FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: **THC Biomed Intl Ltd.** (the "Issuer").

Trading Symbol: **THC**

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

The financial statements for the three months ended October 31, 2021 are attached.

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. Related party transactions

All related party transactions have been disclosed in the Issuer's financial statements for the period ended October 31, 2021.

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

All securities issued and options granted during the period have been disclosed in the Issuer's financial statements for the period ended October 31, 2021.

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

A summary of securities as at the end of the reporting period have been disclosed in the Issuer's financial statements for the period ended October 31, 2021.

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(s) Held
John Miller	Director, Chief Executive Officer, and President
Hee Jung Chun	Director and Chief Financial Officer
Dr. Ashish Dave	Director
Penelope Laine	Director

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

The MD&A for the three months ended October 31, 2021 is attached.

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 November 30, 2021

John Miller
Name of Director or Senior Officer

"John Miller"
Signature

Director, President, and CEO
Official Capacity

Issuer Details Name of Issuer THC Biomed Intl Ltd.	For Quarter Ended October 31, 2021	Date of Report YY/MM/D November 30, 2021
Issuer Address PO Box 20033, Towne Centre		
City/Province/Postal Code Kelowna, BC, V1Y 9H2	Issuer Fax No. (888) 422-4718	Issuer Telephone No. (250) 870-2512
Contact Name John Miller	Contact Position Director, President, and CEO	Contact Telephone No. (250) 870-2512
Contact Email Address jm@thcmeds.ca	Web Site Address www.thcbiomed.com	

THC BIOMED INTL LTD.

Condensed Interim Consolidated Financial Statements

For the Three Months Ended October 31, 2021 and 2020

(Expressed in Canadian Dollars)

THC BIOMED INTL LTD.

Condensed Interim Consolidated Financial Statements

For the Three Months Ended October 31, 2021 and 2020 **Page**

Notice to Readers

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

The accompanying unaudited condensed interim consolidated financial statements of THC BioMed Intl Ltd. for the three months ended October 31, 2021 and 2020 have been prepared in accordance with International Accounting Standard 34 for Interim Financial Reporting under International Financial Reporting Standards. These condensed interim consolidated financial statements are the responsibility of the Company's management and have been approved by the Board of Directors. The Company's independent auditors have not performed an audit or a review of these condensed interim consolidated financial statements.

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 30, 2021. They are signed on the Company's behalf by:

"John Miller"	*"Hee Jung Chun"*
Director	Director

THC BIOMED INTL LTD.

Condensed Interim Consolidated Statements of Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

	For the three months ended	
	(Unaudited) October 31 2021	(Unaudited) October 31 2020
Revenue (note 15)	**$ 1,136,796**	$ 622,025
Cost of sales (notes 5 and 6)	**(1,069,111)**	(729,379)
Gross profit (loss) before fair value adjustments	**67,685**	(107,354)
Realized fair value changes in biological assets included in inventory sold	**(230,346)**	(578,325)
Unrealized gain (loss) on changes in fair value of biological assets	**874,422**	598,678
Net change in fair value (note 5)	**644,076**	20,353
Gross margin profit (loss)	**711,761**	(87,001)
Expenses		
Depreciation and amortization (note 7)	**219,852**	241,882
General and administration (notes 16 and 19)	**356,193**	319,996
Sales and marketing	**7,743**	9,972
Share-based compensation (notes 14 and 19)	**94,204**	34,620
	677,992	606,470
Other income (expense) items		
Accretion expense on convertible debentures (note 12)	**(8,695)**	-
Foreign exchange gain (loss)	**(417)**	1,094
Interest income	**5**	32
Other	**344**	168
	(8,763)	1,294
Net and comprehensive income (loss) for the period	**$ 25,006**	$ (692,177)
Basic and diluted loss per share	**$ 0.00**	$ (0.00)
Weighted average number of shares outstanding	**163,838,556**	159,641,472

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

THC BIOMED INTL LTD.

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

As at	October 31 2021	July 31 2021
Assets		
Current		
Cash	**$ 377,096**	$ 111,162
Amounts receivable (note 4)	**566,370**	553,305
Due from related party (note 19)	**123,810**	110,757
Biological assets (note 5)	**2,100,607**	1,259,124
Inventory (note 6)	**1,824,193**	1,961,284
Prepaid expenses and deposits	**274,625**	275,803
	5,266,701	4,271,435
Non-current		
Property and equipment (note 7)	**12,983,552**	13,125,006
	$18,250,253	$ 17,396,441
Liabilities		
Current		
Accounts payable and accrued liabilities (notes 8 and 10)	**$ 2,700,184**	$ 3,041,464
Commercial operating loan (note 9)	**471,820**	486,004
Current portion of mortgages payable (note 10)	**1,036,217**	1,482,368
Curent portion of other liabilities (note 11)	**150,835**	167,104
Convertible debentures payable (note 12)	**676,096**	791,552
	5,035,152	5,968,492
Non-current		
Mortgages payable (note 10)	**2,734,858**	1,605,878
Other liabilities (note 11)	**14,537**	38,662
Convertible debentures payable (note 12)	**524,151**	-
	3,273,546	1,644,540
	8,308,698	7,613,032
Shareholders' Equity		
Share capital (note 13)	**31,641,256**	31,641,256
Reserves	**8,782,629**	8,693,174
Accumulated deficit	**(30,482,330)**	(30,551,021)
	9,941,555	9,783,409
	$18,250,253	$ 17,396,441

Nature of operations (note 1)
Subsequent event (note 21)

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

THC BIOMED INTL LTD.

Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Share-Based Payment Reserve	Agent Warrants Reserve	Equity Feature on Convertible Debentures	Accumulated Deficit	Total Equity
Balance, July 31, 2021	163,838,556	$ 31,641,256	$ 683,208	$ 7,984,661	$ 25,305	$ (30,551,021)	$ 9,783,409
Fair value of stock options cancelled	-	-	(18,380)	-	-	18,380	-
Equity feature on previous convertible debentures	-	-	-	-	(25,305)	25,305	-
Equity feature on convertible debentures	-	-	-	-	38,936	-	38,936
Share-based compensation	-	-	94,204	-	-	-	94,204
Net and comprehensive income for the period	-	-	-	-	-	25,006	25,006
Balance, October 31, 2021	**163,838,556**	**$ 31,641,256**	**$ 759,032**	**$ 7,984,661**	**$ 38,936**	**$ (30,482,330)**	**$ 9,941,555**
Balance, July 31, 2020	158,426,056	$ 31,059,338	$ 3,133,143	$ 7,961,454	$ 28,558	$ (27,309,521)	$ 14,872,973
Shares issued for cash	1,363,637	150,000	-	-	-	-	150,000
Share issuance costs	-	(10,500)	-	-	-	-	(10,500)
Reverse fair value of stock options cancelled	-	-	(352,150)	-	-	352,150	-
Reverse fair value of stock options expired	-	-	(1,688,414)	-	-	1,688,414	-
Remove equity feature on previous convertible debentures	-	-	-	-	(28,558)	28,558	-
Equity feature on convertible debentures	-	-	-	-	25,305	-	25,305
Share-based compensation	-	-	34,620	-	-	-	34,620
Net and comprehensive loss for the period	-	-	-	-	-	(692,177)	(692,177)
Balance, October 31, 2020	159,789,693	$ 31,198,838	$ 1,127,199	$ 7,961,454	$ 25,305	$ (25,932,576)	$ 14,380,221

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

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	For the three months ended (Unaudited) October 31 2021	(Unaudited) October 31 2021
Cash provided by (used for)		
Operating activities		
Net and comprehensive income (loss) for the period	**$ 25,006**	$ (692,177)
Items not affecting cash		
Depreciation and amortization	**219,852**	241,882
Interest expense from right of use assets	**4,004**	5,490
Realized fair value changes in biological assets included in inventory sold	**230,346**	578,325
Share-based compensation	**94,204**	34,620
Unrealized gain on changes of fair value of biological assets	**(874,422)**	(598,678)
	(301,010)	(430,538)
Net change in non-cash working capital	**(365,852)**	(112,553)
	(666,862)	(543,091)
Financing activities		
Net convertible debentures received	**400,000**	-
Issuance of shares for cash, net of share issuance costs	**-**	139,500
Net mortgage principal received (repaid)	**682,829**	(28,699)
Principal lease payments for right of use assets	**(44,398)**	(36,985)
Proceeds repaid on commercial operating loan	**(14,184)**	(4,536)
	1,024,247	69,280
Investing activities		
Acquisition of property and equipment	**(78,398)**	(41,493)
Advances to related parties	**(13,053)**	(4,064)
	(91,451)	(45,557)
Net decrease in cash	**265,934**	(519,368)
Cash, beginning of period	**111,162**	751,459
Cash, end of period	**$ 377,096**	$ 232,091

Supplemental cash flow information (note 18)

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

1. DESCRIPTION OF THE BUSINESS AND GOING CONCERN

THC BioMed Intl Ltd. ("THC" or the "Company") is a publicly traded company with its head office at 1340 St. Paul Street, Kelowna, British Columbia, Canada, V1Y 2E1. The Company's shares trade on the Canadian Securities Exchange ("CSE") under the symbol THC, on the Over the Counter Best Market ("OTCQX") under the symbol THCBF, and on the Frankfurt Stock Exchange under the symbol TFHD.

These consolidated financial statements include the accounts of THC BioMed Intl Ltd. and its five wholly owned subsidiaries: THC BioMed Ltd., Clone Shipper Ltd., THC BioMed Victoria Falls Ltd., THC2GO Dispensaries Ltd. ("THC2GO"), and THC BioMed Lesotho Ltd. ("THC Lesotho").

The Company's principal business is the production and sale of cannabis through THC BioMed Ltd. which is a small batch Licensed Producer as regulated by the *Cannabis Act* which regulates the production, distribution, and possession of cannabis for both medical and adult recreational access in Canada. Clone Shipper Ltd. owns all rights to the Clone Shipper product used to transport live plants. THC BioMed Victoria Falls Ltd. (formerly THC BioMedical Ltd.) will conduct research and development of next generation cannabis products. THC2GO and THC Lesotho are inactive.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to raise adequate financing to commence profitable operations in the future. To date the Company is considered to be in the development stage. These factors create material uncertainties that may cast significant doubt about the Company being able to continue as a going concern. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. Further discussion of liquidity risk has been disclosed in Note 20d.

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future; therefore, the Company cannot reasonably estimate the impact at this time on our business, liquidity, capital resources and financial results.

2. BASIS OF PREPARATION

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").

These consolidated financial statements were approved by the Board of Directors and authorized for issuance by the Board of Directors on November 30, 2021.

b) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments that are measured at fair value and biological assets that are measured at fair value less costs to sell, as explained in the accounting policies. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

c) Presentation and functional currency

The presentation and functional currency of the Company and its subsidiaries is the Canadian Dollar.

d) Foreign currency transactions

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the consolidated statement of financial position. Foreign exchange differences are recognized in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

e) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its five wholly-owned subsidiaries (Note 1) on a consolidated basis after elimination of intercompany transactions and balances. Subsidiaries are entities the Company controls where it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

f) Critical accounting judgments and estimates

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

2. BASIS OF PREPARATION (continued)

f) Critical accounting judgments and estimates (continued)

(i) Significant accounting judgments

In the preparation of these consolidated financial statements, management has made judgments in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the consolidated financial statements.

(a) Impairment of non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the asset and a suitable discount rate in order to calculate present value. The assessment of any impairment of assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

(b) Purchase price allocation

The allocation of the purchase price and subsequent costs between land and building on the acquisition of properties requires judgment. The allocations are determined using the property tax assessments when the properties are acquired.

(c) Convertible debentures payable

The Company has issued convertible debentures as described in Note 13. The accounting for convertible debentures, a complex compound financial instrument, requires judgment in determining the discount rate applicable to the Company and the instrument. Should it be determined that the discount rate was not appropriate, then the carrying value and the recognition of expenses across the life of the instrument could be materially different.

(d) Income taxes

The measurement of deferred income tax assets requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the annual consolidated financial statements.

(e) Leases

The Company applies judgment in determining whether lease contracts contain an identified asset, whether the Company has the right to control the asset and the lease term. The lease term is based on considering the facts and circumstances, both qualitative and quantitative, which can create economic incentive to exercise renewal options. The discount rate applied is based on the judgment of management as to what rate most approximately reflects the incremental borrowing rate of the Company.

2. BASIS OF PREPARATION (continued)

f) Critical accounting judgments and estimates (continued)

(i) Significant accounting judgments (continued)

(f) Going concern and liquidity

In assessing the Company's ability to continue as a going concern, management uses significant judgment in the forecasting of future cash flows. Critical input estimates such as economic conditions, market demands, production quality, integrated operating activities, capital expenditures, and debt repayment are used.

(ii) Significant accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimates and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year:

(a) Share-based compensation

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as share-based compensation in the Company's profit or loss.

(b) Biological assets and inventory

In calculating the fair value less costs to sell of biological assets and the cost of inventory, management makes a number of estimates related to inputs and variables, including the stage of growth of the marijuana up to the point of harvest, harvesting costs, selling costs, sales price, wastage, and expected yields from the marijuana plant.

(c) Estimated useful lives, and depreciation and amortization of property and equipment

Depreciation and amortization of property, plant, and equipment are dependent upon estimates of useful lives which are determined through the exercise of judgment.

3. ADOPTION OF NEW STANDARDS

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date later than August 1, 2020. These updates are not currently relevant to the Company or are not expected to have a material impact on the consolidated financial statements and are therefore not discussed herein.

(Expressed in Canadian Dollars)

4. AMOUNTS RECEIVABLE

	October 31 2021	July 31 2021
Canadian Emergency Wage and Rent Subsidies	**$ 72,161**	$ 189,685
Trade receivables	**494,209**	363,620
	$ 566,370	$ 553,305

The Federal Government of Canada passed legislation providing the Canada Emergency Wage Subsidy ("CEWS") on April 11, 2020 and the Canada Emergency Rent Subsidy ("CERS") on November 19, 2020. CEWS is a wage subsidy and CERS is a rent subsidy for eligible Canadian employers whose business has been affected by COVID-19, and who have experienced the required reduction in revenue during the pandemic.

At October 31, 2021, an amount of $72,161 (October 31, 2020 – $226,721) was recognized as an offset to cost of sales in accordance with *IAS 20 - Accounting for Government Grants and Disclosure of Government Assistance*, in profit or loss. At October 31, 2021, $72,161 (July 31, 2021 – $189,685) remains outstanding and is included in amounts receivable. There are no unfulfilled conditions and outstanding contingencies regarding the CEWS and CERS.

5. BIOLOGICAL ASSETS

The Company's biological assets consist of cannabis plants (mother plants and clones for growth); resin; oil; harvested marijuana flowers prior to completion of the drying, grading and testing processes; and edible concentrate.

	October 31 2021	July 31 2021
Carrying amount, beginning of year	**$ 1,259,124**	$ 3,200,051
Capitalized costs	**738,629**	2,742,548
Sales of biological assets	**-**	(992)
Transferred to inventory upon harvest	**(541,222)**	(1,758,580)
Net change in fair value	**644,076**	(2,923,903)
Carrying amount, end of period	**$ 2,100,607**	$ 1,259,124

Biological assets are valued in accordance with IAS 41 – *Agriculture* and are presented at their fair value less costs to sell up to the point of harvest. The fair value was determined using a valuation model to estimate the expected harvest yield per plant applied to the estimated fair value less costs to sell per gram. The significant inputs and assumptions used in determining the fair value of cannabis plants are as follows:

a) yield per plant;
b) expected yield by strain of plant of approximately 77 (July 30, 2021 – 66) grams per plant based on an average of historical growing results;

(Expressed in Canadian Dollars)

5. BIOLOGICAL ASSETS (continued)

c) percentage of costs incurred to date compared to the estimated total costs to be incurred ("stage of plant growth");
d) percentage of costs incurred for each stage of plant growth;
e) average selling price of $3.00 per gram (July 31, 2021 - $3.00 per gram); and
f) average selling costs of $1.28 per gram (July 31, 2021 - $1.25 per gram).

The selling price used in the valuation of biological assets is based on the average selling price of cannabis products for the recreational market and medical market. Expected yields for the cannabis plant is also subject to a variety of factors based on the grow room used, space allocated in the grow room, and flowering time. Selling costs include packaging, labelling, shipping, and other costs incurred to sell cannabis products for the recreational and medical market.

The Company periodically assesses the significant assumptions applied in determining the fair value of biological assets based on historical information obtained as well as planned production schedules. When there is a material change in any of the significant assumptions, the fair value of biological assets is adjusted.

Mother plants have an average life of 1 year. Clones for sale have approximately 2 weeks before they outgrow the Clone Shipper container.

During the three months ended October 31, 2021, the Company's biological assets produced 534 (July 31, 2021 – 1,369) kilograms of dried cannabis. At October 31, 2021, the weighted average stage of growth for the biological assets was 72% (July 31, 2021 - 88%).

The following table summarizes the significant inputs and assumptions used in the fair value model, their weighted average range of value and sensitivity analysis:

Significant inputs and assumptions	**Input Values**		**An increase or decrease of 10% applied to the unobservable input would result in a change to the fair value by approximately**	
	October 31 2021	**July 31 2021**	**October 31 2021**	**July 31 2021**
Average selling price per gram	**$ 3.00**	$ 3.00	**$ 136,281**	$ 117,203
Average selling cost per gram	**$ 1.28**	$ 1.25	**$ 59,055**	$ 48,835
Average yield per plant	**77 grams**	66 grams	**$ 160,290**	$ 410,742

(Expressed in Canadian Dollars)

6. INVENTORY

Inventory is comprised of the following:

	October 31 2021	July 31 2021
Finished goods	**$ 200,170**	$ 436,313
Supplies and consumables	**312,891**	295,794
Unpackaged cannabis and edibles	**1,311,132**	1,229,177
Carrying amount - inventory	**$ 1,824,193**	$ 1,961,284

Inventory expensed during the three months ended October 31, 2021 was $445,411 (October 31, 2020 - $205,098).

7. PROPERTY AND EQUIPMENT

	July 31 2020	Additions	July 31 2021	Additions	October 31 2021
Cost					
Automobile equipment	$ 33,600	$ -	$ 33,600	$ -	**$ 33,600**
Buildings	6,773,321	255,366	7,028,687	12,945	**7,041,632**
Computer equipment	83,652	-	83,652	7,247	**90,899**
Equipment	2,193,773	105,617	2,299,390	58,206	**2,357,596**
Furniture and fixtures	98,828	-	98,828	-	**98,828**
Land	4,366,584	-	4,366,584	-	**4,366,584**
Leasehold improvements	1,585,959	8,327	1,594,286	-	**1,594,286**
Right of use property	482,708	-	482,708	-	**482,708**
Software	81,002	-	81,002	-	**81,002**
	$ 15,699,427	$ 369,310	$ 16,068,737	$ 78,398	**$ 16,147,135**

(Expressed in Canadian Dollars)

7. PROPERTY AND EQUIPMENT (continued)

	July 31 2020	Depreciation/ Amortization	July 31 2021	Depreciation/ Amortization	**October 31 2021**
Accumulated Depreciation/Amortization					
Automobile equipment	$ 10,080	$ 5,040	$ 15,120	$ 1,260	**$ 16,380**
Buildings	508,018	255,720	763,738	62,714	**826,452**
Computer equipment	71,115	6,896	78,011	1,274	**79,285**
Equipment	626,967	323,923	950,890	68,882	**1,019,772**
Furniture and fixtures	39,013	11,964	50,977	2,392	**53,369**
Leasehold improvements	491,974	219,629	711,603	44,134	**755,737**
Right of use property	135,605	156,785	292,390	39,196	**331,586**
Software	81,002	-	81,002	-	**81,002**
	$ 1,963,774	$ 979,957	$ 2,943,731	$ 219,852	**$ 3,163,583**
Carrying Amounts	$ 13,735,653		$ 13,125,006		**$ 12,983,552**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	October 31 2021	July 31 2021
Accrued liabilities	**$ 188,377**	$ 166,007
Excise taxes payable	**1,143,921**	1,387,980
Goods and services tax payable	**232,015**	204,984
Trade payables	**1,135,871**	1,282,493
	$ 2,700,184	$ 3,041,464

9. COMMERCIAL OPERATING LOAN

On February 1, 2019, the Company secured a $500,000 commercial operating loan for business operating funds using the property on St. Paul Street in Kelowna, British Columbia as collateral. The interest rate is the Credit Union’s Prime Lending Rate plus 1%. The loan is payable upon demand and subject to an annual review. At October 31, 2021, the balance payable is $471,820 (July 31, 2021 - $486,004).

(Expressed in Canadian Dollars)

10. MORTGAGES PAYABLE

	October 31 2021	July 31 2021
Mortgages payable at beginning of the year	**$ 3,088,246**	$ 2,691,771
Mortgages added during the year	**-**	410,000
Mortgage refinanced during the year	**1,000,000**	113,893
Less principal payments	**(317,171)**	(127,418)
Total mortgages	**3,771,075**	3,088,246
Less current portion	**(1,036,217)**	(1,482,368)
Non-current portion	**$ 2,734,858**	$ 1,605,878

The Company had a mortgage payable on property on Acland Road in Kelowna, British Columbia acquired in the principal amount of $210,560. The mortgage was initially with interest at 5.50% per annum with monthly payments of $2,760 due on the 21st day of each month and the mortgage due on September 21, 2015. The mortgage was extended to mature on August 21, 2018 with interest at 10% per annum starting on September 22, 2015. The mortgage has been extended again to August 21, 2021 on the same terms. At October 31, 2021, the balance payable was $Nil (July 31, 2021 - $102,144) with accrued interest of $Nil (July 31, 2021 - $275) included in accounts payable and accrued liabilities. The mortgage was paid in full on August 21, 2021.

The Company had a mortgage payable on property on Acland Road in Kelowna, British Columbia acquired in the principal amount of $250,000. The mortgage was initially with interest at 10% per annum with monthly payments of $2,656 due on the 2nd day of each month and the mortgage due on October 2, 2017. The mortgage was extended to mature on October 2, 2023 on the same terms. At October 31, 2021, the balance payable is $Nil (July 31, 2021 - $184,601) with accrued interest of $Nil (July 31, 2021 - $1,439) included in accounts payable and accrued liabilities. The mortgage was refinanced on October 1, 2021 (see below).

The Company has a mortgage payable on a property on Acland Road in Kelowna, British Columbia acquired in the principal amount of $300,000 with interest at 10% per annum with monthly payments of $3,187 due on the 1st day of each month and the mortgage due on November 1, 2022. At October 31, 2021, the balance payable is $260,672 (July 31, 2021- $263,666) with accrued interest of $2,172 (July 31, 2021 - $990) included in accounts payable and accrued liabilities.

The Company had a mortgage payable on a property acquired on Acland Road in Kelowna, British Columbia in the principal amount of $170,000 with interest at 4.7% per annum with monthly payments of $1,100 due on the 1st day of each month starting June 1, 2019 with the mortgage due on May 1, 2021. The Company also had a mortgage payable on a property acquired in the principal amount of $170,000 with interest at 4.9% per annum with monthly payments of $1,120 due on the 1st day of each month starting September 1, 2019 with the mortgage due on August 1, 2021. These mortgages were refinanced into a new mortgage in the principal amount of $440,000 with interest at 4.55% per annum with monthly payments of $2,800 due on the 1st day of each month starting February 1, 2021 with the mortgage due on January 31, 2023. At October 31, 2021, the balance payable is $430,627 (July 31, 2021 - $434,105) with accrued interest of $1,649 (July 31, 2021 - $1,624) included in accounts payable and accrued liabilities.

10. MORTGAGES PAYABLE (continued)

The Company has a mortgage payable on a property acquired on Acland Road in Kelowna, British Columbia in the principal amount of $400,000 with interest at 10% per annum with monthly payments of $3,807 due on the 1st day of each month starting August 1, 2019 with the mortgage due on July 1, 2024. At October 31, 2021, the balance payable is $381,538 (July 31, 2021 - $383,395) with accrued interest of $3,179 (July 31, 2021 - $3,195) included in accounts payable and accrued liabilities.

The Company has a mortgage payable on a property acquired for the building on St. Paul Street in Kelowna, British Columbia in the principal amount of $400,000 with interest at the Credit Union's Prime Lending Rate plus 1.5% with monthly payments of $2,760 due on the 1st day of each month starting November 1, 2019 with the mortgage due on November 1, 2021. The mortgage has been extended to November 1, 2022 under the same terms. At October 31, 2021, the balance payable is $367,786 (July 31, 2021 - $372,373) with accrued interest of $1,223 (July 31, 2021 - $1,249) included in accounts payable and accrued liabilities.

On February 28, 2020, the Company secured a $1,000,000 mortgage for business operating funds using the facility on Acland Road, in Kelowna, British Columbia as collateral. The interest rate is the Credit Union's Prime Lending Rate plus 2% with monthly payments of $7,140 due on the 1st day of each month starting April 1, 2020. The loan is payable upon demand and subject to an annual review. At October 31, 2021, the balance payable is $930,411 (July 31, 2021 - $944,207) with accrued interest of $3,528 (July 31, 2021 - $3,568) included in accounts payable and accrued liabilities.

On December 29, 2020, the Company secured a $410,000 mortgage for business operating funds using the building on St. Paul Street, in Kelowna, British Columbia as collateral. The interest rate is 3.25% with monthly payments of $2,330 due on the 1st day of each month starting February 1, 2020 with the mortgage due on April 30, 2023. At October 31, 2021, the balance payable is $400,041 (July 31, 2021 - $403,755) with accrued interest of $1,223 (July 31, 2021 - $1,223) included in accounts payable and accrued liabilities.

On October 1, 2021, the Company secured a $1,000,000 mortgage for business operating funds using the property on Acland Road in Kelowna, British Columbia as collateral. The interest rate is 3.25% with monthly payments of $5,675 due on the 1st day of each month starting November 1, 2021 with the mortgage due on November 1, 2024. At October 31, 2021, the balance payable is $1,000,000 (July 31, 2021 - $Nil) with accrued interest of $Nil (July 31, 2021 - $Nil) included in accounts payable and accrued liabilities.

Except as otherwise noted, mortgages are secured against the property to which they relate.

11. OTHER LIABILITIES

The following table presents the lease obligations of the Company:

(Expressed in Canadian Dollars)

11. OTHER LIABILITIES (continued)

	October 31 2021	July 31 2021
Operating lease obligations recognized at beginning of the year	**$ 205,766**	$ 358,777
Payments of lease obligations	**(44,398)**	(176,873)
Interest expense on lease obligations	**4,004**	23,862
Lease obligations balance at end of the period	**$ 165,372**	$ 205,766

The following table presents the current and non-current portions of the lease obligations:

	October 31 2021	July 31 2021
Lease obligations balance at end of the period	**$ 165,372**	$ 205,766
Current portion	**(150,835)**	(167,104)
Long term portion	**$ 14,537**	$ 38,662

The following table presents a maturity analysis of the contractual undiscounted cash flows from lease obligations:

	October 31 2021	July 31 2021
Less than one year	**$ 157,672**	$ 177,605
One to five years	**14,135**	38,603
Total undiscounted lease obligations	**$ 171,807**	$ 216,208

At October 31, 2021, the lease liabilities totaled $165,372 (July 31, 2021 - $205,766). Three of the leases expire on August 31, 2022, one expires on September 30, 2022, and one expires on February 28, 2023.

12. CONVERTIBLE DEBENTURES PAYABLE

During the year ended July 31, 2020, the Company issued two convertible debentures in the aggregate amount of $904,536. The debentures have terms of one year each, with options to extend the term by an additional 12 months, at the option of the Company by paying an extension fee equal to 1% of the principal amount for the extension.

12. CONVERTIBLE DEBENTURES PAYABLE (continued)

On August 16, 2019, the Company issued a $642,679 debenture, which bears interest at a rate of 8% per annum calculated on an annual basis and payable quarterly in arrears. The debenture holder shall have the option to fully convert the then outstanding principal amount into common shares of the Company based on a conversion price of $0.25 per share. The debenture was extended for another year on the same terms. During the three months ended October 31, 2021, the Company paid $11,749 (July 31, 2021 - $39,175) of accrued interest.

On October 23, 2019 the Company issued a $261,857 debenture, which bears interest at a rate of 10% per annum calculated on an annual basis and payable quarterly in arrears. The debenture holder shall have the option to fully convert the then outstanding principal amount into common shares of the Company based on a conversion price of $0.20 per share. The debenture was extended for another year on the same terms. During the three months ended October 31, 2021, the Company repaid $100,000 (July 31, 2021 - $50,000) of principal and paid $4,869 (July 31, 2020 - $19,639) of accrued interest.

On August 10, 2021, the Company closed a non-brokered private placement of convertible debentures for gross proceeds of $500,000 (the "Debenture") from a company owned by the Chief Executive Officer and Chief Financial Officer. The term of the Debenture is 24 months (two years) and bears interest at 10% per annum calculated on an annual basis and payable monthly. The Debenture is convertible into common shares of the Company at a price of $0.10 per share at any time at the election of the company holding the Debenture. In the event that the Company's common share price on a Canadian stock exchange is $0.60 or greater per common share for a period of ten or more consecutive trading days, the Company can force the conversion of the entire principal amount plus interest accrued into common shares of the Company at $0.10 per share. During the three months ended October 31, 2021, the Company paid $9,315 (July 31, 2021 - $Nil) of accrued interest.

The first two debentures had an original maturity date of August 16, 2020 and October 23, 2020. At maturity, the Company extended the debentures twice for one year to August 16, 2022 and October 23, 2022. The third debenture has a maturity date of August 10, 2023. Pursuant to the extensions for the first two debentures, the carrying values of the debentures and the equity features were derecognized and the fair values of the renewed convertible debentures were recognized. The convertible debentures were fair valued using a discount rate of 12%. The resulting calculations allocated $1,152,616 as the fair value of the debt portion of the convertible debentures with a residual value of $38,936 allocated as the value of the equity conversion features.

During the three months ended October 31, 2021, $44,090 (July 31, 2021 - $71,347) in interest was accrued on the convertible debentures and $25,933 (July 31, 2021 - $70,271) was paid. At October 31, 2021, total interest payable of $18,157 (July 31, 2021 - $10,220) was included in accounts payable and accrued liabilities.

The continuity of the convertible debentures issued is as follows:

(Expressed in Canadian Dollars)

12. CONVERTIBLE DEBENTURES PAYABLE (continued)

	Liability	Equity Portion	Total
Balance, July 31, 2021	$ 842,491	$ 28,558	$ 871,049
Decognize carrying values of original debentures and equity features	(842,491)	(28,558)	(871,049)
Fair value of amended convertible debentures and equity features	819,231	25,305	844,536
Accretion expense	22,321	-	22,321
Repayment of principal	(50,000)	-	(50,000)
Balance, July 31, 2021	$ 791,552	$ 25,305	$ 816,857
Convertible debenture issued during the current period	485,215	16,129	501,344
Decognize carrying values of original debentures and equity features	(694,536)	(25,305)	(719,841)
Fair value of amended convertible debentures and equity features	670,385	22,807	693,192
Accretion expense	8,695	-	8,695
Repayment of principal	(100,000)	-	(100,000)
Balance, October 31, 2021	**1,161,311**	**38,936**	**1,200,247**
Less current portion	**(676,096)**	**-**	**(676,096)**
Non-current portion	**$ 485,215**	**$ 38,936**	**$ 524,151**

13. SHARE CAPITAL

a) Common shares

Authorized:

Unlimited number of common shares without par value

Issued:

	Issued Number	Amount
Balance, July 31, 2020	158,426,056	$ 31,059,338
Shares issued for cash	5,000,000	550,000
Share issuance costs	-	(61,707)
Stock options exercised	412,500	61,875
Fair value of stock options exercised	-	31,750
Balance, July 31, 2021 and October 31, 2021	**163,838,556**	**$ 31,641,256**

(Expressed in Canadian Dollars)

13. SHARE CAPITAL (continued)

a) Common shares (continued)

On October 21, 2020, the Company completed the first tranche of a private placement and issued 1,363,637 units ("Units") at a price of $0.11 per Unit, for gross proceeds of $150,000. Each Unit consists of one common share and one common share purchase warrant ("Unit warrant"). Each Unit warrant entitles the holder to purchase one common share of the Company for a period of 24 months from closing at a price of $0.15 per share. Cash commission of $10,500 was paid and 95,455 broker warrants were issued. The broker warrants have the same terms as the Unit warrants. The broker warrants have a total fair value, calculated using the Black-Scholes option pricing model, of $6,207 or $0.065 per warrant, assuming an expected life of 2 Three Months, a risk-free interest rate of 0.24%, an expected dividend rate of 0.00%, stock price of $0.14 and an expected annual volatility coefficient of 97%. Volatility was determined using historical stock prices.

On November 12, 2020, the Company completed the second tranche of a private placement and issued 3,636,363 units ("Units") at a price of $0.11 per Unit, for gross proceeds of $400,000. Each Unit consists of one common share and one common share purchase warrant ("Unit warrant"). Each Unit warrant entitles the holder to purchase one common share of the Company for a period of 24 months from closing at a price of $0.15 per share. Cash commission of $28,000 was paid and 254,545 broker warrants were issued. The broker warrants have the same terms as the Unit warrants. The broker warrants have a total fair value, calculated using the Black-Scholes option pricing model, of $17,000 or $0.067 per warrant, assuming an expected life of 2 Three Months, a risk-free interest rate of 0.26%, an expected dividend rate of 0.00%, stock price of $0.14 and an expected annual volatility coefficient of 100%. Volatility was determined using historical stock prices.

During the year ended July 31, 2021, 412,500 stock options were exercised at $0.15 per share for proceeds of $61,875. The average market price of the Company's common shares over the exercise period was $0.20 per share.

b) Escrow shares

At October 31, 2021, 690 (July 31, 2021 – 690) common shares are held in escrow.

c) Warrants outstanding

	Number of Warrants		Weighted Average Exercise Price
Balance, July 31, 2020	35,363,633	$	0.0733
Warrants expired	(8,348,753)		1.4073
Warrants issued	5,000,000		0.1500
Balance, July 31, 2021	32,014,880		0.5290
Warrants expired	(2,772,658)		1.1239
Balance, October 31, 2021	**29,242,222**	**$**	**0.4726**

(Expressed in Canadian Dollars)

13. SHARE CAPITAL (continued)

c) Warrants outstanding (continued)

Expiry Date	Remaining Life (Years)	Number of Warrants		Exercise Price
December 10, 2021	0.11	1,449,275		0.5750
January 13, 2022	0.20	6,675,652		0.8000
January 18, 2022	0.22	1,479,289		0.5630
January 30, 2022	0.25	1,552,795		0.5380
February 8, 2022	0.27	1,449,275		0.5750
February 28, 2022	0.33	1,623,377		0.5120
March 14, 2022	0.37	1,623,377		0.5120
March 29, 2022	0.41	1,901,141		0.4380
July 15, 2022	0.70	5,222,219		0.3000
July 22, 2022	0.72	1,265,822		0.2620
October 22, 2022	0.98	1,363,637		0.1500
November 12, 2022	1.03	3,636,363		0.1500
		29,242,222	$	0.4726

d) Agent warrants outstanding

	Number of Warrants		Weighted Average Exercise Price
Balance, July 31, 2020	5,385,000	$	1.20
Warrants issued	350,000		0.15
Balance, July 31, 2021 and October 31, 2021	**5,735,000**	**$**	**1.14**

Expiry Date	Remaining Life (Years)	Number of Warrants		Exercise Price
March 13, 2022	0.36	5,385,000	$	1.20
October 22, 2022	0.98	95,455		0.15
November 12, 2022	1.03	254,545		0.15
		5,735,000	$	1.14

(Expressed in Canadian Dollars)

14. SHARE-BASED COMPENSATION

The Company is authorized to grant options to directors, officers, employees, and consultants to acquire common shares under the 2015 Stock Option Incentive Plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company's common shares issuable pursuant to options granted under the Plan may not exceed 10% of the issued common shares of the Company from time to time. Options granted under the Plan may have a maximum term of ten (10) years. The exercise price of options granted under the Plan will not be less than the fair market value price of the shares on the date of grant of the options (defined as the last closing market price of the Company's shares on the last day shares are traded prior to the grant date). Stock options granted under the Plan vest immediately subject to vesting terms which may be imposed at the discretion of the Directors. Stock options granted under the Plan are to be settled with the issuance of equity instruments.

The following summarizes the stock options outstanding:

	Number of Options	Weighted Average Exercise Price
Balance, July 31, 2020	11,125,000	$ 0.535
Options granted	9,350,000	0.210
Options exercised	(412,500)	0.150
Options cancelled	(2,387,500)	0.403
Options expired	(7,800,000)	0.630
Balance, July 31, 2021	9,875,000	0.200
Options cancelled	(250,000)	0.189
Balance, October 31, 2021	**9,625,000**	**$ 0.200**

Date of Grant	Expiry Date	Remaining Life (Years)	Number of Options Vested	Number of Options Outstanding	Exercise Price
December 12, 2019	December 12, 2021	0.12	1,225,000	1,225,000	0.150
March 9, 2020	March 9, 2022	0.35	50,000	50,000	0.150
May 26, 2020	May 26, 2022	0.57	150,000	150,000	0.150
February 12, 2021	February 12, 2023	1.28	5,550,000	7,400,000	0.215
March 17, 2021	March 17, 2023	1.38	50,000	500,000	0.165
June 14, 2021	June 14, 2023	1.62	300,000	300,000	0.130
			7,325,000	9,625,000	$ 0.200

14. SHARE-BASED COMPENSATION (continued)

On February 12, 2021, the Company granted 8,550,000 stock options to a certain employees to acquire 8,550,000 common shares of the Company with an expiry date of February 12, 2023 at $0.215 per share. The options vest over 12 months with 25% at the date of grant and then 25% each quarter thereafter. Options terminate immediately upon cessation of services to the Company. The options have a total fair value, calculated using the Black-Scholes option pricing model, of $786,294 or $0.09 per option, assuming an expected life of 2 Three Months, a risk-free interest rate of 0.19%, an expected dividend rate of 0.00%, stock price of $0.215 and an expected annual volatility coefficient of 80%. Volatility was determined using historical stock prices. During the year ended July 31, 2021, the Company recognized $602,082 in share-based compensation.

On March 17, 2021, the Company granted 500,000 stock options to a certain consultant to acquire 500,000 common shares of the Company with an expiry date of March 17, 2023 at $0.165 per share. 50,000 options vest immediately upon grant with the balance vested once certain milestones are achieved. Options terminate immediately upon cessation of services to the Company. On initial recognition of the share-based compensation associated with the stock options, the Company estimated the likelihood of achieving the milestones as being unlikely. This estimate impacted the estimated fair value of the options on the grant date. The 50,000 options which vested immediately upon grant have a total fair value, calculated using the Black-Scholes option pricing model, of $3,703 or $0.07 per option, assuming an expected life of 2 Three Months, a risk-free interest rate of 0.27%, an expected dividend rate of 0.00%, stock price of $0.17 and an expected annual volatility coefficient of 80%. Volatility was determined using historical stock prices. During the year ended July 31, 2021, the Company recognized $3,703 in share-based compensation.

On June 14, 2021, the Company granted 300,000 stock options to a certain consultant to acquire 300,000 common shares of the Company with an expiry date of June 14, 2023 at $0.13 per share. The options vest immediately. The options have a total fair value, calculated using the Black-Scholes option pricing model, of $15,713 or $0.05 per option, assuming an expected life of 2 Three Months, a risk-free interest rate of 0.32%, an expected dividend rate of 0.00%, stock price of $0.125 and an expected annual volatility coefficient of 80%. Volatility was determined using historical stock prices. During the year ended July 31, 2021, the Company recognized $15,713 in share-based compensation.

During the year ended July 31, 2021, 2,387,500 stock options were cancelled with an average weighted exercise price of $0.40. On cancellation of the stock options, $446,629 of share-based compensation included in Share-Based Payment Reserve was reallocated to Deficit.

During the year ended July 31, 2021, 7,800,000 stock options expired with an average weighted exercise price of $0.63. On expiration of the stock options, $2,642,567 of share-based compensation included in Share-Based Payment Reserve was reallocated to Deficit.

During the three months ended October 31, 2021, 2,772,658 warrants expired with an average exercise price of $1.12, and 250,000 stock options were cancelled with an average exercise price of $0.19.

15. REVENUE

The total revenue earned for the three months ended October 31, 2021 includes excise taxes of $311,595 (October 31, 2020 - $161,458).

(Expressed in Canadian Dollars)

16. GENERAL AND ADMINISTRATION EXPENSES

	October 31 2021	October 31 2020
Automobile expenses	**$ 1,385**	$ 1,888
Bank charges and interest	**111,932**	99,156
Consulting fees	**2,840**	-
Director fees	**25,585**	24,472
Insurance	**1,392**	4,357
Investor relations	**21,570**	11,589
Legal and accounting	**63,441**	59,447
Office and sundry	**18,276**	17,804
Payroll and benefits	**79,214**	72,831
Property tax	**7,606**	7,828
Telephone	**3,799**	4,964
Transfer agent and filing fees	**12,776**	12,061
Travel	**6,377**	3,599
	$ 356,193	$ 319,996

17. SEGMENTED INFORMATION

The Company operates in a single reportable segment being the cultivation and sale of cannabis in Canada.

18. SUPPLEMENTAL CASH FLOW INFORMATION

The changes in non-cash working capital are as follows:

	October 31 2021	October 31 2020
Amounts receivable	**$ (13,065)**	$ (175,728)
Biological asserts	**(197,407)**	571,588
Inventory	**137,091**	(589,423)
Prepaid expenses and deposits	**1,178**	73,074
Accounts payable and accrued liabilities	**(293,649)**	7,936
	$ (365,852)	$ (112,553)

(Expressed in Canadian Dollars)

18. SUPPLEMENTAL CASH FLOW INFORMATION (continued)

	October 31 2021	October 31 2020
Fair value of stock options cancelled and expired	$ 18,380	$ 2,040,564
Income taxes paid	$ -	$ -
Interest paid	$ 103,585	$ 51,504
Interest received	$ 5	$ 32

19. RELATED PARTY TRANSACTIONS

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. Compensation provided to key management personnel is as follows:

	October 31 2021	October 31 2020
Director fees	$ 24,000	$ 23,000
Interest	11,233	-
Rent	33,800	33,800
Salaries and benefits	50,000	75,002
Share-based compensation	16,549	4,484
	$ 135,582	$ 136,286

The Company initially signed a month-to-month lease for premises from its Chief Executive Officer and Chief Financial Officer. The lease began on August 1, 2016 with monthly payments of $2,600 plus Goods and Services Tax along with 75% of all operating costs. Effective June 17, 2018, the lease was amended to a fixed term expiring August 31, 2019 with the right to renew the lease under the same terms for four three-year terms for $3,467 per month plus Goods and Services Tax along with 100% of all operating costs. The lease was renewed for another three-year term. A security deposit of $3,467 was also paid.

The Company signed a month-to-month lease for premises from its Chief Financial Officer. The lease began on July 10, 2017 with monthly payments of $2,600 plus Goods and Services Tax along with all operating costs. Effective June 17, 2018, the lease was amended to a fixed term expiring August 31, 2019, with the right to renew the lease under the same terms for four three-year terms for $2,600 per month plus Goods and Services Tax along with 100% of all operating costs. The lease was renewed for another three-year term. A security deposit of $2,600 was also paid.

19. RELATED PARTY TRANSACTIONS (continued)

The Company initially signed a month-to-month lease for premises from its Chief Executive Officer and Chief Financial Officer. The lease began on October 2, 2017 with monthly payments of $2,600 plus Goods and Services Tax along with all operating costs. Effective June 17, 2018, the lease was amended to a fixed term expiring September 30, 2019 with the right to renew the lease under the same terms for four three-year terms for $2,600 per month plus Goods and Services Tax along with 100% of all operating costs. The lease was renewed for another three-year term. A security deposit of $2,600 was also paid.

The Company initially signed a month-to-month lease for premises from its Chief Executive Officer and Chief Financial Officer. The lease began on January 12, 2017 with monthly payments of $2,600 plus Goods and Services Tax along with all operating costs. Effective June 17, 2018, the lease was amended to a fixed term expiring August 31, 2019 with the right to renew the lease under the same terms for four three-year terms for $2,600 per month plus Goods and Services Tax along with 100% of all operating costs. The lease was renewed for another three-year term. A security deposit of $2,600 was also paid.

On May 28, 2019, the Company entered into a line of credit with its President, John Miller, for up to $500,000. Each separate draw down of funds from the Line of Credit had no interest for the first three calendar months following its withdrawal. In the event that a draw down amount was not repaid on the business day following the last day of the third month following the withdrawal, then interest would incur on that draw down at a rate of Prime plus 1%. Interest was calculated and payable monthly on the last business day of each month until the Line of Credit was repaid in full. During the year ended July 31, 2020, the Line of Credit was paid in full with interest paid in the amount of $2,767.

On January 13, 2020, the Company issued 5,333,333 Units of a non-brokerage private placement to John Miller, the President and Chief Executive Officer, in exchange for bona fide debt owing by the Company in the amount of $800,000. Each Unit consists of one common share and one common share purchase warrant. Each Warrant entitles the holder to purchase one Common Share of the Company for a period of 24 months from closing at a price of $0.18 per share for the first three months, at $0.25 during the following three months, at $0.50 for the three months following that, and at $0.80 during the final fifteen months. Warrants were valued at $Nil using the residual value method.

On August 10, 2021, the Company closed a non-brokered private placement of convertible debentures for gross proceeds of $500,000 (the “Debenture”) from a company owned by the Chief Executive Officer and Chief Financial Officer. The term of the Debenture is 24 months (two years) and bears interest at 10% per annum calculated on an annual basis and payable monthly. The Debenture is convertible into common shares of the Company at a price of $0.10 per share at any time at the election of the company holding the Debenture. In the event that the Company’s common share price on a Canadian stock exchange is $0.60 or greater per common share for a period of ten or more consecutive trading days, the Company can force the conversion of the entire principal amount plus interest accrued into common shares of the Company at $0.10 per share. During the three months ended October 31, 2021, the Company paid $9,315 (July 31, 2021 - $Nil) of accrued interest.

At October 31, 2021, the Chief Executive Officer owes $123,810 (July 31, 2021 - $110,757) to the Company.

19. RELATED PARTY TRANSACTIONS (continued)

Close family members of the Chief Executive Officer were paid salaries in the amount of $29,842 (October 31, 2020 - $25,834) for the three months ended October 31, 2021 and stock options with share-based compensation totaling $8,275 (October 31, 2020 - $1,495).

Amounts due to or from related parties are unsecured, do not bear interest, and are classified as a current asset or liability due to their nature and expected time of repayment.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value of financial assets and liabilities that are measured at fair value on a recurring basis

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Under IFRS 13, Fair Value Measurement 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 fair value hierarchy requires the use of observable market inputs whenever such inputs exist.

The fair value measurements for biological assets have been categorized as Level 3 of the fair value hierarchy based on the inputs to the valuation technique used, as there is currently no actively traded commodity market for plants. The significant unobservable inputs used to fair value biological assets include estimating the stage of growth of the marijuana up to the point of harvest, harvesting costs, selling costs, sales prices, wastage, and expected yields from the marijuana plants.

The convertible debentures are measured at fair value at issuance using a discount rate of 12%.

The carrying values of cash, other and trades receivables, amounts due from related party, accounts payable and accrued liabilities, commercial operating loan, and mortgages payable all approximate their fair values due the short term nature of the financial instrument, or the market rates of interest attached thereto.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Market risk

Market risk is the risk of loss that the fair value of future cash flows of a financial instrument held by the Company will fluctuate because of changes in market prices. The Company faces market risk from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Market risk is the risk of loss that the fair value of future cash flows of a financial instrument held by the Company will fluctuate because of changes in market prices. The Company faces market risk from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

(i) Interest rate risk

Interest rate risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to fair value interest rate risk.

The Company may be exposed to fair value interest rate risk if the prevailing market rates increase or decrease compared to the interest rates associated with its financial assets and liabilities. Management does not believe this risk is significant.

Current financial assets and financial liabilities are generally not exposed to significant cash flow interest rate risk because of their short-term nature, fixed interest rates, and maturity dates. The Company is exposed to cash flow interest rate risk on the line of credit if a draw down amount is not repaid within three months. The Company is not exposed to cash flow interest rate risk on the advances from related parties which are without interest. The Company is not exposed to cash flow interest rate risk on the mortgages payable with fixed interest rates.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in a foreign currency.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

b) Market risk (continued)

(ii) Foreign currency risk (continued)

At October 31, 2021, the Company is exposed to foreign currency risk with respect to its US denominated bank account and accounts payable, and Euro and Australian denominated accounts payable. At October 31, 2021, approximately $35,307 (US$28,510) (July 31, 2021 - $17,352 or US$13,924) of the Company's cash was in US Dollars and $20,743 (US$16,750) (July 31, 2021 - $20,874 or US$16,750) was in accounts payable and accrued liabilities. A 10% change in the US foreign exchange rate would result in a change of 1,456 (July 31, 2021 - $350) to the unrealized gain or loss. The Company has approximately $3,868 (Euro 2,697) (July 31, 2021 - $3,989 or Euro 2,697) in accounts payable and accrued liabilities. A 10% change in the Euro foreign exchange rate would result in a change of $386 (July 31, 2021 - $400) to the unrealized gain or loss. The Company has approximately $3,698 (AUD 3,971) (July 31, 2021 - $3,638 or AUD 3,971) in accounts payable and accrued liabilities. A 10% change in the AUD foreign exchange rate would result in a change of $369 (July 31, 2021 - $360) to the unrealized gain or loss.

At October 31, 2021, financial instruments were converted at a rate of US$1.2384 to $1 Canadian; 1.4338 Euro to $1 Canadian; and 0.9310 AUD to $1 Canadian.

The Company has not entered into any foreign currency contracts to mitigate foreign currency risk.

(iii) Price risk

Price risk is the risk that the fair value of investments will decline below the cost of the underlying investments. The Company is not exposed to price risk as it has no investments held for sale.

c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist primarily of cash, and other and trade receivables. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. For amounts receivable, the Company limits its exposure to credit risk by dealing with what management believes to be financially sound counter parties. The Company has assessed the impairment of its amounts receivable using the expected credit loss model and no material difference was noted. At October 31, 2021, all amounts receivable are current.

The Company's financial assets are not subject to material credit risk as it does not anticipate significant loss for non-performance.

d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments, or a proposed transaction. The Company manages liquidity risk by maintaining adequate cash balances when possible.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

d) Liquidity risk (continued)

The Company's expected source of cash flow in the upcoming year will be through sales and debt or equity financing. Cash on hand at October 31, 2021 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational and expansion needs. The Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof.

e) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The Company's overall strategy to managing capital remains unchanged from last year.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, options, warrants, reserves, and deficit. The availability of new capital will depend on many factors including positive stock market conditions, the Company's track record, and the experience of management. The Company is not subject to any external covenants on its capital.

At October 31, 2021, total managed capital was $9,941,555 (July 31, 2021 - $9,783,409).

21. SUBSEQUENT EVENT

On November 1, 2021, the Company entered into a lease for an additional unit at the facility on Acland Road in Kelowna, British Columbia. The lease is for a five year term expiring October 31, 2026. The monthly lease payment is $2,500 plus costs of $726 excluding the Goods and Services Tax.

THC BIOMED INTL LTD.

Management's Discussion and Analysis

For the Three Months Ended October 31, 2021 and 2020

(Expressed in Canadian Dollars)

CAUTION REGARDING FORWARD LOOKING STATEMENTS

This Management Discussion and Analysis ("MD&A") contains certain statements that constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995 or in releases made by legislation as amended from time to time) that involve risks and uncertainties. All statements, other than statements of historical fact, made by the Company that address activities, events, or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by, or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to future financial conditions, results of operations, plans, objectives, performance, or business developments. These statements speak only as of the date they are made and are based on information currently available and on the Company's then current expectations and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance, or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to:

- the availability of financing opportunities, risks associated with economic conditions, dependence on management, and conflicts of interest
- market competition and agricultural advances of competitive products
- the timing and availability of the Company's products, its ability to expand production space, and acceptance of its products by the market
- the ability to successfully market, sell, and distribute the products, and to expand the Company's customer base

Readers are cautioned not to put undue reliance on forward-looking statements. Unless otherwise indicated by us, forward-looking statements in this MD&A describe our expectations as at November 30, 2021 and, accordingly, are subject to change after that date. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in, or implied by, such forward-looking statements and that our business outlook, objectives, plans and strategic priorities may not be achieved. As a result, we cannot guarantee that any forward-looking statements will materialize, and we caution you against relying on any of these forward-looking statements. Forward-looking statements are presented in this MD&A for the purpose of assisting investors and others in understanding our objectives, strategic priorities and business outlook as well as our anticipated operating environment. Readers are cautioned, however, that such information may not be appropriate for other purposes,

The forward-looking statements in this MD&A are subject to, among other things, the following risks:

- the Company's operations are dependent on key technical personnel, and the loss of such personnel could have a significant impact on the Company's ability to conduct its activities
- competition
- currency fluctuations and exchange rates
- the Company's ability to continue as a going concern

- the Company may not be able to obtain all necessary funding for its operations, on terms satisfactory to the Company or at all
- credit risk
- the Company's dependence on information technology systems
- risks that the Company's software and applications may contain security problems, security vulnerabilities, or defects in design or manufacture, including "bugs" and other problems that could interfere with the intended operation of its software
- risks related to the volatility of customer demand for the Company's products
- risks associated with cybersecurity and privacy violations, in particular given the Company's operations are highly dependent on online technologies and the Company obtains a significant amount of personal information in the course of operations
- duration and impact of COVID-19 on our business plans, objectives and expected operating results

We have made certain economic, market and operational assumptions in preparing the forward-looking statements contained in this MD&A. If our assumptions turn out to be inaccurate, our actual results could be materially different from what we expect.

Important risk factors including, without limitation, competitive, regulatory, economic, financial, operational, technological and other risks could cause actual results or events to differ materially from those expressed in, or implied by, the previously-mentioned forward-looking statements.

We caution readers that the risks described in this MD&A are not the only ones that could affect us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our financial position, financial performance, cash flows, business, or reputation. Except as otherwise indicated by us, forward-looking statements do not reflect the potential impact of any special items or other transactions that may be announced or that may occur after November 30, 2021. We therefore cannot describe the expected impact in a meaningful way, or in the same way we present known risks affecting our business.

COVID-19

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations, and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors, and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future; therefore, the Company cannot reasonably estimate the impact at this time on our business, liquidity, capital resources and financial results.

(Expressed in Canadian Dollars)

SUMMARY OF QUARTERLY RESULTS

	Quarter Ended	Revenue	Net Income (Loss)	Income (Loss) Per Share
Q1/2022	October 31, 2021	$ 1,136,796	$ 25,006	$ -
Q4/2021	July 31, 2021	$ 1,020,804	$ (1,426,064)	$ (0.01)
Q3/2021	April 30, 2021	$ 1,109,503	$ (1,319,503)	$ (0.01)
Q2/2021	January 31, 2021	$ 1,021,989	$ (2,921,510)	$ (0.02)
Q1/2021	October 31, 2020	$ 622,025	$ (692,177)	$ -
Q4/2020	July 31, 2020	$ 990,940	$ (642,989)	$ (0.01)
Q3/2020	April 30, 2020	$ 896,104	$ (295,717)	$ -
Q2/2020	January 31, 2020	$ 1,246,625	$ 88,191	$ -

For the quarter ended October 31, 2021, we produced 534.4 kilograms of dried cannabis and sold 295.9 kilograms at an average net selling price of $3.00 per gram.

Q1 HIGHLIGHTS

- Produced a gross margin profit after fair value adjustments of $711,761 and net income of $25,006
- Sales revenue increased 83% period to period
- Sales of edibles in Q1 made up 21.3% of total sales
- Facility buildout completed
- Received a Notice of Allowance from the Canadian Patent and Trademark Office regarding its patent application for the invention of a Contrast Illuminated Tamper Resistant Plant Shipping Container, or the Clone Shipper unit. The Notice of Application is not a grant of patent rights at this time but a notice from the Examiner that the Application is being allowed.

HIGHLIGHTS SUBSEQUENT TO OCTOBER 31, 2021

- On November 1, 2021, the Company entered into a lease for an additional unit at the facility on Acland Road in Kelowna, British Columbia. The lease is for a five year term expiring October 31, 2026. The monthly lease payment is $2,500 plus costs of $726 excluding the Goods and Services Tax. This unit will be used for administration

COMPANY OVERVIEW

This Management's Discussion and Analysis ("MD&A") of the operating results and financial condition of THC BioMed Intl Ltd. (the "Company" or "THC") for the three months ended October 31, 2021 should be read in conjunction with the condensed interim consolidated financial statements for the three months ended October 31, 2021 and the audited consolidated financial statements for the year ended July 31, 2021, which are prepared in accordance with International Financial Reporting Standards ("IFRS").

For the Years Ended October 31, 2021 and 2020

THC is a publicly traded company with its head office at 1340 St. Paul Street, Kelowna, British Columbia, Canada, V1Y 2E1.

The Company's shares trade on the Canadian Securities Exchange ("CSE") under the symbol THC, on the Over the Counter Best Market ("OTCQX") under the symbol THCBF, and on the Frankfurt Stock Exchange under the symbol TFHD.

These consolidated financial statements include the accounts of THC and its five wholly owned subsidiaries: THC BioMed Ltd. ("THC BioMed"), Clone Shipper Ltd., THC BioMed Victoria Falls Ltd., THC2GO Dispensaries Ltd. ("THC2GO"), and THC BioMed Lesotho Ltd. ("THC Lesotho").

The Company's principal business is the production and sale of cannabis through THC BioMed Ltd. which is a small batch Licensed Producer as regulated by the *Cannabis Act* which regulates the production, distribution, and possession of cannabis for both medical and adult recreational access in Canada. Clone Shipper Ltd. owns all rights to the Clone Shipper product used to transport live plants. THC BioMed Victoria Falls Ltd. (formerly THC BioMedical Ltd.) will conduct research and development of next generation cannabis products. THC2GO and THC Lesotho are inactive

Management is responsible for the preparation and integrity of the consolidated financial statements, including the maintenance of appropriate information systems, procedures, and internal controls and to ensure that information used internally or 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 of Director's Audit Committee meets with management quarterly to review the consolidated financial statements and the MD&A and to discuss other financial, operating, and internal control matters. The reader is encouraged to review the Company's statutory filings on SEDAR at www.sedar.com.

This MD&A is prepared as at November 30, 2021. All dollar figures stated herein are expressed in Canadian dollars unless otherwise noted.

Readers should use the information contained in this report in conjunction with all other disclosure documents including those filed on SEDAR at www.sedar.com.

STRATEGY FOR THE CANADIAN CANNABIS MARKET

THC BioMed is one of Canada's oldest and active licensed cannabis companies. It is a small batch producer that passionately grows its strains organically, with the purest nutrients and without pesticides or other exogenous chemicals. It aims to be a leader in the beverage and edible categories by supplying Canadians with clean, safe, and affordable cannabis products.

From December 2016 to November 2019, THC BioMed sold clones to licensed medical cannabis patients. Then in August 2017, it started offering a wide variety of medicinal genetics of dried flowers to medical patients. Upon the legalization and regulation of cannabis through the Cannabis Act on October 17, 2018, the Company launched its products to the recreational cannabis market. Presently, THC BioMed products are accessible to all medical patients around Canada via its web store and are available in dispensaries in four Canadian provinces and one territory (British Columbia, Ontario, Saskatchewan, Manitoba and the Yukon).

THC BioMed has extensive experience in processing, packaging, and shipping live cannabis clones, dried cannabis, and edibles. It is one of the few Licensed Producers to offer clients live cannabis clones, which are shipped using its specially-designed Clone Shipper containers. The Company has also learned how to implement modern packaging techniques that are childproof and allow for long-term storage. To date, THC BioMed has provided clients with thousands of jars of dried cannabis, live cannabis clones, and edibles shipped straight to their doors.

Currently, THC BioMed carries 21 medical cannabis strains, five of which are proprietary. Through customer feedback, internal systems, and external services, the Company has been able to identify patient trends related to preferred strains and tailor five proprietary strains to suit its customers. Further, the Company provides six cannabis strains, based on patient trends, in its medical store.

To position itself as a leader in the beverage and edibles category, THC BioMed introduced more flavors and new products for *THC Kiss*, our line of beverages and edibles produced from a proprietary blend. Starting with the innovative *THC Kiss Guava Beverage Shot* and *THC Kiss Strawberry Gummies*, *THC Kiss* now boasts seven delicious flavors of *THC Kiss* products. In 2021, *THC Kiss* launched new flavors such as *THC Kiss Mango Beverage Shot* and *THC Kiss Orange Gummies*. Further, it expanded its edibles with *THC Kiss Biscuits*, offering classic flavours as cocoa, cinnamon, and shortbread. THC BioMed will continue developing new products for *THC Kiss* to provide the cannabis market with more ways of consuming cannabis. The next *THC Kiss* product is a carbonated beverage, with a projected launch in 2022.

THC BioMed will continue producing small batches of high quality and reliable quantities, concentrating on edibles. It distinguishes itself from the competition by offering economical plant science. The Company will achieve this by providing Canadians with safe cannabis products that offer the greatest possible effect in the most cost-efficient way.

THC Kiss Beverage Shot

The Company will concentrate on producing a cannabis beverage shot, *THC Kiss. THC Kiss* was developed by the Company using proprietary extraction methods.

The regulations place a limit of 10 milligrams ("mg") of tetrahydrocannabinol per separate unit for a cannabis beverage. Currently *THC Kiss* is packaged in glass bottles and displays the standardized cannabis symbols along with a health warning message. The beverage comes in guava and mango flavours with more flavours coming soon.

THC Kiss Gummies

THC Kiss Gummies are chewy flavoured gummy candies containing 2.5 mg of tetrahydrocannabinol each. Each bag of *THC Kiss Gummies* contains 7.5 mg of tetrahydrocannabinol with 3 gummies in each package or 10 mg of tetrahydrocannabinol with 4 gummies in each package. The cannabis extract used is from the same proprietary extraction system as that used in the *THC Kiss Beverage Shot*. The Company is producing the *THC Kiss Gummies* in strawberry and orange flavours with more flavours to be developed soon.

THC Kiss Biscuits

THC KISS Biscuits are the latest edible from THC BioMed. Each package contains one biscuit with 10mg of tetrahydrocannabinol. *THC Kiss Biscuits* come in cocoa, cinnamon, and shortbread flavors, with more flavors to be developed soon.

Pure Cannabis Sticks

The Company will continue to produce *Pure Cannabis Sticks*, pre-rolls that are filtered, paper cylinders filled with the Company's own pure cannabis to be manufactured using our automated production machine. As cannabis consumers navigate the numerous cannabis brands, THC believes that easy-to-use products will gain popularity such as ready to use pre-rolls over traditional flower purchases.

Pure Cannabis Sticks are packaged in lots of singles with each pre-roll intended for a single-use session containing 0.6 grams of cannabis.
THC BioMed has also engaged a consultant to carry out an enhancement project on the Company's automated cannabis cylinder machine to improve production and add automated packaging to the process.

PRODUCTION

THC BioMed is a small batch Licensed Producer passionate about using organic and sustainable growing methods without pesticides or exogenous chemicals. Sustainability, social value, and product innovation are the driving factors that support our fundamental values as a company. Along with producing proprietary strains, the Company will focus on producing cannabis and edibles going forward.

The Company operates in a sophisticated complex of indoor growing space in small rooms with the desired light, temperature, and humidity. It allows us to maintain optimal environmental control to regulate all aspects of the growing cycle and produce an exceptionally consistent product. The process is mainly done by hand, from watering, cannabis harvesting, to flower trimming. We choose from only the best-feminized seeds, and our growers especially tend to the cannabis from seed to final product. We know that drying and curing cannabis is a critical step in the process, so we take our time to ensure we don't lose flavor or potency but rather preserve all the terpenes that nature has to offer. Our buds are hand-trimmed at the perfect time and placed on drying racks then cured for an extended time. After drying, the flower is cured for several weeks before final inspection, testing, and then packaging. There are absolutely no pesticides, and critters are kept away by physical means and tightly sealed rooms. Every lot is subject to Health Canada's standardized testing requirements.

THC BioMed focuses on selling its proprietary strains that are:

- **THC Sativa Landrace** is a *proprietary landrace* Sativa strain with its dried bud containing high tetrahydrocannabinol between 18% and 24%;
- **THC Indica Landrace** is a *proprietary landrace* Indica strain with its dried bud containing high tetrahydrocannabinol between 18% and 24%;
- **THC Hybrid Landrace** is a *proprietary hybrid* 60/40 Sativa-dominant strain with its dried bud containing high tetrahydrocannabinol between 18% and 24%;
- **CBD Indica Landrace** is a *proprietary Indica dominant* strain and the dried bud contains high CBD at 11%
- **CBD Sativa Landrace** is a proprietary Sativa dominant strain and the dried bud contains high CBD at 10%

Medical market

The Company is focused on selling our proprietary strains: THC Sativa Landrace, THC Indica Landrace, THC Hybrid Landrace, THC CBD Indica Landrace and THC CBD Sativa Landrace to the medical market. The rest of the supply for the medical market will be made up of an occasional lot of its 16 other common strains which are made in smaller batches and provide clients with a larger assortment of strains. Current packaging of dried cannabis is in jars of 3.5 grams and 7 grams. Dried cannabis containing 15 grams and 28 grams are packaged in childproof jars and pouches. Our five proprietary strains are between 18% to 24% tetrahydrocannabinol and

10% to 11% CBD. The other 11 strains consist of both tetrahydrocannabinol and CBD strains ranging from 12% to 25% tetrahydrocannabinol and 0% to 11% CBD. The *THC Kiss Beverage Shots* are currently packaged in glass bottles containing 10 mg of tetrahydrocannabinol. *THC Kiss Gummies* are packaged three or four to a package (2.5 mg each) with a total of 7.5 mg or 10 mg of tetrahydrocannabinol respectively. *THC Kiss Cookies* are packaged individually with 10 mg of tetrahydrocannabinol per cookie.

Recreational market

The Company is focused on providing its proprietary strains to the adult-use recreational market with occasional batches of its common strains. The Company has supply agreements with the Provinces of British Columbia, Ontario, Saskatchewan, and Manitoba and the Yukon Territory. The recreational offerings include THC's proprietary strains available in 3.5 gram and 7 gram bottles, 28 gram childproof bags, and Pre-Rolls. Pre-rolls contain 0.6 grams of tetrahydrocannabinol and are available in singles and packages of 3 containing 0.5 grams of tetrahydrocannabinol each. The *THC Kiss Beverage Shots* are currently packaged in glass bottles containing 10 mg of tetrahydrocannabinol. *THC Kiss Gummies* are packaged three or four to a package (2.5 mg each) with a total of 7.5 mg or 10 mg of tetrahydrocannabinol respectively. *THC Kiss Cookies* are packaged individually with 10 mg of tetrahydrocannabinol per cookie.

MARKETING

THC BioMed rebranded its website, logo, and packaging. Also, the Company increased its marketing team to help establish a strong brand presence, assist in product conceptualization and development, build a solid network of partner dispensaries and industry partners, and participate in various industry events.

PACKAGING

The federal government has strict regulations regarding advertising, labelling, and packaging of cannabis products. Restrictions on cannabis advertising and packaging are similar to what is in place today for tobacco. Advertising is restricted to locations where there are no minors with limits on displays and in-store promotion.

Our packaging for the *THC Kiss Beverage Shot* is in 30 ml bottles:

Our packaging for dried cannabis are in child proof bottles and pouches and come in volumes of 28 grams, 15 grams, 7 grams, and 3.5 grams:

Our *Pure Cannabis Sticks* with 0.6 grams of tetrahydrocannabinol are sold in singles:

Our packaging for 0.5 grams per Pre-Roll comes in packages of three for a total of 1.5 grams of tetrahydrocannabinol:

Our packaging for the *THC Kiss Gummies* comes three or four gummies per package for a total of 7.5 mg or 10 mg of tetrahydrocannabinol:

Our packaging for the *THC Kiss Cookies* come individually packaged for a total of 10 mg of tetrahydrocannabinol:

(Expressed in Canadian Dollars)

We use our proprietary *Clone Shipper*™ containers when shipping live clones to our medical cannabis clients:

The *Clone Shipper*™ container is designed to support the health of clones or young live plants and hold them securely for transport purposes. Two LED lights that last over 100 hours keep the plant thriving and growing throughout the shipping process. Our *Clone Shipper*™ container is approved by Health Canada for use in shipping cannabis clones. The *Clone Shipper*™ container is available for sale in bulk wholesale orders and smaller retailer orders in Canada and the United States.

BIOLOGICAL ASSETS

The Company's biological assets consist of cannabis plants (mother plants and clones for growth); resin; oil; harvested marijuana flowers prior to completion of the drying, grading and testing processes; and edible concentrate.

	October 31 2021	July 31 2021
Carrying amount, beginning of year	**$ 1,259,124**	$ 3,200,051
Capitalized costs	**738,629**	2,742,548
Sales of biological assets	**-**	(992)
Transferred to inventory upon harvest	**(541,222)**	(1,758,580)
Net change in fair value	**644,076**	(2,923,903)
Carrying amount, end of period	**$ 2,100,607**	$ 1,259,124

Biological assets are valued in accordance with IAS 41 – *Agriculture* and are presented at their fair value less costs to sell up to the point of harvest. The fair value was determined using a valuation model to estimate the expected harvest yield per plant applied to the estimated fair value less costs to sell per gram. The significant inputs and assumptions used in determining the fair value of cannabis plants are as follows:

(Expressed in Canadian Dollars)

a) yield per plant;
b) expected yield by strain of plant of approximately 77 (July 30, 2021 – 66) grams per plant based on an average of historical growing results;
c) percentage of costs incurred to date compared to the estimated total costs to be incurred ("stage of plant growth");
d) percentage of costs incurred for each stage of plant growth;
e) average selling price of $3.00 per gram (July 31, 2021 - $3.00 per gram); and
f) average selling costs of $1.28 per gram (July 31, 2021 - $1.25 per gram).

The selling price used in the valuation of biological assets is based on the average selling price of cannabis products for the recreational market and medical market. Expected yields for the cannabis plant is also subject to a variety of factors based on the grow room used, space allocated in the grow room, and flowering time. Selling costs include packaging, labelling, shipping, and other costs incurred to sell cannabis products for the recreational and medical market.

The Company periodically assesses the significant assumptions applied in determining the fair value of biological assets based on historical information obtained as well as planned production schedules. When there is a material change in any of the significant assumptions, the fair value of biological assets is adjusted.

Mother plants have an average life of 1 year. Clones for sale have approximately 2 weeks before they outgrow the Clone Shipper container.

During the three months ended October 31, 2021, the Company's biological assets produced 534 (July 31, 2021 – 1,369) kilograms of dried cannabis. At October 31, 2021, the weighted average stage of growth for the biological assets was 72% (July 31, 2021 - 88%).

The following table summarizes the significant inputs and assumptions used in the fair value model, their weighted average range of value and sensitivity analysis:

Significant inputs and assumptions	Input Values		An increase or decrease of 10% applied to the unobservable input would result in a change to the fair value by approximately	
	October 31 2021	**July 31 2021**	**October 31 2021**	**July 31 2021**
Average selling price per gram	**$ 3.00**	$ 3.00	**$ 136,281**	$ 117,203
Average selling cost per gram	**$ 1.28**	$ 1.25	**$ 59,055**	$ 48,835
Average yield per plant	**77 grams**	66 grams	**$ 160,290**	$ 410,742

(Expressed in Canadian Dollars)

INVENTORY

Inventory is comprised of the following:

	October 31 2021	July 31 2021
Finished goods	**$ 200,170**	$ 436,313
Supplies and consumables	**312,891**	295,794
Unpackaged cannabis and edibles	**1,311,132**	1,229,177
Carrying amount - inventory	**$ 1,824,193**	$ 1,961,284

Inventory expensed during the three months ended October 31, 2021 was $445,411 (October 31, 2020 - $205,098).

RESULTS OF OPERATIONS

The Company's net and comprehensive income for the three months ended October 31, 2021 was $25,006 compared to a net and comprehensive loss of $692,177 for the three months ended October 31, 2020. With the facility build out completed, management has made significant changes to streamline production along with increased sales of edibles.

During the three months ended October 31, 2021, the Company had sales revenue of $1,136,796 (October 31, 2020 - $622,025) which included excise taxes of $311,595 (October 31, 2020 - $161,458). This represents an increase in sales revenue of 83% period to period. This increase in revenue is explained by the price reductions provided to the provinces in order to move dried cannabis product. We have identified the right price to move dried cannabis product quickly while we concentrate on our 2.0 edible product line. The Company will concentrate on the sale of edibles for the recreational market going forward. Sales of edibles made up 21.3% of total sales.

The revenue figures produced a gross margin profit before fair value adjustments of $67,685 (October 31, 2020 – gross margin loss $107,354) and a gross margin profit after fair value adjustments was $711,761 (October 31, 2020 – gross margin loss $87,001). The Company realized net fair value changes of biological assets of $644,076 (October 31, 2020 - $20,353). The fair value of biological assets and inventory held at October 31, 2021 reflects accurately the price reductions to the provinces. The Company also had significantly less biological assets on hand at July 31, 2021 compared to the three months ended October 31, 2021 which impacts the unrealized gain on changes in fair value of biological assets positively. The gross margin profit before fair value adjustments includes $72,161 (October 31, 2021 - $226,721) from the Canadian Emergency Wage Subsidies and Canadian Emergency Rent Subsidies provided by the Government of Canada.

Depreciation and amortization for the three months ended October 31, 2021 decreased to $219,852 (October 31, 2020 - $241,882).

General and administration expenses overall increased for the three months ended October 31, 2021 to $356,193 (October 31, 2020 - $319,996). In this category, automobile expenses decreased to $1,385 (October 31, 2020 - $1,888). Bank charges and interest increased to $111,932 (October 31, 2020 - $99,156) reflecting an increase in debt. Consulting fees decreased to $2,840 (October 31, 2020 - $Nil). Director fees increased slightly to $25,585 (October 31, 2020 - $24,472) relating to source deductions. Insurance decreased to $1,392 (October 31, 2020 - $4,357) with 100% of the facility on Acland Road used for production. Investor relations increased to $21,570 (October 31, 2020 - $11,589) with the hiring of Oak Hill Financial Inc. in the current period. Legal and accounting increased to $63,441 (October 31, 2020 - $59,447). Office and sundry increased to $18,276 (October 31, 2020 - $17,804). Payroll and benefits increased to $79,214 (October 31, 2020 - $72,831). Property tax decreased to $7,696 (October 31, 2020 - $7,828). Telephone decreased to $3,799 (October 31, 2020 - $4,964). Transfer agent and filing fees increased to $12,776 (October 31, 2020 - $12,061). Travel increased to $6,377 (October 31, 2020 - $3,599) with COVID-19 pandemic restrictions lifting in the current period.

Sales and marketing decreased for the three months ended October 31, 2021 to $7,743 (October 31, 2020 - $9,972).

Share-based compensation increased for the three months ended October 31, 2021 to $94,204 (October 31, 2020 - $34,620) with more stock options granted and vested during the current period.

Other income and expense items produced net expenses of $8,763 compared to net income of $1,294 for the comparative period. In this section, accretion expense increased on the convertible debentures to $8,695 (October 31, 2020 - $Nil). There was a foreign exchange loss of $417 (October 31, 2020 – gain $1,094). Interest income decreased to $5 (October 31, 2020 - $32). Other income amounts increased to $344 (October 31, 2020 - $168).

ADJUSTED EBITDA

The Company believes that the disclosure of Adjusted EBITDA allows investors to evaluate the operational and financial performance of the Company's ongoing business, using the same evaluation that management uses, and is therefore a useful indicator of the Company's performance or expected performance of recurring operations. "Adjusted EBITDA" is calculated based on EBITDA, or earnings before interest, income taxes, depreciation and amortization, and further adjusted to exclude share-based compensation, realized and unrealized gains and losses on changes in fair value of biological assets, and items of an unusual nature that do not reflect our ongoing operations. EBITDA and Adjusted EBITDA are commonly reported and widely used by investors and lenders as an indicator of a company's operating performance and ability to incur and service debt and as a valuation metric. EBITDA and Adjusted EBITDA do not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies and should not be considered as an alternative to measures of performance prepared in accordance with IFRS.

(Expressed in Canadian Dollars)

	For the three months ended	
	October 31 2021	October 31 2020
Net and comprehensiveincome (loss) for the period	**$ 25,006**	$ (692,177)
Add back		
Interest	**103,585**	51,504
Depreciation and amortization	**219,852**	241,882
EBITDA from continuing operations	**348,443**	(398,791)
Share-based compensation	**94,204**	34,620
Net changes in fair value of biological assets	**(711,761)**	87,001
Adjusted EBITDA	**$ (269,114)**	$ (277,170)

LIQUIDITY

The Company does not have positive cash flow from operations; accordingly, it must rely on equity financing and debt to fund operations.

The Company's cash on hand at October 31, 2021 increased to $377,096 (July 31, 2021 - $111,162).

At October 31, 2021, the Company had working capital of $231,549 compared to negative working capital of $1,697,057 at July 31, 2021.

The Company's current asset balance of $5,266,701 (July 31, 2021 - $4,271,435) is comprised of cash of $377,096 (July 31, 2021 - $111,162); amounts receivable of $566,370 (July 31, 2021 - $553,305); an amount due from a related party of $123,810 (July 31, 2021 - $110,757); biological assets of $2,100,607 (July 31, 2021 - $1,259,125); inventory of $1,824,193 (July 31, 2021 - $1,961,284); and prepaid expenses and deposits of $274,625 (July 31, 2021 - $275,803).

The Company's current liabilities total $5,035,152 (July 31, 2021 - $5,968,492) is comprised of accounts payable and accrued liabilities of $2,700,184 (July 31, 2021 - $3,041,464); commercial operating loan of $471,820 (July 31, 2021 - $486,004); current portion of the mortgages payable of $1,036,217 (July 31, 2021 - $1,482,368); current portion of other liabilities being the right-of-use leases of $150,835 (July 31, 2021 - $167,104); and convertible debentures payable of $676,096 (July 31, 2021 - $791,552).

As of the date of this MD&A, the Company has insufficient working capital to meet its ongoing financial obligations for the coming year.

PROPOSED TRANSACTIONS

There are no proposed asset or business acquisitions or dispositions, other than those in the ordinary course of business as disclosed herein, before the Board of Directors for consideration.

(Expressed in Canadian Dollars)

OFF-BALANCE SHEET ARRANGEMENTS

None

RELATED PARTY TRANSACTIONS

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. Compensation provided to key management personnel is as follows:

		October 31 2021		October 31 2020
Director fees	$	24,000	$	23,000
Interest		11,233		-
Rent		33,800		33,800
Salaries and benefits		50,000		75,002
Share-based compensation		16,549		4,484
	$	135,582	$	136,286

The Company initially signed a month-to-month lease for premises from its Chief Executive Officer and Chief Financial Officer. The lease began on August 1, 2016 with monthly payments of $2,600 plus Goods and Services Tax along with 75% of all operating costs. Effective June 17, 2018, the lease was amended to a fixed term expiring August 31, 2019 with the right to renew the lease under the same terms for four three-year terms for $3,467 per month plus Goods and Services Tax along with 100% of all operating costs. The lease was renewed for another three-year term. A security deposit of $3,467 was also paid.

The Company signed a month-to-month lease for premises from its Chief Financial Officer. The lease began on July 10, 2017 with monthly payments of $2,600 plus Goods and Services Tax along with all operating costs. Effective June 17, 2018, the lease was amended to a fixed term expiring August 31, 2019, with the right to renew the lease under the same terms for four three-year terms for $2,600 per month plus Goods and Services Tax along with 100% of all operating costs. The lease was renewed for another three-year term. A security deposit of $2,600 was also paid.

The Company initially signed a month-to-month lease for premises from its Chief Executive Officer and Chief Financial Officer. The lease began on October 2, 2017 with monthly payments of $2,600 plus Goods and Services Tax along with all operating costs. Effective June 17, 2018, the lease was amended to a fixed term expiring September 30, 2019 with the right to renew the lease under the same terms for four three-year terms for $2,600 per month plus Goods and Services Tax along with 100% of all operating costs. The lease was renewed for another three-year term. A security deposit of $2,600 was also paid.

The Company initially signed a month-to-month lease for premises from its Chief Executive Officer and Chief Financial Officer. The lease began on January 12, 2017 with monthly payments of $2,600 plus Goods and Services Tax along with all operating costs. Effective June 17, 2018, the lease was amended to a fixed term expiring August 31, 2019 with the right to renew the lease under the same terms for four three-year terms for $2,600 per month plus Goods and Services Tax along with 100% of all operating costs. The lease was renewed for another three-year term. A security deposit of $2,600 was also paid.

On May 28, 2019, the Company entered into a line of credit with its President, John Miller, for up to $500,000. Each separate draw down of funds from the Line of Credit had no interest for the first three calendar months following its withdrawal. In the event that a draw down amount was not repaid on the business day following the last day of the third month following the withdrawal, then interest would incur on that draw down at a rate of Prime plus 1%. Interest was calculated and payable monthly on the last business day of each month until the Line of Credit was repaid in full. During the year ended July 31, 2020, the Line of Credit was paid in full with interest paid in the amount of $2,767.

On January 13, 2020, the Company issued 5,333,333 Units of a non-brokerage private placement to John Miller, the President and Chief Executive Officer, in exchange for bona fide debt owing by the Company in the amount of $800,000. Each Unit consists of one common share and one common share purchase warrant. Each Warrant entitles the holder to purchase one Common Share of the Company for a period of 24 months from closing at a price of $0.18 per share for the first three months, at $0.25 during the following three months, at $0.50 for the three months following that, and at $0.80 during the final fifteen months. Warrants were valued at $Nil using the residual value method.

On August 10, 2021, the Company closed a non-brokered private placement of convertible debentures for gross proceeds of $500,000 (the "Debenture") from a company owned by the Chief Executive Officer and Chief Financial Officer. The term of the Debenture is 24 months (two years) and bears interest at 10% per annum calculated on an annual basis and payable monthly. The Debenture is convertible into common shares of the Company at a price of $0.10 per share at any time at the election of the company holding the Debenture. In the event that the Company's common share price on a Canadian stock exchange is $0.60 or greater per common share for a period of ten or more consecutive trading days, the Company can force the conversion of the entire principal amount plus interest accrued into common shares of the Company at $0.10 per share. During the three months ended October 31, 2021, the Company paid $9,315 (July 31, 2021 - $Nil) of accrued interest.

At October 31, 2021, the Chief Executive Officer owes $123,810 (July 31, 2021 - $110,757) to the Company.

Close family members of the Chief Executive Officer were paid salaries in the amount of $29,842 (October 31, 2020 - $25,834) for the three months ended October 31, 2021 and stock options with share-based compensation totaling $8,275 (October 31, 2020 - $1,495).

Amounts due to or from related parties are unsecured, do not bear interest, and are classified as a current asset or liability due to their nature and expected time of repayment.

CONFLICTS OF INTEREST

The Company's directors and officers may serve as directors or officers, or may be associated with other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding on terms with respect to the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) ("Corporations Act") dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and in the best interest of the Company.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair value of financial assets and liabilities that are measured at fair value on a recurring basis

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Under IFRS 13, Fair Value Measurement 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 fair value hierarchy requires the use of observable market inputs whenever such inputs exist.

The fair value measurements for biological assets have been categorized as Level 3 of the fair value hierarchy based on the inputs to the valuation technique used, as there is currently no actively traded commodity market for plants. The significant unobservable inputs used to fair value biological assets include estimating the stage of growth of the marijuana up to the point of harvest, harvesting costs, selling costs, sales prices, wastage, and expected yields from the marijuana plants.

The convertible debentures are measured at fair value at issuance using a discount rate of 12%.

The carrying values of cash, other and trades receivables, amounts due from related party, accounts payable and accrued liabilities, commercial operating loan, and mortgages payable all approximate their fair values due the short term nature of the financial instrument, or the market rates of interest attached thereto.

Market risk

Market risk is the risk of loss that the fair value of future cash flows of a financial instrument held by the Company will fluctuate because of changes in market prices. The Company faces market risk from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Market risk is the risk of loss that the fair value of future cash flows of a financial instrument held by the Company will fluctuate because of changes in market prices. The Company faces market risk from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

Interest rate risk

Interest rate risk consists of two components: to the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk; and to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to fair value interest rate risk.

The Company may be exposed to fair value interest rate risk if the prevailing market rates increase or decrease compared to the interest rates associated with its financial assets and liabilities. Management does not believe this risk is significant.

Current financial assets and financial liabilities are generally not exposed to significant cash flow interest rate risk because of their short-term nature, fixed interest rates, and maturity dates. The Company is exposed to cash flow interest rate risk on the line of credit if a draw down amount is not repaid within three months. The Company is not exposed to cash flow interest rate risk on the advances from related parties which are without interest. The Company is not exposed to cash flow interest rate risk on the mortgages payable with fixed interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities are denominated in a foreign currency.

At October 31, 2021, the Company is exposed to foreign currency risk with respect to its US denominated bank account and accounts payable, and Euro and Australian denominated accounts payable. At October 31, 2021, approximately $35,307 (US$28,510) (July 31, 2021 - $17,352 or US$13,924) of the Company's cash was in US Dollars and $20,743 (US$16,750) (July 31, 2021 - $20,874 or US$16,750) was in accounts payable and accrued liabilities. A 10% change in the US foreign exchange rate would result in a change of 1,456 (July 31, 2021 - $350) to the unrealized gain or loss. The Company has approximately $3,868 (Euro 2,697) (July 31, 2021 - $3,989 or Euro 2,697) in accounts payable and accrued liabilities. A 10% change in the Euro foreign exchange rate would result in a change of $386 (July 31, 2021 - $400) to the unrealized gain or loss. The Company has approximately $3,698 (AUD 3,971) (July 31, 2021 - $3,638 or AUD 3,971) in accounts payable and accrued liabilities. A 10% change in the AUD foreign exchange rate would result in a change of $369 (July 31, 2021 - $360) to the unrealized gain or loss.

At October 31, 2021, financial instruments were converted at a rate of US$1.2384 to $1 Canadian; 1.4338 Euro to $1 Canadian; and 0.9310 AUD to $1 Canadian.

The Company has not entered into any foreign currency contracts to mitigate foreign currency risk.

Price risk

Price risk is the risk that the fair value of investments will decline below the cost of the underlying investments. The Company is not exposed to price risk as it has no investments held for sale.

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. Financial instruments that potentially subject the Company to credit risk consist primarily of cash, and other and trade receivables. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. For amounts receivable, the Company limits its exposure to credit risk by dealing with what management believes to be financially sound counter parties. The Company has assessed the impairment of its amounts receivable using the expected credit loss model and no material difference was noted. At October 31, 2021, all amounts receivable are current.

The Company's financial assets are not subject to material credit risk as it does not anticipate significant loss for non-performance.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments, or a proposed transaction. The Company manages liquidity risk by maintaining adequate cash balances when possible.

The Company's expected source of cash flow in the upcoming year will be through sales and debt or equity financing. Cash on hand at October 31, 2021 and expected cash flows for the next 12 months are not sufficient to fund the Company's ongoing operational and expansion needs. The Company will need funding through equity or debt financing, entering into joint venture agreements, or a combination thereof.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through a suitable debt and equity balance appropriate for an entity of the Company's size and status. The Company's overall strategy to managing capital remains unchanged from last year.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, options, warrants, reserves, and deficit. The availability of new capital will depend on many factors including positive stock market conditions, the Company's track record, and the experience of management. The Company is not subject to any external covenants on its capital.

At October 31, 2021, total managed capital was $9,941,555 (July 31, 2021 - $9,783,409).

OTHER RISKS AND UNCERTAINTIES

The Company is in the development stage with respect to its medical cannabis and adult-use cannabis business.

In conducting its business, the Company is subject to a number of risks and uncertainties that could have a material adverse effect on the Company's business prospects or financial condition that could result in a delay or indefinite postponement in the development of the Company's business. The following risk factors should be carefully considered in evaluating the Company. The risks presented below may not be all of the risks that the Company may face. It is believed that these are the factors that could cause actual results to be different from expected and historical results. The market in which the Company currently competes is very competitive and changing rapidly. Sometimes new risks emerge and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements.

COVID-19

The transmission of COVID-19 and efforts to contain its spread have recently resulted in international, national and local border closings, travel restrictions, significant disruptions to business operations, supply chains and customer activity and demand, service cancellations, reductions and other changes, and quarantines, as well as considerable general concern and uncertainty. The impact of the COVID-19 crisis has and may continue to have a significant impact on our business. Other results of COVID-19 that may negatively affect us are further increased costs resulting from our efforts to mitigate the impact of COVID-19; deterioration of worldwide credit and financial markets that could limit our ability to obtain external financing to fund our operations and capital expenditures, result in losses on our holdings of cash and investments. Material adverse effects on our employees, customers, suppliers and/or logistics providers could have material adverse effects on us.

Profitability of operations

The Company does not have profitable operations at this time and it should be anticipated that it will operate at a loss until such time that sufficient revenue is achieved or if a profit is in fact ever achieved. Investors also cannot expect to receive any dividends on their investment in the foreseeable future.

Going concern

The Company's consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its on-going commitments and further its medical cannabis and adult-use cannabis business.

Reliance on license

The Company's ability to grow, store, and sell medical cannabis and adult-use cannabis in Canada is dependent on the license issued from Health Canada. Failure to comply with the requirements of the license or any failure to maintain this license would have a material adverse impact on the business, financial condition, and operating results of the Company.

Regulatory risks

The activities of the Company are subject to regulation by governmental authorities, particularly Health Canada. Achievement of the Company's business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

Change in laws, regulations, and guidelines

The Company's operations are subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage, and disposal of medical cannabis and adult-use cannabis but also including laws and regulations relating to health and safety, the conduct of operations, and the protection of the environment. While to the knowledge of management, the Company is currently in compliance with all such laws, changes to such laws, regulations, and guidelines due to matters beyond the control of the Company may cause adverse effects to the Company's operations.

Limited operating history

The Company has yet to generate significant revenue from the sale of products. The Company 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 Company 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.

Reliance on management

The success of the Company is dependent upon the ability, expertise, judgment, discretion, and good faith of its management. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot ensure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results, or financial condition.

Factors which may prevent realization of growth targets

The Company is currently in the development stage. The Company's growth strategy contemplates outfitting the facility with additional production resources. There is a risk that these additional resources will not be achieved on time, on budget, or at all, as they are can be adversely affected by a variety of factors, including the following:

- delays in obtaining, or conditions imposed by, regulatory approvals;
- plant design errors;
- environmental pollution;
- non-performance by third party contractors;
- increases in materials or labour costs;
- construction performance falling below expected levels of output or efficiency;
- breakdown, aging, or failure of equipment or processes;
- contractor or operator errors;
- labour disputes, disruptions, or declines in productivity;
- inability to attract sufficient numbers of qualified workers;
- disruption in the supply of energy and utilities; and
- major incidents and/or catastrophic events such as fires, explosions, earthquakes, or storms.

As a result, there is a risk that the Company may not have product or sufficient product available for shipment to meet the anticipated demand or to meet future demand when it arises.

The Company has a history of net losses, may incur significant net losses in the future, and may not achieve or maintain profitability.

The Company has incurred losses in recent years. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable.

Additional financing

The building and operation of the Company's facilities and business are capital intensive. In order to execute the anticipated growth strategy, the Company will require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures, and/or to undertake acquisitions or other business combination transactions. The Company will require additional financing to fund its operations to the point where it is generating positive cash flows.

Competition

The Company faces intense competition from other companies, some of which have more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition, and results of operations of the Company.

Because of the early stage of the industry in which the Company operates, the Company expects to face additional competition from new entrants. If the number of users of medical cannabis and adult-use cannabis in Canada increases, the demand for products will increase and the Company expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, the Company will require a continued high level of investment in research and development, marketing, sales, and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales, and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition, and results of operations of the Company.

Risks inherent in an agricultural business

The Company's business involves the growing of medical cannabis and adult-use cannabis, an agricultural product. As such, the business is subject to the risks inherent in the agricultural business such as insects, plant diseases, and similar agricultural risks. Although the Company grows its products indoors under climate controlled conditions and carefully monitors the growing conditions with trained personnel, there can be no assurance that natural elements will not have a material adverse effect on the production of its products.

Vulnerability to rising energy costs

The Company's medical cannabis and adult-use cannabis growing operations will consume considerable energy, making the Company vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of the Company and its ability to operate profitably.

Transportation disruptions

Due to the perishable and premium nature of the Company's products, the Company will depend on fast and efficient courier services to distribute its product. Any prolonged disruption of this courier service could have an adverse effect on the financial condition and results of operations of the Company. Rising costs associated with the courier services used by the Company to ship its products may also adversely impact the business of the Company and its ability to operate profitably.

Unfavourable publicity or consumer perception

The Company believes the medical cannabis and adult-use cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy, and quality of the medical cannabis and adult-use cannabis produced. 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 medical cannabis and adult-use 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 medical cannabis or adult-use 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 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 and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, the efficacy, and quality of medical cannabis and adult-use cannabis in general, or the Company's products specifically, or associating the consumption of medical cannabis and adult-use cannabis 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.

Product liability

As a manufacturer and distributor of products designed to be ingested 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 manufacture and sale of the Company's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of the Company's products 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 our results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the Company's potential products.

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 labeling 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 has detailed procedures in place for testing finished 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 results of operations and financial condition of the Company. 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.

Reliance on key inputs

The Company's business is dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Company. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, the Company might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to the Company in the future. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition, and operating results of the Company.

Dependence on suppliers and skilled labour

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by the Company's capital expenditure program may be significantly greater than anticipated by the Company's management, and may be greater than funds available to the Company's management, in which circumstance the Company may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the financial results of the Company.

Difficulty to forecast

The Company 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 medical cannabis and adult-use cannabis industry in Canada. A failure in the demand for its products 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 Company.

Operating risk and insurance coverage

The Company has insurance to protect its assets, operations, and employees. While the Company believes its insurance coverage addresses all material risks to which it is exposed and is adequate and customary in its current state of operations, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations, and financial condition could be materially adversely affected.

Management of growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company 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 Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of interest

Certain of the directors and officers of the Company are also directors and officers of other companies, and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect its ability to continue operating and the market price for the Company's common shares and could use significant Company resources. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

Environmental and employee health and safety regulations

The Company's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. The Company will incur ongoing costs and obligations related to compliance with environmental and employee health and safety matters. Failure to comply with environmental and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on our manufacturing operations. In addition, changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations, and financial condition of the Company.

Dividends

The Company has no earnings or dividend record and does not anticipate paying any dividends on the common shares in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements using accounting policies consistent with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. The preparation of the consolidated financial statements also requires management to exercise judgment in the process of applying the accounting policies.

Significant accounting judgments

In the preparation of these consolidated financial statements, management has made judgments in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the consolidated financial statements.

Impairment of non-financial assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the asset and a suitable discount rate in order to calculate present value. The assessment of any impairment of assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Purchase price allocation

The allocation of the purchase price and subsequent costs between land and building on the acquisition of properties requires judgment. The allocations are determined using the property tax assessments when the properties are acquired.

Convertible debentures payable

The Company has issued convertible debentures as described in Note 13. The accounting for convertible debentures, a complex compound financial instrument, requires judgment in determining the discount rate applicable to the Company and the instrument. Should it be determined that the discount rate was not appropriate, then the carrying value and the recognition of expenses across the life of the instrument could be materially different.

Income taxes

The measurement of deferred income tax assets requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the annual consolidated financial statements.

Leases

The Company applies judgment in determining whether lease contracts contain an identified asset, whether the Company has the right to control the asset and the lease term. The lease term is based on considering the facts and circumstances, both qualitative and quantitative, which can create economic incentive to exercise renewal options. The discount rate applied is based on the judgment of management as to what rate most approximately reflects the incremental borrowing rate of the Company.

Going concern and liquidity

In assessing the Company's ability to continue as a going concern, management uses significant judgment in the forecasting of future cash flows. Critical input estimates such as economic conditions, market demands, production quality, integrated operating activities, capital expenditures, and debt repayment are used.

Significant accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimates and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year:

(Expressed in Canadian Dollars)

Share-based compensation

Management is required to make certain estimates when determining the fair value of stock options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as share-based compensation in the Company's profit or loss.

Biological assets and inventory

In calculating the fair value less costs to sell of biological assets and the cost of inventory, management makes a number of estimates related to inputs and variables, including the stage of growth of the marijuana up to the point of harvest, harvesting costs, selling costs, sales price, wastage, and expected yields from the marijuana plant.

Estimated useful lives, and depreciation and amortization of property and equipment

Depreciation and amortization of property, plant, and equipment are dependent upon estimates of useful lives which are determined through the exercise of judgment.

ADOPTION OF NEW STANDARDS

The Company has not yet adopted certain standards, interpretations to existing standards and amendments which have been issued but have an effective date later than August 1, 2020. These updates are not currently relevant to the Company or are not expected to have a material impact on the consolidated financial statements and are therefore not discussed herein.

CAPITAL RESOURCES

Common shares

	Issued Number		Amount
Balance, July 31, 2020	158,426,056	$	31,059,338
Shares issued for cash	5,000,000		550,000
Share issuance costs	-		(61,707)
Stock options exercised	412,500		61,875
Fair value of stock options exercised	-		31,750
Balance, July 31, 2021 and November 30, 2021	**163,838,556**	**$**	**31,641,256**

Escrow Shares

At November 30, 2021, 690 (July 31, 2021 – 690) shares are held in escrow.

(Expressed in Canadian Dollars)

Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, July 31, 2020	35,363,633	$ 0.0733
Warrants expired	(8,348,753)	1.4073
Warrants issued	5,000,000	0.1500
Balance, July 31, 2021	32,014,880	0.5290
Warrants expired	(2,772,658)	1.1239
Balance, November 30, 2021	**29,242,222**	**$ 0.4726**

Expiry Date	Remaining Life (Years)	Number of Warrants	Exercise Price
December 10, 2021	0.03	1,449,275	0.5750
January 13, 2022	0.12	6,675,652	0.8000
January 18, 2022	0.13	1,479,289	0.5630
January 30, 2022	0.17	1,552,795	0.5380
February 8, 2022	0.19	1,449,275	0.5750
February 28, 2022	0.25	1,623,377	0.5120
March 14, 2022	0.28	1,623,377	0.5120
March 29, 2022	0.33	1,901,141	0.4380
July 15, 2022	0.62	5,222,219	0.3000
July 22, 2022	0.64	1,265,822	0.2620
October 22, 2022	0.89	1,363,637	0.1500
November 12, 2022	0.95	3,636,363	0.1500
		29,242,222	$ 0.4726

Agent Warrants

	Number of Warrants	Weighted Average Exercise Price
Balance, July 31, 2020	5,385,000	$ 1.20
Warrants issued	350,000	0.15
Balance, July 31, 2021 and November 30, 2021	**5,735,000**	**$ 1.14**

(Expressed in Canadian Dollars)

Expiry Date	Remaining Life (Years)	Number of Warrants		Exercise Price
March 13, 2022	0.28	5,385,000	$	1.20
October 22, 2022	0.89	95,455		0.15
November 12, 2022	0.95	254,545		0.15
		5,735,000	$	1.14

Options

	Number of Options		Weighted Average Exercise Price
Balance, July 31, 2020	11,125,000	$	0.535
Options granted	9,350,000		0.210
Options exercised	(412,500)		0.150
Options cancelled	(2,387,500)		0.403
Options expired	(7,800,000)		0.630
Balance, July 31, 2021	9,875,000		0.200
Options cancelled	(250,000)		0.189
Balance, November 30, 2021	**9,625,000**	**$**	**0.200**

Date of Grant	Expiry Date	Remaining Life (Years)	Number of Options Vested	Number of Options Outstanding		Exercise Price
December 12, 2019	December 12, 2021	0.03	1,225,000	1,225,000		0.150
March 9, 2020	March 9, 2022	0.27	50,000	50,000		0.150
May 26, 2020	May 26, 2022	0.48	150,000	150,000		0.150
February 12, 2021	February 12, 2023	1.20	5,550,000	7,400,000		0.215
March 17, 2021	March 17, 2023	1.29	50,000	500,000		0.165
June 14, 2021	June 14, 2023	1.54	300,000	300,000		0.130
			7,325,000	9,625,000	$	0.200

DIRECTORS AND OFFICERS

The Company's directors and officers as of the date of this MD&A are:

John Miller	President, Chief Executive Officer, Director
Hee Jung Chun	Chief Financial Officer, Director
Dr. Ashish Dave	Independent Director
Penelope Laine	Independent Director

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.