Tech Inc. (the "Company") for the period ended January 31, 2023. All dollar amounts herein are expressed in Canadian Dollars unless stated otherwise.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board of Directors' Audit Committee meets with management quarterly to review the financial statements and the MD&A and to discuss other financial, operating and internal control matters. The reader is encouraged to review the Company's statutory filings on www.sedar.com

This MD&A is prepared as of March 22, 2023.

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

1.2 Overall Performance

Description of Business

Until recently, the Company was in the business of growing, processing, packaging and selling cannabidiol and related hemp based products in Italy through its wholly owned Italian subsidiary, Hemp For Health H4H S.R.L. ("H4H srl"). See **Section 1.5 -Results of Operations for disclosure of a "Hemp for Health Completes COB and Name Change to Yellow Stem Tech Inc."**, whereby the Company changed its business to mining for cryptocurrencies from growing and processing hemp into CBD products.

Recent Events

Product Distribution Agreement with Sweet Poison Spirits

The Company has entered into a Product Distribution Agreement (the Distribution Agreement”) with Sweet Poison Spirits S de RL de CV, a Mexican company headquartered in Guadalajara, Mexico, and Sweet Poison Spirits LLC, a California limited liability corporation headquartered in San Diego, California (collectively, “Sweet Poison”). The Distribution Agreement grants the Company the worldwide distribution rights to Sweet Poison’s premium Tequila and Mezcal products under the “Sweet Poison” brand names for an initial period of ten years, renewable for a further ten years and beyond.

In consideration of the rights and licences granted by Sweet Poison, the Company will issue and deliver an aggregate of 5,000,000 common shares (the “Shares”) at a deemed price of US\$0.20 per share, subject to resale restrictions as follows:

- (i) 25% of the Shares will become free-trading four months following the date of issuance (“Closing”);
- (ii) an additional 25% of the Shares will become free-trading 12 months following Closing;
- (iii) an additional 25% of the Shares will become free-trading 18 months following Closing; and
- (iv) the remaining 25% of the Shares will become free-trading 24 months following Closing.

The Distribution Agreement also provides for the Company to engage two principals of Sweet Poison as consultants on terms to be negotiated, and for Sweet Poison to have board representation with two directors being appointed to the Board of Directors.

Concurrent with the Distribution Agreement, the Company also entered into an agreement (the “Option Agreement”) with the shareholders of Sweet Poison, whereby the Company was granted the option to acquire all of the shares of Sweet Poison subject to the Company fulfilling its obligations under the Distribution Agreement. The terms of the Option Agreement include:

- (i) The option price is US\$1,000,000, exercisable by the Company at any time after 24 months from the date of the Option Agreement and prior to 36 months;
- (ii) The option price will be payable as to US\$400,000 in cash and US\$600,000 in common shares of the Company (based on a share price of \$0.20 per share for the first tranche, and the following tranches at the volume weighted average price per share for the 10 trading days prior to issue) in three equal tranches over 18 months from exercise of the option.

Subject to regulatory policies, the Company will pay Finder’s Fees of 10% on each of the Sweet Poison transactions, such Finder’s Fees payable in the form of Yellow Stem shares at a deemed price of US\$0.20 per share.

Closing under the Distribution Agreement is subject to any necessary regulatory approvals, including the approval of the shareholders.

About Sweet Poison Spirits:

Sweet Poison Spirits are creators and distributors of premium quality spirits. The company is committed to respecting traditional and ancestral processes, sustainability and the environment. For more on Sweet Poison, visit www.sweetpoisonspirits.com .

1.3 Selected Annual Information

The highlights of financial data for the Company's three most recently completed year-ends, which are calculated in accordance with International Financial Reporting Standards ("IFRS"), are as follows:

	April 30, 2022	April 30, 2021	April 30, 2020
	\$	\$	\$
(a) Total revenues	-	-	Nil
(b) Total expenses	(672,525)	(1,116,445)	(2,136,754)
(c) Net loss	(588,670)	(1,508,166)	(2,125,740)
(d) Loss per share—basic and diluted	(0.03)	(0.12)	(0.20)
(e) Total assets	953,966	31,373	1,143,223
(f) Total long-term liabilities	Nil	Nil	Nil
(g) Cash dividends declared per share	Nil	Nil	Nil

1.4 Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the January 31, 2023 unaudited condensed consolidated financial statements of the Company and notes attached thereto.

Sale of Italian Operations

The Company sold H4Hsr1 and all Italian hemp operations in March 2022 for a nominal value to dispose of all Italian assets and liabilities, including the remaining inventory, the right to recover Italian VAT taxes and any outstanding Italian liabilities and is currently in the process of transferring ownership.

Change of Business to Yellow Stem Tech Inc.

Yellow Stem Tech Inc. (formerly Hemp for Health Inc.) closed the transactions comprising its change of business ("COB"), from growing and processing hemp to mining for cryptocurrencies.

The Company's COB involved acquiring 150 Siacoin mining rigs for the aggregate purchase price of US\$525,000 and engaging Enigma Data Technologies LLC, a Delaware based company ("Enigma") to set-up, host and operate the cryptocurrency mining activities, in exchange for which Enigma received 2,668,000 shares of the Company. The shares were valued at \$0.03, or \$80,040, the fair market value on June 29, 2022, the date of issue. The Company will be responsible for ongoing operating costs, to be at an all-in cost of US\$0.055 per kilowatt hour per mining rig. The Company may add additional mining rigs from time to time. The shares of the Company received by Enigma will be subject to a hold period of four months and one day. Currently, the mining rigs have not been placed into operations due to the low cryptocurrency market pricing which exists thereby making the operations marginal at this time.

The above transactions resulted in a change of business for the Company and required CSE and shareholder approval. The Company received approval from shareholders holding over 59% of the Company's outstanding shares, by way of consent resolution.

The Company's common shares commenced trading under its new name, Yellow Stem Tech Inc., on the CSE, with trading symbol "YY", effective at the opening on June 20, 2022.

There is no consolidation or change in the share capital of the Company. Shareholders are not required to exchange their existing share certificates for new certificates bearing the new Company name, and Company shares held electronically in Direct Registration System will be booked automatically.

Product Distribution Agreement with Sweet Poison Spirits

See *Section 1.2 – Recent Events – Product Distribution Agreement with Sweet Poison Spirits*, for transaction to acquire the distribution rights and option to acquire Sweet Poison.

Environmental Protection

The operation of our business has no extraordinary environmental protection requirements. As a result, the Company does not anticipate that any environmental regulations or controls will materially affect the business.

1.5 Results of Operations

The loss and comprehensive loss for the nine month period ended January 31, 2023, is \$675,646 and for the comparative period ended January 31, 2022, there was a loss and comprehensive loss of \$457,949:

<i>For the nine month period ended January 31,</i>	<i>2023</i>	<i>2022</i>	<i>Variance</i>
Expenses			
Audit and accounting	\$ 36,998	\$ 10,687	26,311
Foreign exchange loss	1,127	(3,371)	4,498
Legal and corporate services	47,471	17,219	30,252
Management and consulting	49,500	34,500	15,000
Office and administration	24,910	31,512	(6,602)
Research and development	-	417,478	(417,478)
Shareholder communication and marketing	26,221	5,942	20,279
Transfer agent and filing fees	26,085	14,575	11,510
Travel and accommodations	40,472	13,262	27,210
Total Expenses	252,784	541,804	(302,020)
Other items			
Amounts payable forgiven	-	83,855	(83,855)
Write down of data centre equipment	422,862	-	422,862
Total loss and comprehensive loss for the period	\$ (675,646)	\$ (457,949)	\$ (217,697)

During the period the Company incurred legal expenses of \$47,471, transfer agent fees of \$26,085, marketing expenses of \$26,221, travel expenses of \$40,472 and accounting expenses of \$36,998. These costs are much higher than in the comparative period ended January 31, 2022 mainly due to the change of business in the current period, and due to COVID restrictions resulting in a lack of funding and lower activity over 2022. All expenses related to the Italian subsidiary were included in the related expense categories, including office and administration, and the decrease of \$417,478 in Research and development relates directly to ceasing the activities of the Italian subsidiary, as discussed in *section 1.4*.

Financings, Principal Purposes & Milestones

Consolidation

On December 2, 2021, the Company's outstanding common shares were consolidated on the basis of two existing shares for one new share (the "Consolidation"). Prior to the consolidation, the Company's authorized share capital was an unlimited number of common shares without par value, of which 24,162,001 shares were issued and outstanding, with a further 8,529,000 shares reserved for issuance upon the exercise of outstanding warrants. Upon completion of the share consolidation, there were 12,081,001 common shares issued and outstanding, subject to further share issuances, post-consolidation, as discussed below pursuant to the financing and the settlement of debts. Subsequent to the consolidation and the share issuances noted below under the "Financing" and "Debt Settlement", there are 46,121,501 post consolidated common shares outstanding and 12,495,000 Warrants expiring from December 2023 to February 2024, exercisable at a price of \$0.10 per share.

Financings

The Company completed a financing in two tranches to raise a total of \$1,197,500 in gross proceeds as follows:

On December 9, 2021, the Company closed Tranche 1 of its non-brokered private placement, raising \$672,500 in gross proceeds through the issuance of 13,450,000 units at a price of \$0.05 per Unit. Each Unit consisted of one post-consolidated share and one-half of one common share purchase warrant, with each whole Warrant entitling the holder to purchase one post-consolidated common share of the Company at a price of \$0.10 per share for a period of 2 years, provided that in the event the closing price of the Company's Shares is equal to or greater than \$0.20 per share for 30 consecutive trading days at any time following four months after the date of closing, the Company may, by notice to the Warrant holders, reduce the remaining exercise period of the Warrants to not less than 30 days following the date of such notice.

Aggregate compensation of \$52,000 and 520,000 finders' warrants (having the same general terms as the Warrants forming part of the Units) was paid by the Company as finders' fees, valued at \$7,200 using the Black Scholes method.

On February 2, 2022, the Company closed the final tranche of its non-brokered private placement, with the final tranche raising \$525,000 through the issuance of 10,500,000 units at a price of \$0.05 per Unit. Each Unit has the same terms as Tranche 1 above. No finders' fees were payable in this final tranche. A total of \$10,000 was outstanding subsequent to April 30, 2022 and is included within equity as at April 30, 2022.

Debt Settlement

During the year ending April 30, 2022, the Company issued 8,002,500 post-consolidated shares in full settlement of outstanding debt in the aggregate amount of \$400,125, representing \$59,625 in fees and \$340,500 in advances owing. Included in this were 1,452,500 shares issued to officers and directors for outstanding fees and advances of \$72,625.

1.6 Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Q3 31-Jan-23	Q2 31-Oct-22	Q1 31-Jul-22	Q4 30-Apr-22
Loss for period	\$ (475,462)	\$ (107,693)	\$ (92,491)	\$ (130,721)
Per share – basic and diluted	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.00)
	Q3 31-Jan-22	Q2 31-Oct-21	Q1 31-Jul-21	Q4 30-Apr-21
Loss for period	\$ (62,590)	\$ (353,658)	\$ (41,701)	\$ (480,426)
Per share – basic and diluted	\$ (0.00)	\$ (0.02)	\$ (0.00)	\$ (0.04)

Discussion

The Company reports a loss of \$475,462 for the quarter ending January 31, 2023 compared to a loss of \$62,590 in the comparative quarter ended January 31, 2022 due mainly to the Write down of data centre equipment of \$422,862. For more detailed discussion on the quarterly production results and financial results for the quarter ended January 31, 2023, please refer to *Sections 1.5 under "Results of Operations"*.

1.7 Liquidity and Capital Resources

As at January 31, 2023, the Company had \$41,338 (April 30, 2022 - \$270,100) in cash, working capital deficit of \$364,559 and no long-term debt. The Company's ability to continue as a going concern is dependent upon its existing working capital and obtaining the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due.

The Company's working capital will not meet corporate, development, administrative and property obligations for the coming period. As a result, the Company will require additional financing and, while the Company has been successful in raising equity financing through the issuances of common shares in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. As such, there remains significant doubt as to the Company's ability to continue as a going concern (see financing - *section 1.5 - Financings, Principal Purposes & Milestones*).

1.8 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

The following is a summary of charges incurred by the Company with related parties during the period ended January 31, 2023 and 2022:

Period ended January 31,	2023	2022
Audit and accounting	4,500	-
Management fees	49,500	27,500
Office and administrative expense	20,250	-
Total	\$ 74,250	\$ 27,500

During the period ended January 31, 2023, the Company incurred fees and operational expenses totalling \$74,250 (January 31, 2022: \$27,500) from companies controlled by an officer and director of the Company and by another officer and director. As of January 31, 2023, the Company had amounts payable to officers and directors, and companies with directors in common of \$61,875 (April 30, 2022: \$8,363).

During the year ending April 30, 2022, the CEO and director of the Company advanced 260,000 Euros (approximately \$373,520) to the Company's Italian subsidiary, H4Hsrl on behalf of the Company, to pay certain crop costs and administrative expenses of H4Hsrl. These advances are non-interest bearing and are due on demand.

During the year ended April 30, 2022, \$83,855 in amounts payable for fees, expenses and advances were forgiven as debts to the Company. Included in these amounts was \$64,629 of amounts owing to officers and directors and companies controlled by officers and directors which included amounts payable for fees and advances. See *Section 1.5 – Debt Settlement* for related party share issuances for settlement of advances and fees.

1.10 Critical Accounting Estimates

a) Going Concern

Management makes an assessment about the Company's ability to continue as a going concern by taking in to account the consideration of the various factors discussed in Note 2 of the April 30, 2022 consolidated financial statements.

b) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences applicable to the Company. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recuperated.

c) Carrying Value of Data Centre Equipment

The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as the relationship between mining rewards and the required computing power, digital currency prices, the periodic contribution margin of digital currency mining activities, changes in underlying costs, such as electricity, and technological changes. When required, the determination of fair value and value in use requires management to make estimates and assumptions about digital currency prices, required computing power, technological changes and operating costs, such as electricity. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances some or all of the carrying value of the assets may be impaired or the impairment charge reduced with the impact recorded in profit or loss.

1.11 Changes in Accounting Policies

Data Centre Equipment

Items of data centre equipment are recorded at cost less accumulated depreciation. Cost includes all expenditures incurred to bring assets to the location and condition necessary for them to be operated in the manner intended by management. Data centre equipment is amortized on a straight-line basis over a one year life.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any replaced parts is derecognized. All other repairs and maintenance are charged to profit or loss during the fiscal period in which they are incurred.

As at January 31, 2023, none of the Company's Siacoin mining rigs had been placed into operations and, as such, have not been amortized. Once operations have begun, the rigs will be amortized accordingly.

Impairment tests on non-financial assets are subject to impairment tests at the end of each reporting period and whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs of disposal, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit. The Company has determined that an impairment on its data centre equipment was required during the current period due to the decrease in the fair market value of identical equipment, not yet put into service, as a result of the significant reduction in the applicable cryptocurrencies over the past two quarters. An impairment loss of \$422,862 (US\$337,500) was therefore charged to profit or loss for the period ended January 31, 2023, bringing the value of the mining rigs to \$250,031 (US\$187,500).

1.12 Financial and Other Instruments

As at January 31, 2023, the Company's financial instruments consist of cash, amounts receivable, advances payable, and trade and other payables. The fair value of the Company's amounts receivable, advances payable, and trade and other payables approximates their carrying value, which is the amount on the statement of financial position, due to their short-term maturities or ability of prompt liquidation.

a) Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At January 31, 2023, US dollar amounts were converted at a rate of \$1.335 Canadian dollars to \$1 US. A 10% increase or decrease in the US dollar exchange rate may increase or decrease loss for the period by approximately \$19.

b) Interest Rate Risk

The Company's cash earns interest at a variable interest rate. Because of the nature of this financial instrument, fluctuations in market rates do not have a significant impact on estimated fair values as of January 31, 2023. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (ii) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's exposure to interest rate fluctuations is minimal.

c) 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 is exposed to credit risk with respect to its cash, the balance of which at January 31, 2023 is \$41,338 (April 30, 2022 - \$270,100). As at that date, cash and short-term investment were held at a chartered Canadian financial institution and the Company does not consider the risks to be significant.

d) Liquidity Risk

Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. Additional cash requirements could be met with the issuance of additional share capital; however there is no assurance the Company will be able to raise funds in this manner in the future. As at January 31, 2023, the Company was holding cash of \$41,338 (April 30, 2022 - \$270,100).

1.13 Disclosure of Outstanding Share Capital as at March 22, 2023:

	Number	Book Value
<u>Common Shares</u>	46,701,501	\$ 4,932,645

A summary of the Company's outstanding share purchase warrants is presented below:

<u>Number of Shares</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
7,245,000	\$0.10	December 9, 2023
5,250,000	\$0.10	February 2, 2024
12,495,000	\$0.10	

During the period ending January 31, 2023, 302,500 warrants exercisable at \$0.60 per share expired unexercised.

1.14 Approval

The Board of Directors, upon the recommendation of the Audit Committee, has approved the disclosure contained in this MD&A.

Schedule “C”

**Annual Audited Financial Statements of the Company
for the fiscal years ended April 30, 2022 and 2021**

Yellow Stem Tech Inc.
(formerly Hemp for Health Inc.)

Consolidated Financial Statements

For the years ended April 30, 2022 and 2021

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Yellow Stem Tech Inc. (formerly Hemp for Health Inc.)

Opinion

We have audited the accompanying consolidated financial statements of Yellow Stem Tech Inc. (formerly Hemp for Health Inc.) (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2022 and 2021, and the consolidated statements of operations and comprehensive loss, cash flows, and changes in equity (deficiency) for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the consolidated financial statements, which indicates that the Company incurred a loss of \$588,670 during the year ended April 30, 2022 and, as of that date, the Company had a working capital deficiency of \$193,197. As stated in Note 2, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

August 29, 2022

YELLOW STEM TECH INC.
(formerly HEMP FOR HEALTH INC.)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Stated in Canadian Dollars)

As at	April 30, 2022	April 30, 2021
Assets		
Current		
Cash	\$ 270,100	\$ 12,348
Amounts receivable (note 6)	2,014	593
Prepaid expenses	4,350	11,979
Total Current Assets	276,464	24,920
Non-Current assets		
Fixed assets	4,609	6,453
Deposit (note 1)	672,893	
Total Assets	\$ 953,966	\$ 31,373
Liabilities		
Current		
Trade and other payables (note 13)	\$ 96,141	\$ 211,523
Advances payable (note 7)	373,520	282,500
Total Liabilities	469,661	494,023
Equity (Deficiency)		
Share capital (note 8)	4,862,605	3,324,180
Subscriptions receivable (note 8)	(10,000)	-
Reserves (note 8)	90,860	83,660
Accumulated deficit	(4,459,160)	(3,870,490)
Total Equity (Deficiency)	484,305	(462,650)
Total Liabilities and Equity (Deficiency)	\$ 953,966	\$ 31,373

Subsequent events and Change of Business (notes 1, 5, 7 and 8)
Basis of preparation and going concern (note 2)

APPROVED ON BEHALF OF THE DIRECTORS:

“Robert Eadie”
Robert Eadie, Director

“Gary Arca”
Gary Arca, Director

The accompanying notes form an integral part of these consolidated financial statements

YELLOW STEM TECH INC.
(formerly HEMP FOR HEALTH INC.)
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Stated in Canadian Dollars)

For the year ended April 30,	2022	2021
Expenses:		
Audit and accounting fees (note 13)	\$ 36,937	\$ 42,075
Foreign exchange loss (gain)	(4,900)	17,941
Legal and corporate services	61,195	76,240
Management and consulting fees (note 13)	51,000	33,000
Office, rent and administration (note 13)	41,730	55,654
Research and development (note 5)	420,175	661,613
Shareholder communications and marketing	16,997	178,092
Transfer agent and filing fees	23,767	11,359
Travel and accommodations	25,624	40,471
Total expenses	(672,525)	(1,116,445)
Amounts payable forgiven (note 13)	83,855	-
Allowance for doubtful debt on loan (note 6)	-	73,897
Write off VAT receivable (note 6)	-	317,824
	83,855	391,721
Total loss and comprehensive loss for the year	\$ (588,670)	\$ (1,508,166)
Basic and diluted loss per share for the year	\$ (0.03)	\$ (0.12)
Weighted average shares outstanding – basic and diluted - Note 10	23,148,733	12,081,001

The accompanying notes form an integral part of these consolidated financial statements

YELLOW STEM TECH INC.
(formerly HEMP FOR HEALTH INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)

For the year ended April 30,	2022	2021
Cash provided by (used in):		
Operating activities		
Loss for the year	\$ (588,670)	\$ (1,508,166)
Items not involving cash:		
Amortization	1,844	1,844
Trade and other payables forgiven	(83,855)	-
Allowance for doubtful debt on loan	-	73,897
Write off VAT receivable	-	317,824
Cash spent in operating activities before working capital changes	(670,681)	(1,114,601)
Change in non-cash working capital items		
Amounts receivable	(1,421)	(95,194)
Prepaid expenses and advances	7,629	111,406
Trade and other payables	28,908	113,816
Cash outflow for operating activities	(636,375)	(984,573)
Investing activities		
Deposit	(672,893)	-
Cash outflow for investing activities	(672,893)	-
Financing activities		
Share issuances	1,187,500	-
Share issue costs	(52,000)	-
Advances, net of repayments	431,520	-
Advances payable	-	282,500
Cash inflow for financing activities	1,567,020	282,500
Total increase/ (decrease) in cash	257,752	(702,073)
Cash, beginning of year	12,348	714,421
Cash, end of year	\$ 270,100	\$ 12,348

Cash paid for taxes (2022 & 2021) \$ -
Cash paid for interest (2022 & 2021) \$ -

During the year ended April 30, 2021, there were no non-cash investing or financing transactions.
During the year ended April 30, 2022, the Company entered into the following financing non-cash transactions:

Finders' warrants issued as share issuance costs	\$ 7,200
Private placement accrued through subscriptions receivable	\$ 10,000
Shares issued to settle trade and other payables	\$ 60,625
Shares issued to settle advances payable	\$ 339,500

The accompanying notes form an integral part of these consolidated financial statements

YELLOW STEM TECH INC.
(formerly HEMP FOR HEALTH INC.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Stated in Canadian Dollars)

	Number of Shares Outstanding	Share Capital	Subscriptions Receivable	Reserves	Accumulated Deficit	Total Equity (Deficiency)
Balance – April 30, 2020	12,081,001	\$ 3,324,180	\$ -	\$ 83,660	\$ (2,362,324)	\$ 1,045,516
Loss for the year	-	-	-	-	(1,508,166)	(1,508,166)
Balance – April 30, 2021	12,081,001	3,324,180	-	83,660	(3,870,490)	(462,650)
Debt settlement	8,002,500	400,125	-	-	-	400,125
Private placement	23,950,000	1,197,500	(10,000)	-	-	1,187,500
Share issuance costs	-	(59,200)	-	7,200	-	(52,000)
Loss for the year	-	-	-	-	(588,670)	(588,670)
Balance – April 30, 2022	44,033,501	\$ 4,862,605	\$ (10,000)	\$ 90,860	\$ (4,459,160)	\$ 484,305

The accompanying notes form an integral part of these consolidated financial statements

YELLOW STEM TECH INC.
(formerly HEMP FOR HEALTH INC.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended April 30, 2022 and 2021
(Stated in Canadian Dollars)

Note 1 **Corporate Information**

Yellow Stem Tech Inc (the “Company”) was incorporated as Hemp for Health Inc. on October 1, 2018 under the *Business Corporations Act* of British Columbia. The Company was listed on the Canadian Securities Exchange (the “CSE”) under the trading symbol “HFH”. Until recently, the Company was in the business of growing, processing, packaging and selling hemp-based products in Europe and set up a wholly-owned Italian subsidiary, Hemp For Health H4H s.r.l. (“H4Hsrl”) to operate the business interests in Italy. The Company sold H4Hsrl, and effectively the hemp operations, for nominal value in March, 2022 (see Note 5).

Change of Business (“COB”)

Subsequent to April 30, 2022, the Company completed the COB and changed its name to “Yellow Stem Tech Inc”. The Company entered into a binding letter of agreement to engage a third party to host cryptocurrency mining activities on behalf of the Company.

Pursuant to an asset purchase agreement and an operating agreement, both dated March 18, 2022, the Company engaged Enigma Data Technologies LLC, a Delaware based company (the “Provider”) to initially source and acquire 150 Siacoin mining rigs for the aggregate purchase price of \$672,893 (US\$525,000) (deposit paid). The Company has engaged the Provider to set-up, host and operate the cryptocurrency mining activities in exchange for 2,668,000 shares of the Company (issued subsequent to April 30, 2022). The Company will be responsible for ongoing operating costs, to be at an all-in cost of US\$0.055 per kilowatt hour per mining rig.

The above transactions resulted in a COB for the Company and required CSE and shareholder approval. The Company announced the COB as completed on June 17, 2022. In conjunction with the COB, the Company changed its name to “Yellow Stem Tech Inc” and on June 20, 2022, the Company’s common shares commenced trading on the CSE under the trading symbol “YY”.

The registered address and the Company’s corporate office and principal place of business is 750 – 580 Hornby Street, Vancouver, British Columbia, Canada.

On December 2, 2021, the Company’s outstanding common shares were consolidated on the basis of two existing shares for one new share. All share, per share, and warrant amounts have been retroactively restated.

Note 2 **Basis of Preparation and Going Concern**

a) Statement of Compliance

These consolidated financial statements for the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The financial statements were authorized for issue by the Board of Directors on August 25, 2022.

b) Basis of Measurement and Going Concern

The consolidated financial statements have been prepared on a historical cost basis, except for cashflow information. The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

The Company has not generated revenue from operations and incurred a loss of \$588,670 during the year ended April 30, 2022. While the Company has been successful in obtaining the necessary financing through the issuance of common shares in the past, there is no assurance it will be able to raise funds in this manner in the future. As at April 30, 2022, the Company had \$270,100 in cash, a working capital deficiency of \$193,197 and no long-term debt.

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. These financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in the accompanying consolidated financial statements.

c) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary, which is controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from the entity’s activities. Subsidiaries are included in the consolidated financial

Note 2 **Basis of Preparation and Going Concern** – (cont'd)

c) Basis of Consolidation – (cont'd)

results of the Company from the effective date of acquisition up to the effective date of disposal or loss of control. The Company's wholly-owned subsidiary, H4Hsrl, carries out its operations in Italy. All intra-group transactions, balances, income and expenses are eliminated, in full, on consolidation. Legal, corporate and foreign regulatory fees and taxes related to the Italian subsidiary are included in legal costs. All other expenses are included in the related expense categories, including office and administration.

The consolidated financial statements are presented in Canadian dollars ("CDN"), which is the functional currency of the Company and its subsidiary.

Note 3 **Summary of Significant Accounting Policies**

The accounting policies set out below have been applied consistently during the year ended April 30, 2022.

a) Biological Assets

The Company capitalizes the direct and indirect costs incurred related to the biological transformation of the biological assets between the point of initial recognition and the point of harvest. The Company then measures the biological assets at fair value less costs to sell and complete up to the point of harvest, which becomes the basis for the cost of finished goods inventories after harvest. The effect of realized and unrealized gains or losses arising from changes in fair value less cost to sell during the year are included in the results of operations. As at April 30, 2022 and 2021, the Company did not have any hemp planted, resulting in biological assets of \$Nil.

b) Inventories

Raw materials, work in process, and finished goods inventories are valued at the lower of cost and net realizable value. Harvested raw material hemp inventories are transferred from biological assets at their fair value less cost to sell at harvest, which becomes the initial deemed cost. Any subsequent post-harvest costs are capitalized to inventory insofar as cost is less than net realizable value. Inventories for resale, in addition to supplies and consumables, are valued at the lower of cost and net realizable value, with standard costing used to determine cost. Inventories are measured at the lower of cost and net realizable value. Net realizable value is calculated as the estimated selling price in the ordinary course of business, less any estimated costs to complete and sell the goods. The cost of inventory includes expenditures incurred in acquiring raw materials, production and conversion costs, depreciation and other costs incurred in bringing inventory to its existing location and condition. The Company uses the standard costing method to track and cost inventory items. The Company maintains three categories of inventory: raw materials, work in process and finished goods.

Note 3 Summary of Significant Accounting Policies - (cont'd)

c) Equipment

Recognition and Measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Borrowing costs that are directly attributable to the acquisition and preparation for use, are capitalized. Capitalization of borrowing costs begins when expenditures are incurred and activities are undertaken to prepare the asset for its intended use. The amount of borrowing costs capitalized cannot exceed the actual amount of borrowing costs incurred during the year. All other borrowing costs are expensed as incurred.

The capitalization of borrowing costs is discontinued when substantially all of the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Capitalized borrowing costs are amortized over the useful life of the related asset.

Major Maintenance and Repairs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Company's profit or loss during the financial year in which they are incurred.

Subsequent Costs

The cost of replacing part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its costs can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in the Company's profit or loss as incurred.

Leases

The Company leased some items of property. Under IFRS 16 Leases ("IFRS 16"), the Company assesses whether a contract to rent an item of property and equipment is, or contains, a lease. For contracts that are, or contain, leases, the Company recognizes a right-of-use asset and lease liability at the commencement date.

Note 3 Summary of Significant Accounting Policies - (cont'd)

c) Equipment – (cont'd)

Leases- (cont'd)

Pursuant to the IFRS 16 lessee accounting model, the right-of-use asset is initially measured at cost, which includes the initial amount of the liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and estimates of costs to remove or dismantle the underlying asset or to restore the underlying asset or site on which the asset is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method. The lease liability is initially measured at the present value of the lease payments that are not paid as of the lease commencement date, discounted using the rate implicit in the lease or, if the implicit rate cannot be readily determined, the Company's incremental borrowing rate.

The measurement of lease liabilities includes the following types of lease payments:

- 1) fixed payments, including in-substance fixed payments;
- 2) variable lease payments that depend on an index or rate, initially measured using the index or rate as of the commencement date;
- 3) amounts expected to be payable under any residual value guarantees; and
- 4) exercise price for options that the Company is reasonably certain to exercise for an extension or option to buy, and penalties for early termination of a lease unless the Company is reasonably certain that it will not terminate the lease early. The lease liability is measured at amortized costs using the effective interest method.

The lease liability is remeasured in the following circumstances:

- 1) if there is a change in the future lease payments resulting from a change in index or rate;
- 2) if there is a change in the Company's estimation of the amount expected to be payable under a residual value guarantee; and
- 3) if the Company changes its assessment of whether it will exercise an option to purchase, extend or terminate.

The Company has elected not to recognize right-of-use assets and liabilities for short-term leases that have a term of 12 months or less and for low-value assets.

Note 3 **Summary of Significant Accounting Policies - (cont'd)**

c) Equipment – (cont'd)

Depreciation and Impairment

Equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses.

Depreciation of equipment is calculated using the straight-line method, based on the economic life of the asset which is 5 years for the Company's equipment. Where components of an asset have different useful lives, depreciation is calculated on each separate part. Depreciation commences when an asset is available for use.

The Company reviews and evaluates its equipment for impairment at least annually or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is considered to exist if the recoverable value of a cash generating unit is less than the carrying amount of the assets. An impairment loss is measured and recorded based on the greater of the cash generating unit's fair value less cost to sell or its value in use versus its carrying value. Future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs.

Equipment that has been impaired in prior periods is tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized in the consolidated statement of operations and comprehensive loss.

d) Financial Instruments

All of the Company's financial instruments are classified into one of the following categories based upon the purpose for which the instrument was acquired or issued. All transactions related to financial instruments are recorded on a trade date basis.

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

Recognition

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Note 3 **Summary of Significant Accounting Policies - (cont'd)**

d) Financial Instruments – (cont'd)

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- i those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and,
- ii those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- i amortized cost;
- ii FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- iii FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company’s financial asset consists of cash which is classified and measured at FVTPL, with realized and unrealized gains or losses related to changes in fair value reported in profit or loss and amounts receivable, which are classified and measured at amortized cost. The Company’s financial liabilities consist of trade and other payables, and advances payable, which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in profit or loss.

Note 3 **Summary of Significant Accounting Policies - (cont'd)**

d) Financial Instruments – (cont'd)

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Fair value hierarchy

Financial instruments recognized at fair value on the consolidated statement of financial position must be classified into one of the three following fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted observed in active markets) for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1, that are observable for the asset or liability;

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

e) Income Tax

Current tax and deferred tax are recognized in the Company's profit or loss, except to the extent that they relate to a business combination or items recognized directly in equity or in other comprehensive loss. Current income taxes are recognized for the estimated taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the period end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Note 3 **Summary of Significant Accounting Policies - (cont'd)**

f) Share Capital

Financial instruments issued by the Company are classified as equity, only to the extent that they do not meet the definition of a financial liability or asset. The Company's common shares are classified as equity instruments. Common shares issued for consideration other than cash are valued based on their market rate at the date the shares are issued.

Incremental costs, directly attributable to the issue of new shares, warrants or options, are shown in equity as a deduction, net of tax, from proceeds. The residual method is used to calculate the fair value of the warrant component of units issued, whereby the residual of the private placement proceeds less the fair value of the share component is assigned as the fair value of the warrants. The balance if any, is recorded to reserves.

g) Share based payments

The Company has a stock option plan that provides for the granting of options to Officers, Directors, related company employees and consultants to acquire shares of the Company. The fair value of the options is measured on grant date and is recognized as an expense with a corresponding increase in reserves as the options vest.

Options granted to employees and others providing similar services are measured at grant date at the fair value of the instruments issued. Fair value is determined using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. Each grant is accounted for on that basis. Options granted to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. Amounts related to the issuance of shares are recorded as a reduction of share capital. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received. Over the vesting period, share-based payments are recorded as an operating expense and as reserves.

When options are exercised, the consideration received is recorded as share capital. In addition, the related share-based payments originally recorded as reserves are transferred to share capital. When an option is cancelled, or expires, the initial recorded value is reversed from reserves and credited to deficit.

h) Profit or Loss per share

Basic profit or loss per share is computed by dividing the Company's profit or loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period. Diluted profit or loss per share is computed by dividing the Company's profit or loss applicable to common shares by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted at the beginning of the period.

Note 3 **Summary of Significant Accounting Policies - (cont'd)**

i) Standards, Amendments and Interpretations

There are no new accounting standards which have been adopted during the year ended April 30, 2022. The Company has not early adopted any new and amended standards. The Company continues to evaluate any new standards but currently no material impact is expected as a result of the adoptions of any new standards.

Note 4 **Critical Accounting Estimates and Judgments**

The Company makes estimates and judgments about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgments. The effect of a change in accounting estimate is recognized prospectively by including it in the Company's profit or loss in the period of the change, if it affects that period only, or in the period of the change and future periods, if the change affects both. Information about critical estimates and judgments made in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial period are discussed below:

a) Going concern

Management makes an assessment about the Company's ability to continue as a going concern by taking into the account the consideration of the various factors discussed in Note 2.

b) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recuperated.

Note 4 **Critical Accounting Estimates and Judgments – (cont'd)**

c) Stock based compensation

The inputs used in calculating the fair value for stock-based compensation expense included in profit and loss and stock-based share issuance costs included in shareholders' equity. The stock-based compensation expense is estimated using Black-Scholes options-pricing model as measured on the grant date to estimate the fair value of stock options. This model involves the input of highly sensitive assumptions, including the expected price volatility of the Company's common shares, the expected life of the options, and the estimate forfeiture rate.

d) Shares for debt

The valuation of shares issued in non-cash transactions, including the settlement of debt. Generally, the valuation of non-cash transactions is based on the value of the goods or services received. When non-cash transactions are entered into with employees and those providing similar services, the non-cash transactions are measured at the fair value of the consideration given up using market prices.

Note 5 **Research and Development - Crops Costs and Italian Hemp Operations**

Payments to farmers are fully expensed to research and development as the Company was testing plant strains and has had no significant revenue. During the year ended April 30, 2022, research and development costs were \$420,175 (including VAT taxes due to uncertainty of recovery – see note 6), with respect to planting in 2022, including seedling costs crop costs from the farmers. Any revenue realized from this crop will be credited against the research and development costs as realized. During the year ended April 30, 2021, the Company expensed crop costs as research and development, along with seed costs and consulting fees for a total of \$699,793, excluding VAT taxes incurred (see note 6). This is offset by \$38,180 of proceeds received on sale of the test crop biomass for a net expense of \$661,613.

The Company sold H4Hsrl and all Italian hemp operations in March, 2022 for a nominal value to dispose of all Italian assets and liabilities, the right to recover Italian VAT taxes and any outstanding Italian liabilities, and is currently in the process of transferring ownership.

Note 6 **Amounts Receivable and Prepaid Expenses**

During the years ended April 30, 2021 and 2020, \$317,824 (211,221 Euro) was paid for VAT taxes in Italy and is receivable against future VAT paid. During the year ended April 30, 2021, management determined that there is uncertainty of recovery of these amounts without significant revenues or operations in Italy and, therefore, has written down the receivable to \$nil. Additional VAT taxes paid or accrued in the current year ended April 30, 2022, have been directly expensed to the related expenditure.

Also, during the prior year ended April 30, 2021, management determined that advances of 50,000 Euro (CAD\$73,897) to a potential distribution partner were uncollectible and has written the amounts down to \$nil.

Note 7 **Advances Payable**

The Company had signed a letter of intent (“LOI”) with Pacific Hemp Company Pty Ltd. (“PHC”), whereby the Company would acquire 100% of the outstanding shares of PHC. The LOI expired on May 17, 2021, as PHC was unable to meet its minimum obligations. PHC advanced the Company a 60 day refundable deposit pursuant to the extension of the original agreement of \$152,500 (100,000 Euros). This amount was settled by the issuance of 3,050,000 shares at \$0.05 per share during the year ended April 30, 2022 (see note 8).

During the year ending April 30, 2022, the CEO and director of the Company advanced 260,000 Euros (\$373,520) to the Company’s Italian subsidiary, H4Hsrl, on behalf of the Company to pay certain crop costs and administrative expenses of H4Hsrl. These advances are non-interest bearing and are due on demand. During the year ending April 30, 2022, the Company was advanced an additional \$71,000 for total advances of \$444,520, including \$14,700 by the CFO and director of the Company and companies controlled by him, as non-interest bearing advances due on demand. A total of \$188,000 of these advances were settled by the issuance of 3,760,000 shares at \$0.05 per share during the year ending April 30, 2022 (see note 8).

Note 8 **Share Capital and Reserves**

a) **Common share issuances**

The Company is authorized to issue an unlimited number of no par value common shares, issuable in series. The holders of common shares are entitled to one vote per share at meetings of the Company and to receive dividends, which may be declared from time-to-time. To date, equity financings have provided the main source of financing. No dividends have been declared by the Company since its inception. All shares are ranked equally with regard to the Company’s residual net assets.

Consolidation

On December 2, 2021, the Company’s outstanding common shares were consolidated on the basis of two existing shares for one new share (the “Consolidation”). All share, per share, and warrant amounts have been retroactively restated.

Financings

The Company completed a financing in two tranches to raise a total of \$1,197,500 in gross proceeds as follows:

- On December 9, 2021, the Company closed Tranche 1 of its non-brokered private placement, raising \$672,500 in gross proceeds through the issuance of 13,450,000 units at a price of \$0.05 per unit. Each unit consists of one share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one common share of the Company at a price of \$0.10 per share for a period of 2 years, provided that in the event the closing price of the Company’s shares is equal to or greater than \$0.20 per share for 30 consecutive trading days at any time following four months after the date of closing, the Company may, by notice to the warrant holders, reduce the remaining exercise period of the warrants to not less than 30 days following the date of such notice.

Note 8 **Share Capital and Reserves – (cont’d)**

a) Common share issuances – (cont’d)

Aggregate compensation of \$52,000 and 520,000 finders’ warrants (having the same general terms as the warrants forming part of the units) was paid by the Company as finders’ fees, valued at \$7,200 using the Black Scholes method. Assumptions used in the model were a stock price and exercise price of \$0.10, no dividend, a 2 year expected life, a 100% volatility and a risk free rate of 0.95%

- On February 2, 2022, the Company closed the final tranche of its non-brokered private placement, with the final tranche raising \$525,000 through the issuance of 10,500,000 units at a price of \$0.05 per unit. Each unit has the same terms as Tranche 1 above. No finders’ fees were payable in this final tranche. A total of \$10,000 was outstanding subsequent to April 30, 2022 and is included within equity as at April 30, 2022.

Debt Settlement

The Company issued 8,002,500 post-consolidated shares in full settlement of outstanding debt in the aggregate amount of \$400,125, representing \$59,625 in fees and \$340,500 in advances owing. Included in this were 1,452,500 shares issued to officers and directors for outstanding fees and advances of \$72,625.

b) Warrants

A summary of the Company’s outstanding share purchase warrants at April 30, 2022, April 30, 2021 and April 30, 2020 is as follows:

	Number of warrants	Weighted average exercise price
Balance, April 30, 2020	4,754,900	\$ 0.60
Warrants expired	(373,000)	0.60
Balance, April 30, 2021	4,381,900	0.60
Warrants expired	(4,079,400)	0.60
Warrants granted	12,495,000	0.10
Balance, April 30, 2022	12,797,500	\$ 0.11

A summary of the Company’s outstanding share purchase warrants is presented below:

Number of Warrants	Exercise Price	Expiry Date
302,500	\$0.60	May 6, 2022 ⁽¹⁾
7,245,000	\$0.10	December 9, 2023
5,250,000	\$0.10	February 2, 2024
12,797,500	\$0.11	

(1) warrants were extended from May 6, 2021 to May 6, 2022 and have expired, unexercised, subsequent to April 30, 2022.

Note 8 **Share Capital and Reserves – (cont'd)**

c) Share-Based Payments

The Company's Board has adopted a Stock Option Plan available to eligible directors, officers, employees and consultants to acquire up to 10% of common shares then outstanding (the "Plan"). Under the Plan, options may be granted by the Board at an option price in accordance with regulatory policy for a maximum term of 10 years. No amounts are paid or payable by the recipient on receipt and the options are not dependent on any performance-based criteria. Share purchase options will vest at the discretion of the Company and in accordance with regulatory policy. No share purchase options have been granted in prior periods and none were granted during the year ended April 30, 2022.

Note 9 **Income Taxes**

Income tax expense is recognized based on management's best estimate of the weighted average annual combined federal and provincial income tax rate for the full financial year applied to the pre-tax income. The Company's effective tax rate for the year ended April 30, 2022 was 27.0% (April 30, 2021 – 27%). The Company has non-capital losses of \$4,712,000 expiring up to 2042, equipment of \$3,000 without expiry, and \$116,000 share issuance costs expiring in 2046. The differences between the tax expense for the year ended April 30, 2022 and the expected income taxes based on the statutory rate are as follows:

For the year ended April 30,	2022	2021
Loss before income taxes	\$ (588,670)	\$ (1,508,166)
Basic statutory income tax rate	27.00%	27.00%
Expected income tax recovery	(159,000)	(407,000)
Changes in rates and other	144,000	(77,000)
Tax benefits not recognized	15,000	484,000
Total income tax recovery	\$ -	\$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

As of April 30,	2022	2021
Deferred tax assets		
Property and equipment	\$ 1,000	\$ 1,000
Share issue costs	31,000	33,000
Non-capital losses available for future period	1,212,000	1,195,000
	1,244,000	1,229,000
Unrecognized deferred tax assets	(1,244,000)	(1,229,000)
Net deferred tax assets	\$ -	\$ -

Note 10 **Loss Per Share**

The denominator for the calculation of loss per share, being the weighted average number of common shares for the years ended April 30, 2022 and 2021 is as follows:

For the year ending April 30,	2022	2021
Issued and outstanding, beginning of the year	12,081,001	12,081,001
Weighted average shares issued during the year	11,067,732	-
Basic and diluted weighted average number of shares	23,148,733	12,081,001

Note 11 **Capital Management**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in equity (deficiency) as capital. 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. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

Note 12 **Financial Instruments**

As at April 30, 2022, the Company's financial instruments consist of cash, amounts receivable, advances payable, and trade and other payables. The fair value of the Company's amounts receivable, advances payable, and trade and other payables approximate their carrying value, which is the amount on the statements of financial position, due to their short-term maturities or ability of prompt liquidation. The Company's cash is carried at FVTPL, where fair value is calculated in accordance with level 1 of the fair value hierarchy.

a) **Currency Risk**

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At April 30, 2022, US dollar amounts were converted at a rate of \$1.28 Canadian dollars to \$1 US dollar and Euro were converted at a rate of \$1.3543 Canadian dollars to 1 Euro. A 10% increase or decrease in the US dollar exchange may increase or decrease loss for the period by approximately \$474. A 10% increase or decrease in the EUR\$ exchange rate will decrease or increase loss for the period by approximately \$2,525.

b) **Interest Rate Risk**

The Company's cash earns interest at a variable interest rate. Because of the nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of April 30, 2022. Future cash flows from interest income on

Note 12 **Financial Instruments** – (cont’d)

b) Interest Rate Risk – (cont’d)

cash will be affected by interest rate fluctuations. Interest rate risk consists of two components, i) to the extent that payments made or received on the Company’s monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and ii) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company’s monetary assets and liabilities, the Company is exposed to interest rate price risk. The Company’s exposure to interest rate fluctuations is minimal.

c) 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 is exposed to credit risk with respect to its cash, the balance of which at April 30, 2022 is \$270,100 (April 30, 2021 – \$12,348). As at that date, cash was held at a chartered Canadian financial institution and the Company does not consider the risks to be significant.

Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. Additional cash requirements could be met with the issuance of additional share capital; however, there is no assurance the Company will be able to raise funds in this manner in the future. As at April 30, 2022, the Company was holding cash of \$270,100 (April 30, 2021 – \$12,348).

Note 13 **Related Party Transactions**

The following is a summary of charges incurred by the Company with related parties for the year ended April 30, 2022 and 2021:

Year ended April 30,	2022	2021
Audit and accounting	\$ -	\$ 10,500
Management fees	51,000	33,000
Office and administration	8,250	13,750
Total	\$ 59,250	\$ 57,250

During the year ended April 30, 2022, the Company incurred fees and operational expenses totalling \$59,250 (April 30, 2021: \$57,250) from companies controlled by an officer and director of the Company and by another officer and director. As of April 30, 2022, the Company had amounts payable to officers and directors, and companies with directors in common of \$8,363 (April 30, 2021: \$50,789).

During the year ended April 30, 2022, \$83,855 in amounts payable for fees, expenses and advances were forgiven as debts to the Company. Included in these amounts was \$64,629 of amounts owing to officers and directors and companies controlled by officers and directors which included amounts payable for fees and advances.

Schedule “D”

**Management Discussion and Analysis
for the fiscal year ended April 30, 2022**

Form 51-102-F1

YELLOW STEM TECH INC.
(formerly Hemp for Health Inc.)

MANAGEMENT DISCUSSION & ANALYSIS
For the year ended April 30, 2022

Directors and Officers as at August 29, 2022

Directors:

Robert Eadie
Gary Arca
Gina Pala
Tanya Lutzke

Officers:

President & CEO – Robert Eadie
CFO & Corporate Secretary – Gary Arca

Contact Name: Robert Eadie

Contact e-mail: robert.e@ystem.ca

YELLOW STEM TECH INC. (formerly Hemp for Health Inc.)

MANAGEMENT'S DISCUSSION & ANALYSIS For the year ended April 30, 2022

1.1 Date of This Report

This Management's Discussion & Analysis ("MD&A") should be read in conjunction with the consolidated financial statements of Yellow Stem Tech Inc. (the "Company") (formerly Hemp for Health Inc.) for the year ended April 30, 2022. All dollar amounts herein are expressed in Canadian Dollars unless stated otherwise.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board of Directors' Audit Committee meets with management quarterly to review the financial statements and the MD&A and to discuss other financial, operating and internal control matters. The reader is encouraged to review the Company's statutory filings on www.sedar.com

This MD&A is prepared as of August 29, 2022.

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, have adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. Due largely to the pandemic, the Company was unable to continue its hemp operations in Italy. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its further effects on the Company's proposed new business or ability to raise funds.

1.2 **Overall Performance**

Recent Events

Hemp for Health Completes COB and Name Change to Yellow Stem Tech Inc.

Yellow Stem Tech Inc. (formerly Hemp for Health Inc.) (the "Company") is pleased to announce that further to its news releases dated February 25, 2022 and March 23, 2022, it has closed the transactions comprising its change of business ("COB"), from growing and processing hemp to mining for cryptocurrencies.

The Company's COB involved (i) acquiring 150 Siacoin mining rigs for the aggregate purchase price of US\$525,000, (ii) engaging Enigma Data Technologies LLC, a Delaware based company ("Enigma") to set-up, host and operate the cryptocurrency mining activities, in exchange for which Enigma received 2,668,000 shares of the Company subsequent to April 30, 2022, at a deemed value of \$0.25 a share, and (iii) changing the Company's name to "Yellow Stem Tech Inc.". The Company will be responsible for ongoing operating costs, to be at an all-in cost of US\$0.055 per kilowatt hour per mining rig. The Company may add additional mining rigs from time to time. The shares of the Company received by Enigma will be subject to a hold period of four months and one day.

The above transactions resulted in a change of business for the Company and required CSE and shareholder approval. The Company received approval from shareholders holding over 59% of the Company's outstanding shares, by way of consent resolution.

Full details of the COB are contained in the Company's Listing Statement dated June 20, 2022, which has been filed under the Company's SEDAR profile at www.sedar.com.

The Company's common shares commenced trading under its new name, Yellow Stem Tech Inc., on the CSE, with trading symbol "YY", effective at the opening on June 20, 2022.

There is no consolidation or change in the share capital of the Company. Shareholders are not required to exchange their existing share certificates for new certificates bearing the new Company name, and Company shares held electronically in Direct Registration System will be booked automatically.

Description of Business

Until recently, the Company was in the business of growing, processing, packaging and selling cannabidiol and related hemp based products in Italy through its wholly owned Italian subsidiary, Hemp For Health H4H S.R.L. ("H4Hsrl"). See **Section 1.2 -Recent Events for disclosure of a "Hemp for Health Completes COB and Name Change to Yellow Stem Tech Inc."**, whereby the Company will be changing its business to mining for cryptocurrencies from growing and processing hemp into CBD products.

1.3 **Selected Annual Information**

The highlights of financial data for the Company's three most recently completed year-ends, which are calculated in accordance with International Financial Reporting Standards ("IFRS"), are as follows:

	April 30, 2022	April 30, 2021	April 30, 2020
	\$	\$	\$
(a) Total revenues	-	-	Nil
(b) Total expenses	(672,525)	(1,116,445)	(2,136,754)
(c) Net loss	(588,670)	(1,508,166)	(2,125,740)
(d) Loss per share—basic and diluted	(0.03)	(0.12)	(0.20)
(e) Total assets	953,966	31,373	1,143,223
(f) Total long-term liabilities	Nil	Nil	Nil
(g) Cash dividends declared per share	Nil	Nil	Nil

1.4 **Discussion of Acquisitions, Operations and Financial Condition**

The following should be read in conjunction with the April 30, 2022 consolidated financial statements of the Company and notes attached thereto.

Annual Results and Subsequent Sale of Italian Operations

The Company entered into agreements with various agricultural groups to cultivate and harvest hemp on behalf of the Company on up to 150 hectares of farmland in the province of Sienna, Italy based on a 5-year initial agreement with the option to renew for an additional 5 years including planting, watering, harvesting and natural fertilizers. The Company's first year of operations was focused on a test crop which included the CBD Carmagnola strain in the Tuscan valley. Of the 3 hectares of this strain planted, the yield was approximately 3,000 kilos of biomass and 340 kilos of hemp flower. The majority of this product was sold in bulk.

The 2020 growing season was programmed to plant 150 hectares (Ha) from 4 different strains of seed, however, due to the COVID-19 pandemic, fundraising and operations were adversely affected in the first part of 2020. As a result, management determined that it was best to reduce the planting to 59 Ha to best utilize the funds raised in March, 2020, and to allow for a more manageable crop in these uncertain times.

The Company completed the hemp harvest for the 2020 growing season whereby 9 Ha was dedicated to dry flower and 50 Ha dedicated to biomass with hemp varieties that contain high levels of CBD with trace amounts of THC below 0.2% content. The hemp biomass and flowers were cleaned, dried and then weighed while samples were sent to two separate laboratories for analysis of CBD, CBG and THC. At April 30, 2021, it was determined that the raw hemp biomass did not have any economic value to warrant further processing or sale due to low levels of CBD oil content. The Dry Flower and related biomass did have economic values of CBD oil content and amounted to over 20,000 kg. However, due to the uncertainty of sales in the saturated European market at this time and with continuing concerns regarding the COVID-19 pandemic, management decided to write the value of the biomass to \$Nil as at April 30, 2021 and will realize sales, if any, against research and development expenses at the time realized.

Payments to farmers are fully expensed to research and development as the Company was testing plant strains and has had no significant revenue. During the year ended April 30, 2022, research and development costs were \$420,175 (including VAT taxes due to uncertainty of recovery), with respect to planting in 2021, including seedling costs crop costs from the farmers. Any revenue realized from this crop was credited against the research and development costs as realized. During the year ended April 30, 2021, the Company expensed crop costs as research and development, along with seed costs and consulting fees for a total of

\$699,793, excluding VAT taxes incurred. This is offset by \$38,180 of proceeds received on sale of the test crop biomass for a net expense of \$661,613.

Subsequent to April 30, 2022, the Company sold H4Hsr1 and all Italian hemp operations for a nominal value to dispose of all Italian assets and liabilities, including the remaining inventory, the right to recover Italian VAT taxes and any outstanding Italian liabilities.

Environmental Protection

The operation of our business has no extraordinary environmental protection requirements. As a result, the Company does not anticipate that any environmental regulations or controls will materially affect the business.

1.5 Results of Operations

The loss and comprehensive loss for the year ended April 30, 2022, is \$588,670 and for the comparative year ended April 30, 2021, there was a loss and comprehensive loss of \$1,508,166:

<i>For the year ended April 30,</i>	<i>2022</i>	<i>2021</i>	<i>Variance</i>
Expenses			
Audit and accounting	36,937	42,075	(5,138)
Foreign exchange loss	(4,900)	17,941	(22,841)
Legal	61,195	76,240	(15,045)
Management and consulting	51,000	33,000	18,000
Office and administration	41,730	55,654	(13,924)
Research and development expense	420,175	661,613	(241,438)
Shareholder communication and marketing	16,997	178,092	(161,095)
Transfer agent and filing fees	23,767	11,359	12,408
Travel and accommodations	25,624	40,471	(14,847)
Total Expenses	(672,525)	(1,116,445)	(443,920)
Other items:			
Debt forgiveness	83,855	-	83,855
Doubtful debt on loan	-	(73,897)	73,897
Write off VAT receivable	-	(317,824)	317,824
Total Other items	83,855	(391,721)	475,576
Total loss and comprehensive loss for the period	\$ (588,670)	\$ (1,508,166)	\$ 919,496

During the years ended April 30, 2022 and 2021, the Company expensed crop costs as research and development, along with seedling costs, farmer planting costs and consulting fees for a total of \$420,175 in 2022 and \$699,793 in 2021. The April 30, 2021 cost were offset by \$38,180 of proceeds received on sale of the test crop biomass for a net expense of \$661,613. During the prior year, the Company incurred marketing and shareholder expenses of \$178,092, legal expenses of \$76,240 and travel and accommodations costs of \$40,471 largely in relation to costs in Italy. These are compared to \$16,997, \$61,195 and \$25,624 in the current year, respectively, related to operations in Canada and Italy. The current year costs are much lower due to COVID restrictions resulting in a lack of funding and lower activity over 2021. Legal, corporate and foreign regulatory fees and taxes related to the Italian subsidiary are included

in legal costs. All other expenses are included in the related expense categories, including office and administration.

Financings, Principal Purposes & Milestones

Consolidation

On December 2, 2021, the Company's outstanding common shares were consolidated on the basis of two existing shares for one new share (the "Consolidation"). Prior to the consolidation, the Company's authorized share capital was an unlimited number of common shares without par value, of which 24,162,001 shares were issued and outstanding, with a further 8,529,000 shares reserved for issuance upon the exercise of outstanding warrants. Upon completion of the share consolidation, there were 12,081,001 common shares issued and outstanding, subject to further share issuances, post-consolidation, as discussed below pursuant to the financing and the settlement of debts. Subsequent to the consolidation and the share issuances noted below under the "Financing" and "Debt Settlement", there are 44,033,501 post consolidated common shares outstanding and 12,797,500 Warrants expiring from May 2022 to February 2024, exercisable at prices between \$0.10 and \$0.60 per share.

Financings

The Company completed a financing in two tranches to raise a total of \$1,197,500 in gross proceeds as follows:

On December 9, 2021, the Company closed Tranche 1 of its non-brokered private placement, raising \$672,500 in gross proceeds through the issuance of 13,450,000 units at a price of \$0.05 per Unit. Each Unit will consist of one post-consolidated share and one-half of one common share purchase warrant, with each whole Warrant entitling the holder to purchase one post-consolidated common share of the Company at a price of \$0.10 per share for a period of 2 years, provided that in the event the closing price of the Company's Shares is equal to or greater than \$0.20 per share for 30 consecutive trading days at any time following four months after the date of closing, the Company may, by notice to the Warrant holders, reduce the remaining exercise period of the Warrants to not less than 30 days following the date of such notice.

Aggregate compensation of \$52,000 and 520,000 finders' warrants (having the same general terms as the Warrants forming part of the Units) was paid by the Company as finders' fees, valued at \$7,200 using the Black Scholes method.

On February 2, 2022, the Company closed the final tranche of its non-brokered private placement, with the final tranche raising \$525,000 through the issuance of 10,500,000 units at a price of \$0.05 per Unit. Each Unit has the same terms as Tranche 1 above. No finders' fees were payable in this final tranche. A total of \$10,000 was outstanding subsequent to April 30, 2022 and is included within equity as at April 30, 2022.

Debt Settlement

The Company issued 8,002,500 post-consolidated shares in full settlement of outstanding debt in the aggregate amount of \$400,125, representing \$59,625 in fees and \$340,500 in advances owing. Included in this were 1,452,500 shares issued to officers and directors for outstanding fees and advances of \$72,625.

1.6 Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters:

	Q4	Q3	Q2	Q1
	30-Apr-22	31-Jan-22	31-Oct-21	31-Jul-21
Loss for period	\$ (130,721)	\$ (62,590)	\$ (353,658)	\$ (41,701)
Per share – basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.02)	\$ (0.00)
	Q4	Q3	Q2	Q1
	30-Apr-21	31-Jan-21	31-Oct-20	31-Jul-20
Loss for period	\$ (480,426)	\$ (132,816)	\$ (495,149)	\$ (399,775)
Per share – basic and diluted	\$ (0.04)	\$ (0.01)	\$ (0.04)	\$ (0.03)

Discussion

The Company reports a loss of \$130,721 for the quarter ending April 30, 2022 compared to a loss of \$480,426 in the comparative quarter ended April 30, 2021. For more detailed discussion on the quarterly production results and financial results for the quarter ended April 30, 2022, please refer to *Sections 1.5 under "Results of Operations"*.

1.7 Liquidity and Capital Resources

As at April 30, 2022, the Company had \$270,100 (April 30, 2021 - \$12,348) in cash, working capital deficit of \$193,197 and no long-term debt. The Company's ability to continue as a going concern is dependent upon its existing working capital and obtaining the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due.

The Company's working capital will not meet corporate, development, administrative and property obligations for the coming year. As a result, the Company will require additional financing and, while the Company has been successful in raising equity financing through the issuances of common shares in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. As such, there remains significant doubt as to the Company's ability to continue as a going concern (see financing - *section 1.5 - Financings, Principal Purposes & Milestones*).

1.8 Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

The following is a summary of charges incurred by the Company with related parties during the year ended April 30, 2022 and 2021:

Year ended April 30,	2022	2021
Audit and accounting	\$ -	\$ 10,500
Management fees	51,000	33,000
Office and administrative expense	8,250	13,750
Total	\$ 59,250	\$ 57,250

During the year ended April 30, 2022, the Company incurred fees and operational expenses totalling \$59,250 (April 30, 2021: \$57,250) from companies controlled by an officer and director of the Company and by another officer and director. As of April 30, 2022, the Company had amounts payable to officers and directors, and companies with directors in common of \$8,363 (April 30, 2021: \$50,789).

During the year ending April 30, 2022, the CEO and director of the Company advanced 260,000 Euros (approximately \$373,520) to the Company's Italian subsidiary, H4Hsrl on behalf of the Company, to pay certain crop costs and administrative expenses of H4Hsrl. These advances are non-interest bearing and are due on demand.

During the year ended April 30, 2022, \$83,855 in amounts payable for fees, expenses and advances were forgiven as debts to the Company. Included in these amounts was \$64,629 of amounts owing to officers and directors and companies controlled by officers and directors which included amounts payable for fees and advances.

See *Section 1.5 – Debt Settlement* for related party share issuances for settlement of advances and fees.

1.10 Critical Accounting Estimates

a) Going concern

Management makes an assessment about the Company's ability to continue as a going concern by taking in to account the consideration of the various factors discussed in Note 2 of the April 30, 2022 consolidated financial statements.

b) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they

have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences applicable to the Company. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recuperated.

1.11 Changes in Accounting Policies

N/A

1.12 Financial and Other Instruments

As at April 30, 2022, the Company's financial instruments consist of cash, amounts receivable, advances payable, and trade and other payables.

The fair value of the Company's amounts receivable, advances payable, and trade and other payables approximates their carrying value, which is the amount on the statement of financial position, due to their short-term maturities or ability of prompt liquidation.

a) Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At April 30, 2022, US dollar amounts were converted at a rate of \$1.2843 Canadian dollars to \$1 US dollar and Euro were converted at a rate of \$1.3543 Canadian dollars to 1 Euro. A 10% increase or decrease in the US dollar exchange rate may increase or decrease loss for the period by approximately \$474. A 10% increase or decrease in the EUR\$ exchange rate will decrease or increase loss for the period by approximately \$2,525.

b) Interest Rate Risk

The Company's cash earns interest at a variable interest rate. Because of the nature of this financial instrument, fluctuations in market rates do not have a significant impact on estimated fair values as of April 30, 2022. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (ii) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's exposure to interest rate fluctuations is minimal.

c) 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 is exposed to credit risk with respect to its cash, the balance of which at April 30, 2022 is \$270,100 (April 30, 2021 - \$12,348). As at that date, cash and short-term investment were held at a chartered Canadian financial institution and the Company does not consider the risks to be significant.

d) Liquidity Risk

Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. Additional cash requirements could be met with the issuance of additional share capital; however there is no assurance the Company will be able to raise funds in this manner in the future. As at April 30, 2022, the Company was holding cash of \$270,100 (April 30, 2021 - \$12,348).

1.13 Disclosure of Outstanding Share Capital as at August 29, 2022:

	Number	Book Value
Common Shares	46,701,501	\$ 4,862,605

A summary of the Company's outstanding share purchase warrants is presented below:

Number of Shares	Exercise Price	Expiry Date
7,245,000	\$0.10	December 9, 2023
5,250,000	\$0.10	February 2, 2024
12,495,000	\$0.10	

During the year ended April 30, 2022, 4,079,400 warrants exercisable at \$0.60 per share expired unexercised. 7,245,000 and 5,250,000 warrants were issued exercisable at \$0.10 per share expiring December 9, 2023 and February 2, 2024. Subsequent to April 30, 2022, 302,500 warrants exercisable at \$0.60 per share expired unexercised.

1.14 Approval

The Board of Directors, upon the recommendation of the Audit Committee, has approved the disclosure contained in this MD&A.