Boosh Plant-Based Brands Inc.

Consolidated Financial Statements

For the years ended March 31, 2021 and 2020

(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Boosh Plant-Based Brands Inc.

Opinion

We have audited the consolidated financial statements of Boosh Plant-Based Brands Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2021 and 2020, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

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 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 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial statements, which indicates 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 comprises the information included in Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

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

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 David Goertz.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

July 30, 2021

Boosh Plant-Based Brands Inc.
Consolidated Statements of Financial Position
As at March 31, 2021 and 2020
(Expressed in Canadian dollars)

	Note		**2021**		2020
ASSETS					
Current assets					
Cash		**$**	**98,463**	$	2,639
Trade and other receivables	7, 19		**51,185**		9,851
Prepaid expenses			**37,592**		980
Inventory	8		**98,094**		50,446
			285,334		63,916
Intangible asset	10		**52,281**		-
Equipment	9		**23,285**		-
Right-of-use asset	13		**100,739**		-
Total assets		**$**	**461,639**	$	63,916
LIABILITIES AND SHAREHOLDERS' DEFICIENCY					
Current liabilities					
Accounts payable and accrued liabilities	11	**$**	**337,036**	$	87,540
Due to related parties	15		**66,329**		60,304
Convertible debt	12		**148,439**		-
Current portion of lease liability	13		**74,718**		-
			626,522		147,844
Lease liability	13		**13,572**		-
Total liabilities			**640,094**		147,844
Shareholders' deficiency					
Share capital	14		**757,349**		224,069
Obligation to issue shares			**10,000**		-
Reserves	6, 14		**349,550**		41,327
Deficit			**(1,295,354)**		(349,324)
Total shareholders' deficiency			**(178,455)**		(83,928)
Total liabilities and shareholders' deficiency		**$**	**461,639**	$	63,916

Nature of operations and going concern (Note 1, 2)
Subsequent events (Note 20)

These financial statements were approved by the Board of Directors

"Connie Marples" Director   *"Jim Pakulis"* Director

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

Boosh Plant-Based Brands Inc.
Consolidated Statements of Loss and Comprehensive Loss
For the Years Ended March 31, 2021 and 2020
(Expressed in Canadian dollars)

	Note		**2021**		2020
Sales	16	**$**	**108,296**	$	128,437
Cost of sales	8		**(112,985)**		(117,587)
Gross profit			**(4,689)**		10,850
Operating expenses					
Depreciation	9,10,13		**19,762**		305
Foreign exchange loss			**1,213**		-
General and administrative expenses			**132,986**		25,324
Marketing, sales and distribution			**113,743**		35,439
Management fees	15		**16,580**		-
Professional fees	15		**222,082**		26,756
Rent			**12,205**		-
Research and development			**11,013**		3,852
Salaries			**10,672**		24,799
Share-based payments	14, 15		**181,897**		41,327
Total operating expenses			**722,153**		157,802
Net loss before the other items			**(726,842)**		(146,952)
Other loss					
Accretion expense	12		**(7,424)**		-
Finance cost	12		**(4,055)**		(716)
Loss on disposal of equipment			**-**		(2,133)
Transaction cost	6		**(207,709)**		-
			(219,188)		(2,849)
Net loss and comprehensive loss		**$**	**(946,030)**	$	(149,801)
Weighted average number of shares, basic and diluted			**6,805,520**		6,639,290
Loss per share, basic and diluted		**$**	**(0.14)**	$	(0.02)

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

Boosh Plant-Based Brands Inc.
Consolidated Statement of Changes in Shareholders' Deficiency
For the Years Ended March 31, 2021 and 2020
(Expressed in Canadian dollars)

	Share Capital					
	Number of common shares*	Amount	Obligation to issue shares	Reserves	Deficit	Total shareholders' equity (deficiency)
Balance, March 31, 2019	**5,496,576**	**$ 109,329**	**$ -**	**$ -**	**$ (199,523)**	**$ (90,194)**
Shares issued for cash	503,424	115,000	-	-	-	115,000
Share issuance costs	-	(260)	-	-	-	(260)
Share-based payments	-	-	-	41,327	-	41,327
Net loss for the year	-	-	-	-	(149,801)	(149,801)
Balance, March 31, 2020	**6,000,000**	**$ 224,069**	**$ -**	**$ 41,327**	**$ (349,324)**	**$ (83,928)**
Shares issued upon RTO	2,458,250	427,441	-	132,365	-	559,806
Share-based payments	-	-	-	166,324	-	166,324
Warrants issued for services	-	-	-	8,073	-	8,073
Shares issued for cash	514,750	104,950	-	-	-	104,950
Issuance of promissory note	40,000	1,568	-	1,115	-	2,683
Share issuance costs	2,500	(679)	-	346	-	(333)
Obligation to issue shares	-	-	10,000	-	-	10,000
Net loss for the year	-	-	-	-	(946,030)	(946,030)
Balance, March 31, 2021	**9,015,500**	**$ 757,349**	**$ 10,000**	**$ 349,550**	**$ (1,295,354)**	**$ (178,455)**

* *The number of shares outstanding before the RTO have been restated to reflect the effect of issuing 0.873288 RTO share for each share outstanding.*

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

Boosh Plant-Based Brands Inc.
Consolidated Statements of Cash Flows
For the years ended March 31, 2021 and 2020
(Expressed in Canadian dollars)

		2021		2020
Operating activities				
Net loss for the year	**$**	**(946,030)**	$	(149,801)
Items not affecting cash:				
Accretion expense		**7,424**		-
Interest expense		**658**		-
Share-based payments		**174,397**		41,327
Shares issued for services		**7,500**		-
Depreciation		**19,762**		305
Write-down on inventory		**-**		11,860
Loss on disposal of equipment		**-**		2,133
Transaction costs		**207,709**		-
Non-cash working capital items:				
Accounts receivable		**(41,289)**		(5,072)
Prepaid expenses		**18,298**		(980)
Inventory		**(47,648)**		(54,846)
Accounts payable and other liabilities		**166,131**		46,778
Due to related parties		**(3,286)**		(76,771)
Net cash used in operating activities		**(436,374)**		(185,067)
Investing activities				
Purchase of equipment		**(23,939)**		-
Purchase of intangible asset		**(25,000)**		-
Cash acquired from acquisition of Boosh		**423,835**		-
Proceeds from disposal of equipment		**-**		2,957
Net cash provided by investing activities		**374,896**		2,957
Financing activities				
Proceeds from loans advanced from related parties		**146,456**		188,093
Repayments of loans due to related parties		**(44,433)**		(154,721)
Proceeds from issuance of shares		**46,950**		115,000
Payment for share issuance costs		**(333)**		(260)
Issuance of convertible debt		**40,000**		-
Repayment of lease principal		**(31,338)**		-
Net cash provided by financing activities		**157,302**		148,112
Change in cash		**95,824**		(33,998)
Cash, beginning of the year		**2,639**		36,637
Cash, end of the year	**$**	**98,463**	$	2,639

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

1. NATURE OF OPERATIONS

Boosh Plant-Based Brands Inc. (the "Company" or "BPBB") was incorporated under the Business Corporations Act (British Columbia) on August 6, 2020. The Company's head office, principal address and records office is located at #103 - 6554 176 Street, Surrey, BC V3S 4G5. The registered office is located at 2080 - 777 Hornby Street, Vancouver, BC, V6Z 1S4. The Company is in the business of producing and selling plant-based frozen meals.

On December 21, 2020, the Company completed the acquisition of Boosh Food Inc. ("Boosh") through a share exchange agreement (note 6). As a result, Boosh became a wholly owned subsidiary of the Company, and the outstanding shares of Boosh were cancelled. This transaction is accounted for as a reverse asset acquisition of the Company by Boosh ("RTO"). On January 6, 2021, the Company changed its name to Boosh Plant-Based Brands Inc.

2. BASIS OF PREPARATION

Going concern

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. To date, the Company has incurred losses and may incur further losses in the development of its business. During the year ended March 31, 2021, the Company incurred a net loss of $946,030 and had an accumulated deficit of $1,295,354 as at March 31, 2021. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to raise financing and generate profits and positive cash flows from operations in order to cover its operating costs. From time to time, the Company generates working capital to fund its operations by raising additional capital through equity financing. However, there is no assurance it will be able to continue to do so in the future. These factors 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 any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

COVID-19

The outbreak of the coronavirus, also known as "COVID-19", has spread across the globe and is impacting worldwide economic activity. Conditions surrounding the coronavirus continue to evolve and government authorities have implemented emergency measures to mitigate the spread of the coronavirus. The outbreak and the related mitigation measures may have an adverse impact on global economic conditions as well as on the Company's business activities. The extent to which the coronavirus may impact the Company's business activities will depend on future developments, such as the ultimate geographic spread of the disease, the duration of the outbreak, travel restrictions, business disruptions, and the effectiveness of actions taken in Canada and other countries to contain and treat the disease. These events are highly uncertain and as such, the Company cannot determine their financial impact at this time. COVID-19 may impact the Company's ability to raise future financing.

Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the international Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Issues Committee ("IFRIC"). The consolidated annual financial statements were authorized for issue by the Board of Directors on July 30, 2021.

2. BASIS OF PREPARATION (Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of its wholly owned subsidiary, Boosh Food Inc.

A subsidiary is an entity over which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. A subsidiary is consolidated from the date upon which control is acquired by the Company and all intercompany transactions and balances have been eliminated on consolidation.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Significant accounting policies used in the preparation of these consolidated financial statements are described in Note 3. The accounting policies set out below have been applied consistently to all years presented in these financial statements as if the policies have always been in effect.

The preparation of the consolidated financial statements in compliance with IFRS requires management to make certain 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 discussed in Note 4.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional and reporting currency of the Company and Boosh Food Inc.

3. SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue is recognized at the point in which the performance obligation under the terms of a contract with the customer have been satisfied and control has transferred. The Company's performance obligation is typically defined as the accepted purchase order with the customer which requires the Company to deliver the requested products at agreed upon prices at the time and location of the customer's choice. The Company satisfies its performance obligation and transfers control to the customer upon shipment. Billings rendered in advance of performance under contracts are recorded as deferred revenue.

Revenue is measured at the fair value of the consideration received or receivable, net of estimated returns and discounts. The time between invoicing and when payment is due is not significant. None of the Company's customer contracts, as at March 31, 2021, contains a significant financing component. The Company does not offer warranties or a right to return on the products it sells except in the instance of a product recall.

The Company routinely offers sales discounts and promotions through various programs to its customers and consumers. These programs include discounts, free samples to open new customer accounts or expand products sold to existing accounts, products as contest prizes on social media and other trade activities.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories and cost of sales

Inventories are recorded at lower of cost or net realizable value. The Company accounts for inventory using the FIFO (first-in-first-out) method. In addition to product cost, inventory costs include expenditures such as direct labor, supply and expenses and any third-party costs. Inventories are comprised primarily of raw materials, purchase costs and direct labor. The Company reviews the quantities and condition of the inventory on hand on a regular basis and records a provision for spoiled inventory when it's incurred. Any write-down recorded of inventory is included in cost of sales for the period.

Equipment

Equipment is recorded at cost less accumulated depreciation and impairment losses. The Company provides for depreciation using the methods at rates designed to depreciate the cost of the equipment over their period of expected useful life. The estimated useful lives of assets are reviewed by management and adjusted if necessary.

Costs include expenditures that are directly attributable to the acquisition of the asset 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. 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 can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to profit or loss in the period when they are incurred.

The Company commences recording depreciation when the assets are in a working condition read for use using the straight-line method at the following rates:

Class	Useful Life
Kitchen equipment	5 years
Computer equipment	3 years
Leasehold improvements	2 years

Intangible assets

Intangible assets with finite lives are measured on initial recognition at cost, which comprises the purchase price plus any directly attributable costs of preparing the asset for intended use. Following initial recognition, such intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether this status continues to be appropriate.

Class	Useful Life
Recipes & Formulas	20 years

Financial instruments

Recognition, classification and measurement

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit and loss ("FVTPL").

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership.

All financial liabilities are recognized initially on the transaction date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has classified its cash as a financial asset and convertible debt as a financial liability measured at FVTPL, and classified its accounts receivable, accounts payable and accrued liabilities, due to related parties as financial assets and financial liabilities measured at amortized cost. Such assets and liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivable are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the statements of loss and comprehensive loss and reflected in an allowance account against accounts receivable. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of loss and comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Loss per share

Loss per share is computed by dividing net loss available to shareholders by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding options and warrants were exercised and that the proceeds from such exercises were used to acquire shares at the average market price during the reporting periods.

Impairment of assets

The carrying amount of the Company's non-financial assets (which include property, plant and equipment and intangible assets) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. Any reversal of impairment cannot increase the carrying value of the asset to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in the previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Share-based payments

The Company grants stock options to purchase common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee. The fair value of stock options is measured on the grant date using the Black-Scholes option pricing model and is recognized over the vesting period. Share-based payments are initially recorded to reserves. Subsequently, the amount together with the consideration received for the shares on the exercise of share-based payments are credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

Share capital

The Company records proceeds from the issuance of its common shares as equity. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The residual value method first allocates value to the most easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placement was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted price on the issuance date. The remaining proceeds, if any, are allocated to the attached warrants. Any fair value attributed to the warrants is recorded as warrant reserve. Management does not expect to record a value to the warrant in most equity issuances as unit private placements are commonly priced at market or at a permitted discount to market.

Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that shares are issued.

Leases

At inception of a new contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

i. the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
ii. the Company has the right to obtain substantially all the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
iii. the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Company recognizes a right-of-use ("ROU") asset and a lease liability on the consolidated statement of financial position. The ROU asset is initially recorded at cost, which comprises the initial amount of the lease liability and any initial direct costs incurred less any lease payments made at or before the initial adoption date. The ROU asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term. The ROU asset is periodically reduced by impairment losses, if any, and adjusted for remeasurements of the lease liability. The lease liability is measured at the present value of the expected lease payments over the lease term, discounted at the interest rate implicit in the lease; if the rate cannot be determined, the incremental borrowing rate is used. The liability is increased for the passage of time and payments on the lease are offset against the lease liability.

Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current period. Deferred income tax assets, including the benefit of losses available to be carried forward to future years, and liabilities are recognized for temporary differences between the tax and accounting basis of assets and liabilities.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred income tax assets and liabilities are offset if, and only if, a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions 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 assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in the comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments 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 year are discussed below:

Going concern

The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances. The factors considered by management are disclosed in Note 2.

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 the tax law in the relevant jurisdiction. 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 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 only to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. 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 recouped.

Accounts receivable

The Company's assessment of collectability of its trade receivable requires judgment. In assessing whether an allowance is necessary, the Company uses historical trends to determine the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them.

Inventory

In calculating final inventory values, management is required to determine an estimate of spoiled, obsolete or expired inventory and compares the inventory cost to estimated net realizable value. The Company must determine if the cost of any inventory exceeds its net realizable value, such as cases where prices have decreased or inventory has spoiled or has otherwise been damaged.

Equipment

Equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and take into consideration the anticipated physical life of the asset, the potential for technological obsolescence and regulations.

Determining non-cancellable lease term

The non-cancellable lease term depends on the terms of the lease agreement and management's plans for the leased asset in question. Management must evaluate whether or not the Company shall exercise renewal options, the result of which could extend the non-cancellable term of the lease. Extending the lease term can have a material impact on the recorded value of lease liabilities and right-of-use assets.

Incremental borrowing rate

Under IFRS 16, the Company assesses whether a contract contains a lease and, if so, recognizes a lease liability by discounting the future lease payments over the non-cancelable term of the lease, using the Company's estimated incremental borrowing rate. Differences in the estimated incremental borrowing rate could result in materially different lease liabilities and right-of-use assets.

Acquisition

The determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business is presumed to be an integrated set of activities and assets capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or economic benefits.

5. BASIS OF FAIR VALUE

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Expressed in Canadian dollars)

5. BASIS OF FAIR VALUE (Continued)

The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine (a) the values attributed to each component of a transaction at the time of their issuance; (b) the fair value measurements for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

The Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, convertible debt and due to related parties. Cash is measured at fair value on a recurring basis using level 1 inputs.

The carrying value of the Company's financial instruments carried at amortized cost approximate their fair values due to their short-term maturities.

6. REVERSE TAKEOVER

On December 21, 2020, an aggregate of 6,000,000 shares of the Company were issued to the shareholders of Boosh in exchange for their 6,870,587 shares in Boosh. Each share of Boosh was exchanged for 0.873288 common shares of the Company.

As a result of the acquisition, Boosh is deemed to be the acquirer for accounting purposes and therefore its assets, liabilities and operations are included in the consolidated financial statements at their historical carrying value. Boosh's operations were a continuance of the business and operations. The Company's results of operations are those of Boosh, with the operations of the Company being included from December 21, 2020, the closing date of the acquisition, and onwards.

At the time of the RTO, the Company did not constitute a business as defined under IFRS 3; therefore, the RTO is accounted for under IFRS 2, where the difference between the consideration given to acquire the Company and the net asset value of the Company is recorded as a transaction cost to profit and loss. As Boosh is deemed to be the accounting acquirer for accounting purposes, these consolidated financial statements present the historical financial information of Boosh up to the date of the RTO. The fair value of the consideration issued for the net assets of the Company is as follows:

Consideration:		
Fair value of shares retained by former BPBB shareholders (2,458,250 shares)	$	427,441
Value of BPBB warrants assumed (4,550,250 warrants, Note 14)		118,762
Forgiveness of Boosh debt		(92,712)
Total consideration		453,491
Fair value of net assets assumed:		
Cash and cash equivalents		423,835
Prepaid expenses and deposits		54,910
Accounts payable and accrued liabilities		(58,365)
Convertible debt		(102,995)
Conversion component		(13,603)
Subscriptions received		(58,000)
Total net assets		245,782
Transaction cost	**$**	**207,709**

(Expressed in Canadian dollars)

7. ACCOUNTS RECEIVABLE

The Company's accounts receivable consists of the following at March 31,:

		2021		**2020**
Trade receivables	$	41,915	$	8,568
GST receivable		9,270		1,283
	$	51,185	$	9,851

8. INVENTORY

Inventory consists of finished goods and raw materials. The following is an inventory breakdown at March 31,:

		2021		**2020**
Finished goods	$	53,944	$	28,410
Raw materials		44,150		22,036
	$	98,094	$	50,446

During the year ended March 31, 2021, the Company expensed $112,985 (2020 - $105,727) of inventory in the cost of sales. In addition, the Company recorded a write-down on inventory of $nil (2020 - $11,860) in the cost of sales related to several cases of reduced quality food identified during the year.

9. EQUIPMENT

		Kitchen equipment		**Computer equipment**		**Leasehold improvements**		**Total**
Cost								
Balance, March 31, 2019	$	6,104	$	-	$	-	$	**6,104**
Disposals		(6,104)		-		-		**(6,104)**
Balance, March 31, 2020	$	**-**	$	**-**	$	-	$	-
Additions		8,860		12,076		3,003		**23,939**
Balance, March 31, 2021	**$**	**8,860**	**$**	**12,076**	**$**	**3,003**	**$**	**23,939**
Accumulated Depreciation								
Balance, March 31, 2019	$	709	$	-	$	-	$	**709**
Depreciation		305		-		-		**305**
Disposals		(1,014)		-		-		**(1,014)**
Balance, March 31, 2020	$	-	$	-	$	-	**$**	**-**
Depreciation		222		**357**		75		**654**
Balance, March 31, 2021	**$**	**222**	**$**	**357**	**$**	**75**	**$**	**654**
Net Book Value								
At March 31, 2020	$	-	$	-	$	-	$	-
At March 31, 2021	**$**	**8,638**	**$**	**11,719**	**$**	**2,928**	**$**	**23,285**

During the year ended March 31, 2020, the Company sold its kitchen equipment with net book value of $5,090 for total proceeds of $2,957, resulting in a loss of $2,133 on the disposal.

(Expressed in Canadian dollars)

10. INTANGIBLE ASSET

On February 28, 2021, the Company entered into an asset purchase agreement with Vegan Canteen Limited Partnership ("Vegan") to purchase certain recipes and formulas and the associated intangible rights and property for total consideration of $50,000 payable in cash and the issuance of 5,000 common shares of the Company with a fair value of $2,500. Of the total consideration, $25,000 has been paid on the closing date and the remaining was paid subsequent to the year ended March 31, 2021.

		Recipes & Formulas
Cost		
Balance, March 31, 2020	$	-
Additions		52,500
Balance, March 31, 2021	**$**	**52,500**
Amortization and Impairment		
Balance, March 31, 2020	$	-
Amortization		219
Balance, March 31, 2021	**$**	**219**
Net Book Value		
At March 31, 2020	**$**	**-**
At March 31, 2021	**$**	**52,281**

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		2021		**2020**
Trade payables	$	156,770	$	53,794
Accrued liabilities		179,433		32,500
Payroll tax liabilities		833		1,246
	$	337,036	$	87,540

12. CONVERTIBLE NOTES

As part of the RTO (note 6), Boosh acquired the outstanding convertible promissory notes issued and outstanding by BPBB with total fair value of $116,598 of which $13,603 has been classified as equity.

The convertible promissory note with a face value of $40,000 bears interest at a rate of 6% per annum, while the convertible promissory note with a face value of $70,000 bears no interest. Both convertible notes mature on June 5, 2021 and can be converted into warrants of the Company at a price of $0.05 per warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $1.00 for 12 months.

On January 14, 2021, the Company issued a convertible promissory note with a face value of $40,000 that bears no interest. The convertible note matures 10 days after the Company completes its IPO and can be converted into warrants of the Company at a price of $0.05 per warrant. Each warrant entitles the holder to purchase one common share of the Company at a price of $1.00 for 12 months.

(Expressed in Canadian dollars)

12. CONVERTIBLE NOTES (Continued)

To estimate the fair value, the debt component was estimated first at $37,318 using an effective rate of 27% corresponding to a rate that the Corporation would have obtained for a similar financing without the conversion option. Secondly, as the equity component of the convertible debt is comprised of a conversion feature and bonus shares, the allocation between the two features is determined using the relative fair value approach. A fair value of $1,114 was determined for the conversion component while a fair value of $1,568 was determined for the bonus share feature.

A continuity of convertible notes for the years ended March 31, is as follows:

		Face value		Carrying value
Balance, March 31, 2019 and 2020	$	-	$	-
Acquired on RTO		110,000		102,995
Issued during the year		40,000		37,318
Interest expense		-		658
Accretion		-		7,424
Balance, March 31, 2021	**$**	**150,000**	**$**	**148,394**

13. LEASES

Office

On December 10, 2020, the Company entered into a lease agreement for an office. The lease term commenced on January 1, 2021 to July 31, 2022. The Company is committed to a monthly rental fee of $6,914 per month plus operating expenses. Upon commencement of the lease, the Company paid a deposit of $54,910 which consisted of a prepayment of the first three months and last two months of rent and related operating expenses for those periods. As at March 31, 2021, the Company has expensed $12,205 of the prepaid operating expenses.

Right-of-Use Assets		**Office**
Cost		
Balance, March 31, 2020	$	-
Additions		119,628
Depreciation expense		(18,889)
Balance, March 31, 2021	**$**	**100,739**
Net carrying value:		
At March 31, 2020	$	-
At March 31, 2021	$	**100,739**

At March 31, 2021, the Company's lease obligation related to its office lease is as follows:

Lease Obligations		**Office**
Cost		
Balance, March 31, 2020	$	-
Additions		85,060
Interest expense		3,230
Balance, March 31, 2021	**$**	**88,290**
Which consists of:		
Current portion	$	74,718
Long-term portion		13,572
	$	**88,290**

(Expressed in Canadian dollars)

13. LEASES (Continued)

At March 31, 2021, the Company is committed to minimum lease payments as follows:

Maturity Analysis		**Office**
Less than one year	$	82,963
One to five years		13,827
Total undiscounted lease liabilities	**$**	**96,790**

Amounts recognized in profit or loss		
Interest on lease liabilities	$	3,230
Expenses related to variable lease payments not included in lease liabilities		12,205
Total amounts recognized in profit or loss	**$**	**15,435**

Amounts recognized in the statement of cash flows		
Total cash outflow for leases	$	31,338

14. SHARE CAPITAL

a. Common shares

Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

Issued

As at March 31, 2021, there were 9,015,500 (March 31, 2020 – 6,000,000) common shares issued and outstanding. Detail of the common shares issued are as follows:

As per the RTO (Note 6), the Company issued 0.873288 share for every share of Boosh Food Inc. outstanding. The number of shares outstanding historically have been adjusted to reflect this exchange ratio.

On December 21, 2020, pursuant to the RTO (Note 6), the accounting acquirer Boosh obtained $58,000 in subscriptions received. The subscriptions were received for certain units of BPBB which had not been issued as at December 21, 2020. These units were subsequently issued by the Company on January 8, 2021 upon closing of the private placement.

During the year ended March 31, 2021:

a) On January 8, 2021, the Company closed a private placement and issued 474,750 units at price of $0.20 per unit for gross proceeds of $94,950. Each unit consists of one common share and one warrant. Each warrant is exercisable into one common share at an exercise price of $1.00 until January 8, 2023. The warrants have a value of $Nil using the residual method. The Company incurred $333 in cash and 2,500 common shares at a price of $0.20 per common share in share issuance costs.

b) On January 14, 2021, the Company issued 40,000 common shares as bonus shares in relation to the convertible promissory note issued on the same date (Note 12).

(Expressed in Canadian dollars)

14. SHARE CAPITAL (Continued)

c) On January 15, 2021, the Company issued 40,000 common shares at a price of $0.25 per common share for proceeds of $10,000.

d) On March 22, 2021, the Company approved the issuance of 10,000 common shares to the CFO of the Company with a fair value of $5,000

e) On March 22, 2021, the Company approved the issuance of 5,000 common shares to a consultant of the Company with a fair value of $2,500.

During the year ended March 31, 2020:

a) On May 22, 2019, the Company issued 102,740 common shares at a price of $0.097 per common share for proceeds of $10,000 and incurred $50 in share issuance costs.

b) On June 8, 2019, the Company issued 174,658 common shares at a price of $0.286 per common share for proceeds of $50,000 and paid $99 cash in share issuance costs.

c) On July 9, 2019, the Company issued 51,369 common shares at a price of $0.097 per common share for proceeds of $5,000 and incurred $17 in share issuance costs.

d) On January 21, 2020, the Company issued 174,657 common shares at a price of $0.286 per common share for proceeds of $50,000 and incurred $94 in share issuance costs.

b. Stock options

The Company has an incentive stock option plan whereby share purchase options may be granted to directors, officers, employees and consultants of the Company. The total number of unissued shares available for eligible persons to acquire pursuant to options granted under the plan shall not exceed 750,000 shares as at the grant date. Options are granted with exercise prices at the market price or higher at the date of the grant, less any discounts permitted by regulatory authorities. Unless otherwise determined by the board, options will vest over four years, with 25% vesting on the first anniversary of the grant date and 6.25% vesting every three months thereafter, until the vesting of the last 6.25% occurs on the fourth anniversary of the grant date.

On July 6, 2019, the Company granted 235,294 stock options to a consultant a fair value of $41,327. The options vest immediately and expire one year after the grant date. The options had a grant date fair value of $0.1756 per option determined using the Black-Scholes Options Pricing model with the following assumptions: no expected dividends; volatility of 100%; risk-free interest rate of 1.69% and expected life of one year. All options granted expired on July 6, 2020.

A summary of stock option activity for the years ended March 31, 2021 and 2020 is as follows:

	Number of options	Weighted average exercise price
Outstanding, March 31, 2019	-	$ -
Granted	235,294	0.085
Expired	-	-
Outstanding, March 31, 2020	235,294	$ 0.085
Granted	-	-
Expire	(235,294)	0.085
Outstanding, March 31, 2021	-	$ -

(Expressed in Canadian dollars)

14. SHARE CAPITAL (continued)

b. Warrants

A summary of warrant activity for the year ended March 31, 2021 and 2020 is as follows:

	Number of warrants	Weighted average exercise price
Outstanding, March 31, 2020 and 2019	-	$ -
Issued	8,030,000	0.59
Outstanding, March 31, 2021	8,030,000	$ 0.59

On December 21, 2020, as a result the RTO (Note 6), the Company issued 3,000,000 warrants to the Chief Executive Officer for services provided to the Company recorded as share-based payment. The warrants vest in two tranches, with the first tranche of 1,500,000 vesting at the date of completion of the IPO, and the second tranche vesting six months after completion of the IPO. The warrants are exercisable into one common share per warrant at an exercise price of $0.50 until December 21, 2025. The warrants have a total fair value of $304,391 determined using the Black-Scholes option pricing model with the following weighted average assumptions: no expected dividends to be paid; volatility of 100%; risk-free interest rate of 0.44%; and expected life of 5 years. Share-based payments expense of $166,324 has been recorded for the year ended March 31, 2021 (year ended March 31, 2020 – $41,327).

As at March 31, 2021, the Company had outstanding share purchase warrants as follows:

Number of warrants	Exercise price	Expiry date
2,000,000*	$ 0.20	May 26, 2023
202,000*	0.20	December 21, 2022
2,348,250*	1.00	December 21, 2022
3,000,000	0.50	December 21, 2025
2,500	0.20	January 8, 2023
477,250	1.00	January 8, 2023
8,030,000		

*Assumed by the Company on December 21, 2020 as a result of the RTO (Note 6). The value of the warrants was determined using the Black-Scholes option pricing model with the following weighted average assumptions: no expected dividends to be paid; volatility of 100%; risk-free interest rate of 0.24%; and expected life of 2 to 2.37 years. As a result, the fair value of $118,762 for these warrants has been recorded in reserves.

On December 22, 2020, the Company approved the grant of 150,000 warrants to a consultant with a fair value of $10,471. The warrants will vest on the close of the IPO and expire three years after the grant date. The warrants had a grant date fair value of $0.0698 per warrant determined using the Black-Scholes Options Pricing model with the following assumptions: no expected dividends; volatility of 100%; risk-free interest rate of 0.23% and expected life of three years. During the year ended March 31, 2021 the Company recorded $8,073 relating to the vesting of these warrants.

On January 8, 2021, the Company granted 474,750 warrants as part of the units issued pursuant to the private placement that took place on that day. An additional 2,500 warrants were granted as part of the units issued as a finder's fee pursuant to the same private placement. Each warrant is exercisable into one common share at an exercise price of $1.00 until January 8, 2023.

Pursuant to the private place closed on January 8, 2021, 2,500 warrants were issued as a finder's fee; each warrant is exercisable into one common share at an exercise price of $0.20 until January 8, 2023.

The weighted-average remaining contractual life of warrants outstanding at March 31, 2021 was 2.94 years.

(Expressed in Canadian dollars)

15. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties and related party transactions not disclosed elsewhere in these financial statements are summarized below.

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. Key management personnel comprise officers and directors of the Company.

Remuneration attributed to key management personnel for the years ended March 31, 2021 and 2020 were as follows:

		March 31, 2021		March 31, 2020
Management fees	$	30,000	$	-
Professional fees		83,444		-
Share-based payments		179,397		-
	$	292,841	$	-

Other compensation

During the year ended March 31, 2021, the Company incurred salaries and wages of $8,267 (2020 - $2,537) with an individual related to the President of the Company.

Due to related parties

As at March 31, 2021, the President has provided cash loans to the Company, which make up the balance of due to related parties, totaling $66,329 (March 31, 2020 - $60,304). Amounts are due on demand, unsecured and non-interest-bearing.

As at March 31, 2021, accounts payable and other liabilities included $19,671 (March 31, 2020 - $nil) due to related parties. Amounts are due on demand, unsecured and non-interest-bearing.

Restricted Share Units

Upon completion of the RTO (Note 6) on December 21, 2020, the Company entered into a consulting agreement with the President and a company controlled by the President. Pursuant to the agreement, the Company granted 3,000,000 restricted share units (“RSUs”) to the President to receive common shares in the capital of the Company upon achievement of certain milestones as follows:

a) If in any rolling 12 months following the date of issuance of the RSUs until December 21, 2024, the annual net gross sale revenues of Boosh are or exceed $2,000,000, 1,000,000 of the underlying Shares shall vest;

b) If in any rolling 12 months following the date of issuance of the RSUs until the expiry date, the annual revenues of Boosh are or exceed $4,000,000, a further 1,000,000 of the underlying Shares shall vest; and

c) If in any rolling 12 months following the date of issuance of the RSUs until the expiry date, the annual revenues of Boosh are or exceed $8,000,000, the final 1,000,000 underlying Shares shall vest.

The performance conditions are not related to the market price of the equity instruments of the Company and, as a result, they are non-market performance conditions.

(Expressed in Canadian dollars)

15. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

As at the effective date of the contract, management estimates that based on the milestones none of the RSUs are currently expected to vest and as such no share-based payments have been recorded. As at March 31, 2021, none of the milestones have been met and no RSUs have vested. Management re-evaluates its assessment every reporting period and changes, if any, will be reflected in future periods.

16. ECONOMIC DEPENDENCE

For the year ended March 31, 2021, $103,682 or 96% (2020 - $118,949 or 93%) of the Company's revenue was earned from two (2020 – three) key customers (note 19(b)).

	2021	2020
Customer A	$ 89,074	$ -
Customer B	14,608	78,058
Customer C	-	16,843
Customer D	-	24,048
	$ 103,682	$ 118,949

17. INCOME TAXES

The differences between tax recovery for the 2021 and 2020 years ended, and the expected income tax recovery based on statutory rates arise as follows:

	2021	2020
Loss before income tax	$ (946,030)	$ (149,801)
Statutory tax rate	27%	27%
Expected tax recovery	(255,428)	(40,446)
Permanent and other differences	52,347	11,426
Change in deferred tax assets	199,418	27,530
Other	3,664	1,490
Income tax recovery	$ -	$ -

The nature and tax effect on the temporary differences giving rise to potential deferred tax assets at March 31, 2021 and 2020 are as follows:

	2021	2020
Non-capital carryforwards	$ 325,390	$ 107,900
Share issue costs	-	170
Other deductible temporary differences	-	1,580
	325,390	108,070
Less: unrecognized deferred tax assets	(325,390)	(108,070)
	$ -	$ -

At March 31, 2021, the Company has accumulated Canadian non-capital losses of $725,000 (2020 - $400,000) for income tax purposes which may be deducted in the calculation of taxable income in future years.

(Expressed in Canadian dollars)

17. INCOME TAXES (Continued)

These losses expire as follows:

Expiry Year		Amount
2037	$	33,000
2038		126,000
2039		133,000
2040		108,000
2041		325,000
	$	725,000

The potential benefit of these non-capital loss carry-forwards has not been recognized in these financial statements as at March 31, 2021, since it is not considered probable that sufficient future taxable profit will allow the deferred assets to be recovered.

18. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to support its business plan, as well as to ensure that the Company is able to meet its financial obligations as they become due. The capital structure consists of components of shareholders' equity and loans due to related parties.

The basis for the Company's capital structure is dependent on the Company's expected business growth and changes in business environment. To maintain or adjust the capital structure, the Company may issue new shares, incur debt or return capital to shareholders.

The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable.

The Company is not subject to externally imposed capital requirements. There were no changes to the Company's approach to capital management during the years ended March 31, 2021 and 2020.

19. RISK MANAGEMENT AND LIQUIDITY

The Company is exposed, through its operations, to the following financial risks:

a) Market risk
b) Credit risk
c) Liquidity risk

The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

General objectives, policies, and processes:

Management has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. Management reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

19. RISK MANAGEMENT AND LIQUIDITY (Continued)

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them from previous reported periods unless otherwise stated in the note. The overall objective of management is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

a) Market risk

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

(i) Foreign currency risk:
The Company's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, the Company's exposure to the foreign currency risk is minimal.

(ii) Interest rate risk:
Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The interest earned on cash is insignificant and the Company does not rely on interest income to fund its operations. The Company has an outstanding convertible promissory note at a fixed interest rate. As a result, the Company is not significantly exposed to interest rate risk.

(iii) Other price risk:
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company does not hold equity investments in other entities and therefore is not exposed to a significant risk.

b) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company is subject to credit risk on its cash and accounts receivable. The Company limits its exposure to credit loss on cash by placing its cash with a high-quality financial institution. The Company has concentrations of credit risk with respect to accounts receivable as large amounts of its accounts receivable are concentrated amongst a small number of customers. As at March 31, 2021, The Company has 95% (2020 – 92%) of its accounts receivable outstanding from three key customers (note 16).

The Company performs credit evaluations of its customers but generally does not require collateral to support accounts receivable.

The Company has certain amounts of aged trade receivables that are not deemed impaired as follows:

	2021	2020
1 - 60 days	$ 39,965	$ 7,778
61 - 90 days (past due)	581	128
Over 90 days (past due)	1,369	662
Total	$ 41,915	$ 8,568

19. RISK MANAGEMENT AND LIQUIDITY (Continued)

c) Liquidity risk

Liquidity risk arises from the Company's general and capital financing needs. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities, when feasible.

20. SUBSEQUENT EVENTS

a) On April 12, 2021, the Company entered into a convertible promissory note with a face value of USD $50,000 and matured on June 5, 2021. The note is unsecured and convertible at any time, prior to the maturity date, into an aggregate of 100,000 units each comprised of one common share and one warrant at a deemed price of USD $0.50 per unit. Each warrant will be exercisable to acquire a further common share at a price of $1.00 per share for 12 months.

   On June 4, 2021, the Company issued 100,000 common shares in relation to the conversion of convertible debt. The convertible debt was convertible into an aggregate of 100,000 warrants at a deemed price of $0.50 per warrant. Each warrant was exercisable into one common share at a price of $1.00 per share.

b) On May 26, 2021, the Company completed its initial public offering of 5,750,000 units (each a "Unit") of the Company, issued at a price of $0.50 per Unit, which included the exercise in full of an over-allotment option. This generated aggregate gross proceeds of $2,875,000. Each Unit is comprised of one common share (each a "Share") of the Company, and one warrant. Each warrant entitles the holder to acquire on additional Share at an exercise price of $1.00 per share until May 26, 2022. The Company paid a commission equal to 10% of the gross proceeds of the offering to the Company's agent, through the issuance of 575,000 Units, as well as a corporate finance fee of $40,000, of which $20,000 was paid in cash and the remainder through the issuance of 40,000 units.

c) On May 26, 2021, the Company issued 190,000 common shares of the Company to current and former directors of the Company, along with other entities providing consulting services, in relation to the initial public offering of the Company.

d) On June 11, 2021, the Company issued 17,094 common shares in exchange for consulting services.

e) Subsequent to year end, the Company has issued 323,282 common shares of the Company due to the exercising of outstanding warrants.

f) On July 14, 2021, the Company entered into an Asset Purchase Agreement ("the Asset Purchase Agreement") with Saltspring Harvest Ltd. pursuant to which the Company acquired the assets which relate to Saltspring Harvests' business in exchange for $150,000 which is to be paid as follows:
   a) $50,000 in cash at closing (paid)
   b) $75,000 in cash and $25,000 in common shares upon completion of the transition