

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Global Cannabis Applications Corp. (the "Issuer")

Trading Symbol: APP

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

Unaudited condensed consolidated interim financial statements for the six months ended December 31, 2020, as filed with the securities regulatory authorities are attached to this Form 5 as Appendix "A".

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. **Related party transactions**

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

All related party transactions have been disclosed in the Issuer’s unaudited condensed consolidated interim financial statements for the six months ended December 31, 2020. Please refer to Note 7 to the unaudited condensed consolidated interim financial statements for the six months ended December 31, 2020, attached hereto as Appendix “A”. For information supplementary to that contained in the notes to the unaudited condensed consolidated interim financial statements with respect to related party transactions, please refer to the Management’s Discussion and Analysis (“MD&A”) for the six months ended December 31, 2020, as filed with the securities regulatory authorities and attached to this Form 5 as Appendix “B”.

2. **Summary of securities issued and options granted during the period.**

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

All securities issued and options granted, if any, by the Issuer have been disclosed in the Issuer’s financial statement notes for the interim period ended December 31, 2020.

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
December 31, 2020	Units ⁽¹⁾	Non-brokered private placement financing	11,560,000	\$0.05	\$420,000.00 (financing) & \$158,000.00 (debt settlement)	Cash	Unrelated	\$18,000 cash & 360,000 Finder’s Warrants ⁽²⁾

(1) Each Unit consists of one common share and one common share purchase warrant (a “Warrant”), whereby each Warrant entitles the holder to acquire one additional common share at a price of \$0.10 for a period of two years from the date of issuance.

(2) Each Finder’s Warrant entitles the holder to acquire one additional common share at a price of \$0.10 for a period of two years from the date of issuance.

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and Relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
November 16, 2020	2,450,000	Alexander Helmel	Chief Financial Officer and Director	\$0.10	November 16, 2025	\$0.06
November 16, 2020	2,500,000	Brad Moore	Chief Executive Officer and Director	\$0.10	November 16, 2025	\$0.06
November 16, 2020	1,500,000	Hanan Gelbendorf	Chief Marketing Officer	\$0.10	November 16, 2025	\$0.06
November 16, 2020	1,000,000	Jeffrey Hayzlett	Director	\$0.10	November 16, 2025	\$0.06
November 16, 2020	1,000,000	Unrelated Person	Consultant	\$0.10	November 16, 2025	\$0.06
November 16, 2020	500,000	Unrelated Person	Consultant	\$0.10	November 16, 2025	\$0.06

3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

Description	Number Authorized	Par Value
Common Shares	Unlimited	NPV

- (b) number and recorded value for shares issued and outstanding,

Description	Number Issued and Outstanding	Value
Common Shares	166,325,795	\$17,033,036

- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

Description	Number Outstanding	Exercise Price	Expiry Date
Stock Options	900,000	\$0.26	May 10, 2021
Stock Options	200,000	\$0.15	October 24, 2021
Stock Options	300,000	\$0.10	March 7, 2027
Stock Options	500,000	\$0.395	November 24, 2022
Stock Options	50,000	\$0.64	January 31, 2023
Stock Options	100,000	\$0.37	February 27, 2023
Stock Options	25,000	\$0.265	April 3, 2023
Stock Options	75,000	\$0.365	May 14, 2023
Stock Options	450,000	\$0.225	September 28, 2023
Stock Options	140,000	\$0.17	October 26, 2023

Stock Options	500,000	\$0.12	December 13, 2023
Stock Options	175,000	\$0.10	January 1, 2024
Stock Options	400,000	\$0.13	January 8, 2024
Stock Options	700,000	\$0.105	January 17, 2024
Stock Options	50,000	\$0.10	February 13, 2024
Stock Options	50,000	\$0.10	February 19, 2024
Stock Options	1,025,000	\$0.10	May 13, 2024
Stock Options	8,950,000	\$0.10	November 16, 2025
TOTAL	14,590,000		

Description	Number Outstanding	Exercise Price	Expiry Date
Share Purchase Warrants	900,000	\$0.30	June 2, 2021
Share Purchase Warrants	2,835,000	\$0.10	August 11, 2022
Share Purchase Warrants (including Finders Share Purchase Warrants)	3,683,566	\$0.135	April 5, 2021
Share Purchase Warrants	3,205,000	\$0.085	November 21, 2021
Share Purchase Warrants	40,053,795	\$0.05	September 25, 2023
Share Purchase Warrants (including Finders Share Purchase Warrants)	11,920,000	\$0.10	December 31, 2022
TOTAL:	62,597,361		

- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

Not applicable.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Position
Bradley Moore	Chief Executive Officer and Director
Alexander Helmelt	Chief Financial Officer and Director
Hanan Gelbendorf	Chief Marketing Officer
Jeffrey Hayzlett	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

Management's Discussion and Analysis ("MD&A") for the six months ended December 31, 2020, attached to this Form 5 as Appendix "B".

Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: March 1, 2021

Bradley Moore
Name of Director or Senior Officer

/s/ Bradley Moore
Signature

Chief Executive Officer and Director
Official Capacity

Issuer Details Name of Issuer Global Cannabis Applications Corp.	For Quarter Ended December 31, 2020	Date of Report YYYY/MM/DD 2021/03/01
Issuer Address PO Box 43, Suite 830, 1100 Melville Street		
City/Province/Postal Code Vancouver, British Columbia, V6E 4A6	Issuer Fax No. Not applicable	Issuer Telephone No. 1-855-269-9554
Contact Name Bradley Moore	Contact Position Chief Executive Officer	Contact Telephone No. 1-855-269-9554
Contact Email Address info@cannappscorp.com	Web Site Address https://cannappscorp.com/	

Appendix "A"



Global Cannabis Applications Corp.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended December 31, 2020 and 2019

(Stated in Canadian Dollars)
(unaudited)

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

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

The accompanying unaudited condensed consolidated interim financial statements of Global Cannabis Applications Corp. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

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

	December 31, 2020	June 30, 2020
ASSETS		
Current assets		
Cash	\$ 401,254	\$ 3,171
GST receivable	2,460	15,584
Loan receivable (Note 6)	1,704,545	340,909
Prepaid expenses	-	-
	2,108,259	359,664
Deposit	-	-
Intangible Asset (Note 4)	400,934	-
	\$ 2,509,193	\$ 359,664
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable (Note 7)	\$ 1,096,459	\$ 1,385,136
Accrued liabilities	396,096	418,846
Loan payable (Note 8)	427,859	413,268
	1,920,914	2,217,250
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	17,033,036	15,066,447
Subscriptions received (Note 9)	-	17,000
Obligation to issue shares (Note 9)	30,000	-
Share-based payment reserve (Note 9)	4,355,815	3,139,131
Deficit	(20,830,572)	(20,080,164)
	(588,279)	(1,857,586)
	\$ 2,509,193	\$ 359,664

Going concern (Note 1)

Approved on behalf of the Board:

"Bradley Moore"

Bradley Moore

"Alexander Helmel"

Alexander Helmel

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

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

	Three months ended		Six months ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Expenses:				
Accounting and audit fees	\$ 17,707	\$ 25,915	\$ 23,207	\$ 41,065
Amortization of intangible assets (Note 4)	-	-	-	-
Bank and interest charges (Note 8)	8,712	8,481	16,215	15,684
Consulting fees (Notes 6 and 7)	90,100	234,153	245,600	434,834
Depreciation of equipment (Note 5)	-	252	-	252
IT costs	3,351	-	7,401	-
Legal fees	-	-	-	2,282
Marketing	66,500	187,762	66,500	209,341
Office and miscellaneous	-	135	-	3,648
Research and development costs (Note 4)	-	4,549	-	7,758
Share based compensation	359,000	-	359,000	-
Transfer agent, listing, and filing fees	8,589	3,992	13,032	6,609
Travel	-	1,558	-	12,070
	(553,959)	(466,797)	(730,955)	(733,543)
Other items:				
Change in fair value of loan receivable (Note 6)	1,295,454	-	1,363,636	-
Gain (loss) on debt settlement (Note 9)	(463,841)	-	(1,383,089)	-
Net and comprehensive profit/(loss)	\$ 277,654	\$ (466,797)	\$ (750,408)	\$ (733,543)
Basic and diluted loss per share	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	154,857,100	106,529,259	135,942,701	103,606,498

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

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

	Six months ended December 31, 2020	Six months ended December 31, 2019
Operating Activities		
Net loss	\$ (750,408)	\$ (733,543)
Items not affecting cash:		
Change in fair value of note receivable	(1,363,636)	-
Deposit Returned	-	11,500
Depreciation and amortization	-	252
Accrued interest	14,591	13,612
Loss (gain) from debt settlement	1,383,089	-
Share based compensation	359,000	-
Shares issued for services	621,250	544,375
Changes in non-cash working capital items:		
GST receivable	13,124	7,827
Prepaid expenses	-	-
Accounts payable and accrued liabilities	(310,927)	19,128
Cash used in operating activities	(33,918)	(136,849)
Financing Activities		
Obligation to issue shares	30,000	-
Shares subscriptions received (used), net	(17,000)	(23,441)
Shares issued for cash, net of issue costs	419,000	160,250
Cash provided by financing activities	432,000	136,809
Investing Activities		
Loan receivable	-	-
Cash used in investing activities	-	-
Decrease in cash	(398,083)	(40)
Cash, beginning	3,171	6,980
Cash, ending	\$ 401,254	\$ 6,940

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

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

	<u>Share capital</u>						
	Number of Shares	Amount	Obligation to issue shares	Subscriptions Received	Share-based payment reserve	Deficit	Total
Balance, June 30, 2019	100,619,501	14,643,672	-	40,441	3,075,031	(18,415,452)	(656,308)
Shares issued for cash, net of costs (Note 9)	3,205,000	160,250	-	(40,441)	-	-	119,809
Shares issued for debt	10,887,500	544,375	-	-	-	-	544,375
Subscriptions received	-	-	-	17,000	-	-	17,000
Net and comprehensive loss	-	-	-	-	-	(733,543)	(733,543)
Balance, December 31, 2019	114,712,001	\$ 15,348,297	-	\$ 17,000	\$ 3,075,031	\$ (19,148,995)	\$ (708,667)
Balance, June 30, 2020	114,712,001	\$ 15,066,447	-	\$ 17,000	\$ 3,139,131	\$ (20,080,164)	\$ (1,857,586)
Shares issued for cash, net of costs (Note 9)	9,172,727	393,157	-	(17,000)	25,843	-	402,000
Shares issued for debt (Note 9)	24,216,818	1,172,498	-	-	831,841	-	2,004,339
Shares issued for intangible (Note 4)	18,224,250	400,934	-	-	-	-	400,934
Obligation to issue shares	-	-	30,000	-	-	-	30,000
Share based compensation	-	-	-	-	359,000	-	359,000
Net and comprehensive loss	-	-	-	-	-	(750,408)	(750,408)
Balance, December 31, 2020	166,325,796	\$ 17,033,036	\$ 30,000	\$ -	\$ 4,355,815	\$ (20,830,572)	\$ (588,279)

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

GLOBAL CANNABIS APPLICATIONS CORP.

Notes to the Condensed Consolidated Interim Financial Statements

Six months ended December 31, 2020

(Stated in Canadian Dollars) (unaudited)

1. Nature and Continuance of Operations

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

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2020, the Company has not generated any revenues from operations and has an accumulated deficit of \$20,830,572 (June 30, 2020: \$20,080,164). The continued operations of the Company are dependent on its ability to generate future cash flows from operations or obtain additional financing. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. Management intends to finance operating costs over the next twelve months with private placements of common shares and loans from directors. While management has been successful in obtaining sufficient funding for its operating and capital requirements from the inception of the Company to date, there is no assurance that additional funding will be available to the Company, when required, or on terms which are acceptable to management.

2. Statement of Compliance

These financial statements were authorized for issue on March 1, 2021, by the directors of the Company.

Statement of Compliance

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

These unaudited condensed interim consolidated financial statements do not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended June 30, 2020.

3. Significant Accounting Policies and Basis of Preparation

Significant accounting policies

The accounting policies adopted in these condensed consolidated interim financial statements are consistent with the accounting policies adopted in the Company’s consolidated financial statements for the years ended June 30, 2020, and 2019, and as such, these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s consolidated financial statements for the years ended June 30, 2020, and 2019.

Basis of Preparation

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

GLOBAL CANNABIS APPLICATIONS CORP.

Notes to the Consolidated Interim Financial Statements

Six months ended December 31, 2020

(Stated in Canadian Dollars) (unaudited)

Consolidation

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

	Country of incorporation	Percentage owned*	
		Sept. 30, 2020	June 30, 2020
Antisocial Holdings Ltd. **	Canada	100%	100%
FORO Technologies Inc. **	Canada	100%	100%
GCAC Europe UAB	Lithuania	100%	100%
Citizen Green OU **	Estonia	45.8%	45.8%
GCAC Australia Pty Ltd. **	Australia	61%	61%
OPINIT LLC **	USA	100%	100%

* Percentage of voting power is in proportion to ownership.

** These companies are dormant.

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

4. Intangible Assets

	TraceLocker	Total
Cost:		
Balance June 30, 2019 and 2020	\$ -	\$ -
Additions	400,934	400,934
Balance December 31, 2020	\$ 400,934	\$ 400,934
Accumulated amortization:		
Balance June 30, 2019 and 2020	-	-
Amortization	-	-
Balance December 31, 2020	\$ -	\$ -
Carrying amount:		
Balance June 30, 2019 and 2020	\$ -	\$ -
Balance December 31, 2020	\$ 400,934	\$ 400,934

During the year ended June 30, 2020, costs incurred of \$13,918 (2019: \$1,134,288) have been expensed as research and development as these costs do not meet capitalization criteria. There were no comparable costs expensed during the period ended December 31, 2020.

On August 30, 2020, the Company entered a software license and support agreement with Abbey Technology GmbH to licence the use of the TraceLocker App in Canada, EU, and Israel. TraceLocker is an Ethereum blockchain powered compliance platform that provides binding attestations of regulated goods' chain of custody. Combining KYC and AML regtech with its end-to-end information management service, TraceLocker ensures all regulatory data is provably captured and secured using immutable blockchain notarizations. Under the terms of the agreement, the Company agreed to pay a one time fee of USD\$302,500 (the "Fee") and to issue 18,224,250 warrants (the "Warrants") in connection six-month territorial exclusivity. The Warrants were issued in connection with the settlement of the Fee (by issuing 18,224,250 shares for debt) on September 25, 2020. The initial term of the agreement ends on August 12, 2021, annual renewal will cost USD\$42,000 thereafter.

GLOBAL CANNABIS APPLICATIONS CORP.

Notes to the Consolidated Interim Financial Statements

Six months ended December 31, 2020

(Stated in Canadian Dollars) (unaudited)

5. Equipment

Cost:	
Balance, June 30, 2019, 2020, and Dec 31, 2020	\$ 7,067
Accumulated depreciation:	
Balance June 30, 2019	6,815
Depreciation	252
Balance June 30, 2020	\$ 7,067
Depreciation	-
Balance December 31, 2020	\$ 7,067
Carrying amount:	
As at June 30, 2019	\$ 252
As at June 30, 2020	-
As at December 31, 2020	\$ -

6. Loan Receivable

During the year ended June 30, 2018, the Company entered into a loan agreement whereby it is committed to loan an arm's-length party (the "Borrower") \$4,000,000. The loan was to be used to support the marketing and listing of the Company's proposed crypto currency token which, as at June 30, 2019, the Company is no longer pursuing. During the year ended June 30, 2019, the Company advanced \$500,000 (2018: \$3,000,000) to the Borrower. The term of the loan is one year, and the loan bears no interest prior to the maturity date and 12% per annum after the maturity date of April 6, 2019. The loan is secured by 13,636,363 shares of the Company owned by a significant shareholder. The Company determined the fair value of the \$3,000,000 advanced to be \$2,500,000 using a discount rate of 20% over the one year term of the loan. The Company expensed the discount of \$500,000 as a consulting fee during the year ended June 30, 2018. During the year ended June 30, 2019, the Company advanced the Borrower an additional \$500,000. The Company determined the fair value of this portion of the loan receivable to be \$438,913 using a discount rate of 20% over the remaining term of the loan. The Company expensed the discount of \$61,088 as a consulting fee.

Upon the adoption of IFRS 9, the Company classified the loan receivable as FVTPL as it is not held solely for purposes of principal and interest. At December 31, 2020, the fair value of the loan was estimated to be \$1,704,545 (June 30, 2020: \$340,909), based on the fair value of the underlying security. During the six months ended December 31, 2020, an increase in the fair value of the loan of \$1,363,636 (2019: \$Nil) was recorded in the statement of comprehensive loss.

7. Related Party Transactions

Key management compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. The Company considers its Chief Executive Officer, Chief Financial Officer, Chief Marketing Officer, and directors of the Company to be key management. The Company has incurred charges during the period from directors and senior management, or companies controlled by them, for consulting fees in the amount of \$207,000 (2019: \$294,712).

During the six months ended December 31, 2020, share based compensation for key management during the year totaled \$298,832 (2019: \$Nil).

At December 31, 2020, a balance of \$377,759 (June 30, 2020: \$435,493) was owing to related parties and included in accounts payable. These amounts are unsecured, non-interest bearing and due on demand.

GLOBAL CANNABIS APPLICATIONS CORP.

Notes to the Consolidated Interim Financial Statements

Six months ended December 31, 2020

(Stated in Canadian Dollars) (unaudited)

8. Loan Payable

During the year ended June 30, 2017, all the short term loans and outstanding interest were renegotiated and consolidated into a single unsecured, due on demand loan. The loan bears an interest of 7% per annum. The Company paid the lender \$75,000 as an arrangement fee in connection with the re-negotiation which was recorded as reduction of the debt. On October 30, 2018, the Company issued 600,000 units with a fair value of \$108,000 as payment towards the outstanding amount (Note 9). The loan was renewed during the year ended June 30, 2019 and again during the year ended June 30, 2020. The loan is due on December 31, 2020.

Loan payable changes are as follows:

	Principal	Interest	Total
Balance June 30, 2019	310,716	74,847	385,563
Interest	-	27,705	27,705
Balance June 30, 2020	\$ 310,716	\$ 102,552	\$ 413,268
Interest	-	14,591	14,591
Balance December 31, 2020	\$ 310,716	\$ 117,143	\$ 427,859

9. Share Capital

a) Authorized

Unlimited common shares, without par value.

b) Issued

During the six months ended December 31, 2020

On December 31, 2020, the Company closed a non-brokered private placement and issued 8,400,000 units at a price of \$0.05 per unit for gross proceeds of \$420,000 and 3,160,000 units at a deemed price of \$0.05 per unit to settle an aggregate of \$158,000 in debt to various creditors of the Company. Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of \$0.10 per common share. The Company paid finders fees of \$18,000 cash and issued 360,000 finders warrants (with a fair value of \$25,843) with the same terms as the warrants above. Each common share issued to creditors as part of a unit was issued with a fair value of \$0.125 resulting in the Company recognizing a loss on debt settlement of \$237,000. The fair value of the warrants issued as part of the debt settlement unit was determined to be \$226,841 using the Black-Scholes pricing model (expected life: 2 years, bond equivalent yield: 0.203%, volatility: 100%).

On September 28, 2020, the Company closed a non-brokered private placement and issued 772,727 units at a price of \$0.022 per unit for gross proceeds of \$17,000 (received prior to June 30, 2020) and 39,281,068 units at a deemed price of \$0.022 per unit to settle an aggregate of \$864,184 in debt to various creditors of the Company. Each unit consisted of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of three years from closing at an exercise price of \$0.05 per common share. No finders' fees were paid in connection with the private placement. Each common share issued to creditors as part of a unit was issued with a fair value of \$0.03 resulting in the Company recognizing a loss on debt settlement of \$314,248. The fair value of the warrants issued as part of the debt settlement unit was determined to be \$605,000 using the Black-Scholes pricing model (expected life: 3 years, bond equivalent yield: 0.26%, volatility: 100%).

The Company received \$30,000 in connection with the exercise of warrants which was recorded as an obligation to issue shares at December 31, 2020.

GLOBAL CANNABIS APPLICATIONS CORP.

Notes to the Consolidated Interim Financial Statements

Six months ended December 31, 2020

(Stated in Canadian Dollars) (unaudited)

During the year ended June 30, 2020

On November 22, 2019, the Company issued 3,205,000 units at a price of \$0.05 per unit for gross proceeds of \$160,250. Each unit consists of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of two years from closing at an exercise price of \$0.085 per common share. The value allocated to the warrants was \$64,100 using the residual method.

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

c) Warrants

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

	Number of warrants	Weighted average exercise price
Balance, June 30, 2019	40,815,605	0.36
Issued	3,205,000	0.085
Expired	(19,361,876)	0.46
Balance, June 30, 2020	24,658,729	\$ 0.24
Issued	51,973,795	0.06
Expired	(14,035,163)	0.26
Balance, December 31, 2020	62,597,361	\$ 0.07

The following table details the warrants outstanding and exercisable at December 31, 2020:

Number of Warrants	Exercise Price	Expiry Date
3,683,566	\$0.135	April 5, 2021
900,000	\$0.30	June 2, 2021
2,835,000	\$0.10	August 11, 2022
3,205,000	\$0.085	November 22, 2021
40,053,795	\$0.05	September 25, 2023
11,920,000	\$0.10	December 31, 2022
62,597,361	\$0.07	

At December 31, 2020, the weighted average remaining contractual life of all warrants outstanding was 2.27 years.

d) Share-based compensation

The Company has a stock option plan whereby share purchase options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the market price of the Company's shares on the date of the grant, subject to a minimum exercise price of \$0.10, and, unless otherwise stated, vest on the grant date and with a term not to exceed five years. Under the plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the share purchase option grant.

During the six months ended December 31, 2020, the Company granted 8,950,000 stock options to consultants, management, and directors of the Company. The stock options are exercisable at \$0.10 per share for a period of five years. The fair value of the options was determined to be \$359,000 using the Black-Scholes pricing model (expected life: 5 years, bond equivalent yield: 0.469%, volatility: 100%).

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

GLOBAL CANNABIS APPLICATIONS CORP.

Notes to the Consolidated Interim Financial Statements

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(Stated in Canadian Dollars) (unaudited)

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

	Options	Weighted Average Exercise Price
Balance June 30, 2019	8,685,000	0.23
Expired/forfeited/cancelled	(1,880,000)	0.38
Balance June 30, 2020	6,805,000	0.18
Granted	8,950,000	0.10
Expired/forfeited/cancelled	(1,165,000)	0.27
Balance December 31, 2020	14,590,000	\$ 0.13

Details of the Company's outstanding and exercisable stock options at December 31, 2020, is as follows:

Exercise price	Remaining contractual life (years)	Number of options outstanding	Expiry Dates
\$0.26	0.36	900,000	May 10, 2021
\$0.15	0.81	200,000	October 24, 2021
\$0.10	1.18	300,000	March 7, 2022
\$0.395	1.90	500,000	November 24, 2022
\$0.64	2.08	50,000	January 31, 2023
\$0.37	2.16	100,000	February 27, 2023
\$0.265	2.25	25,000	April 3, 2023
\$0.365	2.37	75,000	May 14, 2023
\$0.225	2.74	450,000	September 28, 2023
\$0.17	2.82	140,000	October 26, 2023
\$0.12	2.95	500,000	December 13, 2023
\$0.10	3.00	175,000	January 1, 2024
\$0.13	3.02	400,000	January 8, 2024
\$0.105	3.05	700,000	January 17, 2024
\$0.10	3.12	50,000	February 13, 2024
\$0.10	3.16	50,000	February 27, 2024
\$0.10	3.37	1,025,000	May 13, 2024
\$0.10	4.88	8,950,000	November 16, 2025
\$0.13	3.89 years	14,590,000	

e) Share based payment reserve

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

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants. During the year ended June 30, 2020, an amount of \$64,100 (2019 - \$354,602) was allocated to warrants under this method.

f) Loss per share

The calculation of basic and diluted loss per share for the six months ended December 31, 2020, was based on the loss attributable to common shareholders of \$750,408 (2019: \$733,543) and the weighted average number of common shares outstanding of 135,942,701 (2019: 103,606,498).

GLOBAL CANNABIS APPLICATIONS CORP.

Notes to the Consolidated Interim Financial Statements

Six months ended December 31, 2020

(Stated in Canadian Dollars) (unaudited)

10. Financial Risk and Capital Management

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

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its loan receivable. This risk is partially managed by loan security of 13,636,363 shares of the Company and a personal guarantee from an individual related to the lender.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis.

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

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management does not believe the Company is exposed to significant interest rate risk as cash is non interest bearing and liabilities bear interest at a fixed rate as at December 31, 2020.

Foreign exchange risk

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

Fair value

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

Capital Risk Management

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

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

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

GLOBAL CANNABIS APPLICATIONS CORP.

Notes to the Consolidated Interim Financial Statements

Six months ended December 31, 2020

(Stated in Canadian Dollars) (unaudited)

11. Subsequent Events

On January 4, 2021, the Company announced that it has signed a Citizen Green Efixii reseller and licence agreement with Transparent-C Ltd., a provider of regulatory and professional services to Israeli medical cannabis market participants.

Following on from October's three-year SaaS (software as a service) licence sale of Efixii to the Israeli grower Bless Cultivation Ltd., the Company continues to expand its international business development footprint with this agreement. Transparent-C is now licensed to resell all Global Cannabis SaaS products in Israel for a 20 per cent revenue share of the cash received by GCAC and at no upfront or recurring cost to the Company.

On January 20, 2021, the Company announced that it has signed a definitive data sales service agreement with Alqami. The partnership will enable the Company to leverage Alqami's global buyer network and license the data generated by the Company's suite of medical cannabis software solutions.

On February 3, 2021, the Company closed its first tranche of a non-brokered private placement. Pursuant to the private placement, the Company has issued 3,288,561 units at a price of \$0.105 per unit for gross proceeds of \$345,299 and 1,360,000 units at a deemed price of \$0.105 per unit to settle an aggregate of \$142,800 in debt to various creditors of the Company. Each financing unit and settlement unit consist of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of three years from closing at an exercise price of \$0.17 per common share. In connection with the private placement, the Company issued 223,919 finders' units. Each finder's unit consists of one common share and one common share purchase warrant, having the same terms as the warrants.

On February 22, 2021, the Company closed its second and final tranche of a non-brokered private placement. Pursuant to the private placement, the Company has issued 6,184,490 units at a price of \$0.105 per unit for gross proceeds of \$649,371.46 and 1,087,618 units at a deemed price of \$0.105 per unit to settle an aggregate of \$114,199.89 in debt to various creditors of the Company. Each financing unit and settlement unit consists of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of three years from closing at an exercise price of \$0.17 per common share. In connection with the private placement, the Company paid finder's fees in the amount of \$23,885.16, issued 44,755 finders' units and 227,192 finder's warrants with each finders' unit having the same terms as the financing units and each finder's warrant having the same terms as the warrants. Net proceeds from the private placement will be used for working capital and general corporate purposes. All securities issued in connection with the private placement are subject to a statutory hold period of four months from the date of issuance.

Subsequent to December 31, 2020, an aggregate of 6,697,334 warrants and 100,000 stock options have been exercised, and 175,000 stock options have been granted.

Appendix "B"



GLOBAL CANNABIS APPLICATIONS CORP.

MANAGEMENT DISCUSSION AND ANALYSIS
For the six months ended December 2020

1.1 Date of Report: March 1, 2021

The following Management Discussion and Analysis (“MD&A”) of Global Cannabis Applications Corp. (the “Company” or “Global Cannabis”) has been prepared by management, in accordance with the requirements of National Instrument 51-102, and should be read in conjunction with the unaudited condensed consolidated financial statements and notes thereto for the six months ended December 31, 2020.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including that within the consolidated financial statements and MD&A, is complete and reliable. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company.

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are quoted in Canadian dollars, the reporting and functional currency of the Company, unless specifically noted.

Forward-Looking Statements

This MD&A contains forward-looking statements and forward-looking information (collectively, “forward-looking statements”) within the meaning of applicable Canadian and US securities legislation. These statements relate to future events or the future activities or performance of the Company. All statements, other than statements of historical fact are forward-looking statements. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. These forward-looking statements include, but are not limited to, statements concerning:

- the Company’s strategies and objectives, both generally and in respect of its existing business and planned business operations;
- the Company’s plans to acquire users for its products;
- the Company’s future cash requirements;
- general business and economic conditions;
- the Company’s ability to meet its financial obligations as they come due, and to be able to raise the necessary funds to continue operations; and,
- the timing, pricing, completion, and regulatory approvals of proposed financings if applicable.

Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Inherent in forward-looking statements are risks and uncertainties beyond the Company’s ability to predict or control, including, but not limited to, risks related to the Company’s ability to raise the necessary capital or to be fully able to implement its business strategies, and other risks identified herein under “Risk Factors”.

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results are likely to differ, and may differ materially, from those expressed or implied by forward looking statements contained in this MD&A. Such statements are based on a number of assumptions, which may prove incorrect, including, but not limited to, assumptions about:

- general business and economic conditions;
- conditions in the financial markets generally, and with respect to the prospects for small capitalization commercial/technology companies specifically;
- the Company’s ability to roll out its business plan which includes new product launches and associated planning in production, sales, distribution and marketing; and,
- the Company’s ability to secure and retain employees and contractors to carry out its business plans.

These forward-looking statements are made as of the date hereof and the Company does not intend and does not assume any obligation, to update these forward-looking statements, except as required by applicable law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on

forward-looking statements.

1.2 Overall Performance

Nature of Business and Overall Performance

The Company was incorporated on July 14, 2014, under the *Business Corporation Act* (British Columbia) under the name of Kluster Technologies Inc. On August 1, 2014, the Company changed its name to Antisocial Holdings Ltd. and later changed its name to Fundamental Applications Corp. (“Fundamental”) on September 2, 2014. On April 10, 2017, the Company changed its name to Global Cannabis Applications Corp.

On September 18, 2014, the Company commenced trading on the Canadian Securities Exchange (“CSE”) under the trading symbol “FUN”. On April 18, 2017, in connection with the Company’s change of name, the Company commenced trading on the CSE under the trading symbol “APP”.

The head office of the Company is Suite 830, 1100 Melville Street, Vancouver, BC V6E 4A6. The registered and records office of the Company is Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

Global Cannabis Applications Corp. is a global leader in designing, developing, marketing and acquiring innovative data technologies for the medical cannabis industry. The Citizen Green platform is the world’s first end-to-end – from patient to regulator – medical cannabis data solution. It uses six core technologies: mobile applications, artificial intelligence, RegTech, smart databases, blockchain and GCAC smart rewards to qualify candidates for clinical studies. These technologies facilitate the proliferation of digital conversations by like-minded people in the medical cannabis community. Driven by digital and cannabis industry experts, GCAC is focused on viral global expansion by providing the best digital experience in the cannabis market.

Since June 2017, GCAC invested \$1.34m in proprietary software research & development and \$4.58m in acquiring third party software and consulting for Citizen Green. The Citizen Green platform is now complete and in its commercialization stage. Sales and marketing efforts have commenced in relation to expanding users of the platform and to join with strategic partners within the cannabis industry to contribute key data to the underlying databases while providing a valuable industry specific tool for their customers.

The Citizen Green platform consists of the following solutions:

TraceLocker (for Cannabis)

TraceLocker is a blockchain-secured data acquisition front-end that GCAC helped re-engineer to align with the medical cannabis industry. Global Cannabis’ 3T immutably records every step in a plants life cycle prior to being administered as a treatment. It is this level of traceability that growers, practitioners and consumers require in order to accurately measure efficacy and to ensure product consistency.

GCAC licenses Citizen Green to medical cannabis & CBD producers & retailers. Citizen Green’s Prescriptii patient care component, and its efficacy-driven algorithms, are also integrated with TraceLocker’s blockchain platform, thus creating what Company believes to be the world’s first complete efficacy-driven, seed-to-shop-to-seed, cannabis solution.

Prescriptii Patient-Care Solution

Prescriptii is an integrated desktop and mobile solution for medical cannabis business optimization with the following benefits:

Better Patient Outcomes

The retail application is used to register patients and collect information about their specific ailment and treatment journey. Using a proprietary Pain to Strain machine learning engine, Prescriptii can make suitable product recommendations for the patient.

Optimized Business Operations

By tracking each patient’s medical cannabis journey, Prescriptii allows retailers to provide individually tailored treatment plans. The system tracks the amount and type of product used providing for inventory management and pricing optimization for the retailer.

Medical Cannabis Data Growth

As Prescriptii captures each patient's experience through a customer mobile application on an ongoing basis, the information is added to GCAC's growing repository of medical cannabis data insights. The database includes medical cannabis study data, clinical trial data, and anecdotal insights captured from many different and highly regarded sources. As more and more patient information is included in the repository, it becomes smarter and is able to make improved product recommendations for each patient.

1.3 Selected Annual Information

N/A (annual requirement)

1.4 Results of Operations

Six months ended December 31, 2020, compared to 2019

The Company incurred a net and comprehensive loss of \$750,408 for the six months ended December 31, 2020, (the "Current Period") compared to a net and comprehensive loss of \$733,543 for the six months ended December 31, 2019 (the "Comparative Period").

The difference in net and comprehensive loss incurred during the Current Period, compared to that incurred during the Comparative Period was largely a result of the following:

- The Company recorded a loss of debt settlement of \$1,383,089 in connection with the debt settlements completed on September 25, 2020 and December 31, 2020. The debt settlement losses consist of two components: \$551,248 recorded in connection with the difference between the fair value of the common shares on the issue date and the deemed price of the debt settlements; and the fair value of the warrants issued in connection the debt settlements amounting to \$857,684 using the Black-Scholes pricing model. There was no comparable expense in the Comparative Period.
- Consulting Fees decreased by \$189,234 to \$245,600 (Comparative Period: \$434,834) as the Company has decreased its use of consultants during the period.
- Marketing decreased by \$142,841 to \$66,500 (Comparative Period: \$209,341).
- Share based compensation increased by \$359,000 from the grant of stock options. There were no options granted in the Comparative Period.
- The Company recorded a gain in the fair value of the loan receivable of \$1,363,636. There was no Comparative Period change. See note 6 of the accompanying financial statements for more information.

The Company has reduced its expenditures during the current period in response to the coronavirus COVID-19 global pandemic and a resulting decrease in activity.

Three months ended December 31, 2020

During the three months ended December 31, 2020 (the "Current Period"), the Company incurred a gain of \$277,654 compared to a loss of \$466,796 for the three months ended December 31, 2019.

Significant variances are largely described above but include:

- \$144,053 reduction of consulting expenses in the Current Period,
- \$121,262 reduction in marketing expenses in the Current Period,
- Share based compensation of \$359,000 as described above,
- \$1,295,454 change in the fair value of the loan receivable as described above, and,
- \$463,841 loss on debt settlement as described above.

1.5 Summary of Quarterly Results

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

Three Months Ended	Total Revenues (\$)	Net (Loss) Gain (\$)	Loss Per Share (basic and diluted) (\$)
December 31, 2020	Nil	277,654	0.01
September 30, 2020	Nil	(1,028,062)	0.01
June 30, 2020	Nil	(86,051)	0.00
March 31, 2020	Nil	(845,118)	0.01
December 31, 2019	Nil	(466,796)	0.00
September 30, 2019	Nil	(266,747)	0.00
June 30, 2019	Nil	(4,182,563)	0.04
March 31, 2019	Nil	(382,569)	0.00

The Company continued to build the Citizen Green platform including blockchain technologies within the platform. The platform is designed for medical cannabis retailers to build loyalty with patients while growing their underlying retail business. Up to the quarter ended March 31, 2019, the Company increased its efforts to complete the Citizen Green platform and related apps and began marketing the product prior to its commercial release. This was followed by a significant decrease in expenditures related to consulting, marketing, research and development as the platform has entered the commercialization stage. During the quarter ended June 30, 2019, the Company continued discussions marketing the project to potential strategic partners in the cannabis industry. During the quarter ended September 31, 2019, December 31, 2019 and March 31, 2020, the Company continued its marketing to potential partners, and continued developing its monetization strategies while significantly decreasing its development and consulting costs. During the quarters ended June 30, 2020, September 31, 2020, and December 31, 2020, the Company continued working towards partnerships with strategic industry participants.

1.6 Liquidity

As at December 31, 2020, the Company had a working capital of \$187,345 (\$401,254 in cash, \$Nil in prepaid expenses, \$2,460 in GST receivable, \$1,704,545 in loan receivable, \$427,859 in loan payable, \$1,096,459 in accounts payable and \$396,096 of accruals) compared to a working capital deficit of \$1,857,586 (\$3,171 in cash, \$Nil in prepaid expenses, \$15,584 in GST receivable, \$340,909 in loan receivable, 413,268 in loan payable, \$1,385,136 in accounts payable and \$418,846 accruals) at June 30, 2020.

The Company highlights the risk associated with the loan receivable including the risk of being unable to collect.

The Company has not pledged any of its assets as security for loans, or otherwise is not subject to any debt covenants. Based on current information, the Company anticipates that its working capital is insufficient to meet its expected ongoing obligations for the coming year.

The Company has financed its operations to date primarily through the issuance of common shares and the exercise of stock options or warrants. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

1.7 Capital Resources

At December 31, 2020, the capital of the Company consists of cash in the bank, loan receivable, and GST/HST recoverable totaling \$403,713. The Company will have to generate additional cash from either debt or equity raised through the Canadian public markets to meet its commitments.

As at the date of this MD&A, the Company had 14,665,000 stock options with exercise prices between \$0.10 and \$0.64, and 68,284,562 warrants with exercise prices between \$0.05 and \$0.30 which, if all exercised, would generate cash proceeds of \$7,959,005.78. There is no assurance that these exercises will occur.

1.8 Off Balance Sheet Arrangements

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

1.9 Transactions with Related Parties

Related party transactions are comprised of services rendered by directors and/or officers of the Company or a company with a director in common. Related party transactions are in the ordinary course of business and are measured at the exchange amount.

Key management compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers. During the six months ended December 31, 2020, the Company entered into the following transactions with key management personnel:

	Six months ended	
	December 31, 2020	December 31, 2019
Fees paid or accrued to the CEO (B. Moore)	\$ 100,500	\$ 147,747
Fees paid or accrued to companies controlled by the CFO (A. Helmelt)	43,500	48,000
Fees paid or accrued to the CMO (Hanan Gelbendorf)	63,000	98,965
Stock-based compensation to the Company's CEO (B. Moore)	100,279	-
Stock-based compensation to the Company's CFO (A. Helmelt)	98,274	-
Stock-based compensation to the Company's CMO (H. Gelbendorf)	60,168	-
Stock-based compensation to a Company Director (Jeff Hayzlett)	40,112	-

The transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

At December 31, 2020, a balance of \$377,759 (June 30, 2020: \$435,493) was owing to related parties and included in accounts payable and accrued liabilities. This amount is unsecured, non-interest bearing and due on demand.

1.10 YTD highlights (Second Quarter)

Following the effects of COVID-19 on the global economy, the Company focused its first quarter's efforts on identifying new technologies to enhance the Citizen Green offering, finalizing data pricing models, completion of market evaluations and identifying key strategic relationships. The investment in the new blockchain attestation software, "Tracelocker", saved the Company approximately \$800,000 in cash outlays if done in house, versus roughly \$400,000 in debt settlement as reflected in financial section 8. Additionally, it accelerated the Companies go-to-market strategy by 4-5 months.

Highlights include:

August 12, 2020 - The Company signed a sublicensing and integration memorandum of understanding with TraceLocker, an Ethereum blockchain compliance platform for medical cannabis growers and importers. Press release here: [GCAC ANNOUNCES EXPANSION OF THE CITIZEN GREEN PLATFORM WITH NEW 3T \("TRACK-TRACE-TREAT"\) DATA SERVICE FOR MEDICAL CANNABIS GROWERS](#)

September 3, 2020 – The Company announced the closing of its months-long integration, and its exclusive licensing agreement, with TraceLocker, thereby marking the final step in the commercial launch of the \$5.92m dollar Citizen Green medical cannabis efficacy and data acquisition platform. Press release here: [GCAC Announces Commercial Launch of its \\$5.92m Medical Cannabis Data-Acquisition Platform](#)

Second Quarter (fiscal)

The start of the second quarter's saw significant progress as the Company launched its new software offering, closed its first revenue deal and created a business relationship with a leading provider of lab services in Canada.

Highlights include:

October 5, 2020 – The Company signed a Memorandum of Understanding (“MOU”) with Purity-IQ Incorporated of Canada (“Purity-IQ”) (<http://purity-iq.com/>) to integrate the Purity-IQ Cannabis Authenticity and Purity Standard (CAPS) and its Fingerprint (TM) technology with the GCAC efficacy platform; with a focus on the Canadian medical cannabis and adult-use markets, which are forecast to grow to CA\$4.1 billion in 2021. Press release here: [GCAC Strengthens Its Medical Cannabis Efficacy Platform with Purity-IQ Biotechnology to Address a \\$4.1 Billion Market Opportunity](#)

October 14, 2020- The Company announced a definitive three-year software licensing deal with Bless Cultivation Ltd. (“Bless”), an Israeli based medical cannabis cultivator. This licensing agreement marks GCAC first sales revenue for Citizen Green since announcing its launch on September 3, 2020. Press release here: [Citizen Green Medical Cannabis Data-Acquisition Platform Goes Live with the Signing of a 3-Year SaaS Licensing Deal](#)

October 29, 2020 – The Company announced the expansion of Citizen Green's Software-as-a-Service (“SaaS”) commercial licensing to encompass the full medical cannabis product lifecycle. These new SaaS licenses expand upon the current Cultivator-SaaS license to now include SaaS for independent laboratories, medical cannabis vendors and authorized retailers. Press release here: [GCAC Announces End-to-End SaaS Licensing for All Medical Cannabis Lifecycle Participants](#)

November 10, 2020 -The Company signed a Definitive Agreement (“Agreement”) with Canadian company Purity-IQ Inc. (“Purity-IQ”) to commercially integrate the Purity-IQ Cannabis Authenticity and Purity Standard (CAPS) into the GCAC platform; with a focus on the Canadian medical cannabis and adult-use markets, which are forecast to grow to CA\$4.1 billion in 2021. Press release here: [GCAC Enters into Definitive Agreement with Purity-IQ Biotechnology](#)

December 1, 2020 – The Company outlined its Ethereum 2.0 roll-up-centric road map, Eth2, continuing its focus on the benefits that Ethereum truths bring to the Canadian medical cannabis and adult-use markets, which are forecast to grow to \$4.1-billion in 2021. Press release here: [GCAC Outlines Its Ethereum 2.0 Roadmap for Medical Cannabis](#)

December 15, 2020 – The Company announced that it has launched Efixii, its medical cannabis efficacy consumer app, continuing its focus on the benefits that efficacy truths bring to the Canadian medical cannabis and adult-use markets, which are forecast to grow to \$4.1-billion in 2021. Press release here: [GCAC Announces Commercial Launch of Medical Cannabis Efficacy App](#)

1.11 Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company other than those which have been disclosed in the Company's news releases.

1.12 Critical Accounting Estimates

Significant Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. 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 where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and estimating the fair value for share-based payment transactions. The assumptions and models used for estimating fair value for share-based payment transactions.

Significant Judgements

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 applying the Company's financial policies in the accompanying financial statements were:

- Evaluating whether or not costs incurred by the Company in developing its data technologies and applications meet the criteria for capitalizing as intangible assets. Management determined that as at December 31, 2020, it was not able to demonstrate with sufficient certainty that it is probable the economic benefits will flow to the Company. Accordingly, all research and development costs incurred to date have been capitalized.
- Evaluating whether or not there are indicators of impairment relating to the costs capitalized as intangibles by the Company for its data technologies and applications are assessed for indicators of impairment.
- Evaluating whether or not the Company can recover its loan receivable.
- Estimation of the fair value of the loan receivable including the consideration of the discount rate and related impact to the financial statements of a change in this discount rate.

Other significant judgments in applying the Company's accounting policies relate to the assessment of the Company's ability to continue as a going concern (Note 1) and the classification of its financial instruments.

1.13 Changes in Accounting Policies

There are no changes in accounting policies during this period other than those disclosed within the accompanying financial statements.

1.14 Financial Instruments and Risk Management

As at December 31, 2020, the Company's financial instruments consist of cash, loan receivable, accounts payable and accrued liabilities.

Fair value

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

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

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

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and amounts receivable. The risk arises from the non-performance of counterparties of contractual financial obligations. The Company's primary exposure to credit risk is on its loan receivable. This risk is partially managed by obtaining a loan security of 13,636,363 shares of the Company owned by the guarantor and by a personal

guarantee from the guarantor. As at the date of this report, the loan receivable has not been repaid and the Company is negotiating terms with the borrower and guarantor.

Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

The Company intends to meet its current obligations in the following year with funds to be raised through private placements.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management does not believe the Company is exposed to significant interest rate risk as liabilities, loan receivable, and cash are either fixed rate (7.0% for loan payable and 12% for loan receivable) or non-interest bearing as at December 31, 2020.

COVID-19

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This ongoing contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The Company has been affected by this and it may impact future funding.

1.15 Other MD&A Requirements

This MD&A should be read in conjunction with the unaudited consolidated financial statements for the six months ended December 31, 2020. This MD&A is intended to assist the reader's understanding of the Company and its operations, business, strategies, performance and future outlook from the perspective of management. The documents mentioned above, as well as news releases and other important information may be viewed through the SEDAR website at www.sedar.com.

This MD&A may contain management estimates of anticipated future trends, activities, or results; these are not a guarantee of future performance, since actual results may vary based on factors and variables outside of management's control. Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible to ensure that information disclosed externally, including the financial statements and MD&A, is complete and reliable. The Company's Board of Directors follows recommended corporate governance guidelines for public companies to ensure transparency and accountability to shareholders. The Board's Audit Committee meets with management to review the financial statement results, including the MD&A, and to discuss other financial, operating and internal control matters. The Audit Committee is free to meet with the independent auditors throughout the year.

Summary of Outstanding Share Data

The following table outlines outstanding share data as of the date of this report:

	Number Issued and Outstanding
Common shares	185,312,473
Stock Options	14,665,000
Warrants	68,284,562
Fully Diluted	268,262,035

Directors and Officers

As of the date of this report, the Company's directors and officers are Bradley Moore (Director and Chief Executive Officer), Jeffrey Hayzlett (Director), Alexander Helmel (Director and Chief Financial Officer), and Hanan Gelbendorf (Chief Marketing Officer).

1.16 Subsequent Events

On January 4, 2021, the Company announced that it has signed a Citizen Green Efixii reseller and licence agreement with Transparent-C Ltd., a provider of regulatory and professional services to Israeli medical cannabis market participants.

Following on from October's three-year SaaS (software as a service) licence sale of Efixii to the Israeli grower Bless Cultivation Ltd., GCAC continues to expand its international business development footprint with this agreement. Transparent-C is now licensed to resell all GCAC SaaS products in Israel for a 20-per-cent revenue share of the cash received by GCAC and at no upfront or recurring cost to GCAC.

On January 20, 2021, the Company announced that it has signed a definitive data sales service agreement with Alqami. The partnership will enable GCAC to leverage Alqami's global buyer network and license the data generated by GCAC's suite of medical cannabis software solutions.

On February 3, 2021, the Company closed its first tranche of a non-brokered private placement. Pursuant to the private placement, the Company has issued 3,288,561 units at a price of \$0.105 per unit for gross proceeds of \$345,299 and 1,360,000 units at a deemed price of \$0.105 per unit to settle an aggregate of \$142,800 in debt to various creditors of the Company. Each financing unit and settlement unit consists of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of three years from closing at an exercise price of \$0.17 per common share. In connection with the private placement, the Company issued 223,919 finders' units. Each finder's unit consists of one common share and one common share purchase warrant, having the same terms as the aforementioned warrants.

On February 22, 2021, the Company closed its second and final tranche of a non-brokered private placement. Pursuant to the private placement, the Company has issued 6,184,490 units at a price of \$0.105 per unit for gross proceeds of \$649,371.46 and 1,087,618 units at a deemed price of \$0.105 per unit to settle an aggregate of \$114,199.89 in debt to various creditors of the Company. Each financing unit and settlement unit consists of one common share and one common share purchase warrant, whereby each warrant entitles the holder to purchase one additional common share of the Company for a period of three years from closing at an exercise price of \$0.17 per common share. In connection with the private placement, the company paid finder's fees in the amount of \$23,885.16 and issued 44,755 finders' units and 227,192 finder's warrants with each finders' unit having the same terms as the financing units and each finder's warrant having the same terms as the warrants. Net proceeds from the private placement will be used for working capital and general corporate purposes. All securities issued in connection with the private placement are subject to a statutory hold period of four months from the date of issuance.

Subsequent to December 31, 2020, an aggregate of 6,697,334 warrants and 100,000 stock options have been exercised, and 175,000 stock options have been granted.