Optimi Health Corp.

Condensed Interim Consolidated Financial Statements

Period Ended December 31, 2021

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

Optimi Health Corp.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian Dollars)

	Note	December 31, 2021 $	September 30, 2021 $
ASSETS			
Current			
Cash and cash equivalents	3	5,730,494	8,432,843
Short-term investments	3	2,000,000	4,000,000
Accounts receivable		137,097	188,183
Prepaids and advances	4	264,796	1,681,178
Total current assets		8,132,387	14,302,204
Construction deposits		226,181	257,552
Plants under construction	5	10,790,856	8,586,465
Equipment	6	461,715	84,555
Right-of-Use assets	7	206,008	232,631
Total assets		19,817,147	23,463,407
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	9	1,050,032	2,144,542
Lease liability	7	97,816	95,362
Total current liabilities		1,147,848	2,239,904
Long-term lease liability	7	129,596	155,483
Total liabilities		1,277,444	2,395,387
Shareholders' equity			
Share capital	8	25,305,601	25,157,857
Reserves	8	2,362,961	2,098,913
Accumulated deficit		(9,128,859)	(6,188,750)
Total shareholders' equity		18,539,703	21,068,020
Total liabilities and shareholders' equity		19,817,147	23,463,407

Events after the reporting period (Note 14)

Approved and authorized by the Board on February 17, 2022

"Jon Schintler" Director *"John James Wilson"* Director

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

Optimi Health Corp.

Condensed Interim Consolidated Statements Comprehensive Loss
(Unaudited - Expressed in Canadian Dollars)

	Note	3-month period ended December 31, 2021 $	3-month period ended December 31, 2020 $
Expenses			
Advertising, promotion and public relations		95,934	15,122
Amortization	6, 7	25,789	7,716
Bank charges and interest	7	7,183	3,919
Consulting	9	162,608	57,121
Insurance		120,896	-
Investor relations		315,395	2,178
Marketing		1,357,959	-
Office, rent and administration		61,528	10,172
Professional fees		38,088	58,805
Research and development		45,435	-
Share-based compensation	7, 8	368,392	103,219
Transfer agent and filing fees		27,921	21,757
Travel and accommodation		48,212	-
Wages and benefits	7, 9	294,284	-
		2,969,624	280,009
Interest Income	3	(29,515)	-
Loss and comprehensive loss for the period		2,940,109	280,009
Loss per share			
Basic and diluted		$(0.04)	$(0.01)
Weighted average number of common shares outstanding			
Basic and diluted		69,979,504	20,000,001

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

Optimi Health Corp.

Condensed Interim Consolidated Statement of Cash Flows
(Unaudited - Expressed in Canadian Dollars)

	3-month period ended December 31, 2021 $	3-month period ended December 31, 2020 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	(2,940,109)	(280,009)
Add back non-cash items		
Amortization	25,789	7,716
Share-based compensation	368,392	103,219
Lease interest	5,753	3,710
Changes in non-cash working capital items		
Accounts receivable	51,086	(38,135)
Prepaids and advances	1,416,382	(17,151)
Accounts payable and accrued liabilities	(241,239)	78,424
Cash used in operating activities	(1,313,946)	(142,226)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits	(245,442)	(5,366)
Redemption of short-term investments	2,000,000	-
Plant under construction expenditures	(2,780,848)	(1,280,660)
Equipment additions	(378,953)	-
Cash used in investing activities	(1,405,243)	(1,286,026)
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placements, net of share issue costs	-	(16,637)
Deferred financing costs	-	(96,156)
Exercise of warrants	43,400	-
Payment of lease obligations	(26,560)	(7,500)
Cash held in trust	-	47,953
Cash provided by financing activities	16,840	(72,340)
Change in cash and cash equivalents during the period	(2,702,349)	(1,500,592)
Cash and cash equivalents, beginning of period	8,432,843	4,471,113
Cash and cash equivalents, end of period	5,730,494	2,970,521
SUPPLEMENTAL INFORMATION		
Plant under construction costs included in accounts payable	1,002,269	252,420
Deferred financing costs included in accounts payable	-	11,307
Transfer from reserves to share capital on exercise of RSRs	104,344	-
Deposits converted to equipment and plant under construction	276,813	-
Modification of lease liability	2,626	6,661

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

Optimi Health Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
Periods Ended December 31, 2021 and 2020
(Unaudited - Expressed in Canadian Dollars)

	Common Shares	Share Capital	Reserves	Deficit	Total Equity
		$	$	$	$
Balance, October 1, 2020	20,000,001	966,090	4,490,751	(169,221)	5,287,620
Share issuance costs	-	(16,637)	-	-	(16,637)
Share-based compensation	-	-	103,219	-	103,219
Loss and comprehensive loss for the period	-	-	-	(280,009)	(280,009)
Balance, December 31, 2020	20,000,001	949,453	4,593,970	(449,230)	5,094,193
Balance, October 1, 2021	69,870,133	25,157,857	2,098,913	(6,188,750)	21,068,020
Shares issued on exercise of warrants	108,500	43,400	-	-	43,400
Shares issued on conversion of RSRs	139,125	104,344	(104,344)	-	-
Share-based compensation	-	-	368,392	-	368,392
Loss and comprehensive loss for the period	-	-	-	(2,940,109)	(2,940,109)
Balance, December 31, 2021	70,117,758	25,305,601	2,362,961	(9,128,859)	18,539,703

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

1. Nature of Operations

Optimi Health Corp. ("Optimi" or the "Company") was incorporated under the *Business Corporations Act* (British Columbia) on May 27, 2020 under the name 1251417 B.C. Ltd. The Company changed its name from 1251417 B.C. Ltd. to Optimi Health Corp. on August 17, 2020.

The Company is developing a vertically integrated Canadian functional mushroom brand that focuses on the health and wellness food markets. The Company also intends to cultivate, extract, process and distribute high quality strains of fungi products at its facilities located in Princeton, British Columbia. The Company intends to grow and process functional mushrooms, to develop its own health food products and to sell its mushrooms and related products directly to consumers, to other health food brands and to distributors.

The head office and registered and records office is located at 40440 Thunderbird Ridge, Garibaldi Highlands, V0N 1T0, BC, Canada.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Over the coming quarter, the Company intends to complete construction of cultivation and processing facilities in Princeton, British Columbia, develop its functional mushrooms nutraceuticals brand and perform research on the health impacts of psilocybin mushrooms. Management estimates it will have sufficient funds to operate for the upcoming twelve months.

In March 2020, the World Health Organization recognized the outbreak of COVID-19 as a global pandemic. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, did not materially impact the Company's operations during the period ended December 31, 2021. Despite the pandemic, development activities relating to the plants under construction remain on schedule. Furthermore, the production, processing and sale of agri-food crops have been recognized as essential services in Canada and across Europe. Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's business, financial position and operating results in the future. Additionally, it is possible that estimates in the Company's condensed interim consolidated financial statements will change in the near term as a result of COVID-19. The Company is closely monitoring the impact of the pandemic on all aspects of its business.

2. Basis of Presentation

a) Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"s). They do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and, therefore, should be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2021, prepared in accordance with IFRS as issued by the IASB. Significant accounting policies not included in the audited consolidated financial statements for the year ended September 30, 2021 are described below.

These condensed interim consolidated financial statements were authorized by the Audit Committee and Board of Directors of the Company (the "Board") on February 17, 2022.

b) Basis of presentation

These condensed interim consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value. These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Company and its subsidiaries' functional currency.

c) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries' with intercompany balances and transactions eliminated on consolidation. Subsidiaries are those entities over which the Company has the power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. As of December 31, 2021, the Company has 100% ownership interest in Optimi Labs Inc and Optimi Nutraceuticals Corp.

d) Significant accounting policies

Cash and cash equivalents and short-term investments

Cash and cash equivalents and short-term investments are classified as FVTPL and are accounted for at fair value. Cash equivalents include highly liquid term deposits with original maturities of three months or less, and which are subject to an insignificant risk of change in value. Short-term investments include term deposits with original maturities greater than three months. Cash equivalents and short-term investments are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

e) Significant accounting judgments and estimates

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and the reported revenues and expenses during the year. Actual results may differ from these estimates.

Significant estimates and judgments are evaluations and assumptions about the future and other sources of estimation uncertainty that management has made, which could result in a material adjustment to the carrying amounts of assets and liabilities. Significant estimates and judgments used in the preparation of these condensed interim consolidated financial statements include, but are not limited to, the following:

Going concern

The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

Provisions and contingencies

The amount recognized as a provision, including legal, contractual, constructive and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available.

Impairment of plant under construction

Management considers both external and internal sources of information in determining if there are any indications that the Company's plant under construction are impaired. Management considers the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its plant under construction. Management considers the manner in which the plant under construction are being used or are expected to be used an indication of economic performance of the assets.

Valuation of share-based payments

The fair value of equity instruments is subject to the limitations of the Black-Scholes option pricing model, as well as other pricing models such as the Geske option pricing model for equity instruments involving compound options that incorporate market data and involve uncertainty in estimates used by management in the assumptions. Because option pricing models require inputs of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate. The Company estimates volatility based on historical share price of comparable companies, excluding specific time frames in which volatility was affected by specific transactions that are not considered to be indicative of the entities' expected share price volatility.

(Unaudited - Expressed in Canadian Dollars)

3. Cash and cash equivalents and short-term investments

Cash, cash equivalents and short-term investments consist of the following:

	Maturity	Classification	December 31, 2021	September 30, 2021
Cash	N/A	Cash	190,494	432,843
Term deposit – 0.65%	Demand	Cash equivalent	5,540,000	8,000,000
Term deposit – 1.35%	April 5, 2022	Short term investment	2,000,000	2,000,000
Term deposit – 0.95%	October 2, 2021	Short term investment	-	2,000,000

During the period ended December 31, 2021, the Company earned $29,515 (2020 - $nil) in interest income from cash equivalents and short-term investments.

4. Prepaids and advances

Prepaids and advances consist of the following:

	December 31, 2021	September 30, 2021
Deposits for mushroom raw materials	183,026	123,247
Prepaid insurance	54,672	168,614
Prepaid marketing	-	1,357,960
Prepaid transfer agent and filing fees	7,098	11,357
Security deposit	20,000	20,000
	$ 264,796	**$ 1,681,178**

5. Plants under construction

During the period ended September 30, 2020, construction began on the Company's cultivation and processing facilities located in Princeton, British Columbia (the "Princeton Facilities"). As at December 31, 2021, $10,790,856 (September 30, 2021 - $8,586,465) of expenditures incurred in connection with the construction of the Princeton Facilities were capitalized. Construction of the Princeton Facilities is estimated to be completed during the current fiscal year. At the time that the Princeton Facilities are ready for their intended use, amortization will commence.

(Unaudited - Expressed in Canadian Dollars)

6. Equipment and Office Furniture

Cost	Office furniture	Production and lab equipment	Total
September 30, 2021	$ -	$ 84,555	$ 84,555
Additions	42,506	336,447	378,953
December 31, 2021	42,506	421,002	463,508

Accumulated amortization	Office furniture	Production and lab equipment	Total
September 30, 2021	$ -	$ -	$ -
Additions	1,793	-	1,793
December 31, 2021	1,793	-	1,793

September 30, 2021	$ -	$ 84,555	$ 84,555
December 31, 2021	$ 40,713	$ 421,002	$ 461,715

At the time that the production and lab equipment are ready for its intended use, amortization will commence.

7. Right-of-use asset and Lease liability

The Company has a lease agreement with BC Green Pharmaceuticals Inc. ("BC Green"), a company related by a common director and common officers, whereby, the Company has leased industrial land from BC Green on which to build its Princeton Facilities. Upon signing of the lease agreement, the Company recognized $158,683 for a right-of-use ("ROU") asset and $158,683 for a lease liability representing the present value of the future lease payments discounted using an effective interest rate of 10%. The lease payments are $2,500 per month, increasing to $3,500 per month once the Princeton Facilities are completed. During the year ended September 30, 2021, the anticipated completion date of the Princeton Facilities was extended which resulted in a modification of the Company's ROU asset and lease liability of $11,187.

During the year ended September 30, 2021, the Company entered into a lease agreement for office space in Vancouver, British Columbia with monthly payments of $6,353 for a period of two years.

The continuity of the ROU assets and Lease liabilities are as follows:

ROU asset	Princeton	Office	Total
ROU asset as at September 30, 2020	$ 153,259	$ -	$ 153,259
Recognition of ROU asset	-	137,679	137,679
Modification of ROU asset	(11,187)	-	(11,187)
Amortization	(29,910)	(17,210)	(47,120)
ROU asset as at September 30, 2021	112,162	120,469	232,631
Modification of ROU asset	(2,627)	-	(2,627)
Amortization	(6,786)	(17,210)	(23,996)
ROU asset as at December 31, 2021	**$ 102,749**	**$ 103,259**	**$ 206,008**

Lease liability	Princeton	Office	Total
Lease liability as at September 30, 2020	$ 156,319	$ -	156,319
Recognition of lease liability	-	137,679	137,679
Modification of lease liability	(11,187)	-	(11,187)
Lease payments	(30,000)	(19,060)	(49,060)
Lease interest	13,782	3,312	17,094

(Unaudited - Expressed in Canadian Dollars)

Lease liability as at September 30, 2021	128,914	121,931	250,845
Modification of lease liability	(2,627)	-	(2,627)
Lease payments	(7,500)	(19,060)	(26,560)
Lease interest	2,839	2,914	5,753
Lease liability as at September 30, 2021	**$ 121,626**	**$ 105,785**	**$ 227,411**

	December 31, 2021	September 30, 2021
Current portion	$ 97,816	$ 95,362
Long-term portion	129,596	155,483
	$ 227,412	**$ 250,845**

8. Share Capital

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

The total issued and outstanding share capital as at December 31, 2021 consisted of 70,117,758 common shares without par value.

During the period ended December 31, 2021, the Company issued:

- 108,500 common shares valued at $43,400 on exercise of warrants
- 139,125 common shares valued at $104,344 on exercise of restricted share rights ("RSRs").

The Company didn't issue any common shares during the period ended December 31, 2020.

c) Warrants

Warrant transactions are summarized as follows:

	Number of warrants	Weighted Average exercise price
Balance, September 30, 2021	40,997,005	$0.61
Exercised	(108,500)	$0.40
Balance, December 31, 2021	40,888,505	$0.61

The following is a summary of warrants as at December 31, 2021:

Expiry Date	Exercise Price	Number of Warrants	Weighted Average Remaining Contractual Life (Years)
July 6, 2022	$0.10	10,000,000	0.51
September 11, 2022	$0.40	17,088,505	0.70
February 24, 2023	$1.25	13,800,000	1.15

(Unaudited - Expressed in Canadian Dollars)

d) Equity incentive plan

The Company has an Equity Incentive Plan ("EIP") under which the Board may, from time to time in its discretion, grant stock options, RSRs or deferred share units ("DSUs") of the Company to its directors, officers, employees, consultants, and advisors. The aggregate number of Common Shares that may be subject to issuance under the Equity Incentive Plan, together with any other securities-based compensation arrangements of the Corporation, shall not exceed 15% of the Corporation's issued and outstanding share capital.

Stock options

The EIP authorizes the Board to grant options to eligible directors and employees (including officers). The number of options, the exercise price per option, the vesting period and any other terms and conditions of options granted from time to time pursuant to the EIP, are determined by the Board at the time of the grant, subject to the defined parameters of the EIP. Unless otherwise determined by the Board, stock options will have a term of five years and 25% of the options granted will vest immediately, and 25% will vest each six-month period thereafter.

During the period ended December 31, 2021, the Company granted:

- 30,000 stock options to an employee. These options vest 25% every six months from the date of issuance with an exercise price of $1.50 per option and expire on October 18, 2026.

During the period ended December 31, 2021, the Company recorded $252,814 (December 31, 2020 - $80,110) in share-based compensation expense due to the vesting of options. The Company measured the fair value of the options granted using the Black-Scholes option pricing model with the following weighted average assumptions: expected life of the options - 5 years, stock price volatility – 100%, no dividend yield, and a risk-free interest rate yield of 0.39%.

Options transactions are summarized as follows:

	Number of options	Weighted Average exercise price
Balance, September 30, 2021	5,772,000	$1.16
Granted	30,000	$1.5
Balance, December 31, 2021	5,802,000	$1.16

The following is a summary of stock options as at December 31, 2021:

Expiry Date	Exercise Price	Number of Options	Options Exercisable	Weighted Average Remaining Contractual Life (Years)
October 9, 2025	$0.50	500,000	500,000	3.78
January 26, 2026	$0.60	40,000	20,000	4.07
May 6, 2026	$1.50	2,025,000	1,012,500	4.35
May 20, 2026	$1.50	150,000	75,000	4.39
May 25, 2026	$1.50	75,000	37,500	4.40

(Unaudited - Expressed in Canadian Dollars)

July 14, 2026	$1.50	50,000	25,000	4.45
August 30, 2026	$1.50	1,000,000	250,000	4.67
October 18, 2026	$1.50	30,000	-	4.80
February 24, 2023	$0.75	1,932,000*	1,932,000	1.15

- Exercisable into one common share and one-half warrant.

Restricted share rights

The EIP authorizes the Board to grant RSRs, in its sole and absolute discretion, to any eligible employee or director. Each RSR provides the recipient with the right to receive common shares of the Company for no additional consideration as compensation for past services or as an incentive for future services. The terms including the vesting period of the RSRs are determined at the sole discretion of the Board.

During the year ended September 30, 2021, the Company granted 500,000 restricted share rights ("RSR") to a director and officer valued at $125,000. These RSRs will vest 10% on the date the Company's shares are listed on a Canadian stock exchange (estimated to be February 15, 2021) and 15% on every 6-month anniversary of the listing date. During the period ended December 31, 2021, the Company recorded 18,398 (2020 - $23,109) in share-based compensation related to the vesting of these RSRs.

During the year ended September 30, 2021, the Company granted 927,500 RSRs to a directors, officers, consultants, and advisors valued at $695,625. These RSRs vest as follows: 10% on the grant date and 15% on every six-month thereafter. During the period ended December 31, 2021, the Company recorded $97,180 (2020 - $nil) in share-based compensation related to the vesting of these RSRs. During the period ended December 31, 2021, 139,125 RSRs vested and were converted into common shares.

9. Key Management Compensation and Related Party Transactions

During the period ended December 31, 2021, the Company incurred the following amounts charged by officers and directors (being key management personnel) and companies controlled and/or owned by officers and directors of the Company in addition to the related party transactions disclosed elsewhere in these financial statements:

	December 31, 2021	December 31, 2020
Consulting fees	$ 71,250	$19,016
Share-based compensation	278,723	103,219
Wages and benefits	125,000	-
	$ 474,973	**$122,235**

The Company has entered into a lease agreement with BC Green described in Note 7.

As at December 31, 2021, there was $55 (September 30, 2021 - $35,796) owing to key management which is included in accounts payable and accrued liabilities. The amounts are unsecured, without interest and due on demand.

10. Financial Instruments

a) Categories of financial instruments

The classification of the financial instruments as well as their carrying values is shown below:

Fair value

The fair value recorded on initial recognition of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers the carrying amounts of all its financial assets and financial liabilities recognized at amortized cost in these condensed interim consolidated financial statements to approximate their fair values due to the short-term maturity of these instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash and cash equivalents and short-term investments, accounts payable and accrued liabilities and lease liability. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments.

b) Management of financial risks

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of these risks. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be limited as it holds no assets or liabilities subject to variable rates of interest.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The financial instruments that potentially subjects the Company to credit risk consists of cash and cash equivalents and short-term investments. The Company limits exposure by maintaining its cash with major Canadian commercial banks and credit unions.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company is reliant upon equity issuances and loans as its main sources of cash. The Company manages liquidity risk by maintaining an adequate level of cash to meet its ongoing obligations. The Company continuously reviews its actual expenditures, forecasts cash flows, and matches the maturity dates of its cash to capital and operating needs. All of the Company's existing commitments are budgeted and funded as at the date of the financial statements. All financial liabilities have contractual maturities of less than one year and are subject to normal trade terms with the exception of the Company's lease liability which matures based on the lease agreement.

Currency risk

The Company is not exposed to financial risk related to the fluctuation of foreign exchange rates.

11. Capital Disclosure

The capital structure of the Company consists of equity attributable to common shareholders comprising issued share capital, reserves and deficit. The Company's objectives when managing capital are to: (i) preserve capital; (ii) obtain the best available net return; and (iii) maintain liquidity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital restrictions.

12. Segment Reporting

For the period ended December 31, 2021, the Company has one reportable operating segment being that of the farming, processing and distribution of agri-foods. The Company's non-current assets at December 31, 2021 are all in Canada.

(Unaudited - Expressed in Canadian Dollars)

13. Commitments

The Company has a lease commitment for the industrial land where the Princeton Facilities are being constructed expiring in June 2025. Cash commitments for minimum lease payments in relation to the facility leases as at December 31, 2021, are payable as follows:

Within 1 year	$	116,238
Between 1 year and 5 years		143,119
	$	259,358

14. Events after the reporting period

Subsequent to December 31, 2021, the Company:

- Issued 50,000 common shares valued at $25,000 for consulting services.
- Received a Controlled Substances Dealers License from Health Canada which allows the Company to possess, produce, assemble, sell, and deliver psilocybin within the regulated framework set forth by Health Canada.