

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: YELLOW STEM TECH INC. (the "Issuer").

Trading Symbol: YY

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

General Instructions

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

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

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

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

SEE ATTACHED FINANCIAL STATEMENTS AND MD&A FOR THE PERIOD ENDED OCTOBER 31, 2022.

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

SCHEDULE B: SUPPLEMENTARY INFORMATION

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

1. Related party transactions

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

[SEE ATTACHED FINANCIAL STATEMENTS AND MD&A FOR THE PERIOD ENDED OCTOBER 31, 2022.](#)

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

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

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

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

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
N/A								

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
N/A						

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

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

SEE ATTACHED FINANCIAL STATEMENTS AND MD&A FOR THE PERIOD ENDED OCTOBER 31, 2022.

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

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.

SEE ATTACHED FINANCIAL STATEMENTS AND MD&A FOR THE PERIOD ENDED OCTOBER 31, 2022

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

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

SEE ATTACHED MD&A FOR THE PERIOD ENDED OCTOBER 31, 2022

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 DECEMBER 23, 2022.

GARY V. ARCA

Name of Director or Senior Officer

"Gary Arca"

Signature

CFO & CORPORATE SECRETARY

Official Capacity

Issuer Details Name of Issuer YELLOW STEM TECH INC.		For Quarter ended October 31, 2022	Date of Report December 23, 2022
Issuer Address Suite 750, 580 Hornby Street			
City/Province/Postal Code Vancouver, BC V6C 3B6	Issuer Fax No. (604)602-4936	Issuer Telephone No. (604)602-4935	
Contact Name Gary Arca	Contact Position Corporate Secretary & CFO	Contact Telephone No. (604)602-4935	
Contact Email Address gary.a@ystem.ca	Web Site Address www.ystem.ca		

Yellow Stem Tech Inc.

Condensed Interim Consolidated Financial Statements

For the six months ended October 31, 2022

YELLOW STEM TECH INC.
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Stated in Canadian Dollars)

As at	October 31, 2022	April 30, 2022
Assets		
Current		
Cash	\$ 83,361	\$ 270,100
Amounts receivable	10,898	2,014
Prepaid expenses (note 1)	80,040	4,350
Total Current Assets	174,299	276,464
Non-Current assets		
Fixed assets	3,688	4,609
Deposit (note 1)	672,893	672,893
Total Assets	\$ 850,880	\$ 953,966
Liabilities		
Current		
Trade and other payables (note 9)	\$ 113,199	\$ 96,141
Advances payable (note 4)	373,520	373,520
Total Liabilities	486,719	469,661
Equity		
Share capital (note 5)	4,932,645	4,852,605
Reserves (note 5)	90,860	90,860
Accumulated deficit	(4,659,344)	(4,459,160)
Total Equity	364,161	484,305
Total Liabilities and Equity	\$ 850,880	\$ 953,966

Basis of Preparation and Going Concern (note 2)
Subsequent Event (note 10)

APPROVED ON BEHALF OF THE DIRECTORS:

“Robert Eadie”
Robert Eadie, Director

“Gary Arca”
Gary Arca, Director

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements

YELLOW STEM TECH INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND
COMPREHENSIVE LOSS
(Stated in Canadian Dollars)

	For the three months ended October 31,		For the six months ended October 31,	
	2022	2021	2022	2021
Expenses:				
Audit and accounting fees (note 9)	\$ 9,180	\$ 10,214	\$ 29,442	\$ 13,214
Foreign exchange loss (gain)	240	(4)	1,094	99
Legal and corporate services	22,993	-	34,116	3,916
Management and consulting fees (note 9)	16,500	16,500	33,000	33,000
Office, rent and administration (note 9)	10,014	8,992	17,479	23,241
Research and development (note 3)	-	310,734	-	310,734
Shareholder communication and marketing	5,068	2,703	21,169	4,386
Transfer agent and filing fees	5,178	4,519	23,585	6,769
Travel and accommodations	38,520	-	40,299	-
Total expenses	107,693	353,658	200,184	395,359
Total loss and comprehensive loss for the period	\$ (107,693)	\$ (353,658)	\$ (200,184)	\$ (395,359)
Basic and diluted loss per share for the period	\$ (0.00)	\$ (0.03)	\$ (0.00)	\$ (0.03)
Weighted average shares outstanding – basic and diluted - Note 6	46,701,501	12,081,001	44,472,076	12,081,001

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements

YELLOW STEM TECH INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Stated in Canadian Dollars)

For the six months ended October 31,	2022	2021
Cash provided by (used in):		
Operating activities		
Loss for the period	\$ (200,184)	\$ (395,359)
Items not involving cash:		
Amortization	921	922
Cash spent in operating activities before working capital changes	(199,263)	(394,437)
Change in non-cash working capital items		
Amounts receivable	(8,884)	(1,689)
Prepaid expenses and advances	4,350	-
Trade and other payables	17,058	326,622
Cash outflow for operating activities	(186,739)	(69,504)
Financing activities		
Advances payable	-	59,700
Cash inflow for financing activities	-	59,700
Total decrease in cash	(186,739)	(9,804)
Cash, beginning of period	270,100	12,348
Cash, end of period	\$ 83,361	\$ 2,544

The accompanying notes form an integral part of these unaudited condensed consolidated financial statements

YELLOW STEM TECH INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Stated in Canadian Dollars)

	Number of Shares Outstanding	Share Capital	Reserves	Accumulated Deficit	Total Equity (Deficiency)
Balance – April 30, 2021	12,081,001	\$ 3,324,180	\$ 83,660	\$ (3,870,490)	\$ (462,650)
Loss for the period	-	-	-	(395,359)	(395,359)
Balance – October 31, 2021	12,081,001	3,324,180	83,660	(4,265,849)	(858,009)
Debt settlement	8,002,500	400,125	-	-	400,125
Private placement	23,950,000	1,187,500	-	-	1,187,500
Share issuance costs	-	(59,200)	7,200	-	(52,000)
Loss for the period	-	-	-	(193,311)	(193,311)
Balance – April 30, 2022	44,033,501	4,852,605	90,860	(4,459,160)	484,305
Enigma share issuance (note 5)	2,668,000	80,040	-	-	80,040
Loss for the period	-	-	-	(200,184)	(200,184)
Balance – October 31, 2022	46,701,501	\$ 4,932,645	\$ 90,860	\$ (4,659,344)	\$ 364,161

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

YELLOW STEM TECH INC.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended October 31, 2022 and 2021
(Stated in Canadian Dollars)

Note 1 Corporate Information

Yellow Stem Tech Inc. (the “Company”) was incorporated as Hemp for Health Inc. on October 1, 2018 under the *Business Corporations Act* of British Columbia and is listed on the Canadian Securities Exchange (the “CSE”) under the trading symbol “YY”. Until recently, the Company was in the business of growing, processing, packaging and selling hemp-based products in Europe through a wholly-owned Italian subsidiary, Hemp For Health H4H s.r.l. (“H4Hsrl”). The Company sold H4Hsrl, and effectively the hemp operations, for nominal value in March, 2022 (see Note 3).

Change of Business (“COB”)

During the period ending October 31, 2022, the Company completed the COB and changed its name to “Yellow Stem Tech Inc”. The Company entered into a binding letter of agreement to engage a third party to host cryptocurrency mining activities on behalf of the Company.

Pursuant to an asset purchase agreement and an operating agreement, both dated March 18, 2022, the Company engaged Enigma Data Technologies LLC, a Delaware based company (“Enigma”) to initially source and acquire 150 Siacoin mining rigs for the aggregate purchase price of \$672,893 (US\$525,000) (paid). The Company has engaged Enigma to set-up, host and operate the cryptocurrency mining activities in exchange for 2,668,000 shares of the Company, valued at fair value on date of issue of \$0.03 per share, or \$80,040, which has been recorded as a prepaid to be expensed once the mining rigs have been placed in operation. The Company will be responsible for ongoing operating costs, to be at an all-in cost of US\$0.055 per kilowatt hour per mining rig.

The above transactions resulted in a COB for the Company and required CSE and shareholder approval which was completed on June 17, 2022. In conjunction with the COB, the Company changed its name to “Yellow Stem Tech Inc” and on June 20, 2022, the Company’s common shares commenced trading on the CSE under the trading symbol “YY”.

The registered address and the Company’s corporate office and principal place of business is 750 – 580 Hornby Street, Vancouver, British Columbia, Canada.

On December 2, 2021, the Company’s outstanding common shares were consolidated on the basis of two existing shares for one new share. All share, per share, and warrant amounts have been retroactively restated.

Note 2 Basis of Preparation and Going Concern

a) Statement of Compliance

These unaudited condensed interim consolidated financial statements for the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

YELLOW STEM TECH INC.

Notes to the Condensed Interim Consolidated Financial Statements

October 31, 2022

(Stated in Canadian Dollars) - Page 2

Note 2 Basis of Preparation and Going Concern – (cont'd)**a) Statement of Compliance – (cont'd)**

These unaudited condensed interim consolidated financial statements, for the six month period ended October 31, 2022, have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting, and do not include all the information required for full annual financial statement. For summary of significant accounting policies, see note 3 of the Company’s April 30, 2022 audited annual financial statements.

These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company’s April 30, 2022 audited annual financial statements.

The financial statements were authorized for issue by the Board of Directors on December 22, 2022.

b) Basis of Measurement and Going Concern

The unaudited condensed consolidated financial statements have been prepared on a historical cost basis, except for cashflow information. The preparation of unaudited condensed consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 of the Company’s April 30, 2022 audited annual financial statements.

The Company has not generated revenue from operations and incurred a loss of \$200,184 during the period ended October 31, 2022. While the Company has been successful in obtaining the necessary financing through the issuance of common shares in the past, there is no assurance it will be able to raise funds in this manner in the future. As at October 31, 2022, the Company had \$83,361 in cash, a working capital deficiency of \$312,420 and no long-term debt.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of operations, and at amounts different from those in the accompanying consolidated financial statements.

YELLOW STEM TECH INC.

Notes to the Condensed Interim Consolidated Financial Statements

October 31, 2022

(Stated in Canadian Dollars) - Page 3

Note 2 Basis of Preparation and Going Concern – (cont'd)c) Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiary, which is controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from the entity's activities. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposal or loss of control.

The Company's wholly-owned subsidiary, H4Hsrl, carried out its operations in Italy during the year ended April 30, 2022, before it was sold in March 2022. All intra-group transactions, balances, income and expenses were eliminated, in full, on consolidation. All expenses are included in the related expense categories, including office and administration.

The condensed interim consolidated financial statements are presented in Canadian dollars ("CDN"), which is the functional currency of the Company and its subsidiary.

Note 3 Italian Hemp Operations

Payments to farmers are fully expensed to research and development as the Company was testing plant strains and has had no significant revenue. During the year ended April 30, 2022, research and development costs were \$420,175 (including VAT taxes due to uncertainty of recovery), with respect to planting in 2022, including seedling costs crop costs from the farmers. Any revenue realized were credited against the research and development costs as realized.

The Company sold H4Hsrl and all Italian hemp operations in March, 2022 for a nominal value to dispose of all Italian assets and liabilities, the right to recover Italian VAT taxes and any outstanding Italian liabilities, and is currently in the process of transferring ownership.

Note 4 Advances Payable

During the year ending April 30, 2022, the CEO and director of the Company advanced 260,000 Euros (\$373,520) to the Company's Italian subsidiary, H4Hsrl, on behalf of the Company to pay certain crop costs and administrative expenses of H4Hsrl. These advances are non-interest bearing and are due on demand.

Note 5 Share Capital and Reservesa) Common share issuances

The Company is authorized to issue an unlimited number of no par value common shares, issuable in series. The holders of common shares are entitled to one vote per share at meetings of the Company and to receive dividends, which may be declared from time-to-time. To date, equity financings have provided the main source of financing. No

YELLOW STEM TECH INC.

Notes to the Condensed Interim Consolidated Financial Statements

October 31, 2022

(Stated in Canadian Dollars) - Page 4

Note 5 Share Capital and Reserves – (cont'd)

a) Common share issuances – (cont'd)

dividends have been declared by the Company since its inception. All shares are ranked equally with regard to the Company's residual net assets.

Enigma

The Company has engaged Enigma of the mining rigs to set-up, host and operate the cryptocurrency mining activities in exchange for 2,668,000 shares of the Company. The shares were valued at \$0.03, or \$80,040, the fair market value on June 29, 2022, the date of issue (see note 1).

Consolidation

On December 2, 2021, the Company's outstanding common shares were consolidated on the basis of two existing shares for one new share (the "Consolidation"). All share, per share, and warrant amounts have been retroactively restated.

Financings

The Company completed a financing in two tranches to raise a total of \$1,197,500 in gross proceeds as follows:

- On December 9, 2021, the Company closed Tranche 1 of its non-brokered private placement, raising \$672,500 in gross proceeds through the issuance of 13,450,000 units at a price of \$0.05 per unit. Each unit consists of one share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to purchase one common share of the Company at a price of \$0.10 per share for a period of 2 years, provided that in the event the closing price of the Company's shares is equal to or greater than \$0.20 per share for 30 consecutive trading days at any time following four months after the date of closing, the Company may, by notice to the warrant holders, reduce the remaining exercise period of the warrants to not less than 30 days following the date of such notice.
- Aggregate compensation of \$52,000 and 520,000 finders' warrants (having the same general terms as the warrants forming part of the units) was paid by the Company as finders' fees, valued at \$7,200 using the Black Scholes method. Assumptions used in the model were a stock price and exercise price of \$0.10, no dividend, a 2 year expected life, a 100% volatility and a risk free rate of 0.95%
- On February 2, 2022, the Company closed the final tranche of its non-brokered private placement, with the final tranche raising \$525,000 through the issuance of 10,500,000 units at a price of \$0.05 per unit. Each unit has the same terms as Tranche 1 above. No finders' fees were payable in this final tranche.

YELLOW STEM TECH INC.

Notes to the Condensed Interim Consolidated Financial Statements

October 31, 2022

(Stated in Canadian Dollars) - Page 5

Note 5 Share Capital and Reserves – (cont'd)a) Common share issuances – (cont'd)Debt Settlement

During the year ended April 30, 2022, the Company issued 8,002,500 post-consolidated shares in full settlement of outstanding debt in the aggregate amount of \$400,125, representing \$59,625 in fees and \$340,500 in advances owing. Included in this were 1,452,500 shares issued to officers and directors for outstanding fees and advances of \$72,625.

b) Warrants

A summary of the Company's outstanding share purchase warrants at October 31, 2022, April 30, 2022 and April 30, 2021 is as follows:

	Number of warrants	Weighted average exercise price
Balance, April 30, 2021	4,381,900	\$ 0.60
Warrants expired	(4,079,400)	0.60
Warrants granted	12,495,000	0.10
Balance, April 30, 2022	12,797,500	0.11
Warrants expired	(302,500)	0.60
Balance, October 31, 2022	12,495,000	\$ 0.10

A summary of the Company's outstanding share purchase warrants is presented below:

Number of Warrants	Exercise Price	Expiry Date
7,245,000	\$0.10	December 9, 2023
5,250,000	\$0.10	February 2, 2024
12,495,000	\$0.10	

During the period ending October 31, 2022, 302,500 warrants expired unexercised.

c) Share-Based Payments

The Company's Board has adopted a Stock Option Plan available to eligible directors, officers, employees and consultants to acquire up to 10% of common shares then outstanding (the "Plan"). Under the Plan, options may be granted by the Board at an option price in accordance with regulatory policy for a maximum term of 10 years. No amounts are paid or payable by the recipient on receipt and the options are not dependent on any performance-based criteria. Share purchase options will vest at the discretion of the Company and in accordance with regulatory policy. No share purchase options have been granted in prior periods and none were granted during the period ended October 31, 2022.

YELLOW STEM TECH INC.

Notes to the Condensed Interim Consolidated Financial Statements

October 31, 2022

(Stated in Canadian Dollars) - Page 6

Note 6 Loss Per Share

The denominator for the calculation of loss per share, being the weighted average number of common shares for the period ended October 31, 2022 and 2021 is as follows:

For the period ending October 31,	2022	2021
Issued and outstanding, beginning of the period	44,033,501	12,081,001
Weighted average shares issued during the period	438,575	-
Basic and diluted weighted average number of shares	44,472,076	12,081,001

Note 7 Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

Note 8 Financial Instruments

As at October 31, 2022, the Company's financial instruments consist of cash, amounts receivable, advances payable, and trade and other payables. The fair value of the Company's amounts receivable, advances payable, and trade and other payables approximate their carrying value, which is the amount on the statements of financial position, due to their short-term maturities or ability of prompt liquidation. The Company's cash is carried at FVTPL, where fair value is calculated in accordance with level 1 of the fair value hierarchy.

a) Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At October 31, 2022, US dollar amounts were converted at a rate of \$1.364 Canadian dollars to \$1 US. A 10% increase or decrease in the US dollar exchange may increase or decrease loss for the period by approximately \$203.

b) Interest Rate Risk

The Company's cash earns interest at a variable interest rate. Because of the nature of these financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values as of October 31, 2022. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Interest rate risk consists of two components, i) 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

YELLOW STEM TECH INC.

Notes to the Condensed Interim Consolidated Financial Statements

October 31, 2022

(Stated in Canadian Dollars) - Page 7

Note 8 Financial Instruments – (cont'd)b) Interest Rate Risk – (cont'd)

Company is exposed to interest rate cash flow risk; and ii) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's exposure to interest rate fluctuations is minimal.

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. The Company is exposed to credit risk with respect to its cash, the balance of which at October 31, 2022 is \$83,361 (April 30, 2022 – \$270,100). As at that date, cash was held at a chartered Canadian financial institution and the Company does not consider the risks to be significant.

Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. Additional cash requirements could be met with the issuance of additional share capital; however, there is no assurance the Company will be able to raise funds in this manner in the future. As at October 31, 2022, the Company was holding cash of \$83,361 (April 30, 2022 – \$270,100).

Note 9 Related Party Transactions

The following is a summary of charges incurred by the Company with related parties for the period ended October 31, 2022 and 2021:

Period ended October 31,	2022	2021
Audit and accounting	\$ -	\$ 3,000
Management fees	33,000	33,000
Office and administration	16,500	16,416
Total	\$ 49,500	\$ 52,416

During the six months ended October 31, 2022, the Company incurred fees and operational expenses totalling \$49,500 (October 31, 2021: \$52,416) from companies controlled by an officer and director of the Company and by another officer and director. As of October 31, 2022, the Company had amounts payable to officers and directors, and companies with directors in common of \$45,000 (April 30, 2022: \$8,363).

During the year ended April 30, 2022, \$83,855 in amounts payable for fees, expenses and advances were forgiven as debts to the Company. Included in these amounts was \$64,629 of amounts owing to officers and directors and companies controlled by officers and directors which included amounts payable for fees and advances.

YELLOW STEM TECH INC.

Notes to the Condensed Interim Consolidated Financial Statements

October 31, 2022

(Stated in Canadian Dollars) - Page 8

Note 10 Subsequent Event**Worldwide Distribution Rights to Sweet Poison Spirits**

The Company has entered into a Product Distribution Agreement (the Distribution Agreement”) with Sweet Poison Spirits S de RL de CV, a Mexican company headquartered in Guadalajara, Mexico, and Sweet Poison Spirits LLC, a California limited liability corporation headquartered in San Diego, California (collectively, “Sweet Poison”). The Distribution Agreement grants the Company the worldwide distribution rights to Sweet Poison’s premium Tequila and Mezcal products under the “Sweet Poison” brand names for an initial period of ten years, renewable for a further ten years and beyond.

In consideration of the rights and licences granted by Sweet Poison, the Company will issue to the shareholders of Sweet Poison 5,000,000 common shares (the “Shares”) at a deemed price of US\$0.20 per share, subject to resale restrictions as follows:

- (i) 25% of the Shares will become free-trading four months following the date of issuance (“Closing”);
- (ii) 25% of the Shares will become free-trading 12 months following Closing;
- (iii) 25% of the Shares will become free-trading 18 months following Closing; and
- (iv) the remaining 25% of the Shares will become free-trading 24 months following Closing.

Concurrent with the Distribution Agreement, the Company also entered into an agreement (the “Option Agreement”) with the shareholders of Sweet Poison, whereby the Company was granted the option to acquire all of the shares of Sweet Poison subject to the Company fulfilling its obligations under the Distribution Agreement. The terms of the Option Agreement include:

- (i) The option price is US\$1,000,000, exercisable by the Company at any time after 24 months from the date of the Option Agreement and prior to 36 months;
- (ii) The option price will be payable as to US\$400,000 in cash and US\$600,000 in common shares of the Company (based on a share price of \$0.20 per share for the first tranche, and the following tranches at the volume weighted average price per share for the 10 trading days prior to issue) in three equal tranches over 18 months from exercise of the option.

Subject to regulatory policies, the Company will pay Finder’s Fees of 10% on each of the Sweet Poison transactions, such Finder’s Fees payable in the form of shares at a deemed price of US\$0.20 per share.

Closing under the Distribution Agreement is subject to all necessary regulatory approvals, including the Canadian Securities Exchange.

YELLOW STEM TECH INC.

MANAGEMENT DISCUSSION & ANALYSIS

For the period ended October 31, 2022

Directors and Officers as at December 22, 2022

Directors:

Robert Eadie
Gary Arca
Gina Pala
Tanya Lutzke

Officers:

President & CEO – Robert Eadie
CFO & Corporate Secretary – Gary Arca

Contact Name: Robert Eadie

Contact e-mail: robert.e@ystem.ca

YELLOW STEM TECH INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

For the period ended October 31, 2022

1.1 Date of This Report

This Management's Discussion & Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated financial statements of Yellow Stem Tech Inc. (the "Company") for the period ended October 31, 2022. All dollar amounts herein are expressed in Canadian Dollars unless stated otherwise.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls and to ensure that information used internally or disclosed externally, including 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 Directors' Audit Committee meets with management quarterly to review the 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 www.sedar.com

This MD&A is prepared as of December 22, 2022.

This MD&A includes certain statements that may be deemed "forward-looking statements". All statements in this discussion, other than statements of historical facts, that address events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

1.2 Overall Performance

Description of Business

Until recently, the Company was in the business of growing, processing, packaging and selling cannabidiol and related hemp based products in Italy through its wholly owned Italian subsidiary, Hemp For Health H4H S.R.L. ("H4Hsrl"). See **Section 1.5 -Results of Operations for disclosure of a "Hemp for Health Completes COB and Name Change to Yellow Stem Tech Inc."**, whereby the Company changed its business to mining for cryptocurrencies from growing and processing hemp into CBD products.

Recent Events

The Company has entered into a Product Distribution Agreement (the Distribution Agreement") with Sweet Poison Spirits S de RL de CV, a Mexican company headquartered in Guadalajara, Mexico, and Sweet Poison Spirits LLC, a California limited liability corporation headquartered in San Diego, California (collectively, "Sweet Poison"). The Distribution Agreement grants the Company the worldwide distribution rights to Sweet Poison's premium Tequila and Mezcal products under the "Sweet Poison" brand names for an initial period of ten years, renewable for a further ten years and beyond.

In consideration of the rights and licences granted by Sweet Poison, the Company will issue and deliver an aggregate of 5,000,000 common shares (the "Shares") at a deemed price of US\$0.20 per share, subject to resale restrictions as follows:

- (i) 25% of the Shares will become free-trading four months following the date of issuance ("Closing");
- (ii) an additional 25% of the Shares will become free-trading 12 months following Closing;
- (iii) an additional 25% of the Shares will become free-trading 18 months following Closing; and
- (iv) the remaining 25% of the Shares will become free-trading 24 months following Closing.

The Distribution Agreement also provides for the Company to engage two principals of Sweet Poison as consultants on terms to be negotiated, and for Sweet Poison to have board representation with two directors being appointed to the Board of Directors.

Concurrent with the Distribution Agreement, the Company also entered into an agreement (the "Option Agreement") with the shareholders of Sweet Poison, whereby the Company was granted the option to acquire all of the shares of Sweet Poison subject to the Company fulfilling its obligations under the Distribution Agreement. The terms of the Option Agreement include:

- (i) The option price is US\$1,000,000, exercisable by the Company at any time after 24 months from the date of the Option Agreement and prior to 36 months;
- (ii) The option price will be payable as to US\$400,000 in cash and US\$600,000 in common shares of the Company (based on a share price of \$0.20 per share for the first tranche, and the following tranches at the volume weighted average price per share for the 10 trading days prior to issue) in three equal tranches over 18 months from exercise of the option.

Subject to regulatory policies, the Company will pay Finder's Fees of 10% on each of the Sweet Poison transactions, such Finder's Fees payable in the form of Yellow Stem shares at a deemed price of US\$0.20 per share.

Closing under the Distribution Agreement is subject to all necessary regulatory approvals, including the Canadian Securities Exchange.

About Sweet Poison Spirits:

Sweet Poison Spirits are creators and distributors of premium quality spirits. The company is committed to respecting traditional and ancestral processes, sustainability and the environment. For more on Sweet Poison, visit www.sweetpoisonspirits.com

1.3 **Selected Annual Information**

The highlights of financial data for the Company's three most recently completed year-ends, which are calculated in accordance with International Financial Reporting Standards ("IFRS"), are as follows:

	April 30, 2022	April 30, 2021	April 30, 2020
	\$	\$	\$
(a) Total revenues	-	-	Nil
(b) Total expenses	(672,525)	(1,116,445)	(2,136,754)
(c) Net loss	(588,670)	(1,508,166)	(2,125,740)
(d) Loss per share—basic and diluted	(0.03)	(0.12)	(0.20)
(e) Total assets	953,966	31,373	1,143,223
(f) Total long-term liabilities	Nil	Nil	Nil
(g) Cash dividends declared per share	Nil	Nil	Nil

1.4 **Discussion of Acquisitions, Operations and Financial Condition**

The following should be read in conjunction with the October 31, 2022 unaudited condensed consolidated financial statements of the Company and notes attached thereto.

Subsequent Sale of Italian Operations

The Company sold H4Hsr1 and all Italian hemp operations in March 2022 for a nominal value to dispose of all Italian assets and liabilities, including the remaining inventory, the right to recover Italian VAT taxes and any outstanding Italian liabilities and is currently in the process of transferring ownership.

Prior to this, payments to farmers were fully expensed to research and development as the Company was testing plant strains and has had no significant revenue. During the year ended April 30, 2022, research and development costs were \$420,175 (including VAT taxes due to uncertainty of recovery), with respect to planting in 2022, including seedling costs crop costs from the farmers. Any revenue realized from this crop was credited against the research and development costs as realized.

Environmental Protection

The operation of our business has no extraordinary environmental protection requirements. As a result, the Company does not anticipate that any environmental regulations or controls will materially affect the business.

1.5 **Results of Operations**

The loss and comprehensive loss for the six month period ended October 31, 2022, is \$200,184 and for the comparative period ended October 31, 2021, there was a loss and comprehensive loss of \$395,359:

<i>For the six month period ended October 31,</i>	<i>2022</i>	<i>2021</i>	<i>Variance</i>
Expenses			
Audit and accounting	\$ 29,442	\$ 13,214	16,228
Foreign exchange loss	1,094	99	995
Legal and corporate services	34,116	3,916	30,200
Management and consulting	33,000	33,000	-
Office and administration	17,479	23,241	(5,762)
Research and development	-	310,734	(310,734)
Shareholder communication and marketing	21,169	4,386	16,783
Transfer agent and filing fees	23,585	6,769	16,816
Travel and accommodations	40,299	-	40,299
Total Expenses	200,184	395,359	(195,175)
Total loss and comprehensive loss for the period	\$ (200,184)	\$ (395,359)	\$ (195,175)

During the period the Company incurred legal expenses of \$34,116, transfer agent fees of \$23,585, marketing expenses of \$21,169, travel expenses of \$40,299 and accounting expenses of \$29,442. These costs are much higher than in the comparative period ended October 31, 2021 mainly due to the change of business in the current period, and due to COVID restrictions resulting in a lack of funding and lower activity over 2021. All expenses related to the Italian subsidiary were included in the related expense categories, including office and administration, and the decrease of \$310,734 in Research and development relates directly to ceasing the activities of the Italian subsidiary, as discussed in *section 1.4*.

Financings, Principal Purposes & Milestones

Hemp for Health Completes COB and Name Change to Yellow Stem Tech Inc.

Yellow Stem Tech Inc. (formerly Hemp for Health Inc.) closed the transactions comprising its change of business ("COB"), from growing and processing hemp to mining for cryptocurrencies.

The Company's COB involved acquiring 150 Siacoin mining rigs for the aggregate purchase price of US\$525,000 and engaging Enigma Data Technologies LLC, a Delaware based company ("Enigma") to set-up, host and operate the cryptocurrency mining activities, in exchange for which Enigma received 2,668,000 shares of the Company. The shares were valued at \$0.03, or \$80,040, the fair market value on June 29, 2022, the date of issue. The Company will be responsible for ongoing operating costs, to be at an all-in cost of US\$0.055 per kilowatt hour per mining rig. The Company may add additional mining rigs from time to time. The shares of the Company received by Enigma will be subject to a hold period of four months and one day. Currently, the mining rigs have not been placed into operations due to the low cryptocurrency market pricing which exists thereby making the operations marginal at this time.

The above transactions resulted in a change of business for the Company and required CSE and shareholder approval. The Company received approval from shareholders holding over 59% of the Company's outstanding shares, by way of consent resolution.

The Company's common shares commenced trading under its new name, Yellow Stem Tech Inc., on the CSE, with trading symbol "YY", effective at the opening on June 20, 2022.

There is no consolidation or change in the share capital of the Company. Shareholders are not required to exchange their existing share certificates for new certificates bearing the new Company name, and Company shares held electronically in Direct Registration System will be booked automatically.

Consolidation

On December 2, 2021, the Company's outstanding common shares were consolidated on the basis of two existing shares for one new share (the "Consolidation"). Prior to the consolidation, the Company's authorized share capital was an unlimited number of common shares without par value, of which 24,162,001 shares were issued and outstanding, with a further 8,529,000 shares reserved for issuance upon the exercise of outstanding warrants. Upon completion of the share consolidation, there were 12,081,001 common shares issued and outstanding, subject to further share issuances, post-consolidation, as discussed below pursuant to the financing and the settlement of debts. Subsequent to the consolidation and the share issuances noted below under the "Financing" and "Debt Settlement", there are 44,033,501 post consolidated common shares outstanding and 12,797,500 Warrants expiring from May 2022 to February 2024, exercisable at prices between \$0.10 and \$0.60 per share.

Financings

The Company completed a financing in two tranches to raise a total of \$1,197,500 in gross proceeds as follows:

On December 9, 2021, the Company closed Tranche 1 of its non-brokered private placement, raising \$672,500 in gross proceeds through the issuance of 13,450,000 units at a price of \$0.05 per Unit. Each Unit consisted of one post-consolidated share and one-half of one common share purchase warrant, with each whole Warrant entitling the holder to purchase one post-consolidated common share of the Company at a price of \$0.10 per share for a period of 2 years, provided that in the event the closing price of the Company's Shares is equal to or greater than \$0.20 per share for 30 consecutive trading days at any time following four months after the date of closing, the Company may, by notice to the Warrant holders, reduce the remaining exercise period of the Warrants to not less than 30 days following the date of such notice.

Aggregate compensation of \$52,000 and 520,000 finders' warrants (having the same general terms as the Warrants forming part of the Units) was paid by the Company as finders' fees, valued at \$7,200 using the Black Scholes method.

On February 2, 2022, the Company closed the final tranche of its non-brokered private placement, with the final tranche raising \$525,000 through the issuance of 10,500,000 units at a price of \$0.05 per Unit. Each Unit has the same terms as Tranche 1 above. No finders' fees were payable in this final tranche. A total of \$10,000 was outstanding subsequent to April 30, 2022 and is included within equity as at April 30, 2022.

Debt Settlement

During the year ending April 30, 2022, the Company issued 8,002,500 post-consolidated shares in full settlement of outstanding debt in the aggregate amount of \$400,125, representing \$59,625 in fees and \$340,500 in advances owing. Included in this were 1,452,500 shares issued to officers and directors for outstanding fees and advances of \$72,625.

1.6 Summary of Quarterly Results

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

	Q2 31-Oct-22	Q1 31-Jul-22	Q4 30-Apr-22	Q3 31-Jan-22
Loss for period	\$ (107,693)	\$ (92,491)	\$ (130,721)	\$ (62,590)
Per share – basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
	Q2 31-Oct-21	Q1 31-Jul-21	Q4 30-Apr-21	Q3 31-Jan-21
Loss for period	\$ (353,658)	\$ (41,701)	\$ (480,426)	\$ (132,816)
Per share – basic and diluted	\$ (0.02)	\$ (0.00)	\$ (0.04)	\$ (0.01)

Discussion

The Company reports a loss of \$107,693 for the quarter ending October 31, 2022 compared to a loss of \$353,658 in the comparative quarter ended October 31, 2021. For more detailed discussion on the quarterly production results and financial results for the quarter ended October 31, 2022, please refer to *Sections 1.5 under "Results of Operations"*.

1.7 Liquidity and Capital Resources

As at October 31, 2022, the Company had \$83,361 (April 30, 2022 - \$270,100) in cash, working capital deficit of \$312,420 and no long-term debt. The Company's ability to continue as a going concern is dependent upon its existing working capital and obtaining the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due.

The Company's working capital will not meet corporate, development, administrative and property obligations for the coming period. As a result, the Company will require additional financing and, while the Company has been successful in raising equity financing through the issuances of common shares in the past, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be available on acceptable terms. As such, there remains significant doubt as to the Company's ability to continue as a going concern (see financing - *section 1.5 - Financings, Principal Purposes & Milestones*).

1.8 Off Balance Sheet Arrangements

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

1.9 Transactions with Related Parties

The following is a summary of charges incurred by the Company with related parties during the period ended October 31, 2022 and 2021:

Period ended October 31,	2022	2021
Audit and accounting	\$ -	\$ 3,000
Management fees	33,000	33,000
Office and administrative expense	16,500	16,416
Total	\$ 49,500	\$ 52,416

During the period ended October 31, 2022, the Company incurred fees and operational expenses totalling \$49,500 (October 31, 2021: \$52,416) from companies controlled by an officer and director of the Company and by another officer and director. As of October 31, 2022, the Company had amounts payable to officers and directors, and companies with directors in common of \$45,000 (April 30, 2022: \$8,363).

During the year ending April 30, 2022, the CEO and director of the Company advanced 260,000 Euros (approximately \$373,520) to the Company's Italian subsidiary, H4Hsrl on behalf of the Company, to pay certain crop costs and administrative expenses of H4Hsrl. These advances are non-interest bearing and are due on demand.

During the year ended April 30, 2022, \$83,855 in amounts payable for fees, expenses and advances were forgiven as debts to the Company. Included in these amounts was \$64,629 of amounts owing to officers and directors and companies controlled by officers and directors which included amounts payable for fees and advances. See *Section 1.5 – Debt Settlement* for related party share issuances for settlement of advances and fees.

1.10 Critical Accounting Estimates

a) Going concern

Management makes an assessment about the Company's ability to continue as a going concern by taking in to account the consideration of the various factors discussed in Note 2 of the April 30, 2022 consolidated financial statements.

b) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences applicable to the Company. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recuperated.

1.11 Changes in Accounting Policies

N/A

1.12 Financial and Other Instruments

As at October 31, 2022, the Company's financial instruments consist of cash, amounts receivable, advances payable, and trade and other payables.

The fair value of the Company's amounts receivable, advances payable, and trade and other payables approximates their carrying value, which is the amount on the statement of financial position, due to their short-term maturities or ability of prompt liquidation.

a) Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At October 31, 2022, US dollar amounts were converted at a rate of \$1.3482 Canadian dollars to \$1 US. A 10% increase or decrease in the US dollar exchange rate may increase or decrease loss for the period by approximately \$203.

b) Interest Rate Risk

The Company's cash earns interest at a variable interest rate. Because of the nature of this financial instrument, fluctuations in market rates do not have a significant impact on estimated fair values as of October 31, 2022. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Interest rate risk consists of two components:

- (i) 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.
- (ii) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's exposure to interest rate fluctuations is minimal.

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. The Company is exposed to credit risk with respect to its cash, the balance of which at October 31, 2022 is \$83,361 (April 30, 2022 - \$270,100). As at that date, cash and short-term investment were held at a chartered Canadian financial institution and the Company does not consider the risks to be significant.

d) Liquidity Risk

Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. Additional cash requirements could be met with the issuance of additional share capital; however there is no assurance the Company will be able to raise funds in this manner in the future. As at October 31, 2022, the Company was holding cash of \$83,361 (April 30, 2022 - \$270,100).

1.13 Disclosure of Outstanding Share Capital as at December 22, 2022:

	Number	Book Value
Common Shares	46,701,501	\$ 4,932,645

A summary of the Company's outstanding share purchase warrants is presented below:

Number of Shares	Exercise Price	Expiry Date
7,245,000	\$0.10	December 9, 2023
5,250,000	\$0.10	February 2, 2024
12,495,000	\$0.10	

During the period ending October 31, 2022, 302,500 warrants exercisable at \$0.60 per share expired unexercised.

1.14 Approval

The Board of Directors, upon the recommendation of the Audit Committee, has approved the disclosure contained in this MD&A.