A copy of this preliminary prospectus has been filed with the securities regulatory authority in the province of British Columbia but has not yet become final. Information contained in this preliminary prospectus may not be complete and may have to be amended.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities. This non-offering prospectus does not constitute a public offering of securities.

PRELIMINARY PROSPECTUS

Non-Offering Prospectus May 6, 2021

XEBRA BRANDS LTD.

No securities are being offered pursuant to this Prospectus

This non-offering preliminary prospectus (the "**Prospectus**") of Xebra Brands Ltd. ("**Xebra**", the "**Company**" or the "**Issuer**") is being filed with the British Columbia Securities Commission (the "**BCSC**") for the purposes of the Company becoming a reporting issuer pursuant to applicable securities legislation in the Province of British Columbia and allowing Xebra to comply with *Policy 2 – Qualifications for Listing* of the Canadian Securities Exchange (the "**CSE**") in order for Xebra to meet one of the eligibility requirements for the listing of its common shares (the "**Common Shares**") on the CSE (the "**Listing**"). Upon the final receipt of this Prospectus by the BCSC, the Company will become a reporting issuer in British Columbia. As no securities are being sold pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Issuer from its general funds.

Upon the issuance of a receipt for the filing of this Prospectus, the Company intends to apply to list its Common Shares on the CSE under the symbol "XBRA". Listing on the CSE is subject to the Company fulfilling all of the listing requirements of the CSE including meeting all minimum requirements. The CSE has not conditionally approved the Company's listing application and there is no assurance that it will do so.

As at the date of this Prospectus, the Issuer has not had any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

There is currently no market through which the securities of the Issuer may be sold. This may affect the pricing of the Issuer's securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Issuer's securities, and the extent of issuer regulation. See "*Risk Factors*".

No underwriter has been involved in the preparation of this Prospectus or performed any review or independent due diligence investigations in respect of the contents of this Prospectus.

Antonio Grimaldo, Jordi Chemonte, and Todd Dalotto, directors of Xebra, reside outside of Canada, and have appointed McMillan LLP of Royal Centre, 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia V6E 4N7, as their agent for service of process in Canada. Investors are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

An investment in the securities of the Issuer should be considered highly speculative and involves a high degree of risk that should be considered by potential investors. The risk factors included in this prospectus should be reviewed carefully and evaluated by prospective purchasers of securities. See "*Risk Factors*" and "*Note Regarding Forward-Looking Information*".

Prospective investors should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide you with different information. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since that date.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

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ABOUT THIS PROSPECTUS

Prospective investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of an investment in the Common Shares.

The Issuer is not offering to sell securities under this Prospectus. An investor should rely only on the information contained in this Prospectus and is not entitled to rely on parts of the information contained in this Prospectus to exclude others. The Issuer has not authorized anyone to provide any information to make representations in connection with the transactions described herein other than those contained in this Prospectus. The Issuer has not authorized anyone to provide potential investors with additional or different information from what is contained herein. If anyone provides a prospective investor with additional, different or inconsistent information, including statements in the media about the Issuer, such information should not be relied on. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated, regardless of the time of delivery of this Prospectus. The Issuer's business, financial condition, results of operation, and prospects may have changed since the date of this Prospectus.

Unless otherwise noted or the context indicates otherwise, "we", "us", "our", the "Company" or "Xebra" refer to Xebra Brands Ltd., a company incorporated under the laws of the Province of British Columbia and, where applicable, our subsidiaries: Elements Biosciences SAPI de CV, Sativa Group Biosciences SAPI de CV, Medicannabis S.A.S., Desart MX, SA de CV, Xebra Brands Mexico S.A. de CV, Xebra Brands Europe BV, Bleuflor Logistics Ltd., and Bleuflor Logistica SAS.

NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking information that reflects expectations of the Issuer's management (the "**Management**") regarding the Issuer's future growth, results of operations, performance and business prospects and opportunities. Often, but not necessarily always, words such as "will", "should", "additional", "affect", "anticipate", "be required", "believe", "budget", "contemplate", "continue", "could", "does not expect", "effect" "estimate", "expect", "intend", "is expected", "may", "plan", "planned", "potential", "target", "predict", "project", "prospects", "results", "will exist" and similar expressions have been used to identify forward-looking information. This information reflects Management's current beliefs and is based on information currently available to Management. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Xebra as of the dates of this Prospectus, are inherently subject to significant business, economic and competitive uncertainties and contingencies.

Known and unknown factors, including those listed in the "*Risk Factors*" section of this Prospectus, could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to, Xebra's ability to successfully execute its business plan or business model; its ability to provide economic, environmental, social, or any benefits of any type, in the communities it operates in or may operate it in the future; its ability to be a first mover in a country, or to obtain or retain government licenses, permits or authorizations in general, specifically in Mexico, Colombia, Canada, the Netherlands, or elsewhere; its ability to raise capital and fund its ongoing operations; its ability to list its shares on a stock exchange or attain a public listing, its ability to successfully apply for and obtain trademarks and other intellectual property in any jurisdiction; its ability to be cost competitive; its ability to cultivate, grow, or process hemp or cannabis in Mexico, Colombia, Canada, the Netherlands, or elsewhere; its ability to manufacture cannabis beverages, wellness products, or other products; its ability to commercialize or sell cannabis beverages, wellness products, or other products, in Mexico, Colombia, Canada, the Netherlands, or elsewhere; its ability to commercialize or to sell Vicious Citrus Lemonade in 2021 or at any time, in any jurisdiction; its ability to commercialize or to sell Elements wellness products in Mexico, in Colombia, or in any jurisdiction in 2021 or at any time; its ability to make cannabis beverages that taste good; its ability to create wellness products that have a therapeutic effect or benefit; plans for future growth and the direction of the business; financial projections including expected revenues, gross profits, and EBITDA (which is a non-GAAP financial measure); plans to increase product volumes, the capacity of existing facilities, supplies from third party growers and contractors; expected growth of the cannabis industry generally; management's expectations, beliefs and assumptions; events or developments that Xebra expects to take place in the future; and general economic conditions; the inability of Xebra to generate sufficient revenues or to raise sufficient funds to carry out its business plan; the inability of Xebra to list its shares for trading on a stock exchange; changes in government legislation, taxation, controls, regulations and political or economic developments in various countries; risks associated with agriculture and cultivation activities generally, including inclement weather, access to supply of seeds, poor crop yields, and spoilage; compliance with import and export laws of various countries; significant fluctuations in cannabis prices and transportation costs; the risk of obtaining necessary licenses and permits; inability to identify, negotiate and complete a potential acquisition for any reason; the ability to retain key employees; dependence on third parties for services and supplies; non-performance by contractual counter-parties; general economic conditions; and the continued growth in global demand for cannabis products and the continued increase in jurisdictions legalizing cannabis; and the timely receipt of regulatory approval for license applications.

The foregoing list is not exhaustive, and Xebra undertakes no obligation to update or revise any of the foregoing except as required by law. Many of these uncertainties and contingencies could affect XEBRA's actual performance and cause its actual performance to differ materially from what has been expressed or implied in any forward-looking statements made by, or on behalf of, XEBRA.

Readers are cautioned that forward-looking statements are not guarantees of future performance, and readers should not place undue reliance on such forward-looking statements

There can be no assurance that forward-looking information in this Prospectus will prove accurate, as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is made as of the date of this Prospectus. The Issuer does not assume an obligation to update or revise it to reflect new events or circumstances unless otherwise required under applicable securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders having the force of law, in force from time to time.

GENERAL DISCLOSURE INFORMATION

The Issuer is not offering to sell securities under this Prospectus. An investor should rely only on the information contained in this Prospectus. Prospective investors should read this entire Prospectus and consult their professional advisors to assess the income tax, legal, risk factors and other aspects of an investment in the Common Shares.

Currency and Certain Information

Unless otherwise indicated or the context otherwise requires, all dollar amounts contained in this Prospectus are in Canadian dollars. Aggregated figures in graphs, charts, and tables in this Prospectus may not add up due to rounding. Historical statistical data and/or historical returns do not necessarily indicate future performance. Unless stated otherwise, the market and industry data contained in this Prospectus is based upon information from industry and other publications and the knowledge of management and experience of the Issuer in the markets in which the Issuer operates. While Management believes this data is reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties in any statistical survey. The Issuer has not independently verified any of the data from third-party sources referred to in this Prospectus or ascertained the underlying assumptions relied upon by such sources.

Words importing the singular number include the plural and vice versa, and words importing any gender, or the neuter include both genders and the neuter.

MARKET AND INDUSTRY DATA

This Prospectus includes market and industry data that has been obtained from third-party sources, including industry publications. The Issuer believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable. Still, there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Issuer has not independently verified any of the data from third-party sources referred to in this Prospectus or ascertained the underlying economic assumptions relied upon by such sources.

TRADEMARKS AND TRADE NAMES

This Prospectus contains trademarks and trade names such as "**HOLAHI**", "**It's High Time**", "**HOLAHIGH**", "**HOLA-HIGH**", "**HOLAHAI**", "**HOLA-HAI**", "**HOLA-HI**", "**MADCAP**", "**Crazy Good**", "**Knock Yourself Out**", "**It's a Mad, Mad World**", "**HIGHJACK**", "**Enjoy the trip**", "**HIJACK**", "**HAIJACK**", "**Take Flavour Hostage**", "**Drink Adventure**", "**VICIOUS CITRUS**", "**Lemonade for Renegades**", "**CONQUER**", "**Protect**", "**XEBRA**", "**ELEMENTS BIOSCIENCE**", "**ELEMENTS**", "**PEACE NATURALS**", "**CANACA**", "**GRAIL**", "**HIGH GENICS**", "**KUIDA**", "**HIGH CASTLE**", "**Drink Like a King**", which are protected under applicable intellectual property laws and are the sole property of Xebra. For convenience, the trademarks and trade names referred to in this Prospectus may appear without the ® or ™ symbol, but such references are not intended to indicate in any way that we will not fully assert - under applicable law - our rights to these trademarks and trade names. All other trademarks used in this Prospectus are the property of their respective owners.

GLOSSARY OF TERMS

In this Prospectus, the following terms shall have the meaning set out below, unless otherwise indicated or the context otherwise required:

"**BCBCA**" means the *Business Corporations Act* (British Columbia);
"**BCSC**" means the British Columbia Securities Commission;
"**Board**" means the Board of Directors of the Issuer;
"**CBD**" has the meaning ascribed to it under "*Summary of Prospectus - Principal Business of the Issuer*";
"**Common Shares**" means the common shares in the capital of the Issuer;
"**Company**" means Xebra Brands Ltd. or the Issuer;
"**CSE**" means the Canadian Securities Exchange;
"**Desart**" means Desart MX, SA de CV;
"**Desart SEA**" has the meaning ascribed to it under "*Description of the Business - History*";
"**EBITDA**" means the earnings before interest, taxes, depreciation, and amortization;
"**Elements**" means Elements Bioscience SAPI de CV;
"**Elements SEA**" has the meaning ascribed to it under "*Description of the Business - History*";
"**Escrowed Funds**" has the meaning ascribed to it under "*Description of the Business – Private Placement*";
"**Escrowed Proceeds**" has the meaning ascribed to it under "*Description of the Business – Private Placement*";
"**Escrow Release Conditions**" has the meaning ascribed to it under "*Description of the Business – Private Placement*";
"**Library**" refers to Medicannabis' 144 breeding lines filed as *Fuente Semillera*, which include seed genetics with a broad range of phenotypes, chemotypes, environmental adaptations, and other desirable traits;
"**Listing**" means the listing of the Common Shares on the CSE following receipt for the filing of this Prospectus;
"**Management**" means the management of the Issuer;
"**Medicannabis**" means Medicannabis S.A.S.;
"**Mexican Subsidiaries**" has the meaning ascribed to it under "*Description of the Business - History*";
"**Minister**" means the Minister of Health of Canada;
"**Orea**" has the meaning ascribed to it under "*Management's Discussion and Analysis – Related Party Transactions*";
"**Organto**" means Organto Foods Inc.;
"**Private Placement**" has the meaning ascribed to it under "*Description of the Business – Private Placement*";
"**Prospectus**" means this non-offering preliminary prospectus;
"**Reduced Services Agreement**" has the meaning ascribed to it under "*Management's Discussion and Analysis – Related Party Transactions*";
"**Sativa**" means Sativa Group Biosciences SAPI de CV;
"**Subscription Receipts**" has the meaning ascribed to it under "*Description of the Business – Private Placement*";
"**Subscription Receipt Agent**" has the meaning ascribed to it under "*Description of the Business – Private Placement*";
"**Subscription Receipt Agreement**" has the meaning ascribed to it under "*Description of the Business – Private Placement*";
"**Termination Date**" has the meaning ascribed to it under "*Description of the Business – Private Placement*";
"**UFIA**" means the Colombia's Unit Financial Information and Analysis;
"**Underlying Share**" has the meaning ascribed to it under "*Description of the Business – Private Placement*";
"**Underlying Warrant**" has the meaning ascribed to it under "*Description of the Business – Private Placement*";
"**Warrant Expiry Date**" has the meaning ascribed to it under "*Description of the Business – Private Placement*";
"**Xebra Cost Sharing Agreement**" has the meaning ascribed to it under "*Management's Discussion and Analysis – Related Party Transactions*";
"**Xebra Europe**" means Xebra Brands Europe BV; and
"**Xebra Services Agreement**" has the meaning ascribed to it under "*Management's Discussion and Analysis – Related Party Transactions*".

Schedules

The following Schedules attached hereto are incorporated herein by reference and form an integral part of this Prospectus:

A - Issuer's audited financial statements for the period from incorporation on February 21, 2019 to February 29, 2020;
B - Issuer's Management's Discussion and Analysis for the period from incorporation on February 21, 2019 to February 29, 2020;
C - Issuer's unaudited condensed interim consolidated financial statements for the nine months ended November 30, 2020;
D - Issuer's Management's Discussion and Analysis for the nine months ended November 30, 2020; and
E - Audit Committee Charter.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data, and financial statements contained elsewhere in this Prospectus. Certain terms used in this Prospectus are defined in the Glossary of Terms.

General

Xebra was incorporated under the BCBCA under the name "1198365 B.C. LTD." on February 21, 2019. On April 24, 2019, the Company changed its name to "Xebra Brands Ltd.".

The address of the registered and head office of the Issuer is 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9.

The Issuer's Common Shares do not currently trade in any stock exchange. The Issuer has eight (8) direct or indirect subsidiaries: Elements Bioscience SAPI de CV, Sativa Group Biosciences SAPI de CV, Medicannabis S.A.S., Desart MX, SA de CV, Xebra Brands Mexico S.A. de CV, Xebra Brands Europe BV, Bleuflor Logistics Ltd., and Bleuflor Logistica SAS.

For further details, see "*Corporate Structure*".

Principal Business of the Issuer

Xebra is a Canadian producer of cannabis products, focusing mainly on the design and delivery of cannabis products in areas ranging from wellness, leisure to beverages for sale globally where cannabis is legal or on a path to legalization. The Company is leveraging its Colombian cannabis cultivation and processing licenses to produce cannabis-infused drinks and wellness brands. Xebra has created several cannabis-infused beverages, including seltzers, soft drinks, iced teas, lemonades, and waters, and is currently developing a cannabidiol ("**CBD**") sports beverage. Xebra has applied for authorizations to manufacture and sell CBD wellness products in Mexico and has also filed the equivalent of more than 400 trademark applications for the Xebra brands in over 40 countries. To date, the Company has not received any revenue from operations and is considered to be in the startup stage.

For further details, see "*Description of the Business*".

Funds Available and Use of Funds

This Prospectus is a non-offering prospectus. The Issuer is not raising any funds in conjunction with this Prospectus and, accordingly, there are no proceeds. The Issuer has a pro forma working capital of approximately $85,000 as at March 31, 2021. The principal purposes for the use of those funds will be as follows:

Item	Cost
Funds Available	
Working capital of the Issuer as at March 31, 2021	$85,000
May 2021 Financing	$2,085,000
Total	**$2,170,000**
Principal purposes for the use of available funds	
Shared overhead for 12 months following the filing of this Prospectus	$330,000
Corporate salaries and wages for 12 months following the filing of this Prospectus	$144,000
Audit and accounting fees for 12 months following the filing of this Prospectus	$70,000
Investor relations and promotion	$100,000
Other administrative costs for 12 months following the filing of this Prospectus	$325,000
Total	**$969,000**

During the fiscal year ended February 29, 2020, the Issuer had negative operating cash flows. For a further description of the expected negative cash flows and the potential use of the funds available, please see "*Funds Available and Use of Funds*."

Xebra has several business objectives and milestones that it plans to achieve in the first twelve months of becoming a listed entity. These objectives and milestones are detailed below and are expected to cost approximately $1,201,000.

Objective & Milestone	**Cost**
Launch THC infused beverage in Canada	$156,000
Conduct trial cultivation in Holland	$850,000
Fund Colombia subsidiary until completion of agronomic evaluations	$135,000
Fund Mexico subsidiary until grant of Amparo	$60,000
Total	**$1,201,000**

The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. Use of funds will be subject to the discretion of management.

For further details, see "*Funds Available and Use of Funds.*"

Risk Factors

The activities of the Issuer are subject to risks inherent in the cannabis industry, as well as those risks normally encountered in a newly established business, including but not limited to: negative cash flow; lack of adequate capital; liquidity concerns and future financing requirements to sustain operations; dilution; no history of operations and revenues, and no history of earnings or dividends; competition, economic changes; and uninsured risks. There is an additional legal risk associated with the developing regulatory environment in which the Issuer operates. There is currently no public market for the Common Shares and there can be no assurance that an active market for the Common Shares will develop or be sustained after the Listing. The value of the Common Shares is subject to volatility in market trends and conditions generally, notwithstanding any potential success of the Issuer in creating revenues, cash flows or earnings.

For further details, see "*Risk Factors.*"

Selected Consolidated Financial Information

The following selected financial information has been derived from and is qualified in its entirety by the consolidated financial statements of the Company for the period from incorporation to February 29, 2020 (audited) and the interim consolidated statements of the Company for the nine months ended November 30, 2020 (unaudited) and notes thereto included in this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto included in Schedule A of this Prospectus. All financial statements of the Company are prepared in accordance with International Financial Reporting Standards (IFRS).

All amounts referred to as being derived from the financial statements of the Company are denoted in Canadian Dollars

Category	**From incorporation on February 21, 2019 to February 29, 2020 (audited)**	**Nine months ended November 30, 2020 (unaudited)**
Current assets	$1,310,108	$289,295
Total assets	$5,143,077	$3,694,882
Current liabilities	$289,446	$410,329
Total liabilities	$610,716	$488,576
Shareholders' Equity	$4,532,361	$3,206,306
Revenue	$0	$0
Net Loss for the Period	$2,790,881	$1,698,408
Comprehensive Loss for the Period	$2,722,700	$1,555,246
Net Loss Attributable To:		

Category	From incorporation on February 21, 2019 to February 29, 2020 (audited)	Nine months ended November 30, 2020 (unaudited)
Shareholders	$2,788,188	$1,692,680
Non-controlling Interest	$2,693	$5,728
Comprehensive Loss Attributable To:		
Shareholders	$2,719,951	$1,549,324
Non-controlling interest	$2,749	$5,922

For further details, see "*Management's Discussion and Analysis.*"

CORPORATE STRUCTURE

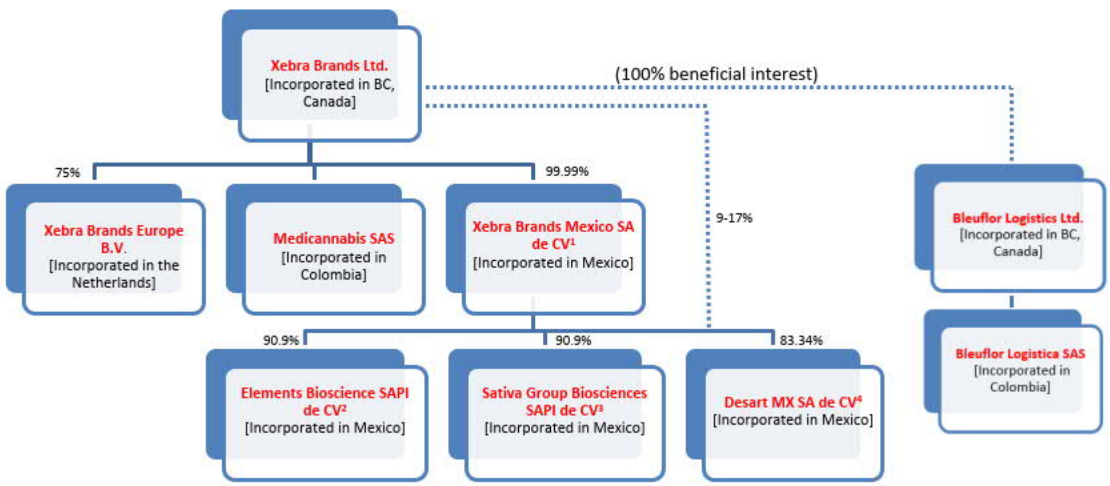
Name, Address and Incorporation

Xebra was incorporated under the BCBCA under the name "1198365 B.C. LTD." on February 21, 2019. The address of the registered and head office of the Issuer is 1055, West Georgia Street, 1500 Royal Centre, P.O. Box 11117, Vancouver, British Columbia, V6E 4N7. The Issuer's Common Shares do not currently trade in any stock exchange. On April 24, 2019, the Issuer changed its name to Xebra Brands Ltd. The Issuer has eight (8) direct or indirect subsidiaries: Elements Bioscience SAPI de CV, Sativa Group Biosciences SAPI de CV, Medicannabis S.A.S., Desart MX, SA de CV, Xebra Brands Mexico S.A. de CV, Xebra Brands Europe BV, Bleuflor Logistics Ltd., and Bleuflor Logistica SAS.

The Issuer's Common Shares do not currently trade on any stock exchange.

Intercorporate Relationships of the Issuer

The following diagram summarizes the structure of material subsidiaries of the Issuer:



Notes:
(1) One (1) share being held by Jordi Chemonte to fulfil Mexican regulations.
(2) Xebra Brands Mexico SA de CV holds 90.9% of the shares, Xebra Brands Ltd holds 9.09% of the shares, one (1) share is held by Sativa Group Biosciences SAPI de CV and one (1) share by Jordi Chemonte to fulfil Mexican regulations.
(3) Xebra Brands Mexico SA de CV holds 90.9% of the shares, Xebra Brands Ltd holds 9.09% of the shares, one (1) share is held by Desart MX SA de CV, and one (1) share by Jordi Chemonte to fulfil Mexican regulations.
(4) Xebra Brands Mexico SA de CV holds 83.34% of the shares, Xebra Brands Ltd holds 16.56% of the shares, and Sativa Group Biosciences SAPI de CV holds one share.

The following table summarizes the history of incorporation or amalgamation and, where applicable, acquisition of the subsidiaries of the Issuer:

DESCRIPTION OF THE BUSINESS

The Issuer is focused on cannabis cultivation and products, with global brands and intellectual property. The Issuer's products cover wellness and leisure and include beverages. The Issuer's main competitive advantages are its intellectual property portfolio, its genetic seed library with 144 cannabis cultivars and breeding lines, the optimal growing conditions it offers in established agricultural jurisdictions, as well as access to low-cost skilled labour and low-cost cultivation.

The Issuer will grow cannabis and hemp in Latin America, in open fields for CBD and inexpensive hoop-houses for THC. Hoop-house greenhouses provide numerous benefits over conventional greenhouses as follows:

	HOOP-HOUSE GREENHOUSE	CONVENTIONAL GREENHOUSE
LIGHTING	Sun	Electrical
HEATING & COOLING	Sun, Convection, Airflow	Electrical, Fossil Fuels
VENTILATION	Fans, Wind	Forced Air
PEST & DISEASE CONTROL	Insects, Biocontrols	Pesticides, Fungicides
FERTILIZERS	Optimized by Microbes	Expensive Products
SOIL	Native Soil (re-use)	Soil-less Media (limited re-use)

The Issuer has created various cannabis-infused beverages, including seltzers, soft drinks, iced teas, lemonades and waters. The Issuer has filed the equivalent of more than 400 trademark applications for its beverage brands in over 40 countries. Beverage brands and products under development include, but are not limited to the following:

The Issuer's strategy is to vertically integrate its product offerings from cultivation to processing, manufacturing and sales.

The Issuer also has a conditional verbal co-packing agreement with BevCanna Enterprises Inc. ("**BevCanna**"), which is currently pending as the company is completing financing, and under which BevCanna will provide services related to developing, infusing, packaging, and distributing the Issuer's beverage products infused with Cannabis in certain provinces. The definitive agreement with Bevcanna is to be finalized upon completion of the current financing in progress.

Finally, the Issuer also has a License Agreement with New Age Nanotech LLC ("**New Age**"), that is held under a Non-Binding Letter of Intent, and currently pending signing of formal agreements, and under which New Age will license to the Issuer the right to utilize certain intellectual properties for the use in the development of the Issuer's beverage products.

History

Xebra was incorporated under the BCBCA on February 21, 2019.

On June 26, 2019, the Company entered into an agreement with Organto Foods Inc. ("**Organto**"), a company related by a common director, to acquire all the issued and outstanding shares of its subsidiary, Medicannabis S.A.S. ("**Medicannabis**") in exchange for (i) issuance of 7,124,630 common shares of Xebra to Organto; (ii) issuance of 2,875,370 common shares of Xebra in satisfaction of certain obligations of Organto; (iii) forgiving $600,000 owed by Organto to Xebra; (iv) a cash payment of $321,077; (v) and the right of first refusal to distribute Xebra's cannabis product in Europe. Medicannabis has certain cannabis-related licenses, and at the time of acquisition, was in the process of obtaining additional cannabis-related licenses, which, when fully completed, will allow the Company to commence certain cannabis-related operations in Colombia. Medicannabis did not generate any revenues since the acquisition date.

At the time of acquisition, Medicannabis had filed applications for the cultivation of psychoactive (THC) and non-psychoactive (CBD) cannabis. Medicannabis now holds all cannabis licenses in Colombia, including authorizations to cultivate psychoactive (THC) and non-psychoactive (CBD) cannabis, a license for the use of seeds for cultivation, and a license to process cannabis for the manufacture and export of products. Medicannabis is also a registered Seed Producer and holds one of a select number of registrations as a Seed Breeder and Agronomic Evaluator. Medicannabis is currently undergoing mandatory agronomic evaluations with the Colombian Agricultural Institute (ICA) which, when fully completed, will allow the Company to commence certain cannabis-related operations in Colombia. Medicannabis did not generate any revenues since the acquisition date.

On July 12, 2019, the Company acquired two Mexican entities, Elements Bioscience SAPI de CV ("**Elements**") and Sativa Group Biosciences SAPI de CV ("**Sativa**", and together with Elements, the "**Mexican Subsidiaries**") through a share exchange agreement (the "**Elements SEA**"). Pursuant to the Elements SEA, the Company received 100% of the outstanding shares of the Mexican Subsidiaries in exchange for a combination of 18,000,000 shares of Xebra and $449,950 in cash payments. As of the date of this Prospectus, the Mexican Subsidiaries have several pending applications with the Mexican governmental agencies, which, when approved, will allow the Company to commence certain advanced stage cannabis-related operations in Mexico. The Mexican Subsidiaries have not generated any revenues since the acquisition date.

On January 10, 2020, the Company acquired Desart MX, SA de CV ("**Desart**") through a share exchange agreement (the "**Desart SEA**"). Pursuant to the Desart SEA, the Company received 100% of the outstanding shares of Desart in exchange for a combination of 2,000,000 common shares of Xebra and cash payments of US $125,000, plus 48,000,000 common shares of Xebra to be issued under certain conditions. The primary requirement for the issuance is when the Supreme Court of Mexico has granted Desart a constitutional injunction under the terms of the *Mexican Law of Amparo* ("**Amparo**"), which provides all authorizations necessary to enable Desart to produce and commercialize CBD. Desart has not generated any revenues since the acquisition date.

On February 19, 2020, the Company entered into an agreement with Organto to acquire 75% of the issued and outstanding shares of its subsidiary, Organto Foods Europe BV in exchange for $5,899 (€4,125). Organto Foods Europe BV was subsequently renamed to Xebra Brands Europe BV ("**Xebra Europe**"). Xebra Europe is expected to be fully funded by Xebra until certain milestones have been met and the 25% partner will be subject to dilution.

Intellectual Property of Xebra

Xebra has filed for its complete beverage portfolio 227 different trademarks in 19 countries (Argentina, Australia, Brazil, Canada, Chile, Colombia, Ecuador, Israel, Jamaica, Mexico, Norway, New Zealand, Peru, South Africa, Switzerland, United Kingdom, United States, Uruguay, Zimbabwe) and the European Union (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italia, Latvia, Lithuania, Luxemburgo, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden). Combining the protected territories in which the trademarks are registered is equivalent to over 400 registrations.

The Issuer's genetic seed library includes 144 cannabis cultivars and breeding lines.

Fuente Semillera is a seed genetics record maintained by the Colombian Agricultural Institute (ICA) of all the legalized cannabis cultivars and breeding lines in the country before 2019. All cannabis plants to be grown for commercial or scientific purposes must be derived from *Fuente Semillera*, unless otherwise imported legally. These cultivars may be grown for commercial purposes only after undergoing an agronomical evaluation and becoming a Registered Cultivar by ICA. Because Medicannabis is a registered Investigational Breeding Unit (*Unidad de Investigación en Fitomejoramiento*) (registered by the ICA), it can conduct breeding, research, and other development with *Fuente Semillera*, develop new cultivars from them and conduct its own agronomical evaluation.

Medicannabis holds a *License for the Use of Cannabis Seeds* from Colombia's Ministry of Justice, which allows it to sell, distribute, and export (subject to granting of export licenses) *Cannabis* seeds and processed cannabis products for both scientific and commercial purposes under the framework of the United Nations' Single Convention on Narcotic Drugs of 1961 (amended by the 1972 Protocol).

Medicannabis has 144 breeding lines filed as Fuente Semillera, which include seed genetics with a broad range of phenotypes, chemotypes, environmental adaptations, and other desirable traits (the "**Library**"). The traits that the Issuer prioritizes the most include:

Phytochemistry
For a cannabis seed library to include various chemotypes suitable for treating the most comprehensive range of medical conditions and producing numerous desirable effects, the chemotype diversity must consist of a wide range of THC:CBD ratios, terpene profiles, and novel cannabinoids, such as tetrahydrocannabivarin (THC-V). One of the Issuer's Board Member, Todd Dalotto, developed many of the Library's cultivars focusing on wide chemotype diversity and medicinal efficacy.

The Library consists of:

65% Type-1 (High-THC) cultivars,
11% Type-2 (Balanced THC:CBD)
22% Type-3 (High-CBD)
2% Type-4 (High-CBG)
*Some cultivars also contain novel cannabinoids and terpenes

Growing Environments
The Library includes cultivars that perform well in greenhouse and field cultivation at all latitudes. Medicannabis' breeding team in Colombia achieves excellent environmental adaptability by crossing potent Northern-latitude breeding lines with landraces and cultivars adapted for tropical and subtropical environments.

Regulatory Framework Applicable to the Issuer

Initially, the Issuer intends to be operating in Canada. In the long term, the Issuer may expand its operations to other jurisdictions where it would be lawful for it to do so, such as Mexico, Colombia and the Netherlands. Below is a summary of the laws and regulations applicable to the Issuer's expected near-term business as those have specific application to same.

These laws and regulations are as follows:

Canada

On October 17, 2018, the *Cannabis Act* and the *Cannabis Regulations* came into force, legalizing the sale of cannabis for adult recreational use. Prior to the promulgation of the *Cannabis Act* and the *Cannabis Regulations*, only the sale of cannabis for medical use was legal and which was regulated by the ACMPR under the CDSA. The *Cannabis Act* and the *Cannabis Regulations* replaced the CDSA and the ACMPR as the governing laws and regulations regarding the production, processing, sale and distribution of cannabis and related extracts for medical and adult recreational use. Given that the *Cannabis Act* and the *Cannabis Regulations* are very new, the impact of such regulatory changes on the Company's business is unknown.

The *Cannabis Act* provides a licensing and permitting scheme for the cultivation, processing, importation, exportation, testing, packaging, labelling, sending, delivery, transportation, sale, possession and disposal of cannabis for non-medical (i.e., adult recreational) use, implemented by the *Cannabis Regulations*. The *Cannabis Act* and its regulations maintain separate access to cannabis for medical purposes. Under the *Cannabis Act* and its regulations, import and export licenses and permits will only be issued in respect of cannabis for medical or scientific purposes or in respect of industrial hemp and within the confines of the Industrial Hemp Regulations.

The *Cannabis Regulations*, among other things, set out regulations relating to the following matters: (1) Licenses, Permits and Authorizations; (2) Security Clearances; (3) a National Cannabis Tracking System; (4) Cannabis Products; (5) Packaging and Labelling; (6) Cannabis for Medical Purposes; and (7) Drugs Containing Cannabis.

Transitional provisions of the *Cannabis Act* provide that every license issued under the ACMPR that was in force immediately before the day on which the *Cannabis Act* and its regulations came into force (being October 17, 2018) is deemed to be a license issued under the *Cannabis Act*, and that such license will continue in force until it is revoked or expires.

Licenses, Permits and Authorizations

The Cannabis Regulations establish six classes of licenses: cultivation licenses, processing licenses, analytical testing licenses, sales for medical purposes licenses, research licenses, and cannabis drug licenses. The Cannabis Regulations also create subclasses for cultivation licenses (standard cultivation, micro-cultivation and nursery) and processing licenses (standard processing and micro-processing). Different licenses and each subclass therein carry differing rules and requirements that are intended to be proportional to the public health and safety risks posed by each license category and subclass. The Cannabis Regulations provide that all licenses issued under the Cannabis Act must include both the license's effective date and expiry date and may be renewed on or before the expiry date.

The Industrial Hemp Regulations under the Cannabis Act came into force on October 17, 2018. The Industrial Hemp Regulations remained largely the same as they were under the CDSA, but now they permit the sale of hemp plants to cannabis license holders and the use of additional parts of the hemp plant (i.e., flowers and leaves), and licensing requirements were introduced in accordance with the low risk posed by industrial hemp. The Industrial Hemp Regulations define "industrial hemp" as cannabis plants – or any part of the plant – in which the concentration of delta-9-tetrahydrocannabinol (THC) is 0.3% or less in the flowering heads and leaves.

Security Clearances

Certain people associated with cannabis licensees, including individuals occupying a "key position" such as directors, officers, large shareholders and individuals identified by the Minister of Health (the "**Minister**"), must hold a valid security clearance issued by the Minister. Under the *Cannabis Regulations*, the Minister may refuse to grant security clearances to individuals with associations to organized crime or with past convictions for, or an association with, drug trafficking, corruption or violent offences. This was largely the approach in place under the ACMPR and other related regulations governing the licensed production of cannabis for medical purposes. Individuals who have histories of non-violent, lower-risk criminal activity (for example, simple possession of cannabis or small-scale cultivation of cannabis plants) are not precluded from participating in the legal cannabis industry, and the grant of security clearance to such individuals is at the discretion of the Minister, and such applications will be reviewed on a case-by-case basis.

Security clearances issued under the ACMPR are considered security clearances for the purposes of the *Cannabis Act* and *Cannabis Regulations*.

Cannabis Tracking System

Under the *Cannabis Act*, the Minister of Health is authorized to establish and maintain a national cannabis tracking system, the Cannabis Tracking System. The *Cannabis Regulations* provide the Minister of Health with the authority to make a ministerial order that would require certain persons named in such order to report specific information about their authorized activities with cannabis, in the form and manner specified by the Minister.

The Ministerial Order regarding the Cannabis Tracking System was published in the Canada Gazette, Part II, on September 5, 2018 and came into effect on October 17, 2018. The purpose of this system is to track the flow of cannabis throughout the supply chain as a means of preventing the illegal inversion and diversion of cannabis into and out of the regulated system. Under the Cannabis Tracking System, a holder of a license for cultivation, license for processing, or a license for sale for medical purposes is required to submit monthly reports to Health Canada.

Cannabis Products

The Cannabis Regulations set out the requirements for cannabis products and permits the sale of dried cannabis, cannabis oil, fresh cannabis, cannabis plants, cannabis plant seeds, edible cannabis, cannabis extracts and cannabis topicals. The Cannabis Regulations limit the THC content.

Prior to the passage of the Amending Regulations, the Cannabis Act only permitted the sale of dried cannabis, cannabis oil, fresh cannabis, cannabis plants and cannabis plant seeds. The Amending Regulations permit the production and sale of the New Classes of Cannabis. As is the case for the license requirements for dried or fresh cannabis and cannabis oil, a processing license is required to produce edible cannabis, cannabis extracts and cannabis topicals, and package and label these types of cannabis products for sale to consumers. Holders of processing licenses issued prior to October 17, 2019 were required to implement additional production and facility quality controls before they could begin manufacturing products belonging to New Classes of Cannabis. The Cannabis Regulations require the filing of a notice with Health Canada at least 60 days before releasing a new product to the market. As a result, December 16, 2019 was the earliest date that products in the New Classes of Cannabis could be made available for sale.

In addition, if a holder of a processing license chooses to process edible cannabis and food products on the same site, then the production, packaging, labelling, and storage of cannabis and the production, packaging, and labelling of food products will need to be conducted in separate buildings. All cannabis production is required to occur in a separate building from any food production.

Packaging, Labeling and Promotion

The Cannabis Regulations set out strict requirements pertaining to the packaging and labelling of cannabis products. These requirements are intended to promote informed consumer choice and allow for the safe handling and transportation of cannabis while also reducing the appeal of cannabis to youth.

All cannabis products must be packaged in a tamper-proof and child-resistant manner per the Cannabis Regulations and in plain packaging. The Cannabis Regulations impose strict limits on the use of colours, graphics, and other unique packaging characteristics. Cannabis package labels must include specific information, such as: (i) product source information, including the class of cannabis and the name, phone number and email of the license holder; (ii) a mandatory health warning, rotating between Health Canada's list of standard health warnings; (iii) the Health Canada standardized cannabis symbol; and (iv) information specifying THC and CBD content.

Promotion

The Cannabis Act sets out restrictions regarding the promotion of cannabis products. Subject to a few exceptions, all promotions of cannabis products are prohibited unless authorized by the Cannabis Act. While these restrictions also apply to the New Classes of Cannabis, the Amending Regulations also prohibit certain representations and associations on products, their packages and labels and associated promotional activity, including: certain flavours in cannabis extracts (e.g., confectionery, dessert, soft drink, and energy drink) that are appealing to youth; health or cosmetic benefits unless registered as a health product; energy value and nutrient content representations that go beyond those permitted in the list of ingredients and in the cannabis-specific nutrition facts table; statements reasonably likely to create the impression the edible cannabis or accessory is intended to meet particular dietary requirements; and promotion that could reasonably associate the cannabis, the cannabis accessory or the service related to cannabis with an alcoholic beverage, a tobacco product or a vaping product.

Product Composition

The Amending Regulations introduced restrictions on product composition specific to each New Class of Cannabis including specific THC limits. Examples of other product-specific restrictions include:

- Edible cannabis: must be shelf stable; only food and food additives will be allowed to be used as ingredients in edible cannabis and the use of food additives will need to be in accordance with the limits and purposes that are prescribed for foods; must not have caffeine added. However, the use of ingredients containing naturally occurring caffeine will be permitted in edible cannabis products provided that the total amount of caffeine in each immediate container does not exceed 30 milligrams; must not contain alcohol in excess of 0.5% w/w; must not contain anything that would cause the sale of the edible cannabis, if it was a food regulated under the Food and Drugs Act, to be prohibited and must not be fortified with vitamins or mineral nutrients.

- Cannabis extracts: must not contain ingredients that are sugars, sweeteners or sweetening agents, nor any ingredient listed on Column 1 of Schedule 2 to the Tobacco and Vaping Products Act (which is a list of ingredients that are prohibited in vaping products) except if those ingredients and their levels are naturally occurring in an ingredient used to produce the extract.

- Cannabis topicals: must not contain anything that may cause injury to the consumer's health when the product is used as intended or in a reasonably foreseeable way.

Health Products Containing Cannabis

Under the current regulatory framework, cannabis is not permitted for use in a natural health product or a non-prescription drug product. Phytocannabinoids are included as prescription drugs on the Human and Veterinary Prescription Drug List ("**PDL**"). Although Health Canada has previously authorized prescription drug products containing cannabis, the agency maintains that there remains significant scientific uncertainty regarding the pharmacological actions, therapeutic effectiveness and safety of the majority of phytocannabinoids. The cannabis-based prescription drug products that Health Canada has authorized have been studied, authorized and used in specific conditions. While these authorized products have contributed to the global body of knowledge concerning the safety and efficacy of cannabis-based therapies, Health Canada has stated that the presence of scientific uncertainty and limited market experience gives rise to the need for a precautionary approach. Listing all phytocannabinoids on the PDL addresses this uncertainty by allowing healthcare practitioners to monitor and manage any unanticipated effects. All phytocannabinoids will remain listed on the PDL until there is sufficient scientific evidence (e.g., as demonstrated through submission to Health Canada) to change the prescription status of a particular phytocannabinoid when used in specific conditions.

Cannabis is also expressly prohibited for use in cosmetic products as it is included on Health Canada's Cosmetic Ingredient Hotlist, List of Ingredients Prohibited for Use in Cosmetic Products.

Provincial and Territorial Regulatory Regimes

While the Cannabis Act provides for the regulation of the commercial production of cannabis for adult recreational purposes and related matters by the federal government, the Cannabis Act includes provisions stipulating that the provinces and territories of Canada have authority to regulate other aspects of adult recreational use cannabis (similar to what is currently the case for liquor and tobacco products), such as retail sale and distribution, minimum age requirements above that in place under the Cannabis Act, places where cannabis can be consumed, and a range of other matters. The governments of every Canadian province and territory have, to varying degrees, regulatory regimes for the distribution and sale of cannabis for adult recreational purposes within those jurisdictions. Each of these Canadian jurisdictions has established a minimum age of 19 years for cannabis use, except for Québec and Alberta, where the minimum age is 21 and 18, respectively.

Québec: In Québec, all recreational cannabis is managed and sold through outlets of the Société québécoise du cannabis, a subsidiary of the Société des alcools du Québec, and its online site.

Ontario: In Ontario, the distribution and online retail sale of recreational cannabis are conducted through the Ontario Cannabis Retail Corporation, under the oversight of the Alcohol and Gaming Commission of Ontario (the "**AGCO**"). Ontario also permits the sale of recreational cannabis through private brick-and-mortar retailers. Initially, Ontario employed a "phased" approach to retail licensing, setting a maximum cap of 25 licenses available to be issued to allow operators to open for business beginning April 1, 2019. The Ontario government has now moved to open the market for private cannabis retail stores in Ontario. In addition to removing the cap on the number of private retail stores in Ontario, the previously mandated regional distribution limiting the number of retail stores permitted in each region was maintained only until March 2, 2020 and then eliminated entirely. Since the date of its inception and until today, the AGCO authorized approximately 683 cannabis stores to open.

British Columbia: In British Columbia, recreational cannabis is to be sold through both public and privately operated stores, with the provincial Liquor Distribution Branch handling wholesale distribution.

Alberta: In Alberta, cannabis products are sold by private retailers that receive their products from a government-regulated distributor (the Alberta Gaming & Liquor Commission), similar to the distribution system currently in place for alcohol in the province. Only licensed retail outlets are to be permitted to sell cannabis with online sales run by the Alberta Gaming and Liquor Commission.

Saskatchewan: In Saskatchewan, recreational cannabis is sold by private retailers. The Saskatchewan Liquor and Gaming Authority (the "**SLGA**") has selected operators for the province's 51 cannabis private retail store permits, with municipalities having the option of opting out of having a cannabis store if they choose. Saskatchewan is the only jurisdiction to allow for private distribution and wholesale (but regulated by the SLGA).

Manitoba: In Manitoba, cannabis distribution and wholesale is government-run by the Manitoba Liquor and Lotteries Corporation (the "**MBLL**"), with retail sale privately operated. Manitoba has opened the cannabis retail application process to all prospective retailers. This includes the introduction of a new controlled-access license for retailers. Manitoba will also continue to offer age-restricted licenses for retailers wishing to open stand-alone stores. To become a retailer, applicants will be required to successfully complete the required application process, enter into a Cannabis Store Retailer Agreement with MBLL, and be issued an applicable license from the Liquor, Gaming and Cannabis Authority of Manitoba.

New Brunswick: In New Brunswick, recreational cannabis is sold and online sales are run by Cannabis NB, a subsidiary of a network of tightly controlled, stand-alone stores through the New Brunswick Liquor Corporation (the "**NBLC**"). The NBLC also controls the distribution and wholesale of cannabis in the province. The New Brunswick government has issued a request for proposals in order to find a single private operator to take over the Cannabis NB operations, which would privatize the government-operated corporation created to handle the retail sale of adult-use cannabis. This would result in the retail model changing from government-operated to privately-operated in New Brunswick.

Nova Scotia: In Nova Scotia, the Nova Scotia Liquor Corporation (the "**NSLC**") is responsible for the regulation of cannabis in the province, and recreational cannabis is only to be sold publicly through government-operated storefronts and online sales. There is no private licensing of retail. The NSLC also controls the distribution and wholesale of cannabis in the province.

Prince Edward Island: In Prince Edward Island, similar to Nova Scotia, the sale of cannabis is government-run through government retail sales and online. There is no private licensing of retail. The PEI Cannabis Management Corporation is responsible for the distribution and wholesale of cannabis in the province.

Newfoundland and Labrador: In Newfoundland and Labrador, recreational cannabis is sold through licensed private retail stores, with its Crown-owned liquor corporation, the Newfoundland and Labrador Liquor Corp. (the "**NLC**"), overseeing the wholesale and distribution to the private sellers. The NLC controls the possession, sale and delivery of cannabis, and sets prices. It is also the initial online retailer, although licenses may later be issued to private interests.

Yukon: The Yukon limits the initial distribution and sale of recreational cannabis to government outlets and government-run online stores and allows for the later licensing of private retailers. The Yukon Liquor Corporation is responsible for the distribution and wholesale of cannabis in the territory while the Cannabis Licensing Board is the regulatory body in the Yukon.

Northwest Territories: The Northwest Territories relies on the N.W.T. Liquor and Cannabis Commission to control the importation and distribution of cannabis, whether through retail outlets or by mail order service run by the Liquor Commission. Communities in the Northwest Territories will be able to hold a plebiscite to prohibit cannabis sales in their communities, similar to options currently available to restrict alcohol in the Northwest Territories.

Nunavut: Nunavut permits the sale of cannabis through private retailers, including online. The Nunavut Liquor and Cannabis Commission is responsible for distribution and wholesale in the territory.

Xebra's international operations include:

Netherlands

Xebra's Dutch operations are carried through its 75% owned European subsidiary, Xebra Europe. The remaining shareholder, owning 25% of Xebra Europe, provides vital local know-how and support, and has been essential in navigating government regulations and the application process.

The Dutch government has selected Xebra Europe as one of five (5) parties authorized to participate in medicinal cannabis cultivation trials. Two (2) of the five parties will eventually be granted licenses for a four-year contract with the Dutch government. The two (2) parties will supply the entire Dutch medicinal industry, including sales through pharmacies. Five thousand kilograms of products will be sold annually at a fixed price of €2,350/kg under the four-year agreement with an optional two-year extension, resulting in a total sales value of the contract of approximately €70.5 million.

The final two license holders will be selected based on their Plan of Approach and on the product quality and consistency of three trial crops to be cultivated starting in 2021.

Colombia

In Colombia, Xebra operates through its wholly owned subsidiary Medicannabis SAS. Xebra holds all cannabis licenses in Colombia, including authorizations to cultivate psychoactive (THC) and non-psychoactive cannabis, a license for the use of seeds for cultivation, and a license to process cannabis for the manufacture and export of products. Xebra is also a registered Seed Producer and holds one of a select number of registrations as a Seed Breeder and Agronomic Evaluator. Medicannabis is one of the limited number of companies that successfully filed seed genetics in Colombia by the December 2018 deadline, and thereby owns a cannabis seed genetics library of 144 cultivars (Fuente Semillera), with a broad range of cannabinoid varieties and types that can be interbred and adapted to the various microclimates present in Colombia. Agronomic evaluations to fully register up to 10 of the cultivars in the National Cultivar Registry are presently underway and are scheduled to be completed in the fall of 2021. Once fully registered, those cultivars are eligible for cultivation, sale and export. Cannabis production quotas for licensed producers are determined by the end of April every year; this is the final step to enable Xebra to commence commercial operations.

Xebra's research and breeding facility in Colombia is located on a 1.5-hectare property in Guasca, Cundinamarca, 30 kilometres from Bogota's International Airport. The facility includes over 600m2 of greenhouses, a water reservoir and irrigation system, and a seed breeding laboratory capable of undertaking certified agronomic evaluations. Xebra has taken a lower-risk asset-light approach to commercialize its cannabis cultivation. Under Colombian law, a large-scale cultivator must source at least 10% of its annual production quota from "small growers"; however, Xebra's unique asset-light model will enable it to produce 100% of its production on third-party land, thereby mitigating cultivation risk, reducing labour costs, and eliminating land leases and greenhouse construction costs. This scalable cultivation model is planned to commence in early 2022, under an exclusive partnership with a local consortium of licensed small growers, whereby initially up to 7 hectares of hoop houses, will be made available on approximately 14 hectares of licensed land in the Guasca area.

Mexico

The momentum in Mexico to legalize cannabis began unofficially in 2014 with the decriminalization of possession of small quantities of cannabis, followed in 2015 with the granting of the first Supreme Court injunctions for limited personal consumption, on the grounds that it was unconstitutional to deny such right to the individuals making a claim. Over the next several years, additional injunctions were granted by the Supreme Court for personal consumption and the ability to grow a limited number of plants in a household for personal use. To rectify the uneven playing field that favoured the individuals who obtained an injunction, the Mexican government adopted an initial legal framework in 2017 for medicinal cannabis, but not for recreational purposes.

Soon after this new legislation was adopted, a group of Mexican entrepreneurs formed ELEMENTS BIOSCIENCE S.A.P.I. DE C.V. and SATIVA GROUP BIOSCIENCES S.A.P.I. DE C.V and submitted 13 CBD wellness products, including tinctures, oils, capsules, topicals and intimate lotions to the Federal Commission for the Protection against Sanitary Risk (the Mexican equivalent of the U.S. Food and Drug Administration) for approval. The newly elected incoming administration led by the new President of Mexico froze all applications at the end of 2018, pending a review of the regulatory framework and the creation of secondary regulations. Hence the Elements and Sativa CBD products, which were at that time at a late stage of processing, are still pending the approval from the Federal Commission for the Protection against Sanitary Risk.

The Issuer currently has no immediate plans to offer its products or services to markets outside those listed above. However, it may seek to offer its technology platform to business customers or accept customers located in other markets in the long term. In all such cases, the Issuer and all of its subsidiaries shall only conduct its business and offer its products and services to markets where it is lawful to do so and comply with applicable cannabis and cannabis-related regulations and legislation.

The Private Placement

In May 2021, Xebra is expected to complete a two-tranche private placement (the "**Private Placement**"), pursuant to which Xebra will issue up to $5.0 million of subscription receipts (the "**Subscription Receipts**"), representing up to 25,000,000 Subscription Receipts at a price of $0.20 per Subscription Receipt.

Each Subscription Receipt will entitle the holder thereof to receive, automatically and without payment of any additional consideration and with no further action on the part of the holder thereof, and subject to adjustment, one common share (an "**Underlying Share**") and one-half of one common share purchase warrant (each whole such warrant an ("**Underlying Warrant**") upon the satisfaction or waiver (to extent such waiver is permitted) of the Escrow Release Conditions (as defined herein) on or before the Escrow Release Date (as defined herein).

Each whole Underlying Warrant will entitle the holder to acquire one additional common share of the Company, at an exercise price of $0.35 per share, for a period of one year from the date of issue (the "**Warrant Expiry Date**"). The Company will be entitled to accelerate the Warrant Expiry Date by notice to the Underlying Warrant holders should the closing price of the Common Shares on the Exchange (as defined hereunder), if listed, be at or greater than $0.50 per share for ten consecutive trading days.

As part of the Private Placement, the Issuer and Computershare (the "**Subscription Receipt Agent**") entered into a subscription receipt agreement on April 12, 2021 (the "**Subscription Receipt Agreement**") governing the terms of the Subscription Receipts. It is expected that, pursuant to the Subscription Receipt Agreement, closing date of each tranche, 75% of the gross proceeds from the Private Placement (the "**Escrowed Proceeds**") will be delivered to and held in escrow by the Subscription Receipt Agent and invested in an interest-bearing account, short-term obligations of, or guaranteed by, the Government of Canada or any other investments that may be approved by the Company (the Escrowed Proceeds, together with any interest and other income earned thereon, are referred to herein as the "**Escrowed Funds**") pending the satisfaction or waiver of the Escrow Release Conditions. Twenty-five percent of the gross proceeds of the Private Placement will be immediately available to the Company and will not form part of the Escrowed Funds.

The Escrowed Funds shall be released from escrow to the Company upon the satisfaction or waiver (to the extent such waiver is permitted), of all of the following conditions (the "**Escrow Release Conditions**") on or before the Termination Date:

a) the common shares of the Company being conditionally approved for listing on the Canadian Securities Exchange (CSE), and the completion, satisfaction or waiver of all conditions precedent to such listing, other than the release of the Escrowed Funds; and

b) the issuance of a final receipt for the non-offering prospectus of the Company.

The date on which the Escrow Release Conditions are satisfied is hereinafter referred to as the "Escrow Release Date", which shall be no later than the October 12, 2021 (the "**Termination Date**") except as may be extended in accordance with the terms of the Subscription Receipt Agreement.

Unless waived under the terms of the Subscription Receipt Agreement, if the Escrow Release Conditions are not satisfied or waived on or prior to the Termination Date (as the same may be extended in accordance with the terms of the Subscription Receipt Agreement), then the Escrowed Funds shall be used to pay the holders of the corresponding Subscription Receipts an amount equal to 75% of the Issue Price per Subscription Receipt held (plus an amount equal to a pro-rata share of any interest or other income earned thereon) and the corresponding issued and outstanding Subscription Receipts shall be cancelled.

For greater certainty, 25% of the issued and outstanding Subscription Receipts shall convert into the corresponding number of Underlying Shares and Underlying Warrants regardless of whether the Escrow Release Conditions are satisfied or not.

DIVIDENDS OR DISTRIBUTIONS

The Company has neither declared nor paid any dividends on its Common Shares. The Company currently intends to retain any future earnings to fund the development and growth of its business and does not currently anticipate paying dividends on the Common Shares. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including, among others, the Company's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board may deem relevant.

FUNDS AVAILABLE AND USE OF FUNDS

This Prospectus is a non-offering prospectus. The Issuer is not raising any funds in conjunction with this Prospectus and, accordingly, there are no proceeds. The Issuer has pro forma working capital of approximately $85,000 as of March 31, 2021. The principal purposes for the use of those funds will be as follows:

Item	Cost
Funds Available	
Working capital of the Issuer as at March 31, 2021	$85,000
May 2021 Financing	$2,085,000
Total	**$2,170,000**
Principal purposes for the use of available funds	
Shared overhead for 12 months following the filing of this Prospectus	$330,000
Corporate salaries and wages for 12 months following the filing of this Prospectus	$144,000
Audit and accounting fees for 12 months following the filing of this Prospectus	$70,000
Investor relations and promotion	$100,000
Other administrative costs for 12 months following the filing of this Prospectus	$325,000
Total	**$969,000**

During the fiscal year ended February 29, 2020, the Issuer had negative cash flows from operations of $1,960,117, resulting from the Issuer being in the startup stage. During the nine months ended November 30, 2020, the Company had negative cash flows from operations of $1,572,164. The Company intends to increase working capital through additional equity offerings in the future. However, there can be no guarantee that such activity and financial resources will be possible. Until the Company can generate positive cash flow from operations, its ability to finance its operations will depend on its ability to obtain additional external financing and ultimately generate future profitable operations.

Xebra has several business objectives and milestones that it plans to achieve in the first twelve months of becoming a listed entity. These objectives and milestones are detailed below and are expected to cost approximately $1,201,000.

Objective & Milestone	Cost
Launch THC infused beverage in Canada	$156,000
Conduct trial cultivation in Holland	$850,000
Fund Colombia subsidiary until completion of agronomic evaluations	$135,000

Objective & Milestone	Cost
Fund Mexico subsidiary until grant of Amparo	$60,000
Total	**$1,201,000**

The Company intends to spend the funds available to it as stated in this Prospectus. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. Use of funds will be subject to the discretion of management.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table sets forth the most recent selected financial information of the Issuer as follows:

Item	Cost
Funds Available	
Working capital of the Issuer as at March 31, 2021	$85,000
May 2021 Financing	$2,085,000
Total	**$2,170,000**
Principal purposes for the use of available funds	
Shared overhead for 12 months following the filing of this Prospectus	$330,000
Corporate salaries and wages for 12 months following the filing of this Prospectus	$144,000
Audit and accounting fees for 12 months following the filing of this Prospectus	$70,000
Investor relations and promotion	$100,000
Other administrative costs for 12 months following the filing of this Prospectus	$325,000
Total	**$969,000**

The financial information of the Issuer as of the date hereof should be read in conjunction with:

a) Issuer's audited financial statements for the period from incorporation on February 21, 2019 to February 29, 2020;
b) Issuer's Management's Discussion and Analysis for the period from incorporation on February 21, 2019 to February 29, 2020;
c) Issuer's unaudited condensed interim consolidated financial statements for the nine months ended November 30, 2020; and
d) Issuer's Management's Discussion and Analysis for the nine months ended November 30, 2020.

which are attached to this Prospectus as Schedules A, B, C, and D, respectively. Certain information included in the documents referred to above is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Note Regarding Forward-Looking Information*" for further detail.

Off-Balance Sheet Arrangements

The Issuer does not have any off-balance sheet arrangements.

Related Party Transactions

The Company entered into a cost sharing agreement (the "**Xebra Cost Sharing Agreement**") with Orea Mining Corp. ("**Orea**"), effective October 1, 2019, whereby certain overhead and administration costs are shared, which Xebra reimburses to the Orea on a periodic basis and is included in general and administration expense. The Xebra Cost Sharing Agreement was terminated effective August 31, 2020, and replaced with a fixed fee agreement (the "**Xebra Services Agreement**"), whereby Orea provides certain overhead and administration services in exchange for a fixed fee of $10,000 per month and a reduction in compensation of $8,000 per month to a certain officer in common. The Xebra Services Agreement was terminated on November 30, 2020, and replaced with a reduced services agreement (the "**Reduced Services Agreement**") effective January 1, 2021, for $2,000 per month which will be terminated on May 31, 2021 and replaced with a new cost sharing agreement effective on June 1, 2021, under which Orea will provide certain overhead and administration services to Xebra in exchange for a fixed fee of $30,000 per month. The Company and Orea have a director and certain officers in common. The following is a summary of related party transactions:

	Three Months Ended		**Nine Months Ended**	
	November 30, 2020 ($)	**November 30, 2019 ($)**	**November 30, 2020 ($)**	**November 30, 2019 ($)**
Fees paid to Orea under the Services Agreement	28,146	64,000	223,450	64,000
Management fees paid to Columbus Capital Corporation, a company controlled by Robert Giustra, a director of the Company	-	-	66,800	-
Management fees paid to Todd Dalotto, a director of the Company	-	81,243	121,756	122,885
Management fees paid to Accounting Group ADR and Associates SC., a company controlled by Rodrigo Gallardo, CEO of the Company	28,000	-	91,733	-
Management fees paid Andrew Yau, CFO of the Company	-	3,000	-	15,000
Management fees paid to Applied Media Dynamics, a company controlled by Jorge Martinez, COO of the Company	-	-	-	12,000
	56,146	**148,243**	**503,739**	**213,885**

The following summarizes advances or amounts that remain receivable from or payable to each related party:

	November 30, 2020 ($)	**February 29, 2020 ($)**
Advances to Columbus Capital Corporation	-	20,000
Fees payable to Orea under Xebra Services Agreement	(10,572)	-
	(10,572)	**20,000**

Changes in Accounting Policies Including Initial Adoption

The preparation of financial statements in accordance with International Financial Reporting Standards (IFRS) requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Management evaluates the estimates periodically. Actual results may differ from these estimates by material amounts.

DESCRIPTION OF THE SECURITIES

Common Shares

The Issuer is authorized to issue an unlimited number of Common Shares, of which, as of the date of this Prospectus, 103,854,730 Common Shares and one (1) Class B Common Share are issued and outstanding as fully paid and non-convertible.

The holders of Common Shares are entitled to receive notice of any meeting of the shareholders of the Issuer and to attend and vote thereat, except those meetings at which only the holders shares of another class or of a particular series are entitled to vote. Each Common Share entitles its holder to one vote. The holders of Common Shares are entitled to receive on a pro-rata basis such dividends as the board of directors may declare out of funds legally available therefor. In the event of the dissolution, liquidation, winding-up or other distribution of the Issuer's assets, such holders are entitled to receive on a pro-rata basis all of assets of the Issuer remaining after payment of all liabilities. The Common Shares carry no pre-emptive or conversion rights.

Issuer Options

The Issuer does not currently have a stock option plan enabling it to issue stock options to its employee, directors or officers.

Following the filing of this Prospectus, the Issuer will adopt a Stock Option Plan, which will be a "rolling" stock option plan, pursuant to which the board of directors of the Issuer may from time to time, in its discretion, and, as applicable, in accordance with the CSE requirements, grant to directors, officers, employees and consultants, non-assignable and non-transferable options to purchase the Common Shares, provided that the number of the Common Shares reserved for issuance will not exceed 10% of its then issued and outstanding shares. The options will be exercisable up to ten years from the date of the grant, so long as the optionee maintains the optionee's position with the Issuer. The number of Common Shares reserved for issuance to any optionee will not exceed 5% of the then issued and outstanding Common Shares, and the number of Common Shares reserved for issuance to consultants will not exceed 2% of the then issued and outstanding Common Shares.

The minimum exercise price of an option granted under the Stock Option Plan will not be less than the closing trading price of the Common Shares on (a) the trading day prior to the date of the grant of such option; and (b) the date of the grant of such option,. Options granted to an optionee who does not continue as a director, officer, employee or consultant of the Issuer, will have 30 days after such optionee ceases to be a director, officer, employee or consultant of the Issuer to be exercised.

CONSOLIDATED CAPITALIZATION

There was no material change in the share and loan capital of the Issuer, on a consolidated basis, since the date of the Issuer's financial statements for its most recently completed financial period included in the Prospectus. The following table sets forth the consolidated capitalization of the Issuer as at the dates indicated.

Description	Outstanding as at February 28, 2021	Outstanding as at the date of this Prospectus
Common Shares(1)	103,843,481	103,854,731
Share Capital	$7,539,637	$7,543,012
Long-term debt	$0	$0

Notes:
(1) It includes one (1) Class B common share.

PRIOR SALES

No securities are being distributed under this Prospectus.

The following table summarizes the details of the issuance of securities of the Issuer during the twelve-month period prior to the date of this Prospectus:

Date	Description of Securities	Number of Securities	Issue Price or Exercise Price, as applicable
June 15, 2020(1)	Common Shares	340,200	$0.05
August 15, 2020(2)	Common Shares	125,000	$0.05
September 4, 2020	Common Shares	1,071,134	$0.05
September 4, 2020	Common Shares	538,263	$0.30
September 4, 2020(3)	Common Shares	13,959	$0.05
September 4, 2020(4)	Common Shares	43,061	$0.30
December 14, 2020	Common Shares	278,100	$0.30
February 12, 2021	Common Shares	37,600	$0.05
February 12, 2021	Common Shares	119,067	$0.30
February 12, 2021(5)	Common Shares	2,000	$0.05

February 12, 2021[(6)]	Common Shares	6,333	$0.30
February 12, 2021	Common Shares	270,107	$0.05
May 3, 2021	Common Shares	11,250	$0.30
May 3, 2021	Common Shares	7,500	$0.05

Notes:
(1) 40,200 shares paid to Todd Dalotto under a consulting agreement dated June 15, 2020; 300,000 shares paid to Rodrigo Gallardo under a consulting agreement dated June 15, 2020.
(2) 125,000 shares paid to Mauricio Pieschacon Villegas under a consulting agreement dated June 1, 2020.
(3) Shares paid to various individuals under consulting agreements dated September 4, 2020.
(4) Shares paid to various individuals under consulting agreements dated September 4, 2020.
(5) 8% Finder's shares paid to Armando Aguirre for amounts raised under $0.05 re-sale.
(6) 8% Finder's shares paid to Armando Aguirre for amounts raised under $0.30 private placement.

ESCROWED SECURITIES

CSE Escrow Shares

Some Common Shares of the Issuer (collectively, the "**CSE Escrow Shares**") will be required by the CSE to be held in escrow pursuant to the terms of the Escrow Agreement, pursuant to the NP 46-201, among the Issuer, an escrow agent and certain shareholders. The number of CSE Escrow Shares is as follows:

Description	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	7,945,313	7.65%

The CSE Escrow Shares are expected to be subject to the release schedule set out in NP 46-201 for an emerging issuer. Under the timed escrow release: (i) 10% of the escrow securities will be released on the listing date; (ii) 1/6 of the remaining CSE Escrow Shares will be released six months after the listing date; (ii) 1/5 of the remaining CSE Escrow Shares will be released 12 months after the listing date; (iii) 1/4 of the remaining CSE Escrow Shares will be released 18 months after the listing date; (iv) 1/3 of the remaining CSE Escrow Shares will be released 24 months after the listing date; (v) 1/2 of the remaining CSE Escrow Shares will be released 30 months after the listing date; and (vi) the remaining CSE Escrow Shares will be released 36 months after the listing date.

The Escrow Agreement will provide that the CSE Escrow Shares be held in escrow pursuant to its terms and the beneficial ownership thereof may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner, except in accordance with the Escrow Agreement. In the event of the bankruptcy of an escrow shareholder, the CSE Escrow Shares held by such escrow shareholder may be transferred to the trustees in the bankruptcy or such person legally entitled to the CSE Escrow Shares in accordance with the Escrow Agreement, and such shares will remain in escrow subject to the Escrow Agreement. In the event of the death of an escrow shareholder, the CSE Escrow Shares held by the escrow shareholder will be released from escrow in accordance with the Escrow Agreement.

Contractual Restrictions on Resale

An escrow pool of certain securities of the Issuer will be determined shortly.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and senior officers of the Xebra, no person or company, as at the date of this Prospectus, beneficially owns, directly or indirectly, or exercises control or direction over Common Shares carrying more than 10% of the outstanding voting rights attached to the Common Share.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets out the name, municipality and province of residence, position and office held with the Issuer, the principal occupation during the five preceding years, and the number and percentage of the Common Shares which are beneficially owned, directly or indirectly, by each of the directors and officers of the Issuer.

Name, Municipality of Residence, and Current Position with the Issuer	Date Appointed)	Principal Occupation for the Past Five Years	Number of Common Shares
Antonio Grimaldo Mexico Director	October 27, 2020	Partner at VECEGEA, S.C. and DESART MX S.A. de C.V.; Public servant at the Mexican Institute of Social Security; Public servant at the Mexican Federal Commission for the Protection Against Sanitary Risks (COFEPRIS)	450,000
Jordi Chemonte Mexico Director	May 13, 2019	General Manager at CYH Ingenieros Electromecanicos S.A. de C.V. and Construtora Arie S.A. de C.V.; Co-founder and CEO of Elements Bioscience Sapi de C.V. and Stiva Group Elements Sapi de C.V.	6,841,235
Robert Giustra Vancouver, British Columbia Director	February 21, 2019	President of Columbus Capital Corp. and Chairman of Orea Mining Corp.	5,950,000
Todd Dalotto Oregon, United States Director	March 1, 2021	Cannabis industry consultant specializing in horticultural science and public policy	690,200
Volker Berl New York, United States Director	-	CEO of New Age Ventures	Nil
Rodrigo Gallardo Mexico Chief Executive Officer	June 15, 2020	CEO and Mexico's Country Manager of Xebra Brands Ltd; Legal Director of Elements Bioscience SAPI de C.V. & Sativa Group Biosciences SAPI de C.V.; CEO of Grupo Fishmart SA de C.V.	3,500,000
Jorge Martinez Vancouver, British Columbia Chief Operating Officer	January 24, 2020	Vice President of Corporate Operations of Orea Mining Corp.	2,000,000
Andrew Yau Vancouver, British Columbia Chief Financial Officer	January 1, 2020	Executive Vice President & Chief Financial Officer of Orea Mining Corp.	75,000
Daniela Freitas Vancouver, British Columbia Corporate Secretary	January 1, 2020	Corporate Secretary of Orea Mining Corp.	50,000

The directors and officers of the Issuer as a group beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 19,556,435 of Common Shares, representing 18.83% of the issued and outstanding Common Shares (on an undiluted basis). Each director's term of office will expire at the next annual meeting of the shareholders unless re-elected at such meeting.

The audit committee of the Board of Director of the Issuer is composed of: Antonio Grimaldo, Jordi Chemonte and Robert Giustra. All of them are independent members. All members are considered financially literate. There are no other committees of the Board at this time. The Board will oversee all corporate governance and compensation matters.

The directors and officers will devote their time and expertise as required by the Issuer. However, it is not anticipated that any director will devote 100% of their time to the Issuer's activities. None of the directors are employees of the Issuer.

Management

The Company's Chief Executive Officer provides overall leadership and vision in developing the Company's strategic direction in consultation with the Board. The Chief Executive Officer also manages the company's overall business to ensure its strategic plan is effectively implemented, and the results are monitored and reported to the Board. The Company's Chief Financial Officer is responsible for establishing and maintaining financial disclosure controls and procedures for the Company in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements.

The Issuer has entered into a consulting agreement with Rodrigo Gallardo for his services as Chief Executive Officer. Upon the Issuer having sufficient funds, the Issuer is expected to pay $96,000 at market rates per year for these services. Mr. Gallardo will fulfill his role in a full-time capacity with the Issuer. As part of this consulting agreement, Mr. Gallardo will agree to confidentiality, non-compete and non-disclosure provisions.

The current board of directors of Xebra include:

Antonio Grimaldo (Director)

Mr. Grimaldo is a lawyer with a Masters in International Tax Law from the Vienna Economics University and a Masters in Social Policy and Development from the London School of Economics. He has held high-level positions in the Mexican Institute of Social Security and the Federal Commission for Protection against Health Risks (the Mexican equivalent of the U.S. Food and Drug Administration), where he dealt with a wide range of legal issues. Mr. Grimaldo was part of the team responsible for implementing the 2014 resolution of the Mexican Supreme Court that allowed personal consumption of cannabis for the first time and which set the grounds for the 2017 legal reform. In addition, in 2016 he organized the discussion forums and debates regarding cannabis legalization in Mexico that allowed the exchange of opinions and arguments of several experts and academics in the field; these forums led to the 2017 framework for the legalization of medicinal cannabis and CBD products, which the Mexican government formally adopted in 2018.

Mr. Grimaldo intends to commit 20% of his time to the Company.

Jordi Chemonte (Director)

Mr. Chemonte is an entrepreneur who has co-founded several enterprises. He has held executive positions in the food and services, entertainment, real estate, construction, and engineering sectors. He was recently the co-founder and CEO of Elements Bioscience, a first mover in the Mexican cannabis industry.

Mr. Chemonte intends to commit 20% of his time to the Company.

Robert Giustra (Director)

Mr. Giustra has been actively engaged in venture capital markets for 25 years. He is a former investment banker with a national investment dealer (now Canaccord Genuity). He co-founded the institutional equity sales department, and he has held senior executive positions and board seats with several publicly traded companies. Mr. Giustra is the co-founder, Chairman, and former CEO of a publicly listed gold company, which in 2015, 2017 and 2018 was selected from a peer group of some 1,200 mining companies as a TSX Venture 50 company, ranking the top 10 companies in each of the five major industry sectors that make up the TSX Venture Exchange; and in 2016 it was one of only two Metals & Mining sector companies to graduate its listing to the senior Toronto Stock Exchange, during the previous one-year period. Mr. Giustra is a former member of the TSX Venture Exchange's Local Advisory Committee.

Mr. Giustra intends to commit 25% of his time to the Company.

Todd Dalotto (Director)

Mr. Dalotto is a horticultural scientist, public policy consultant, and court-qualified expert witness specializing in cannabis. He breeds and conducts horticultural research, teaches, and consults businesses on the horticultural science and public policy of cannabis. Over the past twenty years, his research objectives include breeding of in-bred lines, morphology, sustainable practices, semi-passive greenhouse production, and mutualisms. He created the curriculum for and taught the Cannabis Horticultural Science Course, a certificate course on the core horticultural science topics such as Soil Science, Seed Biology, Plant Pathology, Breeding & Genetics, and more. Mr. Dalotto has a horticultural research degree with emphasis on sustainable agriculture and plant breeding from Oregon State University, is former Chair of the Oregon Health Authority's Advisory Committee on Medical Marijuana (ACMM), as well as the ACMMJ's Horticulture, Research & Safety Committee, has served on various policy advisory committees for the State of Oregon, and helped draft the regulations for Oregon's Medical Marijuana Dispensary Program and founded Oregon's first cannabis medical clinic, education & support center.

Mr. Dalotto intends to commit 10% of his time to the Company.

Volker Berl (Director)

Mr. Berl is an accomplished international business leader, serial entrepreneur, innovator, business angel, advisor, technology expert, and serial investor, having co-founded, operated, invested in and exited many successful and profitable startups.

Mr. Berl intends to commit 20% of his time to the Company.

Other Reporting Issuer Experience

The following table sets out the expected directors, officers and promoters of the Issuer that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name	Name and Jurisdiction of Other Reporting Issuers	Name of Exchange or Market	Position	From	To
Robert Giustra	Orea Mining Corp., British Columbia, Canada	TSX	Director	September 2004	Present
	Organto Foods Inc., British Columbia, Canada	TSX-V	Director	May 2007	April 2021
	Columbus Gold Corp., British Columbia, Canada	TSX	CEO	May 2011	January 2018
	Allegiant Gold Ltd., British Columbia, Canada	TSX-V	Chairman	January 2018	May 2020
	Allegiant Gold Ltd., British Columbia, Canada	TSX-V	CEO	July 2018	September 2019
	Zazu Metals, British Columbia, Canada	TSX-V	Director	May 2012	July 2017
Todd Dalotto	Organto Foods Inc., British Columbia, Canada	TSX-V	Division President	January 2019	June 2019
Jorge Martinez	Orea Mining Corp., British Columbia, Canada	TSX	Vice President of Corporate Operations	February 2021	Present
Andrew Yau	Orea Mining Corp., British Columbia, Canada	TSX	Executive Vice President and Chief Financial Officer	May 2016	Present
	Allegiant Gold Ltd., British Columbia, Canada	TSX-V	Chief Financial Officer	June 2018	September 2019
	Organto Foods Inc., British Columbia, Canada	CVE	Chief Financial Officer	May 2016	December 2017
Daniela Freitas	Orea Mining Corp., British Columbia, Canada	TSX	Corporate Secretary	January 2019	Present
	Allegiant Gold Ltd., British Columbia, Canada	TSX-V	Corporate Secretary	January 2019	September 2019

Cease Trade Orders.

Other than as disclosed herein, to the best of the Issuer’s knowledge, no director, or officer of the Issuer, nor any shareholder holding sufficient securities of the Issuer to affect materially the control of the Issuer is, or within the ten years prior to the date hereof has been, a director or CEO or CFO of any corporation that, while that person was acting in the capacity of director or CEO or CFO of that corporation, was the subject of a cease trade order or similar order or an order that denied the corporation access to any exemption under securities legislation for a period of more than 30 consecutive days.

Bankruptcies

To the best of the Issuer's knowledge, no proposed director or officer of the Issuer, nor any shareholder holding a sufficient securities of the Issuer to materially affect control of the Issuer, as at the date of this Prospectus, or has been within 10 years of the date of this Prospectus, a director or executive officer of any company (including the Issuer) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the best of the Issuer's knowledge, no proposed director or officer of the Issuer, nor any shareholder holding a sufficient securities of the Issuer to materially affect control of the Issuer has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Personal Bankruptcies

To the best of the Issuer's knowledge, no proposed director or officer of the Issuer, nor any shareholder holding a sufficient number of securities of the Issuer to affect materially the control of the Issuer, nor any personal holding company of any such person has, within the ten years before the date of this Prospectus become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Conflicts of Interest

The directors of the Issuer are required by law to act honestly and in good faith with a view to the best interests of the Issuer and to disclose any interests, which they may have in any project or opportunity of the Issuer. If a conflict of interest arises at a board meeting, any director in a conflict will disclose his interest and abstain from voting on such a matter.

To the best of the Issuer's knowledge, and other than as disclosed herein, there are no known existing or potential conflicts of interest among the Issuer's proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies. Therefore a conflict may arise between their duties to the Issuer and their duties as a director or officer of such other companies.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company does not have a formal compensation program for its directors or management. The Board relies on the experience of its members as current or former officers or directors of companies to ensure that total compensation paid to the Company's management is fair and reasonable. The Board meets to discuss and determine management compensation without reference to formal objectives, criteria or analysis. The general philosophy of the Company's compensation strategy is to: (a) encourage management to achieve a high level of performance and results intending to increase long-term shareholder value; (b) align management's interests with the long-term interest of shareholders; (c) provide a reasonable compensation package to attract and retain highly qualified executives and directors; and (d) ensure that total compensation paid takes into account the Company's overall financial position.

Incentive Plan Awards

There are currently no stock options issued and outstanding. The Issuer may grant options to its directors, officers, employees and consultants pursuant to a stock option plan following listing of the Issuer's shares on the Exchange.

Summary Compensation Table

The following table sets out the anticipated compensation to the Issuer's CEO, President, COO and CFO for the 12-month period after the filing of this Prospectus. The Issuer anticipates entering into employment contracts with executive officers at such time as the Issuer determines it has the resources available to pay such cash compensation. Such management agreements and compensation are subject to Board approval.

Name and Position	Year	Salary, consulting fee, retainer or commission[(1)]	Bonus	Committee or meeting fees	Pension value	Value of all other compensation	Total compensation
Rodrigo Gallardo Chief Executive Officer	2021	$96,000	Nil	Nil	Nil	Nil	$96,000
Jorge Martinez[(2)] Chief Operating Officer	2021	$90,000	Nil	Nil	Nil	Nil	$90,000
Andrew Yau[(2)] Chief Financial Officer	2021	$96,000	Nil	Nil	Nil	Nil	$96,000
Daniela Freitas[(2)] Corporate Secretary	2021	$36,000	Nil	Nil	Nil	Nil	$36,000

Notes:
(1) Estimated annual salaries.
(2) Mr. Martinez, Mr Yau and Mrs. Freitas will receive their salaries through Orea under a service agreement between Orea and the Issuer.

It is anticipated that the Issuer will pay non-executive directors an amount per person per Board meeting at a rate to be determined. The definition of "director" under securities legislation includes an individual who acts in a capacity similar to that of a director.

Stock Options and Other Compensation Securities

As of the date of this Prospectus, the board has approved an option grant concurrent with the listing. The option grant will allow Directors, Officers and certain consultants to acquire an aggregate amount of 11,050,000 common shares of the Company at a price to be determined by the board.

Pension Plan Benefits and Other Deferred Compensation Plans

It is anticipated the Issuer will not have any pension or deferred compensation plan in the 12 months following the filing of this Prospectus.

Employment, Consulting and Management Agreement

The Issuer has entered into a consulting agreement on September 16, 2020 (the "**Consulting Agreement**") with Rodrigo Gallardo, as Chief Executive Officer. The Issuer anticipates assuming employment contracts with executive officers at such time as the Issuer determines.

The Consulting Agreement provides for the following terms:

- Compensation of $8,000 per month;
- Entitlement to 4 weeks' vacation per calendar year;
- Entitlement to medical benefits reimbursement estimated to be $1,400 per month; and
- Standard confidentiality and intellectual property assignment provisions.

Oversight and Description of Director and Named Executive Compensation

The Board determines the annual compensation of named executive officers. Current market conditions, market compensation, and company finances are taken into account when determining compensation. See "*Executive Compensation*" above.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Prospectus, no director, executive officer or employee of Xebra or their respective associates or affiliates is or has been indebted to Xebra at any time.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee's Charter

The text of the audit committee's charter is attached hereto as Schedule E.

Composition of the Audit Committee

The members of the audit committee of the Issuer are Antonio Grimaldo, Jordi Chemonte and Robert Giustra. All members are financially literate and independent. Robert Giustra will serve as the Chair of the Audit Committee.

Relevant Education and Experience

Each audit committee member has had extensive experience reviewing financial statements. Each member has an understanding of the Issuer's business and has an appreciation for the relevant accounting principles for that business.

Robert Giustra, Director

Mr. Giustra has been actively engaged in venture capital markets for 25 years. He is a former investment banker with a national investment dealer (now Canaccord Genuity). He co-founded the institutional equity sales department, and he has held senior executive positions and board seats with several publicly traded companies. Mr. Giustra is the co-founder, Chairman, and former CEO of a publicly listed gold company, which in 2015, 2017 and 2018 was selected from a peer group of some 1,200 mining companies as a TSX Venture 50 company, ranking the top 10 companies in each of the five major industry sectors that make up the TSX Venture Exchange; and in 2016 it was one of only two Metals & Mining sector companies to graduate its listing to the senior Toronto Stock Exchange, during the previous one-year period. Mr. Giustra is a former member of the TSX Venture Exchange's Local Advisory Committee.

Jordi Chemonte, Director

Mr. Chemonte is an entrepreneur who has co-founded several enterprises. He has held executive positions in the food and services, entertainment, real estate, construction, and engineering sectors. He was recently the co-founder and the CEO of Elements Bioscience, a first mover in the Mexican cannabis industry.

Antonio Grimaldo, Director

Mr. Grimaldo is a lawyer with a Masters in International Tax Law from the Vienna Economics University and a Masters in Social Policy and Development from the London School of Economics. He has held high level positions in the Mexican Institute of Social Security and the COFEPRIS (the Mexican equivalent of the U.S. Food and Drug Administration), where he was responsible of all legal issues. Mr. Grimaldo was part of the team responsible for implementing the 2014 resolution of the Mexican Supreme Court that allowed personal consumption of cannabis for the first time, and which set the grounds for the 2017 legal reform. In addition, in 2016 he organized the discussion forums and debates regarding cannabis legalization in Mexico that allowed the exchange of opinions and arguments of several experts and academics in the field; these forums led to the 2017 framework for the legalization of medicinal cannabis and CBD products, which the Mexican government formally adopted in 2018.

Audit Committee Oversight

At no time since the beginning of the fiscal year completed February 28, 2021 was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the beginning of the fiscal year ended February 29, 2020 or November 30, 2020, has the Issuer relied on any of the following exemption: (a) the exemption in section 2.4 (De Minimis Non-audit Services); (b) the exemption in subsection 6.1.1 (4) (Circumstances Affecting the Business or Operations of the Venture Issuer); (c) the exemption in subsection 6.1.1 (5) (Events Outside Control of Member); (d) the exemption in subsection 6.1.1 (6) (Death, Incapacity or Resignation); or (e) an exemption from NI 51-110, in whole or in part, granted under Part 8 (Exemption).

Pre-Approval Policies and Procedures

The audit committee of the Issuer has not adopted specific policies and procedures for the engagement of non-audit services, but all such services will be subject to the prior approval of the audit committee. It is not anticipated that the Issuer will adopt specific policies and procedures.

External Auditor Fees

The aggregate fees billed by the external auditors of the Issuer for the fiscal years ended February 29, 2020 for the following fees are:

Fiscal Year Ended	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
February 29, 2020	66,500	0	5,685	0

The aggregate fees billed by the external auditors of the Issuer for the period from incorporation to February 28, 2021 for the following fees are:

Period Ended	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
February 28, 2021	62,000	0	5,500	0

Exemption

The Issuer is a “venture issuer” as defined in NI 52-110 and will rely on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

Assessments

The Board monitors but does not formally assess individual Board members or committee members’ performance or contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of an individual director are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

Corporate Governance Disclosure

The Issuer has adopted certain practices and procedures to ensure that effective corporate governance practices are followed and to ensure that the Board functions independently of management. The Issuer’s disclosure of corporate governance practices pursuant to NI 58-101 is set out below in the form required by Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers).*

Board of Directors

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Issuer, other than interests and relationships arising from holding shares or securities of the Issuer. In addition, where a company has a significant shareholder, NI 58-101 suggests that the board of directors should include a number of directors who do not have interests in either Issuer or the significant shareholder. The independent directors would exercise their responsibilities for independent management oversight and meet independently of management whenever deemed necessary.

The Board of the Issuer is currently comprised of five directors, all of whom are expected to be “independent” (as that term is defined in section 1.2 of NI 58-101).

Directorships

The following proposed directors of the Issuer are also directors of the reporting issuers listed below:

Name	Name and Jurisdiction of Other Reporting Issuers	Name of Exchange or Market	Position	From	To
Antonio Grimaldo	N/A	N/A	N/A	N/A	N/A
Jordi Chemonte	N/A	N/A	N/A	N/A	N/A
Robert Giustra	Orea Mining Corp., British Columbia, Canada	TSX	Chairman	September 20, 2004	Present
	Organto Foods Inc., British Columbia, Canada	TSX-V	Director	May 18, 2007	Present
Todd Dalotto	N/A	N/A	N/A	N/A	N/A

Orientation and Continuing Education

The Board has not adopted formal steps to orient new Board members. The Board's continuing education is typically derived from correspondence with the legal counsels of the Issuer to remain up to date with developments in relevant corporate and securities law matters. It is not anticipated that the Board of the Issuer will adopt formal steps in the 12 months following the filing of this Prospectus.

Ethical Business Conduct

The Board has not adopted formal guidelines to encourage and promote a culture of ethical business conduct but does promote ethical business conduct by nominating Board members it considers ethical, by avoiding or minimizing conflicts of interest and by having a sufficient number of its Board members independent of corporate matters.

Nomination of Directors

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the nomination members, including both formal and informal discussions among nomination members. It is not anticipated that the nomination committee of the Issuer will adopt a formal process to determine new nominees in the 12 months following the filing of this Prospectus.

Compensation

The Board decides on the compensation for officers and directors, based on industry standards and the Issuer's financial situation.

During the financial period ended February 28, 2021, the following compensation consultants were retained by the Issuer:

- Rodrigo Gallardo
- Mauricio Villegas
- Casper Hendrik Van Duijne
- Armando Rios Piter
- Ivonne Maldonado
- Todd Dalotto

Other Board Committees

The Issuer will not have any other Board committees except for the audit committee.

Assessments

The Board does not feel it is necessary to establish a committee to assess the effectiveness of individual Board members. Each Board member has considerable experience in the management of companies or public companies, and this is sufficient to meet the needs currently anticipated of the Issuer. On an annual basis, however, the Board assesses the contributions of each of the individual directors and of the Board as a whole in order to determine whether each is functioning effectively.

PLAN OF DISTRIBUTION

This is a non-offering prospectus. No securities are being offered pursuant to this Prospectus.

Upon the issuance of a receipt for the filing of this Prospectus, the Company intends to apply to list its Common Shares on the CSE under the symbol "XBRA". Listing on the CSE is subject to the Company fulfilling all of the listing requirements of the CSE including meeting all minimum requirements. The CSE has not conditionally approved the Company's listing application and there is no assurance that it will do so.

As at the date of this Prospectus, the Issuer does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.).

RISK FACTORS

The following are certain factors relating to the business of the Issuer, which factors investors should carefully consider when making an investment decision concerning the shares of the Issuer. These risks and uncertainties are not the only ones facing the Issuer.

Additional risks and uncertainties not presently known to the Issuer may also impair the operations of the Issuer. If any such risks actually occur, shareholders could lose all or part of their investment and the financial condition, liquidity and results of operations of the Issuer could be materially and adversely affected, and the ability of the Issuer to implement its growth plans could be adversely affected.

An investment in the Issuer is speculative. An investment in the Issuer will be subject to certain material risks and investors should not invest in securities of the Issuer unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Issuer.

General

A purchase of any of the securities of the Issuer involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Issuer should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Issuer's securities prior to purchasing any of the securities.

Risks Related to the Issuer

No Market for Securities

There is currently no market through which any of the Common Shares may be sold and there is no assurance that the Common Shares will be listed for trading on a Canadian stock exchange, or if listed, will provide a liquid market for such securities. Until the Common Shares are listed on a Canadian stock exchange, holders of the Common Shares may not be able to sell their Common Shares. Even if the Listing is obtained, there can be no assurance that an active public market for the Common Shares will develop or be sustained. The holding of Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. The Common Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Limited Operating History

The Issuer began carrying on business in 2019 and has not yet generated material income. Therefore, the Issuer is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that the Issuer will be successful in achieving a return on shareholders' investment, and the likelihood of success must be considered in light of the early stage of operations.

Global Economic Risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Issuer is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Issuer. If uncertain market conditions persist, the Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Issuer's operations and the trading price of the Common Shares on the stock exchange.

Changing Economic Conditions

The demand for entertainment and leisure activities, including cannabis consumption, can be highly sensitive to changes in consumers' disposable income, and thus can be affected by changes in the economy and consumer tastes, both of which are difficult to predict and beyond the Issuer's control. Unfavourable changes in general economic conditions, including recessions, economic slowdowns, sustained high levels of unemployment, and increasing fuel or transportation costs or the perception by customers of weak or weakening economic conditions, may reduce customers' disposable income or result in fewer individuals engaging in entertainment and leisure activities, such as cannabis consumption. As a result, the Issuer cannot ensure that demand for its product offerings will remain constant. Adverse developments affecting economies throughout the world, including a general tightening of availability of credit, decreased liquidity in certain financial markets, increased interest rates, foreign exchange fluctuations, increased energy costs, acts of war or terrorism, transportation disruptions, natural disasters, declining consumer confidence, sustained high levels of unemployment or significant declines in stock markets, as well as concerns regarding epidemics and the spread of contagious diseases, could lead to a further reduction in discretionary spending on leisure activities, such as cannabis consumption. Any significant or prolonged decrease in consumer spending on entertainment or leisure activities could adversely affect the demand for the Issuer's product offerings, reducing its cash flows and revenues. If the Issuer experiences a significant unexpected decrease in demand for its product offerings, its business may be harmed.

Economic Environment

The Issuer's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently impact the Issuer's sales and profitability. As well, general demand for banking services and alternative banking or financial services cannot be predicted and future prospects of such areas might be different from those predicted by the Issuer's management.

Risks Associated with Acquisitions

As part of the Issuer's overall business strategy, the Issuer may pursue select strategic acquisitions after the completion of the Listing, which would provide additional product offerings, vertical integrations, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Issuer's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Financial Projections May Prove Materially Inaccurate or Incorrect

The Issuer prepared the Issuer's financial estimates, projections and other forward-looking information accompanying this document without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking statements. Such forward-looking information is based on assumptions of future events that may or may not occur, which assumptions may not be disclosed in such documents. Investors should inquire of the Issuer and become familiar with the assumptions underlying any estimates, projections or other forward-looking statements. Projections are inherently subject to varying degrees of uncertainty, and their achievability depends on the timing and probability of a complex series of future events.

There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for many reasons, including increases in operational expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the Issuer and its subsidiaries' actual results.

Difficulty to Forecast

The Issuer must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis industries. A failure in demand for its services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, and financial condition of the Issuer.

Competition General

There is potential that the Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and marketing experience than the Issuer. Increased competition by larger and better-financed competitors could materially and adversely affect the business, financial condition, and results of operations of the Issuer. The Issuer will require a continued high level of investment in research and development, marketing, sales, and client support to remain competitive.

Management of Growth

The Issuer may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train, and manage its employee base. The inability of the Issuer to deal with this growth may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Reliance on Management

The Issuer's success will be dependent upon the ability, expertise, judgment, discretion, and good faith of its key executives, including the directors and officers of the Issuer and a small number of highly skilled and experienced executives and personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Issuer's business, operating results, or financial condition. The competition for highly skilled technical, research and development, management, and other employees is high. There can be no assurance that the Issuer will be able to engage or retain such qualified personnel in the future.

Furthermore, equity-based awards comprise a key component of executive and senior management compensation, and if the Issuer's common share price declines or is volatile, it may be difficult to retain such individuals. The Issuer's retention and recruiting may require significant increases in compensation expense, which may adversely affect its operation results.

Risks Relating to Insurance

The Issuer intends to insure its operations in accordance with technology industry practice. However, given the novelty of cryptocurrency and associated businesses, such insurance may not be available, uneconomical for the Issuer, or the nature or level may be insufficient to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Issuer.

No Dividends

The Issuer has never paid any cash dividends on our Common Shares. Xebra does not anticipate paying any cash dividends on its Common Shares in the foreseeable future because, among other reasons, the Issuer currently intends to retain any future earnings to finance its business. The future payment of cash dividends will be dependent on factors such as cash on hand and achieving profitability, the financial requirements to fund growth, the Issuer's general financial condition and other factors the board of directors may consider appropriate in the circumstances. Until Xebra pays cash dividends, which it may never do, the Issuer's shareholders will not be able to receive a return on their Common Shares unless they sell them

Negative Cash Flows From Operating Activities

During the fiscal year ended February 29, 2020, the Company had negative cash flows from operations of $1,960,117, resulting from the Company being in the startup stage. During the nine months ended November 30, 2020, the Company had negative cash flows from operations of $1,572,164. The Company intends to increase working capital through additional equity offerings in the future. However, there can be no guarantee that such activity and financial resources will be possible. Until the Company can generate positive cash flow from operations, its ability to finance its operations will depend on its ability to obtain additional external financing and ultimately generate future profitable operations.

The Company may also continue to have negative cash flow from operating activities until sufficient levels of sales are achieved. Although the Company anticipates that it will have positive cash flow from operating activities in future periods, it cannot guarantee that such future positive cash flow from operating activities will be obtained. In addition, negative cash flows may continue longer than the Company has planned for which could cause liquidity issues. The Company may also be unable to obtain future borrowings in an amount sufficient to enable them to pay debt or to fund other liquidity needs. If sufficient liquidity is not obtained, the Company may need to refinance or restructure all or a portion of its debt on or before maturity, sell assets or borrow more money or issue equity, which may not be possible on terms satisfactory to the Company, or at all. In addition, any refinancing could be at higher interest rates and may require the Company to comply with more onerous covenants, further restricting its business operations. If the Company continues to report negative cash flows from operating activities, or any failure to obtain any required additional financing on favourable terms, or at all, such events could have a material adverse effect on the business, financial condition and results of operation of the Company.

Risks Related to Regulation in the Cannabis Industry

Highly Regulated Industry

The Company operates in a highly regulated and rapidly evolving market. The laws, regulations and guidelines generally applicable to the cannabis industry domestically and internationally may change in ways currently unforeseen. The Company's operations are subject to a variety of laws, regulations, guidelines and policies, whether in Canada or elsewhere, relating to the cultivation, manufacture, import, export, management, transportation, storage, packaging/labelling, advertising and promotion, sale, health and safety and disposal of cannabis, including, but not limited to, the Cannabis Act (Canada) (the "**Cannabis Act**"), any regulations thereunder, and laws, regulations, guidelines and policies relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment, and applicable stock exchange rules and regulations. Any amendment to or replacement of existing laws, regulations, guidelines or policies may cause adverse effects to the Company's operations. The risks to the Company's business represented by subsequent regulatory changes could reduce the addressable market for the Company's products and could materially and adversely affect the Company's business, financial condition, results of operations and prospects.

Achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and, where necessary, obtaining regulatory approvals. The impact of Health Canada's compliance regime, any delays in obtaining, or failure to obtain regulatory approvals required may significantly delay or impact the development of the Company's business and operations and could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. Any potential non-compliance could cause the Company's business, financial condition, results of operations and prospects to be adversely affected. Further, any amendment to or replacement of the Cannabis Act and other applicable rules and regulations governing the Company's business activities may cause adverse effects on the Company's business, financial conditions and results of operations.

The federal legislative framework pertaining to the Canadian adult-use cannabis market is still very new. In addition, the governments of every Canadian province and territory have implemented different regulatory regimes for the distribution and sale of cannabis for adult-use purposes within those jurisdictions. There is no guarantee that the legislative framework regulating the cultivation, processing, distribution and sale of cannabis for adult-use purposes will not be amended or replaced or that any current legislation will create the growth opportunities that the Company currently anticipates. While the impact of any new legislative framework for the regulation of the Canadian adult-use cannabis market is uncertain, any of the foregoing could result in a material adverse effect of the Company's business, financial condition, results of operations and prospects.

Further, as the commercial cannabis industry is a relatively new industry in Canada, we anticipate that regulations governing cannabis in Canada will be subject to change as the Canadian federal government monitors licensees in action. Health Canada may change their administration, interpretation or application of the applicable regulations or their compliance or enforcement procedures at any time. Any such changes could require the Company to revise its ongoing compliance procedures, requiring the Company to incur increased compliance costs and expand additional resources. There is no assurance that the Company will be able to comply or continue to comply with applicable regulations.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws and regulations could subject the Company to regulatory or agency proceedings or investigations and may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include damage awards, fines, penalties or corrective measures requiring capital expenditures or remedial actions. Parties may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Company's reputation and no assurance can be given that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws or regulations, may have a material adverse impact on the Company's business, resulting in increased capital expenditures or production costs, reduced levels of cannabis production or abandonment or delays in the development of facilities.

Health Canada inspectors routinely assess the Company's facilities against the Cannabis Act and its regulations and provide the Company with follow-up reports noting observed deficiencies. The Company is continuously reviewing and enhancing its operational procedures and facilities both proactively and in response to routine inspections. The Company follows all regulatory corrections in response to inspections in a timely manner. If the Company fails to comply with applicable laws, regulations and guidelines, the Company may incur additional costs or penalties, or the Company's operations may be restricted or shut down.

In addition, the introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in Canada or any of the jurisdictions in which the Company operates could result in an increase in taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax laws, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted or applied in a manner which could result in the Company's profits being subject to additional taxation or which could otherwise have a material adverse effect. Due to the complexity and nature of the Company's operations, various legal and tax matters may be outstanding from time to time. If the Company is unable to resolve any of these matters favourably, it may have a material adverse effect on the Company.

Laws and Regulations Governing Cannabis in Foreign Jurisdictions

The Company's ability to achieve its business objectives in foreign jurisdictions is contingent, in part, upon its compliance with regulatory requirements enacted by governmental authorities and the Company obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the impact of the compliance regime that countries such as Mexico, the Netherlands or Colombia are implementing and the method in which their governmental authorities will implement the adult-use or medical cannabis industry. Similarly, the Company cannot predict how long it will take to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that governmental authorities may require. The impact of the various compliance regimes, any delays in obtaining or failure to obtain regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company currently incurs and will continue to incur ongoing costs and obligations related to regulatory compliance. A failure on the Company's part to comply with regulations may result in additional costs for corrective measures, penalties, or restrictions on its operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Foreign Investment in Cannabis Companies

Certain jurisdictions may prohibit or restrict their citizens or residents from investing in or transacting with companies involved in the cannabis industry, even if such companies only conduct business in jurisdictions where cannabis is legal. For example, if an investor in the United Kingdom profits from an investment in a cannabis producer or supplier, such investment may technically violate the *United Kingdom Proceeds of Crime Act 2002*. Similar prohibitions or restrictions may apply in other jurisdictions where cannabis has not been legalized. In the U.S., there have been certain instances of U.S. Customs and Border Protection preventing citizens of foreign countries from entering the U.S. for reasons related to the cannabis industry.

Operations in Foreign Jurisdictions

The Company maintains operations in various emerging markets and may have operations in additional foreign jurisdictions in the future. Such operations expose the Company to the socioeconomic conditions as well as the laws governing the cannabis industry in such countries. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; extreme fluctuations in currency exchange rates; military repression; war or civil war; social and labor unrest; organized crime; corruption and fraud; title and property disputes; hostage-taking; terrorism; violent crime; expropriation and nationalization; public health crises including epidemics, pandemics or outbreaks of new illnesses, infectious diseases or viruses (including, most recently, the novel coronavirus (COVID-19)); renegotiation or nullification of existing licences, approvals, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; changing political norms; banking and currency controls; and governmental regulations that favor or require us to award contracts in, employ citizens of, or purchase supplies from, the jurisdiction.

Governments in certain foreign jurisdictions intervene in their economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Changes, if any, in cannabis industry or investment policies or shifts in political attitude in the countries in which the Company operates may adversely affect its operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions (temporary or otherwise) on production, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of concessions, licences, approvals and permits, environmental matters, land use, land claims of local people, water use, workplace safety, permitted public activities, domestic and international travel and permitted commercial operations. Failure to comply strictly with applicable laws, regulations and local practices could result in loss, reduction or expropriation of licences, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The Company continues to monitor developments and policies in the emerging markets in which it operates and assess its impact on the Company's operations; however, such developments cannot be accurately predicted and could have an adverse effect on the Company's business, financial condition and results of operations and prospects.

Demand for Cannabis and Derivative Products

The legal cannabis industry in Colombia is at an early stage of its development. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of medicinal cannabis are mixed and evolving and can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medicinal cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medicinal cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity, could have a material adverse effect on the demand for medicinal cannabis and on the business, results of operations, financial condition and cash flows of the Issuer. In an effort to ensure that the distribution of its products is not tied to one market, the Issuer is focusing its distribution efforts internationally, specifically in Colombia, in Mexico and the Netherlands.

Further, adverse publicity reports or other media attention regarding cannabis in general, or associating the consumption of medicinal cannabis with illness or other negative effects or events, could have such a material adverse effect. Public opinion and support for medicinal cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. The Issuer's ability to gain and increase market acceptance of its business may require substantial expenditures on investor relations, strategic relationships and marketing initiatives. There can be no assurance that such initiatives will be successful and their failure to materialize into significant demand may have an adverse effect on the Issuer's financial condition.

Public Health Crises

A public health crisis, such as local, regional, national or international epidemics, pandemics or outbreaks of illnesses, infectious diseases or viruses (including COVID-19) could cause interruptions to the Company's operations, increase operating expenses, result in loss of sales, delayed performance of contractual obligations or require additional expenditures to be incurred. Depending on its severity and reach, such an event could affect the Company's workforce resulting in the inability to continue to operate the Company's production facilities. Further, the Company's operations could be adversely affected if its supply partners, contractors, customers and/or transportation carriers were prevented from conducting business activities for an indefinite period of time, including due to the spread of the disease within these groups or due to shutdowns that may be requested or mandated by governmental authorities. In addition, a health crisis, such as the COVID-19 pandemic, could have an adverse effect on local economies and potentially the global economy, which may adversely impact the price and demand for the Company's products, the market for the Company's securities and/or its ability to obtain financing.

In particular, as of the date of this Prospectus, the full extent of the effects of COVID-19 are unknown. The continued spread of COVID-19 and the measures taken by the governments of countries affected could disrupt the supply chain and the manufacture or shipment of the Company's products and adversely impact the Company's business, financial condition, results of operations and prospects. In addition, there can be no assurance that the Company will not lose members of its workforce or see its workforce man-hours reduced or incur increased medical costs as a result of these health risks. The effects of the pandemic on the Company's international operations contributed to the Company recording an impairment loss. The Company is actively assessing and responding, where possible, to the potential impact of the COVID-19 pandemic. The Company continued its operations throughout the crisis by implementing appropriate measures designed to protect the health and safety of its employees.

In addition, at this time, persistent social distancing measures and restrictions imposed by the federal, provincial and territorial governments in Canada on the movement of individuals and the distribution of cannabis in the country may adversely affect the Company's cannabis sales. It is difficult to predict how the COVID-19 pandemic may affect the Company's business in the future, including its effect (positive or negative; long or short term) on the price of, and demand for, cannabis. It is possible that the COVID-19 pandemic could have a material adverse effect on the Company's business, financial condition, results of operations and prospects as well as the market for its securities and/or its ability to obtain financing. The extent to which the COVID-19 pandemic impacts the Company's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus and its duration outbreak and the actions to contain its impact.

Emerging Markets Risks

In the past, high levels of inflation have adversely affected emerging economies and financial markets, and the ability of government to create conditions that stimulate or maintain economic growth. Moreover, governmental measures to curb inflation and speculation about possible future governmental measures have contributed to the negative economic impact of inflation and have created general economic uncertainty. The emerging markets in which the Company operates, such as Colombia and Mexico, or may operate may experience high levels of inflation in the future. Inflationary pressures may weaken investor confidence in such countries and lead to further government intervention in the economy. If countries in which the Company operates experience high levels of inflation in the future and/or price controls are imposed, the Company may not be able to adjust the rates the Company charges its customers to fully offset the impact of inflation on the Company's cost structures, which could adversely affect the Company's business, financial condition, results of operations and prospects.

Moreover, emerging market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments. For instance, Colombia, where the Issuer has a part of its operations, has a history of geopolitical instability and crises, including drug cartels. While there is no current major political instability in Colombia, this could be subject to change in the future and could adversely affect the Issuer's business, financial condition and results of operations.

Reliance on International Advisors and Consultants

The legal and regulatory requirements in the foreign countries in which the Company operates or will operate with respect to the cultivation and sale of cannabis, banking systems and controls, as well as local business culture and practices are different from those in Canada. To a great extent, the Company must rely on local legal counsel, consultants, and advisors retained by it to keep apprised of legal, regulatory and governmental developments as they pertain to and affect the Company's business assist the Company with its governmental relations. The Company must rely, to some extent, on those members of management and the Board who have previous experience working and conducting business in these countries, if any, in order to enhance its understanding of and appreciation for the local business culture and practices. The Company also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of the cultivation and sale of cannabis as well as in respect of banking, financing, labour, litigation, tax and public health matters in these jurisdictions. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the Company's control. The impact of any such changes may adversely affect the Company's business, financial condition, results of operations and prospects.

Environmental Regulations and Risks

The Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits are currently, and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from its proposed production of adult-use or medical cannabis or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the production of cannabis, or more stringent implementation thereof, could have a material adverse impact on the Company's business, financial condition, results of operations and prospects and could cause increases in expenses, capital expenditures or production costs or reduction in levels of production or require abandonment or delays in development.

Risks Inherent in an Agricultural Business

The Company's business involves the growing of adult-use or medical cannabis, an agricultural product. Such business will be subject to the risks inherent in the agricultural business, such as insects, pests, plant diseases and similar agricultural risks. Although the Company expects that any such growth will be completed under climate-controlled conditions, there can be no assurance that natural elements will not have a material adverse effect on any such future production.

Third-Party Transportation

For customers of the Company to receive their product, the Company must rely on third-party transportation services. This can cause logistical problems and delays in patients and customers obtaining their orders and cannot be directly controlled by the Company. Any delay by third party transportation services may adversely affect the Company's business, financial condition, results of operations and prospects.

Moreover, security of the product during transportation to and from the Company's facilities is critical due to the nature of the product. A breach of security during transport could have material adverse effects on the Company's business, financials and prospects. Any such breach, including any failure to comply with recommendations or requirements of Health Canada for the transportation of cannabis, could impact the Company's ability to continue operating under its licences or the prospect of renewing its licences.

Reliance on Key Personnel

The Company's success depends on the ability, expertise, judgment, discretion, and good faith of its executive management. The Company's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. The loss of the services of a member of the Company's executive management, or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Company's ability to execute on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all.

Further, as licensees under the Cannabis Act, the Company's officers and directors and each member of executive management are subject to a security clearance by Health Canada. There is no assurance that any of the Company's existing personnel who presently or may in the future require a security clearance will be able to obtain or renew such clearances or that new personnel who require a security clearance will be able to obtain one. A failure by a member of the Company's executive management to maintain or renew his or her security clearance, would result in a material adverse effect on the Company's business, financial condition and results of operations. In addition, if a member of the Company's executive management leaves the Company, and the Company is unable to find a suitable replacement that maintains a security clearance required by the Cannabis Act in a timely manner, or at all, there could occur a material adverse effect on the Company's business, financial condition and results of operations. While employment agreements are customarily used as a primary method of retaining the services of a member of the Company's executive management, these agreements cannot assure the continued services of such employees.

In addition, the COVID-19 pandemic imposes a high risk to all of the Company's activities, including the potential that an executive team member may become ill and the Company's ability to continue to rely on its key personnel throughout the pandemic. The Company established a policy to diligently monitor developments relating to the COVID-19 pandemic and its impact on the Company's personnel, and the Company established contingency plans in the event members of its executive team are negatively impacted by the virus.

Product Liability

As a manufacturer and distributor of products designed to be ingested or vaporized by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of the Company's products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury or illness, included inadequate instructions for use or included inadequate warnings concerning possible side effects or interactions with other substances.

A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products.

Recent Announcements and Risks Regarding Vaporizer Products

On October 4, 2019, the U.S. Food and Drug Administration issued a warning to the public to stop using vaping liquids containing cannabis derivatives and ingredients, such as CBD and THC, in light of a potential but unconfirmed link to lung injuries such as severe pulmonary illness. Lung injuries associated with the use of cannabis derivative containing vaping liquid have also been reported in Canada resulting in certain provinces either banning or delaying the sale of vaping liquids and vaping products to consumers. In response, Health Canada issued an information update advising Canadians who use cannabis derivative containing vaping liquids to monitor themselves for symptoms of pulmonary illness. There may be further governmental and private sector actions aimed at reducing the sale of or prohibiting cannabis containing vaping liquids and/or seeking to hold manufacturers of cannabis containing vaping liquids responsible for the adverse health effects associated with the use of these vaping products. These actions, combined with potential deterioration in the public's perception of cannabis containing vaping liquids, may result in a reduced market for the Company's vaporizer products. Federal, provincial and local regulations or actions that prohibit or restrict the sale of the Company's vaporizer products including cannabis derivative vaping liquids, or that decrease consumer demand for the Company's products by prohibiting their use, raising the minimum age for their purchase, raising the purchase prices to unattractive levels via taxation, or banning their sale, could adversely impact the Company's business, financial condition, results of operations and prospects.

Long-Term Health Impacts Associated with Use of Cannabis and Cannabis Derivative Products

There is little in the way of longitudinal studies on the short-term and long-term effects of cannabis use on human health, whether used for recreational or medicinal purposes. As such, there are inherent risks associated with using the Company's cannabis and cannabis derivative products. The Company's cannabis and cannabis derivative products should always be used only as specifically instructed by the Company on the packaging and associated product information or product insert prepared by the Company. Consumers should never modify cannabis products or cannabis derivative products or add substances to such products, resulting in increased health risks and unpredictable adverse reactions. Previously unknown or unforeseeable adverse reactions arising from human consumption of cannabis products may occur and consumers should consume cannabis at their own risk or in accordance with the direction of a healthcare practitioner.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company maintains detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. Additionally, product recalls may lead to increased scrutiny of the Company's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Wholesale Price Volatility

The cannabis industry is a margin-based business in which gross profits depend on the excess of sales prices over costs. Consequently, profitability is sensitive to fluctuations in wholesale and retail prices caused by changes in supply (which itself depends on other factors such as weather, fuel, equipment and labour costs, shipping costs, economic situation, government regulations and demand), taxes, government programs and policies for the cannabis industry (including price controls and wholesale price restrictions that may be imposed by government agencies responsible for the sale of cannabis), and other market conditions, all of which are factors beyond the control of the Company. The Company's operating income may be significantly and adversely affected by a decline in the price of cannabis and will be sensitive to changes in the price of cannabis and the overall condition of the cannabis industry, as the Company's profitability is directly related to the price of cannabis. The price of cannabis is affected by numerous factors beyond the Company's control. Any price decline may have a material adverse effect on the Company's business, financial condition and results of operations.

Limited Standardized Research on the Effect of Cannabis

To date, there is limited standardization in the research of the effects of cannabis, and future clinical research studies may lead to conclusions that dispute or conflict with the Company's understanding and belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis. Research in Canada, the U.S. and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids (such as CBD and THC) remains in relatively early stages.

Future research and clinical trials may draw opposing conclusions to statements in this Prospectus or could reach different or negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing or other facts and perceptions related to cannabis, which could adversely affect social acceptance of cannabis and the demand for the Company's products.

Unfavourable Publicity or Consumer Perception

The Company believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of cannabis and related products distributed to such consumers. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and the business, results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for the Company's products, and the business, results of operations, financial condition, prospects and cash flows of the Company.

Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis and related products in general, or the Company's products specifically, or associating the consumption of cannabis or related products with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed. The increased usage of social media and other web-based tools used to generate, publish, and discuss user-generated content and connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputational loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on its financial performance, financial condition, cash flows and growth prospects.

Additional Financing

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other Companies. These transactions may be financed wholly or partially with debt, which may increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, making it more difficult for the Company to obtain additional capital and pursue business opportunities, including potential acquisitions. Debt financings may also contain provisions which, if breached, may entitle lenders or their agents to accelerate repayment of loans and/or realize upon security over the assets of the Company. There is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing.

Expansion Efforts and Operations

There is no guarantee that the Company's expansion strategy (including receiving any required regulatory approvals in Canada, Colombia, Mexico or the Netherlands, licences and permits in a timely fashion, if at all) will be completed in the currently proposed form, if at all, nor is there any guarantee that the Company will be able to expand into additional jurisdictions. There is also no guarantee that the Company's intentions to acquire and/or construct additional cannabis production and manufacturing facilities in Canada, Colombia, Mexico, the Netherlands or in other jurisdictions with nationally legal cannabis markets, and to expand the Company's marketing and sales initiatives will be successful. Any such activities will require, among other things, various regulatory approvals, licences and permits (such as additional licences from Health Canada under the Cannabis Act, or the Supreme Court decision in Mexico, as applicable) and there is no guarantee that all required approvals, licences and permits will be obtained in a timely fashion or at all.

The Company's expansion into jurisdictions outside of Canada (Colombia, Mexico, Netherlands) is subject to additional business risks, including new or unexpected risks or could significantly increase the Company's exposure to one or more existing risk factors, including economic instability, changes in laws and regulations, and the effects of competition, as well as operational, regulatory, compliance and reputational and foreign exchange rate risk. In addition, future international expansion could require the Company to incur a number of up-front expenses, including those associated with obtaining regulatory approvals, as well as additional ongoing expenses, including those associated with infrastructure, staff and regulatory compliance. The failure of the Company's operating infrastructure to support such expansion could result in operational failures and regulatory fines or sanctions.

The Company may not be able to successfully identify suitable acquisition and expansion opportunities or integrate such operations successfully with the Company's existing operations as anticipated. There is also no guarantee that the Company will be able to complete any of the foregoing activities at all. The Company's failure to successfully execute its domestic or international expansion strategy (including receiving required regulatory approvals, licences and permits) could adversely affect the Company's business, financial condition, results of operations and prospects and may result in the Company failing to meet anticipated or future demand for its cannabis products, when and if it arises.

Intellectual Property

The ownership and protection of trademarks, patents, trade secrets and intellectual property rights are significant aspects of the Company's future success. Unauthorized parties may attempt to replicate or otherwise obtain and use the Company's products and technology. Policing the unauthorized use of the Company's current or future trademarks, patents, trade secrets or intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Identifying unauthorized use of intellectual property rights is difficult as the Company may be unable to effectively monitor and evaluate the products being distributed by its competitors, including parties such as unlicensed dispensaries, and the processes used to produce such products. In addition, in any infringement proceeding, some or all of the Company's trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same for the benefit of the Company, may be found invalid, unenforceable, anticompetitive or not infringed. An adverse result in any litigation or defense proceedings could put one or more of the Company's trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued. Any or all of these events could materially and adversely affect the Company's business, financial condition, results of operations and prospects.

In addition, other parties may claim that the Company's products infringe on their proprietary and perhaps patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages. As well, the Company may need to obtain licences from third parties who allege that the Company infringed on their lawful rights. However, such licences may not be available on terms acceptable to the Company or at all. In addition, the Company may not be able to obtain or utilize on terms that are favorable to it, or at all, licences or other rights with respect to intellectual property that it does not own.

Customer Acquisitions

The Company's success depends on its ability to attract and retain customers. There are many factors which could impact the Company's ability to attract and retain customers, including but not limited to the Company's brand awareness, its ability to continually produce desirable and effective cannabis products and the successful implementation of customer-acquisition plans. The failure to acquire and retain customers could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition to being subject to general business risks applicable to a business involving an agricultural product and a regulated consumer product, the Company will need to make significant investments in its business strategy. These investments include the procurement of raw material, extraction equipment, site improvements and research and development projects. The Company expects that competitors will undertake similar investments to compete with it. Competitive conditions, consumer preferences, customer requirements and spending patterns in this industry and market are relatively unknown and may have unique circumstances that differ from other existing industries and markets and cause the Company's future efforts to develop its business to be unsuccessful or to have undesired consequences for it. As a result, the Company may not be successful in its efforts to attract customers or develop new cannabis products and produce and distribute these cannabis products. These activities may require significantly more resources than it currently anticipated to be successful.

Risks Related to Investment in a Colombian Company

Economic and Political Risks Inherent with any Investment in Colombia

The Issuer's operations are partially located in Colombia. Consequently, the Issuer is dependent upon Colombia's economic and political developments. As a result, the Issuer's business, financial position and results of operations may be affected by the general conditions of these economies, price instabilities, currency fluctuations, inflation, interest rates, regulation, taxation, social instabilities, political unrest and other developments in or affecting Colombia, over which the Issuer has no control. In the past, Colombia has experienced periods of weak economic activity and deterioration in economic conditions. The Issuer cannot assure that such conditions will not return or that such conditions will not have a material adverse effect on the Issuer's business, financial condition or results of operations.

Operational Risks

Operations in Colombia are subject to risk due to the potential for social, political, economic, legal and fiscal instability. The government in Colombia faces ongoing problems including but not limited to inflation, unemployment and inequitable income distribution. In addition, Colombia experiences narcotics-related violence, a prevalence of kidnapping and extortionist activities and civil unrest in certain areas of the country. Such instability may require the Issuer to suspend operations on its properties. Although the Issuer is not presently aware of any circumstances or facts which may cause the following to occur, other risks may involve matters arising out of the evolving laws and policies in Colombia, any future imposition of special taxes or similar charges, as well as foreign exchange fluctuations and currency convertibility and controls, the unenforceability of contractual rights or the taking or nationalization of property without fair compensation, restrictions on the use of expatriates in the Issuer's operations, or other matters.

Enforcement of Judgments

The Issuer is incorporated under the laws of the Province of British Columbia. However some of its assets are located in Colombia. Furthermore, certain of the Issuer's directors and officers reside outside Canada. As a result, investors may not be able to effect service of process within Canada upon the Issuer's directors or officers or enforce against them in Canadian courts judgments predicated on Canadian securities laws. Likewise, it may also be difficult for an investor to enforce in Canadian courts judgments obtained against these persons in courts located in jurisdictions outside Canada. As a result, shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the Board or controlling shareholders than they would as public shareholders of a Canadian company.

Guerrilla Activity in Colombia

Colombia is subject to sustained civil unrest due to the activities of guerrilla groups such as non-demobilized groups within the Revolutionary Armed Forces of Colombia (*Fuerzas Armadas Revolucionarias de Colombia*), or "FARC," the National Liberation Army (*Ejército de Liberación Nacional*), or "ELN," paramilitary groups, drug cartels and criminal gangs (*Bacrim*). In remote regions of the country with minimal governmental presence, these groups have exerted influence over the local population and funded their activities by protecting and rendering services to drug traffickers and participating in drug trafficking activities. The drug trade has funded armed conflict between government forces and anti-government insurgent groups and illegal paramilitary groups, and consequently, Colombia has experienced significant social upheaval and criminal activity. Insurgents have attacked, and kidnapped civilians, and violent guerrilla activity exists in many parts of the country. Any terrorist activity in Colombia generally may disrupt supply chains and discourage qualified individuals from being involved with the Issuer's operations. The Issuer's primary operations are in Guasca, Cundinamarca, which is not an isolated or remote area.

Anti-Money Laundering and Terrorist Financing Activities Regulations

The Issuer is subject to a variety of laws and regulations in Canada, Colombia, and internationally that involve money laundering, financial record keeping and proceeds of crime, including, among other legislation, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), *Law 599 of 2000 Colombian Criminal Code*, and the *United Nations Vienna Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances* (Law 67 of 1993), as amended and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued administered or enforced by governmental authorities in Canada or Colombia or abroad.

If the Issuer's investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in Colombia or Canada were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any applicable legislation. This could restrict or otherwise jeopardize the ability of the Issuer to declare or pay dividends, effect other distributions or subsequently repatriate such funds. The protocols that the Issuer has in place to mitigate such risks of proceeds originating from illicit activities include: a permanent and active relationship with the relevant authorities in Colombia; the Issuer submits quarterly reports to Colombia's Unit Financial Information and Analysis ("**UFIA**") or in the case of an important situation, will immediately complete a report regarding the situation; the Issuer has adopted a Code of Good Governance for the Board and its senior management to adhere by; and the Issuer has anti-money laundering controls implemented into its daily operations through a Comprehensive Security Protocol – advising on various processes, including business risk management, human management, physical and electronic security management, and supply management and clearance of goods. In addition, the Issuer has implemented a manual of the Prevention and Control Systems for Anti-Money Laundering based on the regulatory content issued by UFIA through Circular 100-00006. This manual includes policies, among others, regarding conducting due diligence on counterparties, identifying and analysing unusual operations; and the prevention of processing payments in violation of anti-money laundering legislation. While the Issuer has put the foregoing protocols and policies in place to mitigate the risks of violating anti-money laundering legislation, there is no guarantee that such protocols will prevent proceeds from the Issuer from being found to be in violation of governing anti-money laundering legislation.

PROMOTERS

Robert Giustra, director, and Rodrigo Gallardo, Chief Executive Officer of the Issuer, may be considered to be promoters of Xebra and will therefore be the only persons who have been within the two years preceding the date of this Prospectus, a promoter of the Issuer or its subsidiaries. Mr. Giustra and Mr. Gallardo each owns 5,950,000 and 3,500,000 common shares of Xebra, representing 5.73% and 3.37% of the issued and outstanding shares of Xebra on an undiluted basis, respectively.

Other than as disclosed in this Prospectus, no person who will have been a promoter of the Issuer or any of its subsidiaries within the last two years:

1. will have received anything of value, directly or indirectly, from the Issuer or a subsidiary;
2. sold or otherwise transferred any asset to the Issuer or a subsidiary within the last two (2) years;
3. has been a director, officer or promoter of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;
4. has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
5. has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or
6. has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Xebra is not and was not a party to, and none of its property is or was the subject of, since the beginning of the most recently completed financial year for which financial statements are included in this Prospectus, any legal proceedings, nor is it aware of any such proceedings known to be contemplated.

No penalties or sanctions have been imposed against Xebra by a court relating to provincial and territorial securities legislation or otherwise or by a securities regulatory body or any other regulatory body within the three years immediately preceding the date of this Prospectus. Management of Xebra is not aware of any such penalties or sanctions imposed against Xebra.

Xebra has not entered into any settlement agreements before a court relating to provincial, state and territorial securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Prospectus. Management of Xebra is not aware of any such settlement agreements entered into by Xebra.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

From incorporation on February 21, 2019 to the date of this Prospectus, none of the following persons or companies has had any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company: (a) any director or executive officer of the Company; (b) any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Company's outstanding voting securities; and (c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

AUDITOR

The auditor of Xebra is DMCL Chartered Professional Accountants, located at 1140 W Pender street, Suite 1500-1700, Vancouver, British Columbia, V6E 4G1. Such firm is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Issuer is Computershare, with address at 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Issuer or Xebra within two years prior to the date hereof which are currently in effect and considered to be currently material:

1. Share Exchange Agreement dated July 12, 2019 pursuant to which the Issuer acquired the Mexican Subsidiaries;

2. Share Purchase Agreement dated June 26, 2019 pursuant to which the Issuer acquired all of the issued and outstanding shares of Medicannabis; and

3. Share Exchange Agreement dated January 10, 2020 pursuant to which the Issuer acquired all of the issued and outstanding shares of Desart.

Copies of these agreements will be available electronically at www.sedar.com.

EXPERTS

The following are persons or companies whose profession or business gives authority to a statement made in this Prospectus as having prepared or certified a part of that document or report described in the Prospectus: DMCL Chartered Professional Accountants, and which are independent of the Issuer according to the auditor's rules of professional conduct.

To the knowledge of management of the Company, as of the date hereof, no expert, nor any associate or affiliate of such person has any beneficial interest, direct or indirect, in the property of the Company or of an associate or affiliate of the Company, and, as of the date hereof, each expert, or any associate or affiliate of such person, as a group, beneficially owns, directly or indirectly, less than 1% of the outstanding securities of the Company and no such person is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of an associate or affiliate of the Company.

OTHER MATERIAL FACTS

There are no material facts about the Company that is not otherwise disclosed in this Prospectus.

FINANCIAL STATEMENTS

The Issuer's financial statements for the period from incorporation on February 21, 2019 to February 29, 2020 and for the nine months ended November 30, 2020 are included in this Prospectus as Schedule A.

The Issuer's unaudited condensed interim consolidated financial statements for the nine months ended November 30, 2020 are included in this Prospectus as Schedule C.

SCHEDULE A

(See attached.)

Xebra Brands Ltd.
1090 Hamilton Street
Vancouver, B.C.
V6B 2R9
Canada

Consolidated Financial Statements

For the Year Ending
February 29, 2020

(Stated in Canadian Dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Xebra Brands Ltd.

Opinion

We have audited the consolidated financial statements of Xebra Brands Ltd. (the "Company"), which comprise the consolidated statements of financial position as at February 29, 2020 and February 28, 2019, and the consolidated statements of comprehensive loss, changes in shareholders' equity 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 February 29, 2020 and February 28, 2019, 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 1 to the financial statements, which indicates that the Company incurred a comprehensive loss of $2,722,700 during the year ended February 29, 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

DMCL

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

August 14, 2020

(Expressed in Canadian Dollars)

	February 29, 2020 ($)	February 28, 2019 ($)
Assets		
Current Assets		
Cash	955,407	1
Receivables (note 8)	43,581	-
Prepaid expenses	311,120	-
	1,310,108	1
Non-Current Assets		
Intangible assets (note 9)	3,300,333	-
Property, plant and equipment (note 10)	467,469	-
VAT receivable (note 8)	65,167	-
	5,143,077	**1**
Liabilities and Shareholder's Equity		
Current Liabilities		
Accounts payable (note 10, 12)	221,045	-
Accrued liabilities	68,401	-
	289,446	-
Non-current liabilities		
Lease liabilities (note 10)	321,270	-
	610,716	-
Shareholder's Equity		
Share capital (note 11)	7,165,024	1
Subscription received	90,001	-
Reserves (note 11c)	68,237	-
Deficit	(2,788,188)	-
Equity attributable to shareholders	4,535,074	1
Non-controlling interest (note 7)	(2,713)	-
	4,532,361	1
	5,143,077	**1**

Nature of operations and going concern (note 1)
Subsequent events (note 17)

Approved by the Board of Directors

/s/ Robert Giustra
Robert Giustra – Director

/s/ Jordi Chemonte
Jordi Chemonte – Director

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

(Expressed in Canadian Dollars)

	Year Ended February 29, 2020 ($)	Year Ended February 28, 2019 ($)
Operating Expenses		
General and administration (note 12)	365,226	-
Investor relations	114,563	-
Management fees (note 12)	356,063	-
Marketing and business development	115,223	-
Professional fees (notes 4 and 12)	462,333	-
Research and development	6,646	-
Travel	104,950	-
Amortization (note 10)	11,778	-
Loss before other items	(1,536,782)	-
Other Items		
Acquisition of Desart MX (note 6)	(764,209)	-
Finance income	1,445	-
Finance expense	(2,211)	-
Loss on settlement of debt (note 4)	(381,551)	-
Other income	5,000	-
Foreign exchange loss	(112,573)	-
Net loss for the year	(2,790,881)	-
Items that may subsequently be reclassified to net income or loss:		
Foreign currency translation gain	68,181	-
Comprehensive loss for the year	**(2,722,700)**	**-**
Net Loss Attributable To:		
Shareholders	(2,788,188)	-
Non-controlling interest	(2,693)	-
	(2,790,881)	-
Comprehensive Loss Attributable To:		
Shareholders	(2,719,951)	-
Non-controlling interest	(2,749)	-
	(2,722,700)	-
Basic and diluted net loss per share (note 11(b))	(0.04)	-
Basic and diluted weighted average number of shares outstanding (note 11(b))	68,129,565	-

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

Xebra Brands Ltd.
Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended, February 29, 2020 ($)	Year Ended February 28, 2019 ($)
Operating Activities		
Net loss for the year	(2,790,881)	-
Items not involving cash		
Share issued for issued for consulting fee	60,000	
Acquisition of Desart MX (note 6)	600,000	-
Loss on settlement of debt	381,551	-
Amortization	11,778	-
Finance expense	1,822	-
Unrealized foreign exchange loss	54,365	-
	(1,681,365)	-
Changes in non-cash working capital		
Receivables and prepaid expenses	(419,868)	-
Accounts payable and accrued liabilities	141,115	-
Cash used in operating activities	(1,960,117)	-
Investing Activities		
Cash acquired from business combination (note 4 and 5)	39,109	-
Intangible assets	(254,997)	-
Equipment	(65,334)	-
Business acquisition	(1,283,846)	
Cash used in investing activities	(1,565,068)	-
Financing Activities		
Share offerings	4,539,873	1
Subscriptions received	90,000	-
Treasury shares	(127,850)	-
Payment of lease liabilities	(21,295)	-
Cash from financing activities	4,480,728	-
Effect of foreign exchange on cash	(136)	-
Increase in cash	955,406	1
Cash, beginning of year	1	-
Cash, end of year	**955,407**	**1**
Non-cash Transactions:		
Shares issued for acquisition of Mexican Subsidiaries (note 4)	1,093,001	-
Shares issued for acquisition of Medicannabis S.A.S. (note 5)	1,000,000	-
Shares issued for acquisition of Desart (note 6)	600,000	-
Shares issued for water soluble Intellectual Property (“**IP**”) licensing finders’ fees (note 11)	60,000	-
	2,753,001	-

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

(Expressed in Canadian Dollars)

	Share Capital							
	Class A Shares	**Class B Share**	**Share Capital ($)**	**Subscriptions received ($)**	**Reserves – Translation Adjustment ($)**	**Retained Earnings ($)**	**Non-Controlling Interest ($)**	**Total ($)**
Share issued	**1**	**-**	**1**	-	-	-	-	1
Balance, February 28, 2019	**1**	**-**	**1**	**-**	**-**	**-**	**-**	**1**
Share cancelled	(1)	-	(1)	-	-	-	-	(1)
March and April 2019 private placement, net of issuance costs (note 11)	40,000,000	-	770,607	-	-	-	-	770,607
May 2019 private placement, net of issuance costs (note 11)	23,093,530	-	2,199,553	-	-	-	-	2,199,553
May 2019 private placement finders' fees (note 11)	240,000	-	24,000	-	-	-	-	24,000
Acquisition of Mexican subsidiaries (note 4)	21,619,338	1	1,093,001	-	-	-	-	1,093,001
Acquisition of Medicannabis S.A.S. (note 5)	10,000,000	-	1,000,000	-	-	-	-	1,000,000
Acquisition of Desart (note 6)	2,000,000	-	600,000	-	-	-	-	600,000
January and February 2020 private placement, net of issuance costs (note 11)	5,189,348	-	1,545,713	-	-	-	-	1,545,713
Water soluble IP licensing finders' fees (note 11)	200,000	-	60,000	-	-	-	-	60,000
Treasury shares (note 11)	(2,362,143)	-	(127,850)	-	-	-	-	(127,850)
Subscriptions received	-	-	-	90,001	-	-	-	90,001
Acquisition of Xebra Brands Europe B.V. (note 7)	-	-	-	-	-	-	36	36
Comprehensive loss	-	-	-	-	68,237	(2,788,188)	(2,749)	(2,722,700)
Balance, February 29, 2020	**99,980,073**	**1**	**7,165,024**	**90,001**	**68,237**	**(2,788,188)**	**(2,713)**	**4,532,361**

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

1. Nature of Operations and Going Concern

Xebra Brands Ltd. (the "**Company**" or "**Xebra**") was incorporated on February 21, 2019 under the laws of the Province of British Columbia, Canada. On April 24, 2019, the Company changed its name from 1198365 B.C. LTD to Xebra Brands Ltd. The Company's head office and principal address is located at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9, Canada.

The Company's principal business activities are the cultivation, processing, manufacturing, design and delivery of cannabis products in areas ranging from wellness to leisure. Xebra will leverage its Colombian cannabis cultivation and processing licenses to produce cannabis-infused beverages and wellness brands. To date, the Company has not received any revenue from operations and is considered to be in the start-up stage.

These financial statements have been prepared on a going concern basis which implies that the Company will continue realizing assets and discharging liabilities in the normal course of business for the foreseeable future. Should the going concern assumption not continue to be appropriate, further adjustments to the carrying values of assets and liabilities may be required. As at February 29, 2020, the Company had working capital of $1,020,662 and deficit of $2,788,188. Accordingly, the ability of the Company to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to raise additional debt or equity to fund ongoing costs of operations. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and has adversely affected global workforces, financial markets, and the general economy. It is not possible for the Company to determine the duration or magnitude of the adverse results of COVID-19 nor its effects on the Company's business or operations. The timing of the Company's financing activities have been affected by COVID-19.

2. Basis of Presentation

(a) Statement of Compliance

These consolidated financial statements 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 Interpretations Committee ("**IFRIC**").

These consolidated financial statements were approved by the Board of Directors and authorized for issue on August 14, 2020.

(b) Basis of Measurement

These consolidated financial statements have been prepared on the historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. Basis of Presentation – *continued*

(c) Basis of Consolidation

These consolidated financial statements include the accounts of Xebra and its subsidiaries as follows:

Entity	Country of incorporation	% Ownership
Xebra Brands Ltd.	Canada	n/a
Xebra Brands Mexico SA de CV	Mexico	100%
Elements Bioscience SAPI de CV	Mexico	100%
Sativa Group Biosciences SAPI de CV	Mexico	100%
Desart MX, SA de CV	Mexico	100%
Medicannabis SAS	Colombia	100%
Bleuflor Logistics Ltd.	Canada	100%
Bleuflor Logistica SAS	Colombia	100%
Xebra Brands Europe BV	The Netherlands	75%

All inter-company transactions and balances have been eliminated upon consolidation.

Control exists where the parent entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

(d) Use of Estimates and Judgments

Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions used by management where there is risk of material adjustments to assets and liabilities in future accounting periods include the estimated useful lives of depreciated and amortized assets, the recoverability of the carrying value of intangible assets and assumptions used in determination of the recoverability and measurement of deferred tax assets.

Significant Judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in preparing the Company's financial statements include the assumption that the Company will continue as a going concern, assumptions used to determine if a business combination is an asset or business acquisitions, classification of expenditures as intangible assets or operating expenses and the classification of financial instruments.

3. Significant Accounting Policies

(a) Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currencies are as follows:

Entity	Functional Currency
Xebra Brands Ltd.	Canadian Dollar
Xebra Brands Mexico SA de CV	Mexican Peso
Elements Bioscience SAPI de CV	Mexican Peso
Sativa Group Biosciences SAPI de CV	Mexican Peso
Desart MX, SA de CV	Mexican Peso
Medicannabis SAS	Colombian Peso
Bleuflor Logistics Ltd.	Canadian Dollar
Bleuflor Logistica SAS	Colombian Peso
Xebra Brands Europe BV	European Euro

At the end of each reporting period, assets and liabilities of the entities whose functional currency is not the Canadian dollar are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in other comprehensive income or loss for the year.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are reflected in profit or loss for the year.

(b) Business Combinations

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets acquired, liabilities assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date when the Company obtains control of the acquiree. The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards where IFRS provides exceptions to recording the amounts at fair value. Goodwill represents the difference between total consideration paid and the fair value of the net-identifiable assets acquired. Acquisition costs incurred are expensed to profit or loss.

(c) Leases

The Company elected to not apply IFRS 16 to leases with a term of less than 12 months, which election is made by the underlying class of assets to which the right of use asset relates, or leases where the underlying asset is of low value, which election is made on an asset by asset basis.

At inception of a contract, an assessment is made to determine whether a contract is, or contains, a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. An assessment is made to determine whether the contract involves the use of an identified asset, whether there is the right to obtain substantially all of the economic benefits from the use of the asset during the term of the arrangement and if the right to direct the use of the asset is present. At inception or on reassessment of a contract that contains a lease component, the consideration in the contract is allocated to each lease component on the basis of their relative standalone prices.

3. Significant Accounting Policies - *continued*

As a lessee, a right-of-use asset is recognized and included in property, plant and equipment, and a corresponding lease liability is recorded at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate cannot be readily determined. Subsequently, the lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. The weighted-average rate applied is 20% per annum.

(d) Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is calculated based on the estimated residual value and estimated economic life of the specific assets using the straight-line method over the period indicated below:

Office furniture and equipment	3 to 20 years
Leasehold improvements	Term of lease
Right of use assets	Term of lease

(e) Intangible Assets

Intangible assets are recorded at cost less accumulated amortization. Rights are amortized on a straight-line basis in accordance with the substance of the agreements. Amortization methods, useful lives and residual values are assessed at least annually. If the Company identifies events or changes in circumstances which may indicate that their carrying amount is less than the recoverable amount, the intangible assets would be reviewed for impairment.

License	5 years
Formulation	5 years

(f) Impairment of Long-Lived Assets

At each reporting date, the Company reviews the carrying amounts of its long-lived assets to determine whether there are any indications of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets (the "**cash-generating unit**" or "**CGU**"). This generally results in the Company evaluating its non-financial assets on an exploration asset by exploration asset basis.

3. Significant Accounting Policies - *continued*

If the carrying amount of an asset or CGU exceeds its recoverable amount, the carrying amount of the asset or CGU is reduced to its recoverable amount. An impairment loss is recognized as an expense in the statement of comprehensive loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reduced if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

(g) Finance Income and Expenses

Finance income comprises interest income on funds invested (including changes in the fair value of financial assets at fair value through profit or loss). Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance expense comprises interest expense on borrowings and unwinding of the discount on provisions. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

(h) Income Taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred income taxes are accounted for using the liability method of tax allocation. Under this method deferred income tax assets and liabilities are recognized for the tax consequences of temporary differences by applying substantively enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities.

The effect on deferred taxes for a change in tax rates is generally recognized in income in the period that includes the substantive enactment.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Current and deferred taxes relating to items recognized directly in equity is recognized in equity and not in the statement of comprehensive loss.

(i) Earnings per Share

Earnings per share is calculated using the weighted average number of common shares outstanding during the year. The calculation of diluted loss per share assumes that outstanding options and warrants are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the shares for the period. The effect is to increase the number of shares used to calculate diluted earnings per share and is only recognized when the effect is dilutive.

(j) Financial Instruments

The Company's financial instruments consist of cash, receivables, accounts payable and lease liabilities.

3. Significant Accounting Policies - *continued*

The Company's classification of its financial instruments under IFRS 9 – *Financial Instruments* ("**IFRS 9**") is as follows:

Asset or Liability	**IFRS 9 Classification**
Cash	FVTPL[1]
Receivables	Amortized cost
Accounts Payable	Amortized cost

*[1] Fair value through profit and loss ("**FVTPL**")*

Classification

On initial recognition, the Company classifies its financial instruments in the following categories: at fair value through profit and loss ("**FVTPL**"), at fair value through other comprehensive income (loss) ("**FVTOCI**") or at amortized cost.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVTOCI. This election is made on an investment-by-investment basis.

All financial assets not classified or measured at amortized cost or FVTOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

Measurement

Financial Assets at FVTOCI

Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

Financial Assets and Liabilities at Amortized Cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

3. Significant Accounting Policies - *continued*

Financial Assets and Liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are recognized in profit or loss in the period in which they arise. Where management has opted to recognize a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income (loss).

Impairment of Financial Assets at Amortized Cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statement of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial Assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial Liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

<u>New Accounting Standards Not Yet Adopted</u>

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

(Expressed in Canadian Dollars)

4. Acquisition of Elements Biosciences SAPI de CV and Sativa Group Biosciences SAPI de CV

On July 12, 2019, the Company acquired two Mexican entities, Elements Biosciences SAPI de CV ("**Elements**") and Sativa Group Biosciences SAPI de CV ("**Sativa**", and together with Elements, the "**Mexican Subsidiaries**") through a share exchange agreement (the "**Elements SEA**"). Pursuant to the Elements SEA, the Company received 100% of the outstanding shares of the Mexican Subsidiaries in exchange for a combination of shares of Xebra and cash payments as detailed below.

The purchase price allocation is as follows:

	$
18,000,000 common shares of Xebra	360,000
Cash advance	124,000
Reimbursement (US$250,000)	325,950
Total consideration	**809,950**

Net assets acquired:	Elements ($)	Sativa ($)	Total ($)
Cash	35,720	3,367	39,087
Receivables	25,930	193	26,123
Other current assets	8,150	-	8,150
Accounts payable	(7,125)	(1,343)	(8,468)
CBD product applications	630,433	114,625	745,058
	693,108	**116,842**	**809,950**

In accordance with IFRS 3 *Business Combinations* ("**IFRS 3**"), a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs and processes. This acquisition does not meet the definition of a business combination as the primary asset is an intangible asset for CBD product applications, which is still in the application stage and not operational at the time of acquisition. Consequently, the transaction has been recorded as an acquisition of an asset. The Company has included the results of the Mexican Subsidiaries in these consolidated financial statements, commencing on July 12, 2019.

The Mexican Subsidiaries pending applications, which, when approved, will allow the Company to commence certain advanced stage cannabis related operations in Mexico. Consequently, such applications are recognized as intangible assets with an aggregate value of $745,058.

On July 12, 2019, the Company issued 1 class B common share with a fair value of $1 in connection with the acquisition of the Mexican Subsidiaries.

On January 11, 2020, the Elements SEA was amended, whereby 2,359,338 common shares were issued to former shareholders of the Mexican subsidiaries to settle the reimbursement obligation owing, with a fair value of $707,801 resulting in a loss on settlement of $381,551.

The net loss for Elements and Sativa since the acquisition date included in these consolidated financial statements are $394,053 and $126, respectively.

The Mexican Subsidiaries did not generate any revenues since the acquisition date.

(Expressed in Canadian Dollars)

5. Acquisition of Medicannabis SAS

On June 26, 2019, the Company entered into an agreement with Organto Foods Inc. ("**Organto**"), a company related by a common director, to acquire all the issued and outstanding shares of its subsidiary, Medicannabis S.A.S. ("**Medicannabis**") in exchange for:

- Issuance of 7,124,630 common shares of Xebra to Organto
- Issuance of 2,875,370 common shares of Xebra in satisfaction of certain obligations of Organto
- Forgiving $600,000 owed by Organto to Xebra
- Cash of $321,077
- Right of first refusal to distribute Xebra's cannabis product in Europe

In accordance with IFRS 3 Business Combinations, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs and processes. This acquisition does not meet the definition of a business combination as the primary asset is an intangible asset for licenses to cultivate cannabis in Colombia, which are still in the application stage and not operational at the time of acquisition. Consequently, the transaction has been recorded as an acquisition of an asset. The results of operations are included in the consolidated financial statements since the date of acquisition on December 18, 2019.

The details of the consideration paid and the assets and liabilities assumed is as follows:

	$
10,000,000 common shares of Xebra	1,000,000
Forgiveness of debt	600,000
Cash	321,077
Transaction cost for asset acquisition	68,661
Total consideration	**1,989,738**

Assets and liabilities acquired:	**($)**
Cash	22
Receivables	56
Advances and prepaids	9,325
Property, plant and equipment	13,150
Right of use assets	155,521
Colombian cannabis licenses	2,255,209
Accounts payable	(31,889)
Debt owed to the Company	(253,353)
Lease liabilities	(158,303)
	1,989,738

The net loss for Medicannabis since the acquisition date included in these consolidated financial statements is $99,527.

Medicannabis did not generate any revenues since the acquisition date.

Medicannabis has certain cannabis related licenses, and at the time of acquisition, was in the process of obtaining additional Cannabis related licenses, which when fully completed, will allow the Company to commence certain cannabis related operations in Colombia. Consequently, such licenses are recognized as intangible assets with an aggregate value of $2,255,209.

(Expressed in Canadian Dollars)

6. Acquisition of Desart MX, SA de CV

On January 10, 2020, the Company acquired Desart MX, SA de CV ("**Desart**") through a share exchange agreement (the "**Desart SEA**"). Pursuant to the Desart SEA, the Company received 100% of the outstanding shares of Desart in exchange for a combination of shares of Xebra and cash payments as detailed below.

	$
2,000,000 common shares of Xebra, issued on closing of the Desart SEA	600,000
Cash (US$125,000)	164,209
	764,209
48,000,000 common shares of Xebra, to be issued under certain conditions	-
Total	**764,209**

This acquisition does not meet the definition of a business combination as Desart had no operations, assets or liabilities as at the date of acquisition. Consequently, the transaction has been accounted for as a transaction cost of $764,209, and has been included in the consolidated statements of loss. In addition, since it is uncertain when, if ever, the 48,000,000 common shares may be issued, no value has been assigned to them.

The net loss for Desart since the acquisition date included in these consolidated financial statements is $76.

Desart did not generate any revenues since the acquisition date.

7. Acquisition of Xebra Brands Europe BV

On February 19, 2020, the Company entered into an agreement with Organto to acquire 75% of the issued and outstanding shares of its subsidiary, Organto Foods Europe BV in exchange for $5,899 (€4,125). Organto Foods Europe BV was subsequently renamed to Xebra Brands Europe BV ("**Xebra Europe**").

This acquisition does not meet the definition of a business combination as Xebra Europe had no operations, and trivial assets or liabilities as at the date of acquisition. Consequently, the transaction has been accounted for as a transaction cost and $10,992 has been included in the consolidated statements of loss.

(Expressed in Canadian Dollars)

8. Receivables

	February 29, 2020 ($)	February 28, 2019 ($)
Current		
GST receivable – Canada	40,160	-
Other	3,421	-
	43,581	-
Non-Current		
VAT receivable – Mexico	65,167	-
	108,748	**-**

9. Intangible Assets

	Brands and Trademarks ($)	Product Development ($)	Colombian Cannabis Licenses ($)	Product Applications ($)	Total ($)
			Note 5	Note 4	
Balance, February 21 and February 28, 2019	-	-	-	-	-
Additions	285,066	15,000	2,255,209	745,058	3,300,333
Balance, February 29, 2020	**285,066**	**15,000**	**2,255,209**	**745,058**	**3,300,333**

10. Property, Plant and Equipment

	Office Furniture and Equipment ($)	Leasehold Improvements ($)	Right of Use Assets ($)	Construction In Progress ($)	Total ($)
Cost					
Balance, February 21 and February 28, 2019	-	-	-	-	-
Additions	1,350	50,037	427,555	13,947	492,889
Foreign exchange	(38)	(1,419)	(13,232)	(395)	(15,084)
Balance, February 29, 2020	**1,312**	**48,618**	**414,323**	**13,552**	**477,805**
Accumulated Amortization					
Balance, February 21 and February 28, 2019	-	-	-	-	-
Amortization	(215)	(467)	(11,096)	-	(11,778)
Foreign exchange	6	13	1,423	-	1,442
Balance, February 29, 2020	**(209)**	**(454)**	**(9,673)**	**-**	**(10,336)**
Net book value, February 21 and February 28, 2019	**-**	**-**	**-**	**-**	**-**
Net book value, February 29, 2020	**1,103**	**48,164**	**404,650**	**13,552**	**467,469**

(Expressed in Canadian Dollars)

10. Property, Plant and Equipment - *continued*

Right of Use Assets

Maturity Analysis

	$
Contractual undiscounted cash flows:	
Less than one year	82,236
Two to three years	198,077
Four to five years	144,911
Total undiscounted lease liabilities as at February 29, 2020	425,224
Interest	(35,536)
Total discounted lease liabilities as at February 29, 2020	**389,688**
Lease liabilities in Consolidated Statements of Financial Position as at February 29, 2020	
Current (included in accounts payable)	68,418
Non-current (included in lease liabilities)	321,270
	389,688

Amounts Recognized in Consolidated Statements of Comprehensive Loss

	Year Ended	
	February 29, 2020 $	**February 28, 2019 $**
Interest expense on lease liabilities	1,822	-
Expenses relating to short-term leases	18,468	-
	20,290	**-**

11. Share Capital

(a) Common Shares

Authorized – unlimited common shares without par value. The Company also has 1 class B share issued and outstanding, primarily to give effect to the class B shareholder a right to appoint a nominee as a director of the Company, and such class B share will automatically be cancelled once the Company completes a public listing.

As at February 29, 2020, the Company had 99,980,073 (February 28, 2019 – 1) class A shares and 1 (February 28, 2019 – nil) class B shares issued and outstanding. The Company also had an additional 2,362,143 shares held in treasury as at February 29, 2020 (February 28, 2019 – nil).

During February 2020, the Company issued 5,189,348 class A common shares in connection with the private placement of its common shares for $0.30 per share, for gross proceeds of $1,556,805. The Company paid share issuance costs of $11,092.

On January 10, 2020, the Company issued 200,000 calls A common shares with a fair value of $60,000 to finders towards the acquisition of a water soluble IP license. The finders' fee has been expensed on the consolidated statement of comprehensive loss.

On January 23, 2020, the Company issued 2,000,000 class A common shares in connection with the acquisition of Desart, with a fair value of $600,000 (note 6).

(Expressed in Canadian Dollars)

11. Share Capital - *continued*

On December 18, 2019, the Company issued an aggregate of 10,000,000 class A common shares in connection with the acquisition of Medicannabis, with a fair value of $1,000,000 (note 5).

On July 12, 2019, the Company issued an aggregate of 18,000,000 class A common shares with a fair value of $360,000 in connection with the acquisition of the Mexican Subsidiaries, and an additional 1,260,000 finders' shares with a fair value of $25,200 (note 4).

On January 11, 2020, the Company issued 2,359,338 class A common shares with a fair value of $707,801 in connection with the settlement of debt related to the acquisition of the Mexican Subsidiaries (note 4).

During May and June 2019, the Company issued 23,093,530 class A common shares in connection with the private placement of its common shares for $0.10 per share, for gross proceeds of $2,309,353. The Company also issued an additional 240,000 finders' shares with a fair value of $24,000. The Company incurred share issuance costs of $109,800.

During March and April 2019, the Company issued 40,000,000 class A common shares in connection with the private placement of its common shares for $0.02 per share, for gross proceeds of $800,000. The Company incurred share issuance costs of $29,393.

During the period ended February 28, 2019, the Company issued 1 class A common share for proceeds of $1.

Treasury Shares

On December 6, 2019, the Company acquired 7,850,000 treasury shares for $549,500.

On January 15, 2020, the Company sold 3,896,572 treasury shares for $272,760. On February 7, 2020, the Company sold an additional 2,841,285 treasury shares for $198,890. There was no gain or loss on the sale of these shares.

On January 29, 2020, the Company acquired 1,250,000 treasury shares for $50,000.

As at February 29, 2020, the Company held 2,362,143 treasury shares with a value of $127,850.

(b) Loss per Share

	Year Ended February 29, 2020 ($)	**Year Ended February 28, 2019 ($)**
Basic loss per share	(0.04)	-
Diluted loss per share	(0.04)	-
Net loss for the year	**(2,790,881)**	**-**
Loss Attributable To:		
Shareholders of Xebra	(2,788,188)	-
Non-controlling interest	(2,693)	-
	(2,790,881)	-

(Expressed in Canadian Dollars)

11. Share Capital - *continued*

	Year Ended February 29, 2020 ($)	Year Ended February 28, 2019 ($)
Shares outstanding, beginning of year	1	-
Initial share issuance	-	1
March 2019 private placement	36,936,301	-
May 2019 private placement	17,248,594	-
Acquisition of Mexican Subsidiaries	12,558,706	-
Acquisition of Medicannabis	2,000,000	-
Acquisition of Desart	202,740	-
February 2020 private placement	438,419	-
Water soluble IP licensing finders' fees	27,397	-
Treasury shares	(1,282,592)	-
Basic and diluted weighted average number of shares outstanding	**68,129,565**	**1**

(c) Reserves

Accumulated other comprehensive income (loss)

The accumulated other comprehensive income (loss) reserve records unrealized exchange differences arising on translation of foreign operations that have a functional currency other than the Company's reporting currency.

12. Related Party Transactions

The Company entered into a cost sharing agreement (the "**Cost Sharing Agreement**") with Orea Mining Corp. ("**Orea**") effective October 1, 2019, whereby certain overhead and administration costs are shared, which Xebra reimburses to the Orea on a periodic basis and is included in general and administration expense. The Cost Sharing Agreement expires on December 31, 2020, and may be terminated by either party with 3 months' written notice. On June 1, 2020, the Company provided 3 months' written notice to Orea to terminate the Cost Sharing Agreement effective August 31, 2020. The Company and Orea have certain directors and officers in common.

The following is a summary of related party transactions:

	Year Ended February 29, 2020 ($)	Year Ended February 28, 2019 ($)
Amounts paid or accrued to Orea under the Cost Sharing Agreement	166,000	-
Management fees paid to Columbus Capital Corp., a company controlled by a Director of the Company	40,000	-
Management fees paid to Todd Dalotto, President of the Company	182,379	-
Accounting fees paid to Andrew Yau, CFO of the Company	15,000	-
Consulting fees paid to Todd Dalotto, President of the Company	1,170	-
Management fees paid to Applied Media Dynamics, a company controlled by Jorge Martinez, COO of the Company	15,000	-
	419,549	**-**

(Expressed in Canadian Dollars)

12. Related Party Transactions - *continued*

The following summarizes advances to each related party:

	February 29, 2020 ($)	February 28, 2019 ($)
Management fees paid to Columbus Capital Corp.	20,000	-
	20,000	**-**

13. Segmented Information

The Company has one reportable business segment, being the cultivation, processing, manufacturing, design and delivery of cannabis products. Assets by geographical area are as follows:

	February 29, 2020 ($)	February 28, 2019 ($)
Current Assets		
Canada	687,070	1
Colombia	108,337	-
Europe	1,526	-
Mexico	513,175	-
	1,310,108	1
Non-Current Assets		
Canada	300,066	-
Colombia	2,722,678	-
Europe	-	-
Mexico	810,225	-
	3,832,969	-
Total Assets		
Canada	987,136	1
Colombia	2,831,015	-
Europe	1,526	-
Mexico	1,325,400	-
	5,143,077	**1**

14. Commitments

The Company has commitments as follows:

	1 year ($)	2-3 years ($)	4-5 years ($)	Total ($)
Land lease in Colombia (note 10)	82,236	198,077	144,911	425,224
	82,236	**198,077**	**144,911**	**425,224**

15. Financial Risk and Capital Management

Financial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at February 29, 2020 are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Credit Risk

The credit risk exposure on cash is limited to its carrying amount at the date of the statements of financial position. Cash is held as cash deposits with creditworthy banks. The Company has receivables consisting of goods and services tax due from the Federal Government of Canada, VAT receivable from the Government of Mexico, and other receivables. Management believes that the credit risk with respect to its cash and receivables is low.

(b) Liquidity Risk

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at February 29, 2020, the Company has a working capital of $1,020,662. The Company intends to increase working capital through the private placement of common shares.

(c) Interest Rate Risk

The Company is not exposed to interest rate risk.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the cultivation, processing, manufacturing, design and delivery of cannabis products and to maintain a flexible capital structure for the benefit of its stakeholders. As the Company is in the start-up stage, its principal source of funds are, and will be, financing through the issuance of equity securities.

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

Fair Value

The fair value of the Company's financial instruments including cash approximates their carrying value due to the immediate or short-term maturity of these financial instruments.

IFRS 7, Financial Instruments: Disclosure establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

(Expressed in Canadian Dollars)

15. Financial Risk and Capital Management - *continued*

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. At February 29, 2020, there were no financial assets or liabilities measured and recognized in the statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

Financial Instrument	**Measurement Method**	**Associated Risks**	**Fair value at February 29, 2020 ($)**
Cash	FVTPL	Credit and currency	955,407
Receivables	Amortized cost	Credit	3,421
Accounts payable	Amortized cost	Liquidity	(221,045)
			737,783

16. Deferred Income Tax

The provision for income taxes reported differs from the amount computed by applying the applicable Canadian federal and provincial income tax rates to the loss before tax provision due to the following:

	Year Ended	
	February 29, 2020 ($)	**February 28, 2019 ($)**
Loss before taxes	(2,790,881)	-
Canadian federal and provincial income tax rates	27.00%	27.00%
Expected income tax recovery	(753,538)	-
Foreign tax differences, rate changes and foreign exchange	(17,693)	-
Non-taxable items	11,870	-
Non deductible	6,438	-
Lease liability	6,058	-
Change in valuation of deferred tax assets	746,865	-
Income tax expense	**-**	**-**

The Company has not recognized any deferred tax assets or liabilities as of February 29, 2020.

Deferred tax assets (liabilities) have not been recognized in respect of the following items:

	February 29, 2020 ($)	**February 28, 2019 ($)**
Equipment and other	8,100	-
Lease liability	(5,886)	-
Capital losses carried forward	744,651	-
Valuation allowance	(746,865)	-
	-	-

(Expressed in Canadian Dollars)

16. Deferred Income Tax - *continued*

As at February 29, 2020, the Company has deductible temporary differences for which deferred tax assets have not been recognized because it is currently not probable that future profit will be available against which the Company can utilize the benefits.

As of February 29, 2020, the Company has Canadian tax loss carryforwards of approximately $2,209,418 available to reduce future years' taxable income. The Company recognizes the benefit of tax losses only to the extent of anticipated future taxable income in the relevant jurisdictions.

The Company's tax loss carryforwards will expire, if not utilized, as follows:

	Canada (CDN$)	Colombia (COP)	Mexico (MXN)	Europe (EUR)
February 29, 2040	2,209,418	338,335,619	5,056,412	7,438
		CDN$	**CDN$**	**CDN$**
Canadian dollar equivalents		129,877	345,995	10,997

A valuation allowance has been recorded against the deferred income tax assets associated with the tax losses and temporary differences because of the uncertainty of their recovery.

17. Subsequent Event

On March 5, 2020 the Company closed a private placement of its common shares for gross proceeds of $67,481. A total of 224,937 shares were issued at a price of $0.30 per share. The Company paid corresponding finders shares of 15,746 with a value of $4,724.

On March 5, 2020 the Company sold 502,143 Xebra treasury shares for $0.07 per share, for proceeds of $35,150.

On April 23, 2020, the Company issued 275,757 shares to certain parties as finders' shares for certain private placements closed during the year ended February 29, 2020.

On June 15, 2020 the Company transferred 300,000 Xebra treasury shares to Rodrigo Gallardo, CEO of the Company, in exchange for reducing management fees by $5,000 per month from June 15, 2020 to September 15, 2020.

On Jun 15, 2020 the Company transferred 40,200 Xebra treasury shares to Todd Dalotto, President of the Company, as partial consideration for management fees charged from June 15, 2020 to September 15, 2020.

SCHEDULE B

(See attached.)

Xebra Brands Ltd.
1090 Hamilton Street
Vancouver, B.C.
V6B 2R9
Canada

Management's Discussion and Analysis

Year Ended
February 29, 2020

(Stated in Canadian Dollars)

Dated May 5, 2021

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(Expressed in Canadian Dollars, except where noted)

This Management's Discussion and Analysis ("MD&A") focuses on significant factors that have affected Xebra Brands Ltd. ("Xebra", the "Company" or "Issuer") and its subsidiaries' performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended February 29, 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). "This quarter" or "current quarter" means the three-month period ended February 29, 2020 and "this year" or "current year" means the year ended February 29, 2020. The information contained in this MD&A is current to May 5, 2021.

Forward Looking Information

This MD&A contains "forward-looking information and statements" that are subject to risk factors set out under the caption *Caution regarding forward looking statements* later in this document. The reader is cautioned not to place undue reliance on forward-looking statements.

Profile and Strategy

The Company was incorporated on February 21, 2019 under the laws of the Province of British Columbia, Canada. On April 24, 2019, the Company changed its name from 1198365 B.C. LTD to Xebra Brands Ltd. The Company's head office and principal address is located at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9, Canada.

The Company's principal business activities are the cultivation, processing, manufacturing, design and delivery of cannabis products in areas ranging from wellness to leisure. Xebra will leverage its Colombian cannabis cultivation and processing licenses to produce cannabis-infused beverages and wellness brands. To date, the Company has not received any revenue from operations and is considered to be in the start-up stage. The Company's activities are not dependent on seasonality and may operate year-round; however, the Company may adjust the level of activities to manage its capital structure in light of changes in global economic conditions.

The Company's financial condition is affected by general market conditions and conditions specific to the cannabis industry. These conditions include, but are not limited to, the market demand for cannabis and accessibility of debt or equity.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and has adversely affected global workforces, financial markets, and the general economy. It is not possible for the Company to determine the duration or magnitude of the adverse results of COVID-19 nor its effects on the Company's business or operations.

Overall Performance and Outlook

The following highlights the Company's overall performance for the three months and year ended February 29, 2020:

	Three Months Ended			Year Ended		
	February 29, 2020 ($)	February 28, 2019 ($)	Change	February 29, 2020 ($)	February 28, 2019 ($)	Change
Net loss	(2,032,303)	-	(2,032,303)	(2,790,881)	-	(2,790,881)
Cash used in operating activities	(387,953)	-	(387,953)	(1,960,117)	-	(1,960,117)
Cash at end of period	955,407	1	955,406	955,407	1	955,406
Loss per share – basic and diluted	(0.02)	-	(0.02)	(0.04)	-	(0.04)

Corporate Updates

During May and June 2019, the Company issued 23,093,530 class A common shares in connection with the private placement of its common shares for $0.10 per share, for gross proceeds of $2,309,353. The Company also issued an additional 240,000 finders' shares with a fair value of $24,000. The Company incurred share issuance costs of $109,800.

During March and April 2019, the Company issued 40,000,000 class A common shares in connection with the private placement of its common shares for $0.02 per share, for gross proceeds of $800,000. The Company incurred share issuance costs of $29,393.

On July 12, 2019, the Company issued an aggregate of 18,000,000 class A common shares with a fair value of $360,000 in connection with the acquisition of the Mexican Subsidiaries (defined below), and an additional 1,260,000 finders' shares with a fair value of $25,200.

On December 18, 2019, the Company issued an aggregate of 10,000,000 class A common shares in connection with the acquisition of Medicannabis SAS ("Medicannabis"), with a fair value of $1,000,000.

On January 10, 2020, the Company issued 200,000 class A common shares with a fair value of $60,000 to finders towards the acquisition of a water soluble IP license. The finders' fee has been expensed on the consolidated statement of comprehensive loss.

On January 11, 2020, the Company issued 2,359,338 class A common shares with a fair value of $707,801 in connection with the settlement of debt related to the acquisition of the Mexican Subsidiaries.

On January 23, 2020, the Company issued 2,000,000 class A common shares in connection with the acquisition of Desart MX, SA de CV ("Desart"), with a fair value of $600,000.

During February 2020, the Company issued 5,189,348 class A common shares in connection with the private placement of its common shares for $0.30 per share, for gross proceeds of $1,556,805. The Company paid share issuance costs of $11,092.

On March 5, 2020, the Company issued 224,937 class A common shares in connection with the private placement of its common shares (the "March 2020 Private Placement") for $0.30 per share, for gross proceeds of $67,481. Finders' fees of 13,393 shares with a fair value of $4,018 and share issuance costs of $12,027 have been incurred in connection with the March 2020 Private Placement.

During the period from March 2020 to November 2020, an aggregate of 479,159 shares has been issued for management services with a fair value of $23,958.

On September 4, 2020, the Company issued 538,263 class A common shares in connection with the private placement of its common shares (the "September 2020 Private Placement") for $0.30 per share, for gross proceeds of $161,479. Finders' fees of 43,061 shares with a fair value of $12,918 and share issuance costs of $1,582 have been incurred in connection with the September 2020 Private Placement.

On September 4, 2020, the Company sold 1,071,134 class A common shares from its treasury for gross proceeds of $53,557.

On December 14, 2020, the Company issued 278,100 class A common shares in connection with the private placement of its common shares (the "December 2020 Private Placement") for $0.30 per share, for gross proceeds of $83,430.

On February 12, 2021, the Company issued 119,067 class A common shares in connection with the private placement of its common shares (the "February 2021 Private Placement") for $0.30 per share, for gross proceeds of $35,720. Finders' fees of 6,333 shares with a fair value of $1,899 have been incurred in connection with the February 2021 Private Placement.

(Expressed in Canadian Dollars, except where noted)

On April 12, 2021, the Company issued 4,100,000 subscription receipts in connection with a private placement and under a subscription receipt agreement (the "Subscription Receipt Agreement") for $0.20 per subscription receipt, for gross proceeds of $820,000. Each Subscription Receipt will entitle its holder to receive one common share and one-half of one common share purchase warrant at an exercise price of $0.35 per warrant upon the satisfaction or waiver of the Escrow Release Conditions (as defined under the Subscription Receipt Agreement) on or before October 12, 2021.

On May 3, 2021, the Company issued 11,250 class A common shares in connection with the private placement of its common shares (the "December 2020 Private Placement") for $0.30 per share, for gross proceeds of $3,375.

Acquisitions

Acquisition of Elements Biosciences SAPI de CV and Sativa Group Biosciences SAPI de CV

On July 12, 2019, the Company acquired two Mexican entities, Elements Biosciences SAPI de CV ("**Elements**") and Sativa Group Biosciences SAPI de CV ("**Sativa**", and together with Elements, the "**Mexican Subsidiaries**") through a share exchange agreement (the "**Elements SEA**"). Pursuant to the Elements SEA, the Company received 100% of the outstanding shares of the Mexican Subsidiaries in exchange for a combination of shares of Xebra and cash payments as detailed below.

The purchase price allocation is as follows:

	$
18,000,000 common shares of Xebra	360,000
Cash advance	124,000
Reimbursement (US$250,000)	325,950
Total consideration	**809,950**

Net assets acquired:	**Elements ($)**	**Sativa ($)**	**Total ($)**
Cash	35,720	3,367	39,087
Receivables	25,930	193	26,123
Other current assets	8,150	-	8,150
Accounts payable	(7,125)	(1,343)	(8,468)
CBD product applications	630,433	114,625	745,058
	693,108	**116,842**	**809,950**

In accordance with IFRS 3 *Business Combinations* ("IFRS 3"), a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs and processes. This acquisition does not meet the definition of a business combination as the primary asset is an intangible asset for CBD product applications, which is still in the application stage and not operational at the time of acquisition. Consequently, the transaction has been recorded as an acquisition of an asset. The Company has included the results of the Mexican Subsidiaries in these consolidated financial statements, commencing on July 12, 2019.

The Mexican Subsidiaries pending applications, which, when approved, will allow the Company to commence certain advanced stage cannabis related operations in Mexico. Consequently, such applications are recognized as intangible assets with an aggregate value of $745,058.

On July 12, 2019, the Company issued 1 class B common share with a fair value of $1 in connection with the acquisition of the Mexican Subsidiaries.

On January 11, 2020, the Elements SEA was amended, whereby 2,359,338 common shares were issued to former shareholders of the Mexican subsidiaries to settle the reimbursement obligation owing, with a fair value of $707,801 resulting in a loss on settlement of $381,551.

The Mexican Subsidiaries did not generate any revenues since the acquisition date.

Acquisition of Medicannabis SAS

On June 26, 2019, the Company entered into an agreement with Organto Foods Inc. ("**Organto**"), a company related by a common director, to acquire all the issued and outstanding shares of its subsidiary, Medicannabis in exchange for:

- Issuance of 7,124,630 common shares of Xebra to Organto
- Issuance of 2,875,370 common shares of Xebra in satisfaction of certain obligations of Organto
- Forgiving $600,000 owed by Organto to Xebra
- Cash of $321,077
- Right of first refusal to distribute Xebra's cannabis product in Europe

In accordance with IFRS 3 Business Combinations, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs and processes. This acquisition does not meet the definition of a business combination as the primary asset is an intangible asset for licenses to cultivate cannabis in Colombia, which are still in the application stage and not operational at the time of acquisition. Consequently, the transaction has been recorded as an acquisition of an asset. The results of operations are included in the consolidated financial statements since the date of acquisition on December 18, 2019.

(Expressed in Canadian Dollars, except where noted)

The details of the consideration paid and the assets and liabilities assumed is as follows:

	$
10,000,000 common shares of Xebra	1,000,000
Forgiveness of debt	600,000
Cash	321,077
Transaction cost for asset acquisition	68,661
Total consideration	**1,989,738**

Assets and liabilities acquired:	**($)**
Cash	22
Receivables	56
Advances and prepaids	9,325
Property, plant and equipment	13,150
Right of use assets	155,521
Colombian cannabis licenses	2,255,209
Accounts payable	(31,889)
Debt owed to the Company	(253,353)
Lease liabilities	(158,303)
	1,989,738

Medicannabis did not generate any revenues since the acquisition date.

Medicannabis has certain cannabis related licenses, and at the time of acquisition, was in the process of obtaining additional Cannabis related licenses, which when fully completed, will allow the Company to commence certain cannabis related operations in Colombia. Consequently, such licenses are recognized as intangible assets with an aggregate value of $2,255,209.

Acquisition of Desart MX, SA de CV

On January 10, 2020, the Company acquired Desart through a share exchange agreement (the "**Desart SEA**"). Pursuant to the Desart SEA, the Company received 100% of the outstanding shares of Desart in exchange for a combination of shares of Xebra and cash payments as detailed below.

	$
2,000,000 common shares of Xebra, issued on closing of the Desart SEA	600,000
Cash (US$125,000)	164,209
	764,209
48,000,000 common shares of Xebra, to be issued under certain conditions	-
Total	**764,209**

This acquisition does not meet the definition of a business combination as Desart had no operations, assets or liabilities as at the date of acquisition. Consequently, the transaction has been accounted for as a transaction cost of $764,209, and has been included in the consolidated statements of loss. In addition, since it is uncertain when, if ever, the 48,000,000 common shares may be issued, no value has been assigned to them.

Desart did not generate any revenues since the acquisition date.

Acquisition of Xebra Brands Europe BV

On February 19, 2020, the Company entered into an agreement with Organto to acquire 75% of the issued and outstanding shares of its subsidiary, Organto Foods Europe BV in exchange for $5,899 (€4,125). Organto Foods Europe BV was subsequently renamed to Xebra Brands Europe BV ("**Xebra Europe**").

This acquisition does not meet the definition of a business combination as Xebra Europe had no operations, and trivial assets or liabilities as at the date of acquisition. Consequently, the transaction has been accounted for as a transaction cost and $10,992 has been included in the consolidated statements of loss.

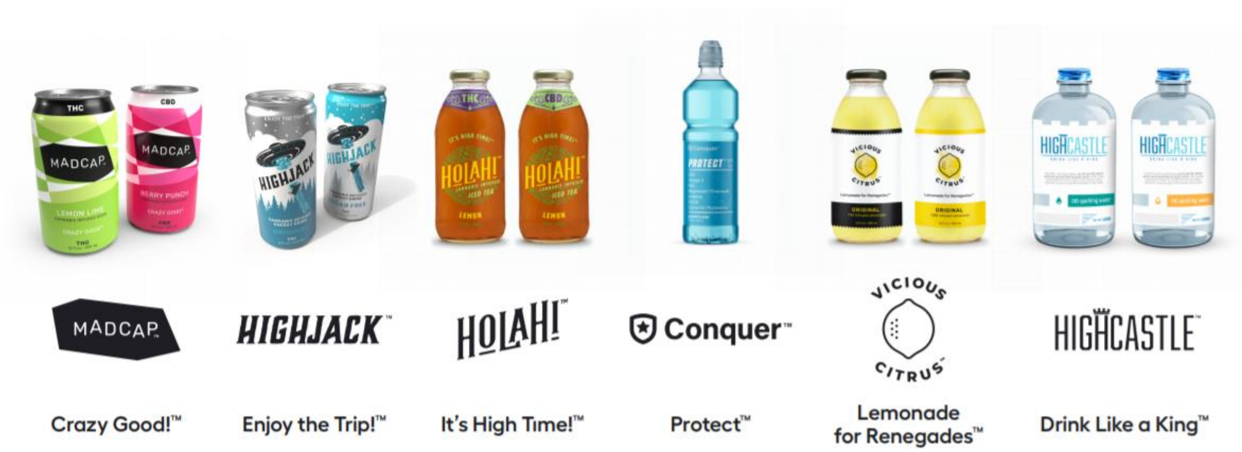
Discussion of Operations

Beverages

Xebra has created a number of great tasting cannabis infused beverages, including seltzers, soft drinks, iced teas, lemonades and waters. Energy drinks are under development, and a CBD sports beverage is near-final.

The equivalent of more than 400 trademark applications for Xebra's beverage brands have been filed in over 40 countries. These countries were strategically chosen as they have either legalized, or decriminalized cannabis, or are on a path to do so.

The following illustration itemizes Xebra's beverage brand categories. Within most categories a number of flavors have been created, including sugar-free versions.



Xebra is aiming to launching THC beverages in 2021, commencing with its Vicious Citrus Lemonade in Canada. Launch partners have been identified that provide a turn-key based solution including, regulatory compliance, cannabis infused formulation, bottling, and distribution.

Mexico

The momentum in Mexico to legalize cannabis began unofficially in 2014 with the decriminalization of possession of small quantities of cannabis, followed in 2015 with the granting of the first Supreme Court injunctions for limited personal consumption, on the grounds that it was unconstitutional to deny such right to the individuals making a claim. Over the next several years, additional injunctions were granted by the Supreme Court for personal consumption and the ability to grow a limited number of plants in a household for personal use. To rectify the uneven playing field that favoured the individuals who obtained an injunction, the Mexican government adopted an initial legal framework in 2017 for medicinal cannabis, but not for recreational purposes.

Soon after this new legislation was adopted, a group of Mexican entrepreneurs formed ELEMENTS BIOSCIENCE S.A.P.I. DE C.V. and SATIVA GROUP BIOSCIENCES S.A.P.I. DE C.V and submitted 13 CBD wellness products, including tinctures, oils, capsules, topicals and intimate lotions to the Federal Commission for the Protection against Sanitary Risk (the Mexican equivalent of the U.S. Food and Drug Administration) for approval. The newly elected incoming administration led by the new President of Mexico froze all applications at the end of 2018, pending a review of the regulatory framework and the creation of secondary regulations. Hence the Elements and Sativa CBD products, which were at that time at a late stage of processing, are still pending the approval from the Federal Commission for the Protection against Sanitary Risk.

Holland

Xebra's Dutch project is carried through its 75% owned European subsidiary, Xebra Brands Europe BV. Xebra's interest in Xebra Europe can be increased to 100% under certain conditions, including dilution and buy-out clauses. Xebra's 25% partner provides vital local knowhow and support, and has been essential in navigating government regulations and in the application process.

The Dutch government has selected Xebra as one of five parties that are authorized to participate in medicinal cannabis cultivation trials. Two of the five parties will eventually be granted licenses for a four-year contract with the Dutch government. The two parties will supply the entire Dutch medicinal industry, including sales through pharmacies. Annual volumes of 5,000 kg of products will be sold at a fixed price of €2,350/kg under the four-year agreement with an optional two-year extension, resulting in a total sales value of the contract of approximately €70.5 million.

The final two license holders will be selected based on their Plan of Approach and on the product quality and consistency of three trial crops to be cultivated starting in 2021.

(Expressed in Canadian Dollars, except where noted)

Colombia

In Colombia, Xebra operates through its wholly owned subsidiary Medicannabis SAS.

Xebra holds all cannabis licenses in Colombia, including authorizations to cultivate psychoactive (THC) and non-psychoactive cannabis, a license for the use of seeds for cultivation, and a license to process cannabis for the manufacture and export of products. Xebra is also a registered Seed Producer and holds one of a select number of registrations as a Seed Breeder and Agronomic Evaluator. Medicannabis is one of the limited number of companies that successfully filed seed genetics in Colombia by the December 2018 deadline, and thereby owns a cannabis seed genetics library of 144 cultivars (Fuente Semillera), with a broad range of cannabinoid varieties and types that can be interbred and adapted to the various micro-climates present in Colombia. Agronomic evaluations to fully register up to 10 of the cultivars in the National Cultivar Registry are presently underway and are scheduled to be completed in the fall of 2021. Once fully registered, those cultivars are eligible for cultivation, sale and export. Cannabis production quotas for licensed producers are determined by the end of April every year; this is the final step to enable Xebra to commence commercial operations.

Xebra's research and breeding facility in Colombia is located on a 1.5-hectare property in Guasca, Cundinamarca, 30 kilometers from Bogota's International Airport. The facility includes over 600 square metres of greenhouses, a water reservoir and irrigation system, and a seed breeding laboratory capable of undertaking certified agronomic evaluations. Xebra has taken a lower-risk asset-light approach to commercialize its cannabis cultivation. Under Colombian law, a large-scale cultivator must source at least 10% of its annual production quota from "small growers"; however, Xebra's unique asset-light model will enable it to produce 100% of its production on third-party land, thereby mitigating cultivation risk, reducing labour costs, and eliminating land leases and greenhouse construction costs. This scalable cultivation model is planned to commence in early 2022, under an exclusive partnership with a local consortium of licensed small growers, whereby initially up to 7 hectares of hoop-houses, will be made available on approximately 14 hectares of licensed land in the Guasca area.

Summary of Quarterly Information

	Q4 2020 ($)	Q3 2020 ($)[1]	Year End 2019 ($)[1]
Net loss for the period	(2,032,303)	(522,431)	-
Basic and diluted net loss per share	(0.02)	(0.01)	

1 The Company has not presented quarterly information for its past eight quarters as it has not prepared quarterly financial statements for such quarters as a private company in 2020.

	Feb 29, 2020 ($)	Nov 30, 2019 ($)[1]	Feb 28, 2019 ($)[1]
Cash	955,407	929,830	1
Total assets	5,143,077	3,141,862	1
Total non-current financial liabilities	(321,270)	-	-

1 The Company has not presented quarterly information for its past eight quarters as it has not prepared quarterly financial statements for such quarters as a private company in 2020.

Q4 2020 Compared with Q3 2020

During Q4 2020, the Company incurred a net loss of $2,032,303, compared to $522,431 during Q3 2020. The increase in net loss in Q4 2020 is a result of the acquisition of Desart resulting in a loss of $764,209, loss on a settlement of debt of $381,551 and a general increase in operating expenses.

(Expressed in Canadian Dollars, except where noted)

Review of Financial Results – Fiscal Year

	Year End 2020 ($)	Year End 2019 ($)
Net loss for the period	(2,790,881)	-
Basic and diluted net loss per share	(0.04)	-

	Feb 29, 2020 ($)	Feb 28, 2019 ($)
Cash	955,407	1
Total assets	5,143,077	-
Total non-current financial liabilities	(321,270)	-

During the year ended February 29, 2020, the Company incurred a net loss of $2,790,881, compared $nil for fiscal 2019.

As the Company was incorporated at the end of fiscal 2019 (February 21, 2019), there were no expenses incurred for short 2019 fiscal year.

Liquidity and Capital Resources

The Company does not currently derive any significant revenues from operations. The Company's activities have been funded primarily through equity financing and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from operations. The Company has been successful in its fund raising efforts in the past, but there can be no assurance that the Company will continue to be successful in the future. If such funds are not available or other sources of finance cannot be obtained, then the Company will be required to curtail its activities to a level for which funding is available and can be obtained. The Company's ability to access funding is also contingent on the ongoing demand for cannabis.

	Three Months Ended		Year Ended	
	February 29, 2020 ($)	February 28, 2019 ($)	February29, 2020 ($)	February 28, 2019 ($)
Cash used in operating activities	(387,953)	-	(1,960,117)	-
Cash used in investing activities	(1,062,112)	-	(1,565,068)	-
Cash from financing activities	1,475,779	-	4,480,728	1
Cash, end of the period	955,407	1	955,407	1

As at February 29, 2020 the Company had working capital of $1,020,662, compared to $1,713,943 at November 30, 2019, and $1 at February 28, 2019. Working capital decreased from November 30, 2019 mainly as a result of the acquisition of Medicannabis, whereby certain $600,000 owed to Xebra by Organto had been forgiven, as part of the terms of the acquisition.

As the Company was incorporated at the end of fiscal 2019 (February 21, 2019), there were no significant cash flow activities for the 2019 fiscal year and quarters.

(Expressed in Canadian Dollars, except where noted)

The Company used $1,960,117 in operating activities this year, and $387,953 this quarter, primarily in professional feels, general and administration, management fees and travel.

During the current year, the Company used $1,565,068 in investing activities, primarily comprised of $1,283,846 in business acquisitions and $254,997 in intangible assets. During the current quarter, the Company used $1,062,112 in investing activities, primarily comprised of $884,901 in business acquisitions and $111,899 in intangible assets.

Cash from financing this year was $4,480,728, which is comprised of $4,539,873 from share offerings and $90,000 from subscriptions received, partially offset by the purchase of treasury shares of $127,850 and payment of certain lease liabilities of $21,295. Cash from financing this quarter was $1,475,779, which is comprised of $1,545,713 from share offerings and $79,211 from subscriptions received, partially offset by the purchase of treasury shares of $127,850 and payment of certain lease liabilities of $21,295.

As at February 29, 2020, the Company had cash of $955,407, and current liabilities of $289,446. The Company has sufficient cash and access to capital to meet working capital requirements, and obligations as they become due.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

The Company has an agreement (the "Services Agreement") with Orea Mining Corp. ("Orea"), whereby Orea provides certain overhead and administration services to the Xebra. Under the most recent Services Agreement, the fees are $2,000 per month, and either party may terminate the Services Agreement with 30 days prior written notice to the other party.

The following is a summary of related party transactions:

	Three Months Ended		**Year Ended**	
	February29, 2020 ($)	**February 28, 2019 ($)**	**February29, 2020 ($)**	**February 28, 2019 ($)**
Amounts paid or accrued to Orea under the Cost Sharing Agreement	102,000	-	166,000	-
Management fees paid to Columbus Capital Corp., a company controlled by a Director of the Company	40,000	-	40,000	-
Management fees paid to Todd Dalotto, President of the Company	60,665	-	182,379	-
Accounting fees paid to Andrew Yau, CFO of the Company	-	-	15,000	-
Consulting fees paid to Todd Dalotto, President of the Company	1,170	-	1,170	-
Management fees paid to Applied Media Dynamics, a company controlled by Jorge Martinez, COO of the Company	-	-	15,000	-
	203,835	**-**	**419,549**	**-**

(Expressed in Canadian Dollars, except where noted)

The following summarizes advances or amounts that remain receivable from or payable to each related party:

	February 29, 2020 ($)	February 28, 2019 ($)
Management fees paid to Columbus Capital Corp.	20,000	-
	20,000	**-**

Proposed Transactions

There are no proposed transactions as at February 29, 2020 and the date of this MD&A.

Commitments

The Company has commitments as follows:

	1 year ($)	2-3 years ($)	4-5 years ($)	Total ($)
Land lease in Colombia	82,236	198,077	144,911	425,224
	82,236	**198,077**	**144,911**	**425,224**

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions used by management where there is risk of material adjustments to assets and liabilities in future accounting periods include the estimated useful lives of depreciated and amortized assets, the recoverability of the carrying value of intangible assets and assumptions used in determination of the recoverability and measurement of deferred tax assets.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in preparing the Company's financial statements include the assumption that the Company will continue as a going concern, assumptions used to determine if a business combination is an asset or business acquisitions, classification of expenditures as intangible assets or operating expenses and the classification of financial instruments.

Changes in Accounting Standards

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Financial Risk and Capital Management

Financial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at February 29, 2020 are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Credit Risk

The credit risk exposure on cash is limited to its carrying amount at the date of the statements of financial position. Cash is held as cash deposits with creditworthy banks. The Company has receivables consisting of goods and services tax due from the Federal Government of Canada, VAT receivable from the Government of Mexico, and other receivables. Management believes that the credit risk with respect to its cash and receivables is low.

(b) Liquidity Risk

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at February 29, 2020, the Company has a working capital of $1,020,662. The Company intends to increase working capital through the private placement of common shares.

(c) Interest Rate Risk

The Company is not exposed to interest rate risk.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the cultivation, processing, manufacturing, design and delivery of cannabis products and to maintain a flexible capital structure for the benefit of its stakeholders. As the Company is in the start-up stage, its principal source of funds are, and will be, financing through the issuance of equity securities.

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

Fair Value

The fair value of the Company's financial instruments including cash approximates their carrying value due to the immediate or short-term maturity of these financial instruments.

IFRS 7, Financial Instruments: Disclosure establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. At February 29, 2020, there were no financial assets or liabilities measured and recognized in the statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

(Expressed in Canadian Dollars, except where noted)

Financial Instrument	Measurement Method	Associated Risks	Fair value at February 29, 2020 ($)
Cash	FVTPL	Credit and currency	955,407
Receivables	Amortized cost	Credit	3,421
Accounts payable	Amortized cost	Liquidity	(221,045)
			737,783

Other Information

Outstanding Share Data

The Company has authorized capital of an unlimited number of common shares without par value. The table below represents the Company's capital structure as at the date of this MD&A and February 29, 2020:

	As at date of this MD&A	February 29, 2020
Class A common shares issued and outstanding	103,854,731	99,980,073
Class B common shares issued and outstanding	1	1

Risks and Uncertainties

The following are certain factors relating to the business of the Issuer, which factors investors should carefully consider when making an investment decision concerning the shares of the Issuer. These risks and uncertainties are not the only ones facing the Issuer.

Additional risks and uncertainties not presently known to the Issuer may also impair the operations of the Issuer. If any such risks actually occur, shareholders could lose all or part of their investment and the financial condition, liquidity and results of operations of the Issuer could be materially and adversely affected and the ability of the Issuer to implement its growth plans could be adversely affected.

An investment in the Issuer is speculative. An investment in the Issuer will be subject to certain material risks and investors should not invest in securities of the Issuer unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Issuer.

General

A purchase of any of the securities of the Issuer involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Issuer should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Issuer's securities prior to purchasing any of the securities.

Risks Related to the Issuer

No Market for Securities

There is currently no market through which any of the Common Shares may be sold and there is no assurance that the Common Shares will be listed for trading on a Canadian stock exchange, or if listed, will provide a liquid market for such securities. Until the Common Shares are listed on a Canadian stock exchange, holders of the Common Shares may not be able to sell their Common Shares. Even if the Listing is obtained, there can be no assurance that an active public market for the Common Shares will develop or be sustained. The holding of Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. The Common Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Limited Operating History

The Issuer began carrying on business in 2019 and has not yet generated material income. The Issuer is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Issuer will be successful in achieving a return on shareholders' investment and likelihood of success must be considered in light of the early stage of operations.

Global Economic Risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Issuer is subject to liquidity risks in meeting our development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Issuer. If uncertain market conditions persist, the Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Issuer's operations and trading price of the Common Shares on the stock exchange.

Changing Economic Conditions

The demand for entertainment and leisure activities, including cannabis consumption, can be highly sensitive to changes in consumers' disposable income, and thus can be affected by changes in the economy and consumer tastes, both of which are difficult to predict and beyond the Issuer's control. Unfavourable changes in general economic conditions, including recessions, economic slowdowns, sustained high levels of unemployment, and increasing fuel or transportation costs or the perception by customers of weak or weakening economic conditions, may reduce customers' disposable income or result in fewer individuals engaging in entertainment and leisure activities, such as cannabis consumption. As a result, the Issuer cannot ensure that demand for its product offerings will remain constant. Adverse developments affecting economies throughout the world, including a general tightening of availability of credit, decreased liquidity in certain financial markets, increased interest rates, foreign exchange fluctuations, increased energy costs, acts of war or terrorism, transportation disruptions, natural disasters, declining consumer confidence, sustained high levels of unemployment or significant declines in stock markets, as well as concerns regarding epidemics and the spread of contagious diseases, could lead to a further reduction in discretionary spending on leisure activities, such as cannabis consumption. Any significant or prolonged decrease in consumer spending on entertainment or leisure activities could adversely affect the demand for the Issuer's product offerings, reducing its cash flows and revenues. If the Issuer experiences a significant unexpected decrease in demand for its product offerings, its business may be harmed.

Economic Environment

The Issuer's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Issuer's sales and profitability. As well, general demand for banking services and alternative banking or financial services cannot be predicted and future prospects of such areas might be different from those predicted by the Issuer's management.

Risks Associated with Acquisitions

As part of the Issuer's overall business strategy, the Issuer may pursue select strategic acquisitions after the completion of the Listing, which would provide additional product offerings, vertical integrations, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Issuer's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Financial Projections May Prove Materially Inaccurate or Incorrect

The Issuer's financial estimates, projections and other forward-looking information accompanying this document were prepared by the Issuer without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking statements. Such forward-looking information is based on assumptions of future events that may or may not occur, which assumptions may not be disclosed in such documents. Investors should inquire of the Issuer and become familiar with the assumptions underlying any estimates, projections or other forward-looking statements. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events.

There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operational expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the actual results the Issuer and its subsidiaries might achieve.

Difficulty to Forecast

The Issuer must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis industries. A failure in the demand for its services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, and financial condition of the Issuer.

Competition General

There is potential that the Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and marketing experience than the Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, and results of operations of the Issuer. To remain competitive, the Issuer will require a continued high level of investment in research and development, marketing, sales, and client support.

Management of Growth

The Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train, and manage its employee base. The inability of the Issuer to deal with this growth may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Reliance on Management

The success of the Issuer will be dependent upon the ability, expertise, judgment, discretion, and good faith of its key executives, including the directors and officers of the Issuer and a small number of highly skilled and experienced executives and personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Issuer's business, operating results, or financial condition. The competition for highly skilled technical, research and development, management and other employees is high and there can be no assurance that the Issuer will be able to engage or retain the services of such qualified personnel in the future.

Furthermore, equity-based awards comprise a key component of executive and senior management compensation, and if the Issuer's common share price declines or is volatile, it may be difficult to retain such individuals. The Issuer's retention and recruiting may require significant increases in compensation expense, which may adversely affect its results of operation.

Risks Relating to Insurance

The Issuer intends to insure its operations in accordance with technology industry practice. However, given the novelty of cryptocurrency and associated businesses, such insurance may not be available, uneconomical for the Issuer, or the nature or level may be insufficient to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Issuer.

No Dividends

The Issuer has never paid any cash dividends on our Common Shares. Xebra does not anticipate paying any cash dividends on its Common Shares in the foreseeable future because, among other reasons, the Issuer currently intends to retain any future earnings to finance its business. The future payment of cash dividends will be dependent on factors such as cash on hand and achieving profitability, the financial requirements to fund growth, the Issuer's general financial condition and other factors the board of directors may consider appropriate in the circumstances. Until Xebra pays cash dividends, which it may never do, the Issuer's shareholders will not be able to receive a return on their Common Shares unless they sell them

Negative Cash Flows From Operating Activities

During the fiscal year ended February 29, 2020, the Company had negative cash flows from operations of $1,960,117, resulting from the Company being in the startup stage. The Company intends to increase working capital through additional equity offerings in the future. However, there can be no guarantee that such activity and financial resources will be possible. Until the Company can generate positive cash flow from operations, its ability to finance its operations will depend on its ability to obtain additional external financing and ultimately generate future profitable operations.

Risks Related to Regulation in the Cannabis Industry

Highly Regulated Industry

The Company operates in a highly regulated and rapidly evolving market. The laws, regulations and guidelines generally applicable to the cannabis industry domestically and internationally may change in ways currently unforeseen. The Company's operations are subject to a variety of laws, regulations, guidelines and policies, whether in Canada or elsewhere, relating to the cultivation, manufacture, import, export, management, transportation, storage, packaging/labelling, advertising and promotion, sale, health and safety and disposal of cannabis, including, but not limited to, the Cannabis Act (Canada) (the "Cannabis Act"), any regulations thereunder, and laws, regulations, guidelines and policies relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment, and applicable stock exchange rules and regulations. Any amendment to or replacement of existing laws, regulations, guidelines or policies may cause adverse effects to the Company's operations. The risks to the Company's business represented by subsequent regulatory changes could reduce the addressable market for the Company's products and could materially and adversely affect the Company's business, financial condition, results of operations and prospects.

Achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and, where necessary, obtaining regulatory approvals. The impact of Health Canada's compliance regime, any delays in obtaining, or failure to obtain regulatory approvals required may significantly delay or impact the development of the Company's business and operations and could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. Any potential non-compliance could cause the Company's business, financial condition, results of operations and prospects to be adversely affected. Further, any amendment to or replacement of the Cannabis Act and other applicable rules and regulations governing the Company's business activities may cause adverse effects on the Company's business, financial conditions and results of operations.

The federal legislative framework pertaining to the Canadian adult-use cannabis market is still very new. In addition, the governments of every Canadian province and territory have implemented different regulatory regimes for the distribution and sale of cannabis for adult-use purposes within those jurisdictions. There is no guarantee that the legislative framework regulating the cultivation, processing, distribution and sale of cannabis for adult-use purposes will not be amended or replaced or that any current legislation will create the growth opportunities that the Company currently anticipates. While the impact of any new legislative framework for the regulation of the Canadian adult-use cannabis market is uncertain, any of the foregoing could result in a material adverse effect of the Company's business, financial condition, results of operations and prospects.

Further, as the commercial cannabis industry is a relatively new industry in Canada, we anticipate that regulations governing cannabis in Canada will be subject to change as the Canadian federal government monitors licensees in action. Health Canada may change their administration, interpretation or application of the applicable regulations or their compliance or enforcement procedures at any time. Any such changes could require the Company to revise its ongoing compliance procedures, requiring the Company to incur increased compliance costs and expand additional resources. There is no assurance that the Company will be able to comply or continue to comply with applicable regulations.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws and regulations could subject the Company to regulatory or agency proceedings or investigations and may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include damage awards, fines, penalties or corrective measures requiring capital expenditures or remedial actions. Parties may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Company's reputation and no assurance can be given that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws or regulations, may have a material adverse impact on the Company's business, resulting in increased capital expenditures or production costs, reduced levels of cannabis production or abandonment or delays in the development of facilities.

Health Canada inspectors routinely assess the Company's facilities against the Cannabis Act and its regulations and provide the Company with follow-up reports noting observed deficiencies. The Company is continuously reviewing and enhancing its operational procedures and facilities both proactively and in response to routine inspections. The Company follows all regulatory corrections in response to inspections in a timely manner. If the Company fails to comply with applicable laws, regulations and guidelines, the Company may incur additional costs or penalties, or the Company's operations may be restricted or shut down.

In addition, the introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in Canada or any of the jurisdictions in which the Company operates could result in an increase in taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax laws, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted or applied in a manner which could result in the Company's profits being subject to additional taxation or which could otherwise have a material adverse effect. Due to the complexity and nature of the Company's operations, various legal and tax matters may be outstanding from time to time. If the Company is unable to resolve any of these matters favourably, it may have a material adverse effect on the Company.

Laws and Regulations Governing Cannabis in Foreign Jurisdictions

The Company's ability to achieve its business objectives in foreign jurisdictions is contingent, in part, upon its compliance with regulatory requirements enacted by governmental authorities and the Company obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the impact of the compliance regime that countries such as Mexico, Netherlands or Colombia are implementing and the method in which their governmental authorities will implement the adult-use or medical cannabis industry. Similarly, the Company cannot predict how long it will take to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. The impact of the various compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company currently incurs and will continue to incur ongoing costs and obligations related to regulatory compliance. A failure on the Company's part to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on its operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Foreign Investment in Cannabis Companies

Certain jurisdictions may prohibit or restrict its citizens or residents from investing in or transacting with companies involved in the cannabis industry, even if such companies only conduct business in jurisdictions where cannabis is legal. For example, if an investor in the United Kingdom profits from an investment in a cannabis producer or supplier, such investment may technically violate the *United Kingdom Proceeds of Crime Act 2002*. Similar prohibitions or restrictions may apply in other jurisdictions where cannabis has not been legalized. In the U.S., there have been certain instances of U.S. Customs and Border Protection preventing citizens of foreign countries from entering the U.S. for reasons related to the cannabis industry.

Operations in Foreign Jurisdictions

The Company maintains operations in various emerging markets and may have operations in additional foreign jurisdictions in the future. Such operations expose the Company to the socioeconomic conditions as well as the laws governing the cannabis industry in such countries. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; extreme fluctuations in currency exchange rates; military repression; war or civil war; social and labor unrest; organized crime; corruption and fraud; title and property disputes; hostage-taking; terrorism; violent crime; expropriation and nationalization; public health crises including epidemics, pandemics or outbreaks of new illnesses, infectious diseases or viruses (including, most recently, the novel coronavirus (COVID-19)); renegotiation or nullification of existing licences, approvals, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; changing political norms; banking and currency controls; and governmental regulations that favor or require us to award contracts in, employ citizens of, or purchase supplies from, the jurisdiction.

Governments in certain foreign jurisdictions intervene in their economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Changes, if any, in cannabis industry or investment policies or shifts in political attitude in the countries in which the Company operates may adversely affect its operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions (temporary or otherwise) on production, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of concessions, licences, approvals and permits, environmental matters, land use, land claims of local people, water use, workplace safety, permitted public activities, domestic and international travel and permitted commercial operations. Failure to comply strictly with applicable laws, regulations and local practices could result in loss, reduction or expropriation of licences, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The Company continues to monitor developments and policies in the emerging markets in which it operates and assess the impact thereof to our operations; however, such developments cannot be accurately predicted and could have an adverse effect on the Company's business, financial condition and results of operations and prospects.

Demand for Cannabis and Derivative Products

The legal cannabis industry in Colombia is at an early stage of its development. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of medicinal cannabis are mixed and evolving and can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medicinal cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medicinal cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity, could have a material adverse effect on the demand for medicinal cannabis and on the business, results of operations, financial condition and cash flows of the Issuer. In an effort to ensure that the distribution of its products is not tied to one market, the Issuer is focusing its distribution efforts internationally, specifically in Colombia, in Mexico and the Netherlands.

Further, adverse publicity reports or other media attention regarding cannabis in general, or associating the consumption of medicinal cannabis with illness or other negative effects or events, could have such a material adverse effect. Public opinion and support for medicinal cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. The Issuer's ability to gain and increase market acceptance of its business may require substantial expenditures on investor relations, strategic relationships and marketing initiatives. There can be no assurance that such initiatives will be successful and their failure to materialize into significant demand may have an adverse effect on the Issuer's financial condition.

Public Health Crises

A public health crisis, such as local, regional, national or international epidemics, pandemics or outbreaks of illnesses, infectious diseases or viruses (including COVID-19) could cause interruptions to the Company's operations, increase operating expenses, result in loss of sales, delayed performance of contractual obligations or require additional expenditures to be incurred. Depending on its severity and reach, such an event could affect the Company's workforce resulting in the inability to continue to operate the Company's production facilities. Further, the Company's operations could be adversely affected if its supply partners, contractors, customers and/or transportation carriers were prevented from conducting business activities for an indefinite period of time, including due to spread of the disease within these groups or due to shutdowns that may be requested or mandated by governmental authorities. In addition, a health crisis, such as the COVID-19 pandemic, could have an adverse effect on local economies and potentially the global economy, which may adversely impact the price and demand for the Company's products, the market for the Company's securities and/or its ability to obtain financing.

In particular, as of the date of this Prospectus, the full extent of the effects of COVID-19 are unknown. The continued spread of COVID-19 and the measures taken by the governments of countries affected could disrupt the supply chain and the manufacture or shipment of the Company's products and adversely impact the Company's business, financial condition, results of operations and prospects. In addition, there can be no assurance that the Company will not lose members of its workforce or see its workforce man-hours reduced or incur increased medical costs as a result of these health risks. The effects of the pandemic on the Company's international operations contributed to the Company recording an impairment loss. The Company is actively assessing and responding, where possible, to the potential impact of the COVID-19 pandemic. The Company continued its operations throughout the crisis by implementing appropriate measures designed to protect the health and safety of its employees.

In addition, at this time, persistent social distancing measures and restrictions imposed by the federal, provincial and territorial governments in Canada on the movement of individuals and the distribution of cannabis in the country may adversely affect the Company's cannabis sales. It is difficult to predict how the COVID-19 pandemic may affect the Company's business in the future, including the effect it may have (positive or negative; long or short term) on the price of, and demand for, cannabis. It is possible that the COVID-19 pandemic could have a material adverse effect on the Company's business, financial condition, results of operations and prospects as well as the market for its securities and/or its ability to obtain financing. The extent to which the COVID-19 pandemic impacts the Company's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus, the duration of the outbreak and the actions to contain its impact.

Emerging Markets Risks

In the past, high levels of inflation have adversely affected emerging economies and financial markets, and the ability of government to create conditions that stimulate or maintain economic growth. Moreover, governmental measures to curb inflation and speculation about possible future governmental measures have contributed to the negative economic impact of inflation and have created general economic uncertainty. The emerging markets in which the Company operates, such as Colombia and Mexico, or may operate may experience high levels of inflation in the future. Inflationary pressures may weaken investor confidence in such countries and lead to further government intervention in the economy. If countries in which the Company operates experience high levels of inflation in the future and/or price controls are imposed, the Company may not be able to adjust the rates the Company charges its customers to fully offset the impact of inflation on the Company's cost structures, which could adversely affect the Company's business, financial condition, results of operations and prospects.

Moreover, emerging market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments. For instance, Colombia, where the Issuer has a part of its operations, has a history of geopolitical instability and crises including those related to drug cartels. While there is no current major political instability in Colombia, this could be subject to change in the future and could adversely affect the Issuer's business, financial condition and results of operations.

Reliance on International Advisors and Consultants

The legal and regulatory requirements in the foreign countries in which the Company operates or will operate with respect to the cultivation and sale of cannabis, banking systems and controls, as well as local business culture and practices are different from those in Canada. The Company must rely, to a great extent, on local legal counsel, consultants and advisors retained by it in order to keep apprised of legal, regulatory and governmental developments as they pertain to and affect the Company's business, and to assist the Company with its governmental relations. The Company must rely, to some extent, on those members of management and the Board who have previous experience working and conducting business in these countries, if any, in order to enhance its understanding of and appreciation for the local business culture and practices. The Company also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of the cultivation and sale of cannabis as well as in respect of banking, financing, labour, litigation, tax and public health matters in these jurisdictions. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the Company's control. The impact of any such changes may adversely affect the Company's business, financial condition, results of operations and prospects.

Environmental Regulations and Risks

The Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits are currently, and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from its proposed production of adult-use or medical cannabis or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the production of cannabis, or more stringent implementation thereof, could have a material adverse impact on the Company's business, financial condition, results of operations and prospects and could cause increases in expenses, capital expenditures or production costs or reduction in levels of production or require abandonment or delays in development.

Risks Inherent in an Agricultural Business

The Company's business involves the growing of adult-use or medical cannabis, an agricultural product. Such business will be subject to the risks inherent in the agricultural business, such as insects, pests, plant diseases and similar agricultural risks. Although the Company expects that any such growing will be completed under climate-controlled conditions, there can be no assurance that natural elements will not have a material adverse effect on any such future production.

Third Party Transportation

In order for customers of the Company to receive their product, the Company must rely on third-party transportation services. This can cause logistical problems with and delays in patients and customers obtaining their orders and cannot be directly controlled by the Company. Any delay by third party transportation services may adversely affect the Company's business, financial condition, results of operations and prospects.

Moreover, security of the product during transportation to and from the Company's facilities is critical due to the nature of the product. A breach of security during transport could have material adverse effects on the Company's business, financials and prospects. Any such breach, including any failure to comply with recommendations or requirements of Health Canada for the transportation of cannabis, could impact the Company's ability to continue operating under its licences or the prospect of renewing its licences.

Reliance on Key Personnel

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its executive management. The Company's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. The loss of the services of member of the Company's executive management, or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Company's ability to execute on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all.

Further, as licensees under the Cannabis Act, the Company's officers and directors and each member of executive management are subject to a security clearance by Health Canada. There is no assurance that any of the Company's existing personnel who presently or may in the future require a security clearance will be able to obtain or renew such clearances or that new personnel who require a security clearance will be able to obtain one. A failure by a member of the Company's executive management to maintain or renew his or her security clearance, would result in a material adverse effect on the Company's business, financial condition and results of operations. In addition, if a member of the Company's executive management leaves the Company, and the Company is unable to find a suitable replacement that maintains a security clearance required by the Cannabis Act in a timely manner, or at all, there could occur a material adverse effect on the Company's business, financial condition and results of operations. While employment agreements are customarily used as a primary method of retaining the services of a member of the Company's executive management, these agreements cannot assure the continued services of such employees.

In addition, the COVID-19 pandemic imposes a high risk to all of the Company's activities, including the potential that an executive team member may become ill and the Company's ability to continue to rely on its key personnel throughout the pandemic. The Company established a policy to diligently monitor developments relating to the COVID-19 pandemic and its impact on the Company's personnel and the Company established contingency plans in the event members of its executive team are negatively impacted by the virus.

Product Liability

As a manufacturer and distributor of products designed to be ingested or vaporized by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of the Company's products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances.

A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products.

Recent Announcements and Risks Regarding Vaporizer Products

On October 4, 2019, the U.S. Food and Drug Administration issued a warning to the public to stop using vaping liquids containing cannabis derivatives and ingredients, such as CBD and THC, in light of a potential but unconfirmed link to lung injuries such as severe pulmonary illness. Lung injuries associated with the use of cannabis derivative containing vaping liquid have also been reported in Canada resulting in certain provinces either banning or delaying the sale of vaping liquids and vaping products to consumers. In response, Health Canada issued an information update advising Canadians who use cannabis derivative containing vaping liquids to monitor themselves for symptoms of pulmonary illness. There may be further governmental and private sector actions aimed at reducing the sale of or prohibiting cannabis containing vaping liquids and/or seeking to hold manufacturers of cannabis containing vaping liquids responsible for the adverse health effects associated with the use of these vaping products. These actions, combined with potential deterioration in the public's perception of cannabis containing vaping liquids, may result in a reduced market for the Company's vaporizer products. Federal, provincial and local regulations or actions that prohibit or restrict the sale of the Company's vaporizer products including cannabis derivative vaping liquids, or that decrease consumer demand for the Company's products by prohibiting their use, raising the minimum age for their purchase, raising the purchase prices to unattractive levels via taxation, or banning their sale, could adversely impact the Company's business, financial condition, results of operations and prospects.

Long-Term Health Impacts Associated with Use of Cannabis and Cannabis Derivative Products

There is little in the way of longitudinal studies on the short-term and long-term effects of cannabis use on human health, whether used for recreational or medicinal purposes. As such, there are inherent risks associated with using the Company's cannabis and cannabis derivative products. The Company's cannabis and cannabis derivative products should always be used only as specifically instructed by the Company on the packaging and associated product information or product insert prepared by the Company. Consumers should never modify cannabis products or cannabis derivative products or add substances to such products as this may result in increased health risks and unpredictable adverse reactions. Previously unknown or unforeseeable adverse reactions arising from human consumption of cannabis products may occur and consumers should consume cannabis at their own risk or in accordance with the direction of a health care practitioner.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company maintains detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. Additionally, product recalls may lead to increased scrutiny of the Company's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Wholesale Price Volatility

The cannabis industry is a margin-based business in which gross profits depend on the excess of sales prices over costs. Consequently, profitability is sensitive to fluctuations in wholesale and retail prices caused by changes in supply (which itself depends on other factors such as weather, fuel, equipment and labour costs, shipping costs, economic situation, government regulations and demand), taxes, government programs and policies for the cannabis industry (including price controls and wholesale price restrictions that may be imposed by government agencies responsible for the sale of cannabis), and other market conditions, all of which are factors beyond the control of the Company. The Company's operating income may be significantly and adversely affected by a decline in the price of cannabis and will be sensitive to changes in the price of cannabis and the overall condition of the cannabis industry, as the Company's profitability is directly related to the price of cannabis. The price of cannabis is affected by numerous factors beyond the Company's control. Any price decline may have a material adverse effect on the Company's business, financial condition and results of operations.

Limited Standardized Research on the Effect of Cannabis

To date, there is limited standardization in the research of the effects of cannabis, and future clinical research studies may lead to conclusions that dispute or conflict with the Company's understanding and belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis. Research in Canada, the U.S. and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids (such as CBD and THC) remains in relatively early stages.

Future research and clinical trials may draw opposing conclusions to statements in this Annual Information Form or could reach different or negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing or other facts and perceptions related to cannabis, which could adversely affect social acceptance of cannabis and the demand for the Company's products.

Unfavourable Publicity or Consumer Perception

The Company believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of cannabis and related products distributed to such consumers. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and the business, results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for the Company's products, and the business, results of operations, financial condition, prospects and cash flows of the Company.

Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis and related products in general, or the Company's products specifically, or associating the consumption of cannabis or related products with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputational loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on its financial performance, financial condition, cash flows and growth prospects.

Additional Financing

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may also contain provisions which, if breached, may entitle lenders or their agents to accelerate repayment of loans and/or realize upon security over the assets of the Company, and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing.

Expansion Efforts and Operations

There is no guarantee that the Company's expansion strategy (including receiving any required regulatory approvals in Canada, Colombia, Mexico or the Netherlands, licences and permits in a timely fashion, if at all) will be completed in the currently proposed form, if at all, nor is there any guarantee that the Company will be able to expand into additional jurisdictions. There is also no guarantee that the Company's intentions to acquire and/or construct additional cannabis production and manufacturing facilities in Canada, Colombia, Mexico, the Netherlands or in other jurisdictions with nationally legal cannabis markets, and to expand the Company's marketing and sales initiatives will be successful. Any such activities will require, among other things, various regulatory approvals, licences and permits (such as additional licences from Health Canada under the Cannabis Act, or the Supreme Court decision in Mexico, as applicable) and there is no guarantee that all required approvals, licences and permits will be obtained in a timely fashion or at all.

The Company's expansion into jurisdictions outside of Canada (Colombia, Mexico, Netherlands) is subject to additional business risks, including new or unexpected risks or could significantly increase the Company's exposure to one or more existing risk factors, including economic instability, changes in laws and regulations, and the effects of competition, as well as operational, regulatory, compliance and reputational and foreign exchange rate risk. In addition, future international expansion could require the Company to incur a number of up-front expenses, including those associated with obtaining regulatory approvals, as well as additional ongoing expenses, including those associated with infrastructure, staff and regulatory compliance. The failure of the Company's operating infrastructure to support such expansion could result in operational failures and regulatory fines or sanctions.

The Company may not be able to successfully identify suitable acquisition and expansion opportunities or integrate such operations successfully with the Company's existing operations as anticipated. There is also no guarantee that the Company will be able to complete any of the foregoing activities at all. The Company's failure to successfully execute its domestic or international expansion strategy (including receiving required regulatory approvals, licences and permits) could adversely affect the Company's business, financial condition, results of operations and prospects and may result in the Company failing to meet anticipated or future demand for its cannabis products, when and if it arises.

Intellectual Property

The ownership and protection of trademarks, patents, trade secrets and intellectual property rights are significant aspects of the Company's future success. Unauthorized parties may attempt to replicate or otherwise obtain and use the Company's products and technology. Policing the unauthorized use of the Company's current or future trademarks, patents, trade secrets or intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Identifying unauthorized use of intellectual property rights is difficult as the Company may be unable to effectively monitor and evaluate the products being distributed by its competitors, including parties such as unlicensed dispensaries, and the processes used to produce such products. In addition, in any infringement proceeding, some or all of the Company's trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same for the benefit of the Company, may be found invalid, unenforceable, anticompetitive or not infringed. An adverse result in any litigation or defense proceedings could put one or more of the Company's trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued. Any or all of these events could materially and adversely affect the Company's business, financial condition, results of operations and prospects.

In addition, other parties may claim that the Company's products infringe on their proprietary and perhaps patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages. As well, the Company may need to obtain licences from third parties who allege that the Company infringed on their lawful rights. However, such licences may not be available on terms acceptable to the Company or at all. In addition, the Company may not be able to obtain or utilize on terms that are favorable to it, or at all, licences or other rights with respect to intellectual property that it does not own.

Customer Acquisitions

The Company's success depends on its ability to attract and retain customers. There are many factors which could impact the Company's ability to attract and retain customers, including but not limited to the Company's brand awareness, its ability to continually produce desirable and effective cannabis products and the successful implementation of customer-acquisition plans. The failure to acquire and retain customers could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition to being subject to general business risks applicable to a business involving an agricultural product and a regulated consumer product, the Company will need to make significant investments in its business strategy. These investments include the procurement of raw material, extraction equipment, site improvements and research and development projects. The Company expects that competitors will undertake similar investments to compete with it. Competitive conditions, consumer preferences, customer requirements and spending patterns in this industry and market are relatively unknown and may have unique circumstances that differ from other existing industries and markets and cause the Company's future efforts to develop its business to be unsuccessful or to have undesired consequences for it. As a result, the Company may not be successful in its efforts to attract customers or to develop new cannabis products and produce and distribute these cannabis products, or these activities may require significantly more resources than it currently anticipate in order to be successful.

Risks Related to Investment in a Colombian Company

Economic and Political Risks Inherent with any Investment in Colombia

The Issuer's operations are partially located in Colombia. Consequently, the Issuer is dependent upon Colombia's economic and political developments. As a result, the Issuer's business, financial position and results of operations may be affected by the general conditions of these economies, price instabilities, currency fluctuations, inflation, interest rates, regulation, taxation, social instabilities, political unrest and other developments in or affecting Colombia, over which the Issuer has no control. In the past, Colombia has experienced periods of weak economic activity and deterioration in economic conditions. The Issuer cannot assure that such conditions will not return or that such conditions will not have a material adverse effect on the Issuer's business, financial condition or results of operations.

Operational Risks

Operations in Colombia are subject to risk due to the potential for social, political, economic, legal and fiscal instability. The government in Colombia faces ongoing problems including but not limited to inflation, unemployment and inequitable income distribution. In addition, Colombia experiences narcotics-related violence, a prevalence of kidnapping and extortionist activities and civil unrest in certain areas of the country. Such instability may require the Issuer to suspend operations on its properties. Although the Issuer is not presently aware of any circumstances or facts which may cause the following to occur, other risks may involve matters arising out of the evolving laws and policies in Colombia, any future imposition of special taxes or similar charges, as well as foreign exchange fluctuations and currency convertibility and controls, the unenforceability of contractual rights or the taking or nationalization of property without fair compensation, restrictions on the use of expatriates in the Issuer's operations, or other matters.

Enforcement of Judgments

The Issuer is incorporated under the laws of the Province of British Columbia. However some of its assets are located in Colombia. Furthermore, certain of the Issuer's directors and officers reside outside Canada. As a result, investors may not be able to effect service of process within Canada upon the Issuer's directors or officers or enforce against them in Canadian courts judgments predicated on Canadian securities laws. Likewise, it may also be difficult for an investor to enforce in Canadian courts judgments obtained against these persons in courts located in jurisdictions outside Canada. As a result, shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the Board or controlling shareholders than they would as public shareholders of a Canadian company.

Guerrilla Activity in Colombia

Colombia is subject to sustained civil unrest due to the activities of guerrilla groups such as non-demobilized groups within the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia), or "FARC," the National Liberation Army (Ejército de Liberación Nacional), or "ELN," paramilitary groups, drug cartels and criminal gangs (Bacrim). In remote regions of the country with minimal governmental presence, these groups have exerted influence over the local population and funded their activities by protecting and rendering services to drug traffickers and participating in drug trafficking activities. Armed conflict between government forces and anti-government insurgent groups and illegal paramilitary groups have been funded by the drug trade, and consequently, Colombia has experienced significant social upheaval and criminal activity. Insurgents have attacked and kidnapped civilians and violent guerrilla activity exists in many parts of the country. Any terrorist activity in Colombia generally may disrupt supply chains and discourage qualified individuals from being involved with the Issuer's operations. the Issuer's primary operations are in Rionegro, Colombia, which is not an isolated or remote area. The Farm is located in Cauca, Colombia, which is a remoter area with minimal government presence, however the Issuer does not currently have active operations at the Farm nor is it currently developing the Farm as an asset.

Anti-Money Laundering and Terrorist Financing Activities Regulations

The Issuer is subject to a variety of laws and regulations in Canada, Colombia, and internationally that involve money laundering, financial record keeping and proceeds of crime, including, among other legislation, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), *Law 599 of 2000 Colombian Criminal Code*, and the *United Nations Vienna Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances* (Law 67 of 1993), as amended and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued administered or enforced by governmental authorities in Canada or Colombia or abroad.

If the Issuer's investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in Colombia or Canada were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any applicable legislation. This could restrict or otherwise jeopardize the ability of the Issuer to declare or pay dividends, effect other distributions or subsequently repatriate such funds. The protocols that the Issuer has in place to mitigate such risks of proceeds originating from illicit activities include: a permanent and active relationship with the relevant authorities in Colombia; the Issuer submits quarterly reports to Colombia's Unit Financial Information and Analysis ("**UFIA**") or in the case of an important situation, will immediately complete a report regarding the situation; the Issuer has adopted a Code of Good Governance for the Board and its senior management to adhere by; and the Issuer has anti-money laundering controls implemented into its daily operations through a Comprehensive Security Protocol – advising on various processes, including business risk management, human management, physical and electronic security management, and supply management and clearance of goods. In addition, The Issuer has implemented a manual of the Prevention and Control Systems for Anti-Money Laundering based off the regulatory content issued by UFIA through Circular 100-00006. This manual includes policies, among others, regarding conducting due diligence on counterparties; the identification and analysis of unusual operations; and the prevention of processing payments in violation of anti-money laundering legislation. While the Issuer has put the foregoing protocols and policies in place to mitigate the risks of violating anti-money laundering legislation, there is no guarantee that such protocols will prevent proceeds from the Issuer from being found to be in violation of governing anti-money laundering legislation.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Corporation Information

Head Office:	1090 Hamilton Street Vancouver, BC V6B 2R9 Canada
Directors:	Robert Giustra, Chairman Antonio Grimaldo Jordi Chemonte Todd Dalotto
Officers:	Rodrigo Gallardo, Chief Executive Officer Andrew Yau, Chief Financial Officer Jorge Martinez, Chief Operating Officer Daniela Freitas, Corporate Secretary
Auditor:	DMCL LLP 1500 – 1140 West Pender Street Vancouver, BC V6E 4G1
Legal Counsel:	McMillan LLP Suite 1500 - 1055 West Georgia Street Vancouver, BC V6E 4N7
Transfer Agent:	Computershare Investor Services Inc. 2nd Floor – 510 Burrard Street Vancouver, BC V6C 3B9

SCHEDULE C

(See attached.)

Xebra Brands Ltd.
1090 Hamilton Street
Vancouver, B.C.
V6B 2R9
Canada

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the Nine Months Ended
November 30, 2020

(Stated in Canadian Dollars)

(Expressed in Canadian Dollars)

	November 30, 2020 ($)	February 29, 2020 ($)
Asset		
Current Assets		
Cash	55,438	955,407
Receivables (note 7)	13,786	43,581
Prepaid expenses	220,071	311,120
	289,295	1,310,108
Non-current Assets		
Intangible assets (note 8)	3,092,079	3,300,333
Property, plant and equipment (note 9)	231,693	467,469
VAT receivable (note 7)	81,815	65,167
	3,694,882	**5,143,077**
Liabilities and Shareholder's Equity		
Current Liabilities		
Accounts payable (note 9, 11)	370,329	221,045
Accrued liabilities	40,000	68,401
	410,329	289,446
Non-current Liabilities		
Lease liabilities (note 9)	78,247	321,270
	488,576	610,716
Shareholder's Equity		
Share capital (note 10)	7,489,023	7,165,024
Subscriptions received	63,430	90,001
Reserves (note 10c)	143,356	68,237
Deficit	(4,480,868)	(2,788,188)
Equity attributable to shareholders	3,214,941	4,535,074
Non-controlling interest (note 6)	(8,635)	(2,713)
	3,206,306	4,532,361
	3,694,882	**5,143,077**

Nature of operations and going concern (note 1)
Subsequent events (note 15)

Approved by the Board of Directors

/s/ Robert Giustra
Robert Giustra – Director

/s/ Jordi Chemonte
Jordi Chemonte – Director

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

(Expressed in Canadian Dollars)

	Three Months Ended		Nine Months Ended	
	November 30, 2020 ($)	**November 30, 2019 ($)**	**November 30, 2020 ($)**	**November 30, 2019 ($)**
Operating Expenses				
General and administration (note 11)	104,579	103,652	492,774	125,352
Investor relations	1,313	10,371	6,610	11,306
Management fees (note 11)	21,455	154,232	317,888	194,704
Marketing and business development	-	14,017	31,795	37,556
Professional fees	128,887	148,471	299,379	263,424
Research and development	-	1,599	29	1,645
Travel	(13)	42,591	2,340	72,304
Amortization (note 8 and 9)	129,627	-	398,066	-
Loss before other items	(385,848)	(474,933)	(1,548,881)	(706,291)
Other Items				
Finance income	-	26	2	77
Finance expense	(1,069)	(198)	(6,493)	(198)
Other income	9,960	-	16,698	5,000
Foreign exchange gain (loss)	137,846	(47,326)	(159,734)	(57,166)
Net Loss for the Period	(239,111)	(522,431)	(1,698,408)	(758,578)
Other comprehensive income (loss):				
Foreign currency translation gain (loss)	(128,263)	17,331	143,162	30,653
Comprehensive Loss for the Period	**(367,374)**	**(505,100)**	**(1,555,246)**	**(727,925)**
Net Loss Attributable To:				
Shareholders	(236,074)	(522,431)	(1,692,680)	(758,578)
Non-controlling interest	(3,037)	-	(5,728)	-
	(239,111)	(522,431)	(1,698,408)	(758,578)
Comprehensive Loss Attributable To:				
Shareholders	(364,302)	(505,100)	(1,549,324)	(727,925)
Non-controlling interest	(3,072)	-	(5,922)	-
	(367,374)	(505,100)	(1,555,246)	(727,925)
Basic and diluted net loss per share (note 10(b))	(0.00)	(0.01)	(0.02)	(0.01)
Basic and diluted weighted average number of shares outstanding	101,692,630	82,593,529	100,727,952	61,173,815

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

(Expressed in Canadian Dollars)

	Nine Months Ended	
	November 30, 2020 ($)	**November 30, 2019 ($)**
Operating Activities		
Net loss for the period	(1,698,408)	(758,578)
Items not involving cash		
Share issued for issued for services	124,327	-
Amortization	398,066	-
Finance expense	6,429	-
Lease forgiveness	(16,698)	-
Unrealized foreign exchange (gain) loss	112,711	29,549
	(1,073,573)	(729,029)
Changes in non-cash working capital		
Receivables and prepaid expenses	104,196	(1,319,912)
Accounts payable and accrued liabilities	63,694	476,777
Cash used in operating activities	(905,683)	(1,572,164)
Investing Activities		
Cash acquired from business combination (note 3)	-	39,087
Intangible assets	(62,005)	(143,098)
Equipment	(77,884)	-
Business acquisition	-	(398,945)
Cash used in investing activities	(139,889)	(502,956)
Financing Activities		
Share offerings	117,994	3,004,949
Treasury shares	55,107	-
Payment of lease liabilities	(31,510)	-
Cash from financing activities	141,591	3,004,949
Effect of foreign exchange on cash	4,012	-
Increase (decrease) in cash	(899,969)	929,829
Cash, beginning of period	955,407	1
Cash, end of period	**55,438**	**929,830**

Non-cash Transactions:		
Shares issued for services (note 10)	124,327	-

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

(Expressed in Canadian Dollars)

	Shared Capital							
	Class A Shares	**Class B Share**	**Share Capital ($)**	**Subscriptions received ($)**	**Reserves – Translation Adjustment ($)**	**Retained Earnings ($)**	**Non-Controlling Interest ($)**	**Total ($)**
Share issued	1	-	1	-	-	-	-	1
Balance, February 28, 2019	**1**	**-**	**1**	**-**	**-**	**-**	**-**	**1**
Share cancelled	(1)	-	(1)	-	-	-	-	(1)
March and April 2019 private placement, net of issuance costs (note 10)	40,000,000	-	770,607	-	-	-	-	770,607
May 2019 private placement, net of issuance costs (note 10)	23,093,530	-	2,199,553	-	-	-	-	2,199,553
May 2019 private placement finders' fees (note 10)	240,000	-	24,000	-	-	-	-	24,000
Acquisition of Mexican subsidiaries (note 3)	19,260,000	1	385,200	-	-	-	-	385,200
Shares to be issued	-	-	-	10,789	-	-	-	10,789
Comprehensive loss	-	-	-	-	30,653	(758,578)	-	(727,925)
Balance, November 30, 2019	**82,593,530**	**1**	**3,379,360**	**10,789**	**30,653**	**(758,578)**	**-**	**2,662,224**
Balance, February 29, 2020	**99,980,073**	**1**	**7,165,024**	**90,001**	**68,237**	**(2,788,188)**	**(2,713)**	**4,532,361**
March 2020 private placement, net of issuance costs (note 10)	224,937	-	51,437	(56,401)	-	-	-	(4,964)
March 2020 private placement finders' fees (note 10)	291,503	-	-	-	-	-	-	-
September 2020 private placement, net of issuance costs (note 10)	538,263	-	159,897	-	-	-	-	159,897
September 2020 private placement finders' fees (note 10)	43,061	-	-	-	-	-	-	-
Treasury shares (note 10)	1,573,277	-	88,707	(33,600)	-	-	-	55,107
Shares for services (note 10)	479,159	-	23,958	-	-	-	-	23,958
Subscriptions received	-	-	-	63,430	-	-	-	63,430
Comprehensive loss	-	-	-	-	75,119	(1,692,680)	(5,922)	(1,623,483)
Balance, November 30, 2020	**103,130,273**	**1**	**7,489,023**	**63,430**	**143,356**	**(4,480,868)**	**(8,635)**	**3,206,306**

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

1. Nature of Operations and Going Concern

Xebra Brands Ltd. (the "Company" or "Xebra") was incorporated on February 21, 2019 under the laws of the Province of British Columbia, Canada. On April 24, 2019, the Company changed its name from 1198365 B.C. LTD to Xebra Brands Ltd. The Company's head office and principal address is located at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9, Canada.

The Company's principal business activities are the cultivation, processing, manufacturing, design and delivery of cannabis products in areas ranging from wellness to leisure. Xebra will leverage its Colombian cannabis cultivation and processing licenses to produce cannabis-infused beverages and wellness brands. To date, the Company has not received any revenue from operations and is considered to be in the start-up stage.

These financial statements have been prepared on a going concern basis which implies that the Company will continue realizing assets and discharging liabilities in the normal course of business for the foreseeable future. Should the going concern assumption not continue to be appropriate, further adjustments to the carrying values of assets and liabilities may be required. As at November 30, 2020, the Company had working capital deficiency of $121,034 and deficit of $4,480,868. Accordingly, the ability of the Company to realize the carrying value of its assets and continue operations as a going concern is dependent upon its ability to raise additional debt or equity to fund ongoing costs of operations. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and has adversely affected global workforces, financial markets, and the general economy. It is not possible for the Company to determine the duration or magnitude of the adverse results of COVID-19 nor its effects on the Company's business or operations. The timing of the Company's financing activities have been affected by COVID-19.

2. Basis of Presentation

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements have been prepared using the same accounting policies and methods of computation as the most recent annual financial statements for the year ending February 29, 2020 Certain amounts in the prior period have been reclassified to conform with the presentation in the current period.

These condensed interim consolidated financial statements were approved by the Board of Directors and authorized for issue on May 5, 2021.

(Expressed in Canadian Dollars)

3. Acquisition of Elements Biosciences SAPI de CV and Sativa Group Biosciences SAPI de CV

On July 12, 2019, the Company acquired two Mexican entities, Elements Biosciences SAPI de CV ("Elements") and Sativa Group Biosciences SAPI de CV ("Sativa", and together with Elements, the "Mexican Subsidiaries") through a share exchange agreement (the "Elements SEA"). Pursuant to the Elements SEA, the Company received 100% of the outstanding shares of the Mexican Subsidiaries in exchange for a combination of shares of Xebra and cash payments as detailed below.

The purchase price allocation is as follows:

	$
18,000,000 common shares of Xebra	360,000
Cash advance	124,000
Reimbursement (US$250,000)	325,950
Total consideration	**809,950**

Net assets acquired:	**Elements ($)**	**Sativa ($)**	**Total ($)**
Cash	35,720	3,367	39,087
Receivables	25,930	193	26,123
Other current assets	8,150	-	8,150
Accounts payable	(7,125)	(1,343)	(8,468)
CBD product applications	630,433	114,625	745,058
	693,108	**116,842**	**809,950**

In accordance with IFRS 3 *Business Combinations* ("IFRS 3"), a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs and processes. This acquisition does not meet the definition of a business combination as the primary asset is an intangible asset for CBD product applications, which is still in the application stage and not operational at the time of acquisition. Consequently, the transaction has been recorded as an acquisition of an asset. The Company has included the results of the Mexican Subsidiaries in these consolidated financial statements, commencing on July 12, 2019.

The Mexican Subsidiaries pending applications, which, when approved, will allow the Company to commence certain advanced stage cannabis related operations in Mexico. Consequently, such applications are recognized as intangible assets with an aggregate value of $745,058 (Note 8).

On July 12, 2019, the Company issued 1 class B common share with a fair value of $1 in connection with the acquisition of the Mexican Subsidiaries.

On January 11, 2020, the Elements SEA was amended, whereby 2,359,338 common shares were issued to former shareholders of the Mexican subsidiaries to settle the reimbursement obligation owing, with a fair value of $707,801 resulting in a loss on settlement of $381,551 for the period ended February 29, 2020.

The net loss included in these consolidated financial statements for Elements and Sativa since the acquisition date is $394,179 for the period ended February 29, 2020 and $161,916 for the nine months ended November 30, 2020.

The Mexican Subsidiaries have not generated any revenues since the acquisition date.

(Expressed in Canadian Dollars)

4. Acquisition of Medicannabis SAS

On June 26, 2019, the Company entered into an agreement with Organto Foods Inc. ("Organto"), a company related by a common director, to acquire all the issued and outstanding shares of its subsidiary, Medicannabis S.A.S. ("Medicannabis") in exchange for:

- Issuance of 7,124,630 common shares of Xebra to Organto
- Issuance of 2,875,370 common shares of Xebra in satisfaction of certain obligations of Organto
- Forgiving $600,000 owed by Organto to Xebra
- Cash of $321,077
- Right of first refusal to distribute Xebra's cannabis product in Europe

In accordance with IFRS 3 Business Combinations, a business combination is a transaction in which an acquirer obtains control of a business which is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors. For an integrated set of activities and assets to be considered a business, the set needs to contain inputs and processes. This acquisition does not meet the definition of a business combination as the primary asset is an intangible asset for licenses to cultivate cannabis in Colombia, which are still in the application stage and not operational at the time of acquisition. Consequently, the transaction has been recorded as an acquisition of an asset. The results of operations are included in the consolidated financial statements since the date of acquisition on December 18, 2019.

The details of the consideration paid and the assets and liabilities assumed is as follows:

	$
10,000,000 common shares of Xebra	1,000,000
Forgiveness of debt	600,000
Cash	321,077
Transaction cost for asset acquisition	68,661
Total consideration	**1,989,738**

Assets and liabilities acquired:	**($)**
Cash	22
Receivables	56
Advances and prepaids	9,325
Property, plant and equipment	13,150
Right of use assets	155,521
Colombian cannabis licenses	2,255,209
Accounts payable	(31,889)
Debt owed to the Company	(253,353)
Lease liabilities	(158,303)
	1,989,738

The net loss included in these consolidated financial statements for Medicannabis since the acquisition date is $99,527 for the period ended February 29, 2020 and $274,687 for the nine months ended November 30, 2020.

Medicannabis has not generated any revenues since the acquisition date.

Medicannabis has certain cannabis related licenses, and at the time of acquisition, was in the process of obtaining additional Cannabis related licenses, which when fully completed, will allow the Company to commence certain cannabis related operations in Colombia. Consequently, such licenses were recognized as intangible assets with an aggregate value of $2,255,209 (Note 8).

(Expressed in Canadian Dollars)

5. Acquisition of Desart MX, SA de CV

On January 10, 2020, the Company acquired Desart MX, SA de CV ("Desart") through a share exchange agreement (the "Desart SEA"). Pursuant to the Desart SEA, the Company received 100% of the outstanding shares of Desart in exchange for a combination of shares of Xebra and cash payments as detailed below.

	$
2,000,000 common shares of Xebra, issued on closing of the Desart SEA	600,000
Cash (US$125,000)	164,209
	764,209
48,000,000 common shares of Xebra, to be issued under certain conditions	-
Total	**764,209**

This acquisition does not meet the definition of a business combination as Desart had no operations, assets or liabilities as at the date of acquisition. Consequently, the transaction has been accounted for as a transaction cost of $764,209, and included in the consolidated statements of loss for the period ended February 29, 2020. In addition, since it is uncertain when, if ever, the 48,000,000 common shares may be issued, no value has been assigned to them.

The net loss included in these consolidated financial statements for Desart since the acquisition date is $76 for the period ended February 29, 2020 and $1,219 for the nine months ended November 30, 2020.

Desart has not generated any revenues since the acquisition date.

6. Acquisition of Xebra Brands Europe BV

On February 19, 2020, the Company entered into an agreement with Organto to acquire 75% of the issued and outstanding shares of its subsidiary, Organto Foods Europe BV in exchange for $5,899 (€4,125). Organto Foods Europe BV was subsequently renamed to Xebra Brands Europe BV ("Xebra Europe").

This acquisition does not meet the definition of a business combination as Xebra Europe had no operations, and trivial assets or liabilities as at the date of acquisition. Consequently, the acquisition has been accounted for as a transaction cost. The net loss included in these consolidated financial statements for Xebra Europe since the acquisition date is $10,992 for the period ended February 29, 2020 and $23,685 for the nine months ended November 30, 2020.

(Expressed in Canadian Dollars)

7. Receivables

	November 30, 2020 ($)	February 29, 2020 ($)
Current		
GST receivable – Canada	4,978	40,160
Other	8,808	3,421
	13,786	43,581
Non-Current		
VAT receivable – Mexico	81,815	65,167
	95,601	**108,748**

8. Intangible Assets

	Brands and Trademarks ($)	Product Development ($)	Colombian Cannabis Licenses ($)	Product Applications ($)	Total ($)
			Note 4	Note 3	
Balance, February 21 and February 28, 2019	-	-	-	-	-
Additions	285,066	15,000	2,255,209	745,058	3,300,333
Balance, February 29, 2020	285,066	15,000	2,255,209	745,058	3,300,333
Additions	130,027	-	-	-	130,027
Amortization	-	-	(338,281)	-	(338,281)
Balance, November 30, 2020	**415,093**	**15,000**	**1,916,928**	**745,058**	**3,092,079**

9. Property, Plant and Equipment

	Office Furniture and Equipment ($)	Leasehold Improvements ($)	Right of Use Assets ($)	Construction In Progress ($)	Total ($)
Cost					
Balance, February 28, 2019	-	-	-	-	-
Additions	1,350	50,037	427,555	13,947	492,889
Foreign exchange	(38)	(1,419)	(13,232)	(395)	(15,084)
Balance, February 29, 2020	1,312	48,618	414,323	13,552	477,805
Additions (dispositions)	1,052	89,452	(224,320)	(12,620)	(146,436)
Foreign exchange	(63)	(1,754)	(25,540)	(932)	(28,289)
Balance, November 30, 2020	**2,301**	**136,316**	**164,463**	**-**	**303,080**
Accumulated Amortization					
Balance, February 28, 2019	-	-	-	-	-
Amortization	(215)	(467)	(11,096)	-	(11,778)
Foreign exchange	6	13	1,423	-	1,442
Balance, February 29, 2020	(209)	(454)	(9,673)	-	(10,336)
Amortization	(195)	(15,850)	(43,740)	-	(59,785)
Foreign exchange	10	(161)	(1,115)	-	(1,266)
Balance, November 30, 2020	**(394)**	**(16,465)**	**(54,528)**	**-**	**(71,387)**
Net book value, February 29, 2020	**1,103**	**48,164**	**404,650**	**13,552**	**467,469**
Net book value, November 30, 2020	**1,907**	**119,851**	**109,935**	**-**	**231,693**

(Expressed in Canadian Dollars)

9. Property, Plant and Equipment - *continued*

Lease liability

The estimated fair value of lease liabilities is based on an incremental borrowing rate of 20%. Leases consist of property lease located in Colombia.

At the beginning of the year, the Company had lease agreements on two properties. One in Guasca for its main facilities, and a second in Zipaquira for planned expansion upon receipt of required licenses for operation. Both agreements were affected by the COVID-19 pandemic.

The Company applied a practical expedient under IFR 16 on the Guasca lease because the lessor waived five months of rent as a relief for the pandemic. A total of $16,698 has been accounted for as a gain on the lease. The Zipaquira lease was terminated in June as allowed by the agreement since, due to the pandemic, the Company and the authorities were unable to advance the necessary processes to license operations in the property.

Maturity Analysis

	$
Contractual undiscounted cash flows:	
Less than one year	39,063
Two to three years	78,126
Four to five years	3,255
Total undiscounted lease liabilities as at November 30, 2020	120,444
Interest	(6,697)
Total discounted lease liabilities as at November 30, 2020	**113,747**
Lease liabilities in Consolidated Statements of Financial Position as at November 30, 2020	
Current (included in accounts payable)	35,500
Non-current (included in lease liabilities)	78,247
	113,747

Amounts Recognized in Consolidated Statements of Comprehensive Loss

	Three Months Ended		**Nine Months Ended**	
	November 30, 2020	**November 30, 2019**	**November 30, 2020**	**November 30, 2019**
	$	**$**	**$**	**$**
Interest expense on lease liabilities	1,048	-	6,429	-
Expenses relating to short-term leases	-	9,871	3,439	9,871
	1,048	**9,871**	**9,868**	**9,871**

10. Share Capital

(a) Common Shares

Authorized – unlimited common shares without par value. The Company also has 1 class B share issued and outstanding, primarily to give the class B shareholder a right to appoint a nominee as a director of the Company, and such class B share will automatically be cancelled once the Company completes a public listing.

On September 4, 2020, the Company issued 538,263 class A common shares in connection with a private placement of its common shares (the "September 2020 Private Placement") for $0.30 per share, for gross proceeds of $161,479. Finders' fees of 43,061 shares with a fair value of $12,918 and share issuance costs of $1,582 have been incurred in connection with the September 2020 Private Placement.

10. Share Capital – *continued*

On March 5, 2020, the Company issued 224,937 class A common shares in connection with a private placement of its common shares (the "March 2020 Private Placement") for $0.30 per share, for gross proceeds of $67,481. Finders' fees of 13,393 shares with a fair value of $4,018 and share issuance costs of $12,027 have been incurred in connection with the March 2020 Private Placement.

During the nine months ended November 30, 2020, an aggregate of 479,159 shares have been issued for management services with a fair value of $23,958.

As at February 29, 2020, the Company had 99,980,073 (February 28, 2019 – 1) class A shares and 1 (February 28, 2019 – nil) class B shares issued and outstanding. The Company also had an additional 2,362,143 shares held in treasury as at February 29, 2020 (February 28, 2019 – nil).

During February 2020, the Company issued 5,189,348 class A common shares in connection with a private placement of its common shares for $0.30 per share, for gross proceeds of $1,556,805. Finders' fees of 278,110 shares with a fair value of $83,433 have been issued in connection with the February 2020 Private Placement. The Company paid share issuance costs of $11,092.

On January 10, 2020, the Company issued 200,000 class A common shares with a fair value of $60,000 to finders towards the acquisition of a water soluble IP license. The finders' fee has been expensed on the consolidated statement of comprehensive loss during the period ended February 29, 2020.

On January 23, 2020, the Company issued 2,000,000 class A common shares in connection with the acquisition of Desart, with a fair value of $600,000 (note 5).

On December 18, 2019, the Company issued an aggregate of 10,000,000 class A common shares in connection with the acquisition of Medicannabis, with a fair value of $1,000,000 (note 4).

On July 12, 2019, the Company issued an aggregate of 18,000,000 class A common shares with a fair value of $360,000 in connection with the acquisition of the Mexican Subsidiaries, and an additional 1,260,000 finders' shares with a fair value of $25,200 (note 3).

On January 11, 2020, the Company issued 2,359,338 class A common shares with a fair value of $707,801 in connection with the settlement of debt related to the acquisition of the Mexican Subsidiaries (note 3).

During May and June 2019, the Company issued 23,093,530 class A common shares in connection with a private placement of its common shares for $0.10 per share, for gross proceeds of $2,309,353. The Company also issued an additional 240,000 finders' shares with a fair value of $24,000. The Company incurred share issuance costs of $109,800.

During March and April 2019, the Company issued 40,000,000 class A common shares in connection with a private placement of its common shares for $0.02 per share, for gross proceeds of $800,000. The Company incurred share issuance costs of $29,393.

Treasury Shares

On December 6, 2019, the Company acquired 7,850,000 treasury shares for $549,500.

On January 15, 2020, the Company sold 3,896,572 treasury shares for $272,760. On February 7, 2020, the Company sold an additional 2,841,285 treasury shares for $198,890. There was no gain or loss on the sale of these shares.

On January 29, 2020, the Company acquired 1,250,000 treasury shares for $50,000.

On March 4, 2020, the Company sold 502,143 treasury shares for $35,150.

(Expressed in Canadian Dollars)

10. Share Capital – *continued*

On June 15, 2020, the Company transferred 40,200 treasury shares for $2,010 to Todd Dalotto, Director of the Company, as a partial consideration for management fees charged from June 15, 2020 to September 15, 2020.

On June 15, 2020, the Company transferred 300,000 treasury shares for $15,000 to Rodrigo Gallardo, CEO of the Company, in exchange for reducing management fees from June 15, 2020 to September 15, 2020.

On June 15, 2020, the Company transferred 125,000 treasury shares for $6,250 to Mauricio Villegas, in exchange of consulting fees.

On September 4, 2020, the Company sold 1,071,134 treasury shares for $53,557.

On September 4, 2020, the Company transferred 4,153 treasury shares for $208 to Rodrigo Escuadron and 9,806 treasury shares for $490 to Armando Aguirre, in exchange of consulting fees.

As at November 30, 2020, the Company held 309,707 (February 29, 2020 - 2,362,143) treasury shares with a value of $15,185 (February 29, 2020 - $127,850).

(b) Loss per Share

	Three Months Ended		**Nine Months Ended**	
	November 30, 2020 ($)	**November 30, 2019 ($)**	**November 30, 2020 ($)**	**November 30, 2019 ($)**
Basic loss per share	(0.00)	(0.01)	(0.02)	(0.01)
Diluted loss per share	(0.00)	(0.01)	(0.02)	(0.01)
Net loss for the period	**(239,111)**	**(522,431)**	**(1,698,408)**	**(758,578)**
Loss attributable to:				
Shareholders of Xebra	(236,074)	(522,431)	(1,692,680)	(758,578)
Non-controlling interest	(3,037)	-	(5,728)	-
	(239,111)	(522,431)	(1,698,408)	(758,578)

(c) Reserves

Accumulated other comprehensive income (loss)

The accumulated other comprehensive income (loss) reserve records unrealized exchange differences arising on translation of foreign operations that have a functional currency other than the Company's reporting currency.

11. Related Party Transactions

The Company entered into a cost sharing agreement (the "Xebra Cost Sharing Agreement") with Orea Mining Corp. ("Orea"), effective October 1, 2019, whereby certain overhead and administration costs are shared, which Xebra reimburses to the Orea on a periodic basis and is included in general and administration expense. The Xebra Cost Sharing Agreement was terminated effective August 31, 2020, and replaced with a fixed fee agreement (the "Xebra Services Agreement"), whereby Orea provides certain overhead and administration services in exchange for a fixed fee of $10,000 per month and a reduction in compensation of $8,000 per month to a certain officer in common. The Xebra Services Agreement was terminated on November 30, 2020, and replaced with a reduced services agreement (the "Reduced Services Agreement") effective January 1, 2021, for $2,000 per month. The Company and Orea have a director and certain officers in common.

(Expressed in Canadian Dollars)

11. Related Party Transactions – *continued*

The following is a summary of related party transactions:

	Three Months Ended		Nine Months Ended	
	November 30, 2020 ($)	**November 30, 2019 ($)**	**November 30, 2020 ($)**	**November 30, 2019 ($)**
Fees paid to Orea under the Services Agreement	28,146	64,000	223,450	64,000
Management fees paid to Columbus Capital Corporation., a company controlled by Robert Giustra, a director of the Company	-	-	66,800	-
Management fees paid to Todd Dalotto, a director of the Company	-	81,243	121,756	122,885
Management fees paid to Accounting Group ADR and Associates SC., a company controlled by Rodrigo Gallardo, CEO of the Company	23,033	-	91,733	-
Management fees paid Andrew Yau, CFO of the Company	-	3,000	-	15,000
Management fees paid to Applied Media Dynamics, a company controlled by Jorge Martinez, COO of the Company	-	-	-	12,000
	51,179	**148,243**	**503,739**	**213,885**

The following summarizes advances or amounts that remain receivable from or payable to each related party:

	November 30, 2020 ($)	**February 29, 2020 ($)**
Advances to Columbus Capital Corporation	-	20,000
Fees payable to Orea under Services Agreement	(10,572)	-
	(10,572)	**20,000**

12. Segmented Information

The Company has one reportable business segment, being the cultivation, processing, manufacturing, design and delivery of cannabis products. Assets by geographical area are as follows:

	November 30, 2020 ($)	**February 29, 2020 ($)**
Current Assets		
Canada	257,231	687,070
Colombia	5,298	108,337
Europe	6,209	1,526
Mexico	20,557	513,175
	289,295	1,310,108

(Expressed in Canadian Dollars)

12. Segmented Information – *continued*

	November 30, 2020 ($)	February 29, 2020 ($)
Non-Current Assets		
Canada	430,094	300,066
Colombia	2,148,621	2,722,678
Europe	-	-
Mexico	826,872	810,225
	3,405,587	3,832,969
Total Assets		
Canada	687,325	987,136
Colombia	2,153,919	2,831,015
Europe	6,209	1,526
Mexico	847,429	1,323,400
	3,694,882	**5,143,077**

13. Commitments

The Company has commitments as follows:

	1 year ($)	2-3 years ($)	4-5 years ($)	Total ($)
Land lease in Colombia (note 9)	39,063	78,126	3,255	120,444
	39,063	**78,126**	**3,255**	**120,444**

14. Financial Risk and Capital Management

Financial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at November 30, 2020 are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Credit Risk

The credit risk exposure on cash is limited to its carrying amount at the date of the statements of financial position. Cash is held as cash deposits with creditworthy banks. The Company has receivables consisting of goods and services tax due from the Federal Government of Canada, VAT receivable from the Government of Mexico, and other receivables. Management believes that the credit risk with respect to its cash and receivables is low.

(b) Liquidity Risk

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at November 30, 2020, the Company has a working capital deficiency of $121,034. The Company intends to increase working capital through the private placement of common shares. Management believes that liquidity risk is high.

(Expressed in Canadian Dollars)

14. Financial Risk and Capital Management - *continued*

(c) Interest Rate Risk

The Company is not exposed to interest rate risk.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the cultivation, processing, manufacturing, design and delivery of cannabis products and to maintain a flexible capital structure for the benefit of its stakeholders. As the Company is in the start-up stage, its principal source of funds are, and will be, financing through the issuance of equity securities.

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

Fair Value

The fair value of the Company's financial instruments including cash approximates their carrying value due to the immediate or short-term maturity of these financial instruments.

IFRS 7, Financial Instruments: Disclosure establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. At November 30, 2020, there were no financial assets or liabilities measured and recognized in the statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

Financial Instrument	**Measurement Method**	**Associated Risks**	**Fair value at November 30, 2020 ($)**
Cash	FVTPL	Credit and currency	55,438
Receivables	Amortized cost	Credit	13,786
Accounts payable	Amortized cost	Liquidity	(370,329)
			(301,105)

15. Subsequent Events

On May 3, 2021, the Company issued 11,250 class A common shares in connection with the private placement of its common shares for $0.30 per share, for gross proceeds of $3,375.

On April 12, 2021, the Company issued 4,100,000 subscription receipts in connection with a private placement and under a subscription receipt agreement (the "Subscription Receipt Agreement") for $0.20 per subscription receipt, for gross proceeds of $820,000. Each Subscription Receipt will entitle its holder to receive one common share and one-half of one common share purchase warrant at an exercise price of $0.35 per warrant upon the satisfaction or waiver of the Escrow Release Conditions (as defined under the Subscription Receipt Agreement) on or before October 12, 2021.

15. Subsequent Events - *continued*

On February 12, 2021, the Company sold 37,600 treasury shares for $1,880. The Company agreed to pay an aggregate of 2,000 shares as finders' fees with a fair value of $100.

On February 12, 2021, the Company issued 119,067 class A common shares in connection with the private placement of its common shares (the "February 2021 Private Placement") for $0.30 per share, for gross proceeds of $35,720. Finders' fees of 6,333 shares with a fair value of $1,899 have been incurred in connection with the February 2021 Private Placement.

On December 14, 2020, the Company issued 278,100 class A common shares in connection with the private placement of its common shares (the "December 2020 Private Placement") for $0.30 per share, for gross proceeds of $83,430.

SCHEDULE D

(See attached.)

Xebra Brands Ltd.
1090 Hamilton Street
Vancouver, B.C.
V6B 2R9
Canada

Management's Discussion and Analysis

Nine Months Ended
November 30, 2020
(Unaudited)

(Stated in Canadian Dollars)

Dated May 5, 2021

Table of Contents

This Management's Discussion and Analysis ("MD&A") focuses on significant factors that have affected Xebra Brands Ltd. ("Xebra", the "Company" or "Issuer") and its subsidiaries' performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended February 29, 2020, and the accompanying unaudited condensed interim consolidated financial statements for the interim period ended November 30, 2020, both of which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). "This quarter" or "current quarter" means the three-month period ended November 30, 2020 and "this period" or "current period" means the nine month period ended November 30, 2020. The information contained in this MD&A is current to May 5, 2021.

Forward Looking Information

This MD&A contains "forward-looking information and statements" that are subject to risk factors set out under the caption *Caution regarding forward looking statements* later in this document. The reader is cautioned not to place undue reliance on forward-looking statements.

Profile and Strategy

The Company was incorporated on February 21, 2019 under the laws of the Province of British Columbia, Canada. On April 24, 2019, the Company changed its name from 1198365 B.C. LTD to Xebra Brands Ltd. The Company's head office and principal address is located at 1090 Hamilton Street, Vancouver, British Columbia, V6B 2R9, Canada.

The Company's principal business activities are the cultivation, processing, manufacturing, design and delivery of cannabis products in areas ranging from wellness to leisure. Xebra will leverage its Colombian cannabis cultivation and processing licenses to produce cannabis-infused beverages and wellness brands. To date, the Company has not received any revenue from operations and is considered to be in the start-up stage. The Company's activities are not dependent on seasonality and may operate year-round; however, the Company may adjust the level of activities to manage its capital structure in light of changes in global economic conditions.

The Company's financial condition is affected by general market conditions and conditions specific to the cannabis industry. These conditions include, but are not limited to, the market demand for cannabis and accessibility of debt or equity.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic and has adversely affected global workforces, financial markets, and the general economy. It is not possible for the Company to determine the duration or magnitude of the adverse results of COVID-19 nor its effects on the Company's business or operations.

(Expressed in Canadian Dollars, except where noted)

Overall Performance and Outlook

The following highlights the Company's overall performance for the three and nine months ended November 30, 2020:

	Three Months Ended			Nine Months Ended		
	November 30, 2020 ($)	November 30, 2019 ($)	Change	November 30, 2020 ($)	November 30, 2019 ($)	Change
Net loss	(239,111)	(522,431)	283,320	(1,698,408)	(758,578)	(939,830)
Cash used in operating activities	(60,669)	(593,958)	533,289	(905,683)	(1,572,164)	666,481
Cash at end of period	55,438	929,830	(874,392)	55,438	929,830	(874,392)
Loss per share – basic and diluted	(0.00)	(0.01)	0.01	(0.02)	(0.01)	(0.01)

Corporate Updates

On March 5, 2020, the Company issued 224,937 class A common shares in connection with the private placement of its common shares (the "March 2020 Private Placement") for $0.30 per share, for gross proceeds of $67,481. . Finders' fees of 13,393 shares with a fair value of $4,018 and share issuance costs of $12,027 have been incurred in connection with the March 2020 Private Placement.

On September 4, 2020, the Company issued 538,263 class A common shares in connection with the private placement of its common shares (the "September 2020 Private Placement") for $0.30 per share, for gross proceeds of $161,479. Finders' fees of 43,061 shares with a fair value of $12,918 and share issuance costs of $1,582 have been incurred in connection with the September 2020 Private Placement.

On September 4, 2020, the Company sold 1,071,134 class A common shares from its treasury for gross proceeds of $53,557.

On December 14, 2020, the Company issued 278,100 class A common shares in connection with the private placement of its common shares (the "December 2020 Private Placement") for $0.30 per share, for gross proceeds of $83,430.

On February 12, 2021, the Company issued 119,067 class A common shares in connection with the private placement of its common shares (the "February 2021 Private Placement") for $0.30 per share, for gross proceeds of $35,720. Finders' fees of 6,333 shares with a fair value of $1,899 have been incurred in connection with the February 2021 Private Placement.

On April 12, 2021, the Company issued 4,100,000 subscription receipts in connection with a private placement and under a subscription receipt agreement (the "Subscription Receipt Agreement") for $0.20 per subscription receipt, for gross proceeds of $820,000. Each Subscription Receipt will entitle its holder to receive one common share and one-half of one common share purchase warrant at an exercise price of $0.35 per warrant upon the satisfaction or waiver of the Escrow Release Conditions (as defined under the Subscription Receipt Agreement) on or before October 12, 2021.

On May 3, 2021, the Company issued 11,250 class A common shares in connection with the private placement of its common shares (the "December 2020 Private Placement") for $0.30 per share, for gross proceeds of $3,375.

During the current period, an aggregate of 479,159 shares has been issued for management services with a fair value of $23,958.

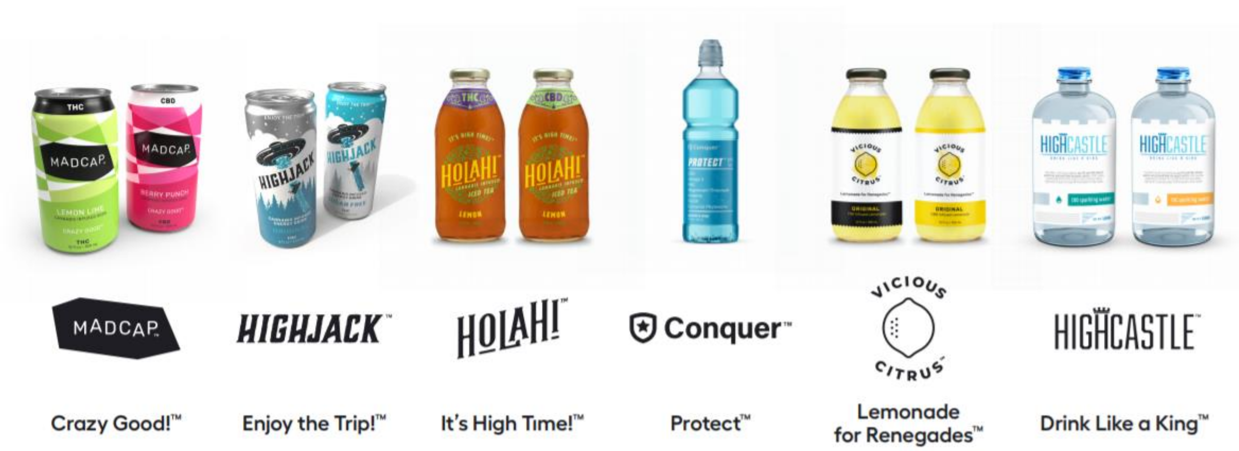
Discussion of Operations

Beverages

Xebra has created a number of great tasting cannabis infused beverages, including seltzers, soft drinks, iced teas, lemonades and waters. Energy drinks are under development, and a CBD sports beverage is near-final.

The equivalent of more than 400 trademark applications for Xebra's beverage brands have been filed in over 40 countries. These countries were strategically chosen as they have either legalized, or decriminalized cannabis, or are on a path to do so.

The following illustration itemizes Xebra's beverage brand categories. Within most categories a number of flavors have been created, including sugar-free versions.



Xebra is aiming to launching THC beverages in 2021, commencing with its Vicious Citrus Lemonade in Canada. Launch partners have been identified that provide a turn-key based solution including, regulatory compliance, cannabis infused formulation, bottling, and distribution.

Mexico

The momentum in Mexico to legalize cannabis began unofficially in 2014 with the decriminalization of possession of small quantities of cannabis, followed in 2015 with the granting of the first Supreme Court injunctions for limited personal consumption, on the grounds that it was unconstitutional to deny such right to the individuals making a claim. Over the next several years, additional injunctions were granted by the Supreme Court for personal consumption and the ability to grow a limited number of plants in a household for personal use. To rectify the uneven playing field that favoured the individuals who obtained an injunction, the Mexican government adopted an initial legal framework in 2017 for medicinal cannabis, but not for recreational purposes.

Soon after this new legislation was adopted, a group of Mexican entrepreneurs formed ELEMENTS BIOSCIENCE S.A.P.I. DE C.V. and SATIVA GROUP BIOSCIENCES S.A.P.I. DE C.V and submitted 13 CBD wellness products, including tinctures, oils, capsules, topicals and intimate lotions to the Federal Commission for the Protection against Sanitary Risk (the Mexican equivalent of the U.S. Food and Drug Administration) for approval. The newly elected incoming administration led by the new President of Mexico froze all applications at the end of 2018, pending a review of the regulatory framework and the creation of secondary regulations. Hence the Elements and Sativa CBD products, which were at that time at a late stage of processing, are still pending the approval from the Federal Commission for the Protection against Sanitary Risk.

Holland

Xebra's Dutch project is carried through its 75% owned European subsidiary, Xebra Brands Europe BV. Xebra's interest in Xebra Europe can be increased to 100% under certain conditions, including dilution and buy-out clauses. Xebra's 25% partner provides vital local knowhow and support, and has been essential in navigating government regulations and in the application process.

The Dutch government has selected Xebra as one of five parties that are authorized to participate in medicinal cannabis cultivation trials. Two of the five parties will eventually be granted licenses for a four-year contract with the Dutch government. The two parties will supply the entire Dutch medicinal industry, including sales through pharmacies. Annual volumes of 5,000 kg of products will be sold at a fixed price of €2,350/kg under the four-year agreement with an optional two-year extension, resulting in a total sales value of the contract of approximately €70.5 million.

The final two license holders will be selected based on their Plan of Approach and on the product quality and consistency of three trial crops to be cultivated starting in 2021.

Colombia

In Colombia, Xebra operates through its wholly owned subsidiary Medicannabis SAS.

Xebra holds all cannabis licenses in Colombia, including authorizations to cultivate psychoactive (THC) and non-psychoactive cannabis, a license for the use of seeds for cultivation, and a license to process cannabis for the manufacture and export of products. Xebra is also a registered Seed Producer and holds one of a select number of registrations as a Seed Breeder and Agronomic Evaluator. Medicannabis is one of the limited number of companies that successfully filed seed genetics in Colombia by the December 2018 deadline, and thereby owns a cannabis seed genetics library of 144 cultivars (Fuente Semillera), with a broad range of cannabinoid varieties and types that can be interbred and adapted to the various micro-climates present in Colombia. Agronomic evaluations to fully register up to 10 of the cultivars in the National Cultivar Registry are presently underway and are scheduled to be completed in the fall of 2021. Once fully registered, those cultivars are eligible for cultivation, sale and export. Cannabis production quotas for licensed producers are determined by the end of April every year; this is the final step to enable Xebra to commence commercial operations.

(Expressed in Canadian Dollars, except where noted)

Xebra's research and breeding facility in Colombia is located on a 1.5-hectare property in Guasca, Cundinamarca, 30 kilometers from Bogota's International Airport. The facility includes over 600 square metres of greenhouses, a water reservoir and irrigation system, and a seed breeding laboratory capable of undertaking certified agronomic evaluations. Xebra has taken a lower-risk asset-light approach to commercialize its cannabis cultivation. Under Colombian law, a large-scale cultivator must source at least 10% of its annual production quota from "small growers"; however, Xebra's unique asset-light model will enable it to produce 100% of its production on third-party land, thereby mitigating cultivation risk, reducing labour costs, and eliminating land leases and greenhouse construction costs. This scalable cultivation model is planned to commence in early 2022, under an exclusive partnership with a local consortium of licensed small growers, whereby initially up to 7 hectares of hoop-houses, will be made available on approximately 14 hectares of licensed land in the Guasca area.

Summary of Quarterly Information

	Q3 2021 ($)	Q2 2021 ($)	Q1 2021 ($)	Q4 2020 ($)	Q3 2020 ($)[1]	Year End 2019 ($)[1]
Net loss for the period	(239,111)	(577,701)	(881,596)	(2,032,303)	(522,431)	-
Basic and diluted net loss per share	(0.00)	(0.01)	(0.01)	(0.02)	(0.01)	-

1 The Company has not presented quarterly information for its past eight quarters as it has not prepared quarterly financial statements for such quarters as a private company in 2020.

	Nov 30, 2020 ($)	Aug 31, 2020 ($)	May 31, 2020 ($)	Feb 29, 2020 ($)	Nov 30, 2019 ($)[1]	Feb 28, 2019 ($)[1]
Cash	55,438	74,545	213,072	955,407	929,830	1
Total assets	3,694,882	3,877,135	4,332,976	5,143,077	3,141,862	1
Total non-current financial liabilities	(78,247)	(84,181)	(288,793)	(321,270)	-	-

1 The Company has not presented quarterly information for its past eight quarters as it has not prepared quarterly financial statements for such quarters as a private company in 2020.

Q3 2021 Compared to Q2 2021 and Q3 2020

During the three months ended November 30, 2020, the Company incurred a net loss of $239,111, compared to $577,701 during Q2 2021 and $522,431 during Q3 2020. The decrease in the net loss is mainly a result of a significant decrease in operating expenses, which include a reduction for overhead and administration services (see Related Party Transactions), a decrease in management fees and a positive effect from foreign exchange.

Q3 2021 Compared to Q4 2020

Net loss for Q4 2020 was $2,032,303, compared to $239,111 this quarter. The lower net loss during Q3 2021 was mainly attributable to lower operating expenses of $385,848 as compared to $830,491 during the same period in the prior year, which reflects the Company's efforts to significantly reduce general and admin expenses, management fees and professional fees. During Q4 2020 the Company also recorded an acquisition expense of $764,209 and a loss on debt settlement of $381,551, whereas during the current quarter the Company also benefited from a foreign exchange gain of $143,162.

Q3 2021 Compared to Q1 2021

Net loss for Q1 2021 was $881,596, compared to $239,111 this quarter. The lower net loss during Q3 2021 was mainly due to lower operating expenses of $385,848 as compared to $693,218 during the same period in the prior year, which reflects the Company's efforts to reduce general and admin expenses and management fees. The Company also benefited from a foreign exchange gain of $143,162 this quarter, as compared to a foreign exchange loss of $181,874 during Q1 2021.

(Expressed in Canadian Dollars, except where noted)

Liquidity and Capital Resources

The Company does not currently derive any significant revenues from operations. The Company's activities have been funded primarily through equity financing and the Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from operations. The Company has been successful in its fundraising efforts in the past, but there can be no assurance that the Company will continue to be successful in the future. If such funds are not available or other sources of finance cannot be obtained, then the Company will be required to curtail its activities to a level for which funding is available and can be obtained. The Company's ability to access funding is also contingent on the ongoing demand for cannabis.

	Three Months Ended		Nine Months Ended	
	November 30, 2020 ($)	November 30, 2019 ($)	November 30, 2020 ($)	November 30, 2019 ($)
Cash used in operating activities	(60,669)	(593,958)	(905,683)	(1,572,164)
Cash used in investing activities	(17,546)	(114,676)	(139,889)	(502,956)
Cash from financing activities	63,763	10,789	141,591	3,004,949
Cash, end of the period	55,438	929,830	55,438	929,830

As at November 30, 2020 the Company had a working capital deficiency of $121,034, compared to positive working capital of $89,461 at August 31, 2020, and positive working capital of $1,020,662 at February 29, 2020. Working capital decreased from both August 31, 2020 and February 29, 2020 as a result the Company continuing to build out its business plan and has not yet achieved sales from operations.

During the current quarter, the Company used $60,669 in operating activities, compared to $593,958 during the same quarter in the prior year. The decrease is mainly attributable reduced operating expenses, and a positive impact from changes in non-cash working capital. During the current nine month period, the Company used $905,683 in operating activities, compared to $1,572,164 during the same period in the prior year. The decrease is primarily attributable to management of non-cash working capital.

During the current quarter the Company invested $11,701 in equipment primarily for its Colombian operations, and $5,845 in intangible assets, primarily relating to brands and trademarks, whereas during the same period in the prior year, the Company invested $114,676 in its intangible assets. During the current nine month period, the Company invested $77,884 in equipment, primarily for its Colombian operations, and $62,005 in intangible assets. During the same period in the prior year, the Company invested $398,945 in certain business acquisitions, and $143,098 in intangible assets, partially offset with cash received from business combinations of $39,087.

Cash from financing this quarter was $63,763, of which $53,557 was from the sale of the Company's treasury shares, and the remainder in share offerings, compared to $10,789 received in subscriptions during the comparative prior year quarter. During the current nine month period the Company completed share offerings for proceeds of $117,994, sold treasury shares of $55,107, and paid lease liabilities totalling $31,510, compared to $3,004,949 raised in share offerings during the same period in the prior year.

As at November 30, 2020, the Company had cash of $55,438, and current liabilities of $410,329. The Company intends to raise additional capital to meet obligations as they become due.

(Expressed in Canadian Dollars, except where noted)

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

The Company entered into a cost sharing agreement (the "Xebra Cost Sharing Agreement") with Orea Mining Corp. ("Orea"), effective October 1, 2019, whereby certain overhead and administration costs are shared, which Xebra reimburses to the Orea on a periodic basis and is included in general and administration expense. The Xebra Cost Sharing Agreement was terminated effective August 31, 2020, and replaced with a fixed fee agreement (the "Xebra Services Agreement"), whereby Orea provides certain overhead and administration services in exchange for a fixed fee of $10,000 per month and a reduction in compensation of $8,000 per month to a certain officer in common. The Xebra Services Agreement was terminated on November 30, 2020, and replaced with a reduced services agreement (the "Reduced Services Agreement") effective January 1, 2021, for $2,000 per month. The Company and Orea have a director and certain officers in common.

The following is a summary of related party transactions:

	Three Months Ended		Nine Months Ended	
	November 30, 2020 ($)	**November 30, 2019 ($)**	**November 30, 2020 ($)**	**November 30, 2019 ($)**
Fees paid to Orea under the Services Agreement	28,146	64,000	223,450	64,000
Management fees paid to Columbus Capital Corporation., a company controlled by Robert Giustra, a director of the Company	-	-	66,800	-
Management fees paid to Todd Dalotto, a director of the Company	-	81,243	121,756	122,885
Management fees paid to Accounting Group ADR and Associates SC., a company controlled by Rodrigo Gallardo, CEO of the Company	23,033	-	91,733	-
Management fees paid Andrew Yau, CFO of the Company	-	3,000	-	15,000
Management fees paid to Applied Media Dynamics, a company controlled by Jorge Martinez, COO of the Company	-	-	-	12,000
	51,179	**148,243**	**503,739**	**213,885**

The following summarizes advances or amounts that remain receivable from or payable to each related party:

	November 30, 2020 ($)	**February 29, 2020 ($)**
Advances to Columbus Capital Corporation	-	20,000
Fees payable to Orea under Services Agreement	(10,572)	-
	(10,572)	**20,000**

Proposed Transactions

There are no proposed transactions as at November 30, 2020 and the date of this MD&A.

Commitments

The Company has commitments as follows:

	1 year ($)	2-3 years ($)	4-5 years ($)	Total ($)
Land lease in Colombia (note 10)	39,063	78,126	3,255	120,444

Critical Accounting Estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions used by management where there is risk of material adjustments to assets and liabilities in future accounting periods include the estimated useful lives of depreciated and amortized assets, the recoverability of the carrying value of intangible assets and assumptions used in determination of the recoverability and measurement of deferred tax assets.

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in preparing the Company's financial statements include the assumption that the Company will continue as a going concern, assumptions used to determine if a business combination is an asset or business acquisitions, classification of expenditures as intangible assets or operating expenses and the classification of financial instruments.

Changes in Accounting Standards

Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

Financial Risk and Capital Management

Financial risk

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments at November 30, 2020 are summarized below. The Board of Directors periodically reviews with management the principal risks affecting the Company and the systems that have been put in place to manage these risks.

(a) Credit Risk

The credit risk exposure on cash is limited to its carrying amount at the date of the statements of financial position. Cash is held as cash deposits with creditworthy banks. The Company has receivables consisting of goods and services tax due from the Federal Government of Canada, VAT receivable from the Government of Mexico, and other receivables. Management believes that the credit risk with respect to its cash and receivables is low.

(b) Liquidity Risk

Liquidity risk arises from the Company's general and capital financing needs. The Company manages liquidity risk by attempting to maintain sufficient cash balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short term obligations. As at November 30, 2020, the Company has a working capital deficiency of $121,034. The Company intends to increase working capital through the private placement of common shares.

(c) Interest Rate Risk

The Company is not exposed to interest rate risk.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the cultivation, processing, manufacturing, design and delivery of cannabis products and to maintain a flexible capital structure for the benefit of its stakeholders. As the Company is in the start-up stage, its principal source of funds are, and will be, financing through the issuance of equity securities.

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

Fair Value

The fair value of the Company's financial instruments including cash approximates their carrying value due to the immediate or short-term maturity of these financial instruments.

IFRS 7, Financial Instruments: Disclosure establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

(Expressed in Canadian Dollars, except where noted)

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies. At November 30, 2020, there were no financial assets or liabilities measured and recognized in the statement of position that would be categorized as Level 2 or Level 3 in the fair value hierarchy above.

Financial Instrument	Measurement Method	Associated Risks	Fair value at November 30, 2020 ($)
Cash	FVTPL	Credit and currency	55,438
Receivables	Amortized cost	Credit	13,786
Accounts payable	Amortized cost	Liquidity	(370,329)
			(301,105)

Other Information

Outstanding Share Data

The Company has authorized capital of an unlimited number of common shares without par value. The table below represents the Company's capital structure as at the date of this MD&A and November 30, 2020:

	As at date of this MD&A	November 30, 2020
Class A common shares issued and outstanding	103,854,731	103,130,273
Class B common shares issued and outstanding	1	1

Risks and Uncertainties

The following are certain factors relating to the business of the Issuer, which factors investors should carefully consider when making an investment decision concerning the shares of the Issuer. These risks and uncertainties are not the only ones facing the Issuer.

Additional risks and uncertainties not presently known to the Issuer may also impair the operations of the Issuer. If any such risks actually occur, shareholders could lose all or part of their investment and the financial condition, liquidity and results of operations of the Issuer could be materially and adversely affected and the ability of the Issuer to implement its growth plans could be adversely affected.

An investment in the Issuer is speculative. An investment in the Issuer will be subject to certain material risks and investors should not invest in securities of the Issuer unless they can afford to lose their entire investment. The following is a description of certain risks and uncertainties that may affect the business of the Issuer.

General

A purchase of any of the securities of the Issuer involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in the securities of the Issuer should not constitute a major portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective purchasers should evaluate carefully the following risk factors associated with an investment in the Issuer's securities prior to purchasing any of the securities.

No Market for Securities

There is currently no market through which any of the Common Shares may be sold and there is no assurance that the Common Shares will be listed for trading on a Canadian stock exchange, or if listed, will provide a liquid market for such securities. Until the Common Shares are listed on a Canadian stock exchange, holders of the Common Shares may not be able to sell their Common Shares. Even if the Listing is obtained, there can be no assurance that an active public market for the Common Shares will develop or be sustained. The holding of Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. The Common Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Limited Operating History

The Issuer began carrying on business in 2019 and has not yet generated material income. The Issuer is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Issuer will be successful in achieving a return on shareholders' investment and likelihood of success must be considered in light of the early stage of operations.

Global Economic Risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Issuer is subject to liquidity risks in meeting our development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Issuer's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Issuer. If uncertain market conditions persist, the Issuer's ability to raise capital could be jeopardized, which could have an adverse impact on the Issuer's operations and trading price of the Common Shares on the stock exchange.

Changing Economic Conditions

The demand for entertainment and leisure activities, including cannabis consumption, can be highly sensitive to changes in consumers' disposable income, and thus can be affected by changes in the economy and consumer tastes, both of which are difficult to predict and beyond the Issuer's control. Unfavourable changes in general economic conditions, including recessions, economic slowdowns, sustained high levels of unemployment, and increasing fuel or transportation costs or the perception by customers of weak or weakening economic conditions, may reduce customers' disposable income or result in fewer individuals engaging in entertainment and leisure activities, such as cannabis consumption. As a result, the Issuer cannot ensure that demand for its product offerings will remain constant. Adverse developments affecting economies throughout the world, including a general tightening of availability of credit, decreased liquidity in certain financial markets, increased interest rates, foreign exchange fluctuations, increased energy costs, acts of war or terrorism, transportation disruptions, natural disasters, declining consumer confidence, sustained high levels of unemployment or significant declines in stock markets, as well as concerns regarding epidemics and the spread of contagious diseases, could lead to a further reduction in discretionary spending on leisure activities, such as cannabis consumption. Any significant or prolonged decrease in consumer spending on entertainment or leisure activities could adversely affect the demand for the Issuer's product offerings, reducing its cash flows and revenues. If the Issuer experiences a significant unexpected decrease in demand for its product offerings, its business may be harmed.

Economic Environment

The Issuer's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Issuer's sales and profitability. As well, general demand for banking services and alternative banking or financial services cannot be predicted and future prospects of such areas might be different from those predicted by the Issuer's management.

Risks Associated with Acquisitions

As part of the Issuer's overall business strategy, the Issuer may pursue select strategic acquisitions after the completion of the Listing, which would provide additional product offerings, vertical integrations, additional industry expertise, and a stronger industry presence in both existing and new jurisdictions. Future acquisitions may expose it to potential risks, including risks associated with: (a) the integration of new operations, services and personnel; (b) unforeseen or hidden liabilities; (c) the diversion of resources from the Issuer's existing business and technology; (d) potential inability to generate sufficient revenue to offset new costs; (e) the expenses of acquisitions; or (f) the potential loss of or harm to relationships with both employees and existing users resulting from its integration of new businesses. In addition, any proposed acquisitions may be subject to regulatory approval.

Financial Projections May Prove Materially Inaccurate or Incorrect

The Issuer's financial estimates, projections and other forward-looking information accompanying this document were prepared by the Issuer without the benefit of reliable historical industry information or other information customarily used in preparing such estimates, projections and other forward-looking statements. Such forward-looking information is based on assumptions of future events that may or may not occur, which assumptions may not be disclosed in such documents. Investors should inquire of the Issuer and become familiar with the assumptions underlying any estimates, projections or other forward-looking statements. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events.

There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operational expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, investors should not rely on any projections to indicate the actual results the Issuer and its subsidiaries might achieve.

Difficulty to Forecast

The Issuer must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the cannabis industries. A failure in the demand for its services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, and financial condition of the Issuer.

Competition General

There is potential that the Issuer will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and marketing experience than the Issuer. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, and results of operations of the Issuer. To remain competitive, the Issuer will require a continued high level of investment in research and development, marketing, sales, and client support.

Management of Growth

The Issuer may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Issuer to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train, and manage its employee base. The inability of the Issuer to deal with this growth may have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

Reliance on Management

The success of the Issuer will be dependent upon the ability, expertise, judgment, discretion, and good faith of its key executives, including the directors and officers of the Issuer and a small number of highly skilled and experienced executives and personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Issuer's business, operating results, or financial condition. The competition for highly skilled technical, research and development, management and other employees is high and there can be no assurance that the Issuer will be able to engage or retain the services of such qualified personnel in the future.

Furthermore, equity-based awards comprise a key component of executive and senior management compensation, and if the Issuer's common share price declines or is volatile, it may be difficult to retain such individuals. The Issuer's retention and recruiting may require significant increases in compensation expense, which may adversely affect its results of operation.

Risks Relating to Insurance

The Issuer intends to insure its operations in accordance with technology industry practice. However, given the novelty of cryptocurrency and associated businesses, such insurance may not be available, uneconomical for the Issuer, or the nature or level may be insufficient to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the Issuer.

No Dividends

The Issuer has never paid any cash dividends on our Common Shares. Xebra does not anticipate paying any cash dividends on its Common Shares in the foreseeable future because, among other reasons, the Issuer currently intends to retain any future earnings to finance its business. The future payment of cash dividends will be dependent on factors such as cash on hand and achieving profitability, the financial requirements to fund growth, the Issuer's general financial condition and other factors the board of directors may consider appropriate in the circumstances. Until Xebra pays cash dividends, which it may never do, the Issuer's shareholders will not be able to receive a return on their Common Shares unless they sell them

Negative Cash Flows From Operating Activities

During the fiscal year ended February 29, 2020, the Company had negative cash flows from operations of $1,960,117, resulting from the Company being in the startup stage. During the nine months ended November 30, 2020, the Company had negative cash flows from operations of $1,572,164. The Company intends to increase working capital through additional equity offerings in the future. However, there can be no guarantee that such activity and financial resources will be possible. Until the Company can generate positive cash flow from operations, its ability to finance its operations will depend on its ability to obtain additional external financing and ultimately generate future profitable operations.

<u>*Risks Related to Regulation in the Cannabis Industry*</u>

Highly Regulated Industry

The Company operates in a highly regulated and rapidly evolving market. The laws, regulations and guidelines generally applicable to the cannabis industry domestically and internationally may change in ways currently unforeseen. The Company's operations are subject to a variety of laws, regulations, guidelines and policies, whether in Canada or elsewhere, relating to the cultivation, manufacture, import, export, management, transportation, storage, packaging/labelling, advertising and promotion, sale, health and safety and disposal of cannabis, including, but not limited to, the Cannabis Act (Canada) (the "Cannabis Act"), any regulations thereunder, and laws, regulations, guidelines and policies relating to drugs, controlled substances, health and safety, the conduct of operations and the protection of the environment, and applicable stock exchange rules and regulations. Any amendment to or replacement of existing laws, regulations, guidelines or policies may cause adverse effects to the Company's operations. The risks to the Company's business represented by subsequent regulatory changes could reduce the addressable market for the Company's products and could materially and adversely affect the Company's business, financial condition, results of operations and prospects.

Achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and, where necessary, obtaining regulatory approvals. The impact of Health Canada's compliance regime, any delays in obtaining, or failure to obtain regulatory approvals required may significantly delay or impact the development of the Company's business and operations and could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. Any potential non-compliance could cause the Company's business, financial condition, results of operations and prospects to be adversely affected. Further, any amendment to or replacement of the Cannabis Act and other applicable rules and regulations governing the Company's business activities may cause adverse effects on the Company's business, financial conditions and results of operations.

The federal legislative framework pertaining to the Canadian adult-use cannabis market is still very new. In addition, the governments of every Canadian province and territory have implemented different regulatory regimes for the distribution and sale of cannabis for adult-use purposes within those jurisdictions. There is no guarantee that the legislative framework regulating the cultivation, processing, distribution and sale of cannabis for adult-use purposes will not be amended or replaced or that any current legislation will create the growth opportunities that the Company currently anticipates. While the impact of any new legislative framework for the regulation of the Canadian adult-use cannabis market is uncertain, any of the foregoing could result in a material adverse effect of the Company's business, financial condition, results of operations and prospects.

Further, as the commercial cannabis industry is a relatively new industry in Canada, we anticipate that regulations governing cannabis in Canada will be subject to change as the Canadian federal government monitors licensees in action. Health Canada may change their administration, interpretation or application of the applicable regulations or their compliance or enforcement procedures at any time. Any such changes could require the Company to revise its ongoing compliance procedures, requiring the Company to incur increased compliance costs and expand additional resources. There is no assurance that the Company will be able to comply or continue to comply with applicable regulations.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws and regulations could subject the Company to regulatory or agency proceedings or investigations and may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include damage awards, fines, penalties or corrective measures requiring capital expenditures or remedial actions. Parties may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. The outcome of any regulatory or agency proceedings, investigations, audits, and other contingencies could harm the Company's reputation and no assurance can be given that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of management's attention and resources. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws or regulations, may have a material adverse impact on the Company's business, resulting in increased capital expenditures or production costs, reduced levels of cannabis production or abandonment or delays in the development of facilities.

Health Canada inspectors routinely assess the Company's facilities against the Cannabis Act and its regulations and provide the Company with follow-up reports noting observed deficiencies. The Company is continuously reviewing and enhancing its operational procedures and facilities both proactively and in response to routine inspections. The Company follows all regulatory corrections in response to inspections in a timely manner. If the Company fails to comply with applicable laws, regulations and guidelines, the Company may incur additional costs or penalties, or the Company's operations may be restricted or shut down.

In addition, the introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in Canada or any of the jurisdictions in which the Company operates could result in an increase in taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax laws, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted or applied in a manner which could result in the Company's profits being subject to additional taxation or which could otherwise have a material adverse effect. Due to the complexity and nature of the Company's operations, various legal and tax matters may be outstanding from time to time. If the Company is unable to resolve any of these matters favourably, it may have a material adverse effect on the Company.

Laws and Regulations Governing Cannabis in Foreign Jurisdictions

The Company's ability to achieve its business objectives in foreign jurisdictions is contingent, in part, upon its compliance with regulatory requirements enacted by governmental authorities and the Company obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the impact of the compliance regime that countries such as Mexico, Netherlands or Colombia are implementing and the method in which their governmental authorities will implement the adult-use or medical cannabis industry. Similarly, the Company cannot predict how long it will take to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. The impact of the various compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

The Company currently incurs and will continue to incur ongoing costs and obligations related to regulatory compliance. A failure on the Company's part to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on its operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Foreign Investment in Cannabis Companies

Certain jurisdictions may prohibit or restrict its citizens or residents from investing in or transacting with companies involved in the cannabis industry, even if such companies only conduct business in jurisdictions where cannabis is legal. For example, if an investor in the United Kingdom profits from an investment in a cannabis producer or supplier, such investment may technically violate the *United Kingdom Proceeds of Crime Act 2002*. Similar prohibitions or restrictions may apply in other jurisdictions where cannabis has not been legalized. In the U.S., there have been certain instances of U.S. Customs and Border Protection preventing citizens of foreign countries from entering the U.S. for reasons related to the cannabis industry.

Operations in Foreign Jurisdictions

The Company maintains operations in various emerging markets and may have operations in additional foreign jurisdictions in the future. Such operations expose the Company to the socioeconomic conditions as well as the laws governing the cannabis industry in such countries. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; extreme fluctuations in currency exchange rates; military repression; war or civil war; social and labor unrest; organized crime; corruption and fraud; title and property disputes; hostage-taking; terrorism; violent crime; expropriation and nationalization; public health crises including epidemics, pandemics or outbreaks of new illnesses, infectious diseases or viruses (including, most recently, the novel coronavirus (COVID-19)); renegotiation or nullification of existing licences, approvals, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; changing political norms; banking and currency controls; and governmental regulations that favor or require us to award contracts in, employ citizens of, or purchase supplies from, the jurisdiction.

Governments in certain foreign jurisdictions intervene in their economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Changes, if any, in cannabis industry or investment policies or shifts in political attitude in the countries in which the Company operates may adversely affect its operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions (temporary or otherwise) on production, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of concessions, licences, approvals and permits, environmental matters, land use, land claims of local people, water use, workplace safety, permitted public activities, domestic and international travel and permitted commercial operations. Failure to comply strictly with applicable laws, regulations and local practices could result in loss, reduction or expropriation of licences, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The Company continues to monitor developments and policies in the emerging markets in which it operates and assess the impact thereof to our operations; however, such developments cannot be accurately predicted and could have an adverse effect on the Company's business, financial condition and results of operations and prospects.

Demand for Cannabis and Derivative Products

The legal cannabis industry in Colombia is at an early stage of its development. Consumer perceptions regarding legality, morality, consumption, safety, efficacy and quality of medicinal cannabis are mixed and evolving and can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medicinal cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medicinal cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity, could have a material adverse effect on the demand for medicinal cannabis and on the business, results of operations, financial condition and cash flows of the Issuer. In an effort to ensure that the distribution of its products is not tied to one market, the Issuer is focusing its distribution efforts internationally, specifically in Colombia, in Mexico and the Netherlands.

Further, adverse publicity reports or other media attention regarding cannabis in general, or associating the consumption of medicinal cannabis with illness or other negative effects or events, could have such a material adverse effect. Public opinion and support for medicinal cannabis use has traditionally been inconsistent and varies from jurisdiction to jurisdiction. The Issuer's ability to gain and increase market acceptance of its business may require substantial expenditures on investor relations, strategic relationships and marketing initiatives. There can be no assurance that such initiatives will be successful and their failure to materialize into significant demand may have an adverse effect on the Issuer's financial condition.

Public Health Crises

A public health crisis, such as local, regional, national or international epidemics, pandemics or outbreaks of illnesses, infectious diseases or viruses (including COVID-19) could cause interruptions to the Company's operations, increase operating expenses, result in loss of sales, delayed performance of contractual obligations or require additional expenditures to be incurred. Depending on its severity and reach, such an event could affect the Company's workforce resulting in the inability to continue to operate the Company's production facilities. Further, the Company's operations could be adversely affected if its supply partners, contractors, customers and/or transportation carriers were prevented from conducting business activities for an indefinite period of time, including due to spread of the disease within these groups or due to shutdowns that may be requested or mandated by governmental authorities. In addition, a health crisis, such as the COVID-19 pandemic, could have an adverse effect on local economies and potentially the global economy, which may adversely impact the price and demand for the Company's products, the market for the Company's securities and/or its ability to obtain financing.

In particular, as of the date of this Prospectus, the full extent of the effects of COVID-19 are unknown. The continued spread of COVID-19 and the measures taken by the governments of countries affected could disrupt the supply chain and the manufacture or shipment of the Company's products and adversely impact the Company's business, financial condition, results of operations and prospects. In addition, there can be no assurance that the Company will not lose members of its workforce or see its workforce man-hours reduced or incur increased medical costs as a result of these health risks. The effects of the pandemic on the Company's international operations contributed to the Company recording an impairment loss. The Company is actively assessing and responding, where possible, to the potential impact of the COVID-19 pandemic. The Company continued its operations throughout the crisis by implementing appropriate measures designed to protect the health and safety of its employees.

In addition, at this time, persistent social distancing measures and restrictions imposed by the federal, provincial and territorial governments in Canada on the movement of individuals and the distribution of cannabis in the country may adversely affect the Company's cannabis sales. It is difficult to predict how the COVID-19 pandemic may affect the Company's business in the future, including the effect it may have (positive or negative; long or short term) on the price of, and demand for, cannabis. It is possible that the COVID-19 pandemic could have a material adverse effect on the Company's business, financial condition, results of operations and prospects as well as the market for its securities and/or its ability to obtain financing. The extent to which the COVID-19 pandemic impacts the Company's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus, the duration of the outbreak and the actions to contain its impact.

Emerging Markets Risks

In the past, high levels of inflation have adversely affected emerging economies and financial markets, and the ability of government to create conditions that stimulate or maintain economic growth. Moreover, governmental measures to curb inflation and speculation about possible future governmental measures have contributed to the negative economic impact of inflation and have created general economic uncertainty. The emerging markets in which the Company operates, such as Colombia and Mexico, or may operate may experience high levels of inflation in the future. Inflationary pressures may weaken investor confidence in such countries and lead to further government intervention in the economy. If countries in which the Company operates experience high levels of inflation in the future and/or price controls are imposed, the Company may not be able to adjust the rates the Company charges its customers to fully offset the impact of inflation on the Company's cost structures, which could adversely affect the Company's business, financial condition, results of operations and prospects.

Moreover, emerging market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the developing world are more susceptible to destabilization resulting from domestic and international developments. For instance, Colombia, where the Issuer has a part of its operations, has a history of geopolitical instability and crises including those related to drug cartels. While there is no current major political instability in Colombia, this could be subject to change in the future and could adversely affect the Issuer's business, financial condition and results of operations.

Reliance on International Advisors and Consultants

The legal and regulatory requirements in the foreign countries in which the Company operates or will operate with respect to the cultivation and sale of cannabis, banking systems and controls, as well as local business culture and practices are different from those in Canada. The Company must rely, to a great extent, on local legal counsel, consultants and advisors retained by it in order to keep apprised of legal, regulatory and governmental developments as they pertain to and affect the Company's business, and to assist the Company with its governmental relations. The Company must rely, to some extent, on those members of management and the Board who have previous experience working and conducting business in these countries, if any, in order to enhance its understanding of and appreciation for the local business culture and practices. The Company also relies on the advice of local experts and professionals in connection with current and new regulations that develop in respect of the cultivation and sale of cannabis as well as in respect of banking, financing, labour, litigation, tax and public health matters in these jurisdictions. Any developments or changes in such legal, regulatory or governmental requirements or in local business practices are beyond the Company's control. The impact of any such changes may adversely affect the Company's business, financial condition, results of operations and prospects.

Environmental Regulations and Risks

The Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Government approvals and permits are currently, and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from its proposed production of adult-use or medical cannabis or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing the production of cannabis, or more stringent implementation thereof, could have a material adverse impact on the Company's business, financial condition, results of operations and prospects and could cause increases in expenses, capital expenditures or production costs or reduction in levels of production or require abandonment or delays in development.

Risks Inherent in an Agricultural Business

The Company's business involves the growing of adult-use or medical cannabis, an agricultural product. Such business will be subject to the risks inherent in the agricultural business, such as insects, pests, plant diseases and similar agricultural risks. Although the Company expects that any such growing will be completed under climate-controlled conditions, there can be no assurance that natural elements will not have a material adverse effect on any such future production.

Third Party Transportation

In order for customers of the Company to receive their product, the Company must rely on third-party transportation services. This can cause logistical problems with and delays in patients and customers obtaining their orders and cannot be directly controlled by the Company. Any delay by third party transportation services may adversely affect the Company's business, financial condition, results of operations and prospects.

Moreover, security of the product during transportation to and from the Company's facilities is critical due to the nature of the product. A breach of security during transport could have material adverse effects on the Company's business, financials and prospects. Any such breach, including any failure to comply with recommendations or requirements of Health Canada for the transportation of cannabis, could impact the Company's ability to continue operating under its licences or the prospect of renewing its licences.

Reliance on Key Personnel

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its executive management. The Company's future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. The loss of the services of member of the Company's executive management, or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Company's ability to execute on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all.

Further, as licensees under the Cannabis Act, the Company's officers and directors and each member of executive management are subject to a security clearance by Health Canada. There is no assurance that any of the Company's existing personnel who presently or may in the future require a security clearance will be able to obtain or renew such clearances or that new personnel who require a security clearance will be able to obtain one. A failure by a member of the Company's executive management to maintain or renew his or her security clearance, would result in a material adverse effect on the Company's business, financial condition and results of operations. In addition, if a member of the Company's executive management leaves the Company, and the Company is unable to find a suitable replacement that maintains a security clearance required by the Cannabis Act in a timely manner, or at all, there could occur a material adverse effect on the Company's business, financial condition and results of operations. While employment agreements are customarily used as a primary method of retaining the services of a member of the Company's executive management, these agreements cannot assure the continued services of such employees.

In addition, the COVID-19 pandemic imposes a high risk to all of the Company's activities, including the potential that an executive team member may become ill and the Company's ability to continue to rely on its key personnel throughout the pandemic. The Company established a policy to diligently monitor developments relating to the COVID-19 pandemic and its impact on the Company's personnel and the Company established contingency plans in the event members of its executive team are negatively impacted by the virus.

Product Liability

As a manufacturer and distributor of products designed to be ingested or vaporized by humans, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the sale of the Company's products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products alone or in combination with other medications or substances could occur. The Company may be subject to various product liability claims, including, among others, that the Company's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances.

A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products.

Recent Announcements and Risks Regarding Vaporizer Products

On October 4, 2019, the U.S. Food and Drug Administration issued a warning to the public to stop using vaping liquids containing cannabis derivatives and ingredients, such as CBD and THC, in light of a potential but unconfirmed link to lung injuries such as severe pulmonary illness. Lung injuries associated with the use of cannabis derivative containing vaping liquid have also been reported in Canada resulting in certain provinces either banning or delaying the sale of vaping liquids and vaping products to consumers. In response, Health Canada issued an information update advising Canadians who use cannabis derivative containing vaping liquids to monitor themselves for symptoms of pulmonary illness. There may be further governmental and private sector actions aimed at reducing the sale of or prohibiting cannabis containing vaping liquids and/or seeking to hold manufacturers of cannabis containing vaping liquids responsible for the adverse health effects associated with the use of these vaping products. These actions, combined with potential deterioration in the public's perception of cannabis containing vaping liquids, may result in a reduced market for the Company's vaporizer products. Federal, provincial and local regulations or actions that prohibit or restrict the sale of the Company's vaporizer products including cannabis derivative vaping liquids, or that decrease consumer demand for the Company's products by prohibiting their use, raising the minimum age for their purchase, raising the purchase prices to unattractive levels via taxation, or banning their sale, could adversely impact the Company's business, financial condition, results of operations and prospects.

Long-Term Health Impacts Associated with Use of Cannabis and Cannabis Derivative Products

There is little in the way of longitudinal studies on the short-term and long-term effects of cannabis use on human health, whether used for recreational or medicinal purposes. As such, there are inherent risks associated with using the Company's cannabis and cannabis derivative products. The Company's cannabis and cannabis derivative products should always be used only as specifically instructed by the Company on the packaging and associated product information or product insert prepared by the Company. Consumers should never modify cannabis products or cannabis derivative products or add substances to such products as this may result in increased health risks and unpredictable adverse reactions. Previously unknown or unforeseeable adverse reactions arising from human consumption of cannabis products may occur and consumers should consume cannabis at their own risk or in accordance with the direction of a health care practitioner.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although the Company maintains detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the Company's significant brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. Additionally, product recalls may lead to increased scrutiny of the Company's operations by Health Canada or other regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Wholesale Price Volatility

The cannabis industry is a margin-based business in which gross profits depend on the excess of sales prices over costs. Consequently, profitability is sensitive to fluctuations in wholesale and retail prices caused by changes in supply (which itself depends on other factors such as weather, fuel, equipment and labour costs, shipping costs, economic situation, government regulations and demand), taxes, government programs and policies for the cannabis industry (including price controls and wholesale price restrictions that may be imposed by government agencies responsible for the sale of cannabis), and other market conditions, all of which are factors beyond the control of the Company. The Company's operating income may be significantly and adversely affected by a decline in the price of cannabis and will be sensitive to changes in the price of cannabis and the overall condition of the cannabis industry, as the Company's profitability is directly related to the price of cannabis. The price of cannabis is affected by numerous factors beyond the Company's control. Any price decline may have a material adverse effect on the Company's business, financial condition and results of operations.

Limited Standardized Research on the Effect of Cannabis

To date, there is limited standardization in the research of the effects of cannabis, and future clinical research studies may lead to conclusions that dispute or conflict with the Company's understanding and belief regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis. Research in Canada, the U.S. and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids (such as CBD and THC) remains in relatively early stages.

Future research and clinical trials may draw opposing conclusions to statements in this Annual Information Form or could reach different or negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing or other facts and perceptions related to cannabis, which could adversely affect social acceptance of cannabis and the demand for the Company's products.

Unfavourable Publicity or Consumer Perception

The Company believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of cannabis and related products distributed to such consumers. Consumer perception of the Company's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's products and the business, results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for the Company's products, and the business, results of operations, financial condition, prospects and cash flows of the Company.

Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis and related products in general, or the Company's products specifically, or associating the consumption of cannabis or related products with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regard to the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputational loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on its financial performance, financial condition, cash flows and growth prospects.

Additional Financing

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed wholly or partially with debt, which may increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may also contain provisions which, if breached, may entitle lenders or their agents to accelerate repayment of loans and/or realize upon security over the assets of the Company, and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to such debt financing.

Expansion Efforts and Operations

There is no guarantee that the Company's expansion strategy (including receiving any required regulatory approvals in Canada, Colombia, Mexico or the Netherlands, licences and permits in a timely fashion, if at all) will be completed in the currently proposed form, if at all, nor is there any guarantee that the Company will be able to expand into additional jurisdictions. There is also no guarantee that the Company's intentions to acquire and/or construct additional cannabis production and manufacturing facilities in Canada, Colombia, Mexico, the Netherlands or in other jurisdictions with nationally legal cannabis markets, and to expand the Company's marketing and sales initiatives will be successful. Any such activities will require, among other things, various regulatory approvals, licences and permits (such as additional licences from Health Canada under the Cannabis Act, or the Supreme Court decision in Mexico, as applicable) and there is no guarantee that all required approvals, licences and permits will be obtained in a timely fashion or at all.

The Company's expansion into jurisdictions outside of Canada (Colombia, Mexico, Netherlands) is subject to additional business risks, including new or unexpected risks or could significantly increase the Company's exposure to one or more existing risk factors, including economic instability, changes in laws and regulations, and the effects of competition, as well as operational, regulatory, compliance and reputational and foreign exchange rate risk. In addition, future international expansion could require the Company to incur a number of up-front expenses, including those associated with obtaining regulatory approvals, as well as additional ongoing expenses, including those associated with infrastructure, staff and regulatory compliance. The failure of the Company's operating infrastructure to support such expansion could result in operational failures and regulatory fines or sanctions.

The Company may not be able to successfully identify suitable acquisition and expansion opportunities or integrate such operations successfully with the Company's existing operations as anticipated. There is also no guarantee that the Company will be able to complete any of the foregoing activities at all. The Company's failure to successfully execute its domestic or international expansion strategy (including receiving required regulatory approvals, licences and permits) could adversely affect the Company's business, financial condition, results of operations and prospects and may result in the Company failing to meet anticipated or future demand for its cannabis products, when and if it arises.

Intellectual Property

The ownership and protection of trademarks, patents, trade secrets and intellectual property rights are significant aspects of the Company's future success. Unauthorized parties may attempt to replicate or otherwise obtain and use the Company's products and technology. Policing the unauthorized use of the Company's current or future trademarks, patents, trade secrets or intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Identifying unauthorized use of intellectual property rights is difficult as the Company may be unable to effectively monitor and evaluate the products being distributed by its competitors, including parties such as unlicensed dispensaries, and the processes used to produce such products. In addition, in any infringement proceeding, some or all of the Company's trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same for the benefit of the Company, may be found invalid, unenforceable, anticompetitive or not infringed. An adverse result in any litigation or defense proceedings could put one or more of the Company's trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued. Any or all of these events could materially and adversely affect the Company's business, financial condition, results of operations and prospects.

In addition, other parties may claim that the Company's products infringe on their proprietary and perhaps patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages. As well, the

Company may need to obtain licences from third parties who allege that the Company infringed on their lawful rights. However, such licences may not be available on terms acceptable to the Company or at all. In addition, the Company may not be able to obtain or utilize on terms that are favorable to it, or at all, licences or other rights with respect to intellectual property that it does not own.

Customer Acquisitions

The Company's success depends on its ability to attract and retain customers. There are many factors which could impact the Company's ability to attract and retain customers, including but not limited to the Company's brand awareness, its ability to continually produce desirable and effective cannabis products and the successful implementation of customer-acquisition plans. The failure to acquire and retain customers could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

In addition to being subject to general business risks applicable to a business involving an agricultural product and a regulated consumer product, the Company will need to make significant investments in its business strategy. These investments include the procurement of raw material, extraction equipment, site improvements and research and development projects. The Company expects that competitors will undertake similar investments to compete with it. Competitive conditions, consumer preferences, customer requirements and spending patterns in this industry and market are relatively unknown and may have unique circumstances that differ from other existing industries and markets and cause the Company's future efforts to develop its business to be unsuccessful or to have undesired consequences for it. As a result, the Company may not be successful in its efforts to attract customers or to develop new cannabis products and produce and distribute these cannabis products, or these activities may require significantly more resources than it currently anticipate in order to be successful.

Risks Related to Investment in a Colombian Company

Economic and Political Risks Inherent with any Investment in Colombia

The Issuer's operations are partially located in Colombia. Consequently, the Issuer is dependent upon Colombia's economic and political developments. As a result, the Issuer's business, financial position and results of operations may be affected by the general conditions of these economies, price instabilities, currency fluctuations, inflation, interest rates, regulation, taxation, social instabilities, political unrest and other developments in or affecting Colombia, over which the Issuer has no control. In the past, Colombia has experienced periods of weak economic activity and deterioration in economic conditions. The Issuer cannot assure that such conditions will not return or that such conditions will not have a material adverse effect on the Issuer's business, financial condition or results of operations.

Operational Risks

Operations in Colombia are subject to risk due to the potential for social, political, economic, legal and fiscal instability. The government in Colombia faces ongoing problems including but not limited to inflation, unemployment and inequitable income distribution. In addition, Colombia experiences narcotics-related violence, a prevalence of kidnapping and extortionist activities and civil unrest in certain areas of the country. Such instability may require the Issuer to suspend operations on its properties. Although the Issuer is not presently aware of any circumstances or facts which may cause the following to occur, other risks may involve matters arising out of the evolving laws and policies in Colombia, any future imposition of special taxes or similar charges, as well as foreign exchange fluctuations and currency convertibility and controls, the unenforceability of contractual rights or the taking or nationalization of property without fair compensation, restrictions on the use of expatriates in the Issuer's operations, or other matters.

Enforcement of Judgments

The Issuer is incorporated under the laws of the Province of British Columbia. However some of its assets are located in Colombia. Furthermore, certain of the Issuer's directors and officers reside outside Canada. As a result, investors may not be able to effect service of process within Canada upon the Issuer's directors or officers or enforce against them in Canadian courts judgments predicated on Canadian securities laws. Likewise, it may also be difficult for an investor to enforce in Canadian courts judgments obtained against these persons in courts located in jurisdictions outside Canada. As a result, shareholders may have more difficulty in protecting their interests in the face of actions taken by management, members of the Board or controlling shareholders than they would as public shareholders of a Canadian company.

Guerrilla Activity in Colombia

Colombia is subject to sustained civil unrest due to the activities of guerrilla groups such as non-demobilized groups within the Revolutionary Armed Forces of Colombia (Fuerzas Armadas Revolucionarias de Colombia), or "FARC," the National Liberation Army (Ejército de Liberación Nacional), or "ELN," paramilitary groups, drug cartels and criminal gangs (Bacrim). In remote regions of the country with minimal governmental presence, these groups have exerted influence over the local population and funded their activities by protecting and rendering services to drug traffickers and participating in drug trafficking activities. Armed conflict between government forces and anti-government insurgent groups and illegal paramilitary groups have been funded by the drug trade, and consequently, Colombia has experienced significant social upheaval and criminal activity. Insurgents have attacked and kidnapped civilians and violent guerrilla activity exists in many parts of the country. Any terrorist activity in Colombia generally may disrupt supply chains and discourage qualified individuals from being involved with the Issuer's operations. the Issuer's primary operations are in Rionegro, Colombia, which is not an isolated or remote area. The Farm is located in Cauca, Colombia, which is a remoter area with minimal government presence, however the Issuer does not currently have active operations at the Farm nor is it currently developing the Farm as an asset.

Anti-Money Laundering and Terrorist Financing Activities Regulations

The Issuer is subject to a variety of laws and regulations in Canada, Colombia, and internationally that involve money laundering, financial record keeping and proceeds of crime, including, among other legislation, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), *Law 599 of 2000 Colombian Criminal Code*, and the *United Nations Vienna Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances* (Law 67 of 1993), as amended and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued administered or enforced by governmental authorities in Canada or Colombia or abroad.

If the Issuer's investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in Colombia or Canada were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any applicable legislation. This could restrict or otherwise jeopardize the ability of the Issuer to declare or pay dividends, effect other distributions or subsequently repatriate such funds. The protocols that the Issuer has in place to mitigate such risks of proceeds originating from illicit activities include: a permanent and active relationship with the relevant authorities in Colombia; the Issuer submits quarterly reports to Colombia's Unit Financial Information and Analysis ("**UFIA**") or in the case of an important situation, will immediately complete a report regarding the situation; the Issuer has adopted a Code of Good Governance for the Board and its senior management to adhere by; and the Issuer has anti-money laundering controls implemented into its daily operations through a Comprehensive Security Protocol – advising on various processes, including business risk management, human management, physical and electronic security management, and supply management and clearance of goods. In addition, The Issuer has implemented a manual of the Prevention and Control Systems for Anti-Money Laundering based off the regulatory content issued by UFIA through Circular 100-00006. This manual includes policies, among others, regarding conducting due diligence on counterparties; the identification and analysis of unusual operations; and the prevention of processing payments in violation of anti-money laundering legislation. While the Issuer has put the foregoing protocols and policies in place to mitigate the risks of violating anti-money laundering legislation, there is no guarantee that such protocols will prevent proceeds from the Issuer from being found to be in violation of governing anti-money laundering legislation.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Corporation Information

Head Office:	1090 Hamilton Street Vancouver, BC V6B 2R9 Canada
Directors:	Robert Giustra, Chairman Antonio Grimaldo Jordi Chemonte Todd Dalotto
Officers:	Rodrigo Gallardo, Chief Executive Officer Andrew Yau, Chief Financial Officer Jorge Martinez, Chief Operating Officer Daniela Freitas, Corporate Secretary
Auditor:	DMCL LLP 1500 – 1140 West Pender Street Vancouver, BC V6E 4G1
Legal Counsel:	McMillan LLP Suite 1500 - 1055 West Georgia Street Vancouver, BC V6E 4N7
Transfer Agent:	Computershare Investor Services Inc. 2nd Floor – 510 Burrard Street Vancouver, BC V6C 3B9

SCHEDULE E

(See attached.)

Audit Committee Charter

1. Mandate

The audit committee will assist the Board in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the company's business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. At least one member of the committee must have accounting or related financial management expertise. The Board shall interpret the qualifications of financial literacy and financial management expertise in its business judgment and shall conclude whether a director meets these qualifications.

3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfil the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

(a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

(b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;

(c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;

(d) review and recommend to the Board the compensation to be paid to the external auditors; and

(e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

(a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and

(b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

(a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and

(b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

(c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;

(d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and

(e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

(f) review and approve the interim financial statements prior to their release to the public; and

(g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

(h) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

(a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

(b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:

(i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or

(ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

(c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:

(i) the pre-approval policies and procedures are detailed as to the particular service;

(ii) the audit committee is informed of each non-audit service; and

(iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

(a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;

(b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;

(c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;

(d) review the policies and procedures in effect for considering officers' expenses and perquisites;

(e) perform other oversight functions as requested by the Board; and

(f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to:

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for any advisors employed by the audit committee; and

(c) communicate directly with the internal and external auditors.

6. Guidance – Roles & Responsibilities

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

6.1 Internal Control

(a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;

(b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and

(c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 Financial Reporting

General

(a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and

(b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and

(c) understand industry best practices and the Company's adoption of them.

Annual Financial Statements

(d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;

(e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;

(f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;

(g) consider management's handling of proposed audit adjustments identified by the external auditors; and

(h) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

(i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;

(j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and

(k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:

(i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;

(ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financial statements are consistent with changes in the company's operations and financing practices;

(iii) generally accepted accounting principles have been consistently applied;

(iv) there are any actual or proposed changes in accounting or financial reporting practices;

(v) there are any significant or unusual events or transactions;

(vi) the Company's financial and operating controls are functioning effectively;

(vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and

(viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 Compliance with Laws and Regulations

(a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";

(b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and

(c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 Other Responsibilities

Review, with the company's counsel, any legal matters that could have a significant impact on the company's financial statements.

CERTIFICATE OF XEBRA BRANDS LTD.

Dated: May 6, 2021

This non-offering prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Issuer as required by the securities legislation of the Province of British Columbia.

(s) Rodrigo Gallardo	*(s) Andrew Yau*
Rodrigo Gallardo Chief Executive Officer	Andrew Yau Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(s) Robert Giustra	*(s) Jordi Chemonte*
Robert Giustra Director	Jordi Chemonte Director

CERTIFICATE OF PROMOTER
RODRIGO GALLARDO

Dated: May 6, 2021

This non-offering prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Issuer as required by the securities legislation of the Province of British Columbia.

(s) Rodrigo Gallardo
Rodrigo Gallardo
Chief Executive Officer

CERTIFICATE OF PROMOTER
ROBERT GIUSTRA

Dated: May 6, 2021

This non-offering prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Issuer as required by the securities legislation of the Province of British Columbia.

(s) Robert Giustra
Robert Giustra
Director