Condensed Interim Consolidated Financial Statements

Bhang Inc.

For the Three Months Ended March 31, 2022 and 2021

(Expressed in United States Dollars)

Unaudited

INDEX

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements have been prepared by the Company's management and the Company’s independent auditors have not performed a review of these condensed interim consolidated financial statements.

Bhang Inc.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in United States Dollars)

	March 31, 2022	December 31, 2021
Assets		
Current Assets		
Cash	$ 150,547	$ 491,094
Trade and other receivables, net (note 13(c))	210,375	189,948
Inventory (note 5)	190,029	184,928
Prepaid expenses	150,367	122,812
Marketable securities (note 6)	579,713	608,656
Contract assets (note 13 (c))	50,314	42,615
Total Current Assets	1,331,345	1,640,053
Non-Current Assets		
Property and equipment (note 7)	74,780	79,308
Total Assets	1,406,125	1,719,361
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	988,898	978,251
Contract liability (note 13(c))	187,151	219,715
Due to shareholder (note 9)	149,132	144,192
Promissory note - current portion (note 8)	50,000	-
Total Current Liabilities	1,375,181	1,342,158
Non-Current Liabilities		
Promissory note (note 8)	50,000	-
Contract liability (note 13(c))	598,575	634,710
Total Liabilities	2,023,756	1,976,868
Shareholders' Equity (Deficiency)		
Share capital (note 10)	22,461,364	22,147,378
Contributed surplus (note 11)	3,390,102	3,323,522
Accumulated other comprehensive loss	(80,854)	(83,726)
Accumulated deficit	(26,388,243)	(25,644,681)
Total Shareholder's Deficiency	(617,631)	(257,507)
Total Liabilities and Shareholders' Deficiency	$ 1,406,125	$ 1,719,362

Going Concern (Note 1)
Subsequent Events (Note 22)

Approved on behalf of the Board:

Signed “Jamie Pearson”, director

Signed “Graham Simmonds”, director

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

Bhang Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the Three Months Ended March 31, 2022 and 2021
(Unaudited - Expressed in United States Dollars)

	2022	2021
Revenue		
Product sales (note 20)	$ 15,446	$ 28,427
Licensing (note 12,14,20)	334,043	244,157
	349,489	272,584
Cost of Sales	47,605	82,062
Gross Profit	301,884	190,522
Expenses		
Wages and salaries	266,799	145,741
Sales and marketing	122,046	102,406
Professional fees	115,448	197,831
Publicity and investor relations	2,270	5,212
General and administrative (note 15)	116,647	78,820
Share-based compensation (note 10, 11)	380,566	57,021
	1,003,776	587,031
Loss Before the Undernoted	(701,892)	(396,509)
Other Income (Loss)		
Interest expense (note 9)	(2,878)	(17,498)
Unrealized gain (loss) on marketable securities (note 6)	(37,309)	447,599
Foreign exchange gain (loss)	(1,483)	689
Government assistance (note 8)	-	16,054
Net Income (Loss) for the year from continuing operations	(743,562)	50,335
Income from discontinued operations	-	-
Net Income (Loss) for the year	(743,562)	50,335
Currency translation adjustment	2,872	5,134
Comprehensive Income (Loss) for the year	$ (740,690)	$ 55,469
Net Loss per Share – basic and diluted	$ 0.00	$ 0.00
Weighted Average Number of SVS and MVS Outstanding – basic and diluted	234,644,187	161,701,087

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

Bhang Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)
For the Three Months Ended March 31, 2022 and 2021
(Unaudited - Expressed in United States Dollars)

		Share Capital						
	Note #	**SVS**	**MVS**	**Amount**	**Contributed Surplus**	**AOCI**	**Accumulated Deficit**	**Shareholders' Deficiency**
Balance - January 1, 2021		104,792,624	44,913.38	$ 18,178,610	$ 2,877,652	$ (97,957)	$ (22,346,659)	$ (1,388,354)
Proceeds of private placement	10(i)	27,240,192	-	1,408,416	-	-	-	1,408,416
SVS issued in connection with the settlement of amount due to shareholder	9, 10 (ii)	23,661,623	-	1,214,088	-	-	-	1,214,088
Conversion of MVS to SVS	10 (iv)	10,000,000	(10,000)	-	-	-	-	-
SVS issuance costs		-	-	(16,586)	-	-	-	(16,586)
Stock option grant	11 (i)	-	-	11,467	45,555	-	-	57,022
Cancellation of SVS	10 (ix)	(120,000)	-	(9,600)	9,600	-	-	-
Issuance of share purchase warrants	11 (ii)		-			-	-	-
Net loss for the period		-	-	-	-	-	50,335	50,335
Cumulative translation reserve		-	-	-	-	5,134	-	5,134
Balance - March 31, 2021		165,574,439	34,913.379	$ 20,786,395	$ 2,932,807	$ (92,823)	$ (22,296,324)	$ 1,330,055
Balance - December 31, 2021		204,942,215	24,899.50	$ 22,147,378	$ 3,323,522	$ (83,726)	$ (25,644,681)	$ (257,507)
Share-based compensation		-	-	-	380,566	-	-	380,566
Vesting of RSUs	10(i)	4,970,000	-	313,986	(313,986)	-	-	-
Net loss for the period		-	-	-	-	-	(743,562)	(743,562)
Cumulative translation reserve		-	-	-	-	2,872	-	2,872
Balance - March 31, 2022		209,912,215	24,900	22,461,364	3,390,102	(80,854)	(26,388,243)	(617,631)

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

Bhang Inc.

Condensed Interim Consolidated Statements of Cash Flows
For the Three Month Ended March 31, 2022 and 2021
(Unaudited - Expressed in United States Dollars)

	2022	2021
Cash provided by (used in)		
Operating Activities		
Net loss for the period	($743,562)	$50,335
Adjustment for items included in net income (loss) (note 16)	2,878	1,225
Adjustments for non-cash items in net income (loss):		
Depreciation of property and equipment	4,528	11,377
Unrealized loss on marketable securities	37,309	(447,599)
Share-based compensation	380,566	57,021
	(318,281)	(327,641)
Changes in non-cash working capital items (note 17)	(118,834)	(14,846)
Net cash used in operating activities	(437,115)	(342,487)
Net cash provided by (used in) investing activities (note 18)	-	(74,000)
Net cash provided by financing activities (note 19)	100,000	1,465,662
Change in cash	(337,115)	1,049,175
Foreign exchange on cash	(3,432)	(4,557)
Cash - beginning of period	491,094	69,654
Cash - end of period	$150,547	$1,114,272
Supplemental cash flow disclosure		
Interest paid	-	$967
SVS and warrants issued for services rendered	-	$1,214,088
SVS and warrants in connection with other share-based payments	$313,986	-

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

1. Nature of Operations and Going Concern

Bhang Inc. (the "Company") is a publicly listed company incorporated in Canada under the Business Corporations Act (Ontario). On November 8, 2018, the Company entered into a definitive transaction agreement ("the "Definitive Agreement") with Bhang, Bhang Canada Inc. ("Bhang Canada") and Pele Acquisition Corp. ("Pele Subco") which resulted, through a series of transactions, in the acquisition of all the equity interest of Bhang and Bhang Canada by the Company (the "Transaction"), such that, immediately following completion of the Transaction, approximately 85% of the issued and outstanding shares of the Company were owned by the former shareholder of Bhang. On July 11, 2019, the Company's subordinated voting shares commenced trading on the Canadian Securities Exchange (the "CSE") under the stock symbol "BHNG". Prior to trading on the CSE, the Company's shares traded on the TSX Venture Exchange under the symbol "GEM". On August 30, 2019, the Company's subordinated voting shares commenced trading on the OTCQX Best Market (the "OSC") under the stock symbol "BHNGF". The Company's previous trading symbol on the OTCQX was "GOLDF". The Company, through its partners and licensees, produces and distributes cannabis-infused products that are distributed worldwide.

The registered address of the Company is located at 40 King Street West, Suite 5800, Toronto, Ontario, Canada, M5H 3S1.

These condensed interim consolidated financial statements for the three months ended March 31, 2022 and 2021, include the Company, its wholly-owned subsidiaries Bhang Canada Corp., and Bhang Corporation ("Bhang") and 2838301 Ontario Inc., and Bhang's wholly-owned subsidiaries, CB Brands, LLC ("CB Brands"), CB Productions, LLC ("CB Productions"), Founding Fathers' Hemp Company ("Founding Fathers") and Euro Brand IP Holdings, LLC ("Euro Brand") collectively referred to as the "Subsidiaries". Except for Bhang, Bhang Canada Corp. and 2838301, all of the Company's subsidiaries were non-operating during the period ended March 31, 2022.

These condensed interim consolidated financial statements are prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of the business.

(Unaudited - Expressed in United States Dollars)

1. Nature of Operations and Going Concern (continued)

During the three months ended March 31, 2022, the Company incurred a net loss of $743,562 (2021 – net income of $50,335). As of March 31, 2022, the Company's accumulated deficit was $26,388,243 (December 31, 2021 - $5,644,684). As of March 31, 2022, the Company had working capital deficit of $43,836 (December 31 2021 – working capital surplus of $297,895). In addition, during the three months ended March 31, 2022, the Company had negative cash flows from operations of $437,115 (2021 - $342,487). These aforementioned conditions have resulted in material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern and to meet its obligations will be dependent upon successful sales of product and generating positive cash flows from operations as well as obtaining suitable financing. These accompanying condensed interim consolidated financial statements do not reflect any adjustment that might result from the outcome of this uncertainty. If the going concern assumption is not used, then the adjustments required to report the Company’s assets and liabilities at liquidation values could be material to these condensed interim consolidated financial statements.

2. Basis of Presentation

a) Statement of Compliance

The Company’s unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting*. These unaudited consolidated interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2021, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the Interpretations of the IFRS Interpretations Committee. These unaudited condensed consolidated interim financial statements were prepared following the same accounting policies used in the preparation of the Company's audited financial statements with the exception of certain amendments to accounting standards or new interpretations issued by the IASB as described in note 3.

These unaudited condensed interim consolidated financial statements were approved by the Board of Directors for issuance on June 6, 2022.

b) Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments, options, and warrants, which are measured at fair value as described herein.

c) Functional and Presentation Currency

The functional currencies of the Company and its subsidiaries are as follows:

Bhang Inc.	Canadian Dollar
Bhang Canada Corp.	Canadian Dollar
2838301 Ontario Inc.	Canadian Dollar
Bhang Corporation	United States Dollar
CB Brands, LLC	United States Dollar
Founding Fathers' Hemp Company	United States Dollar
Euro Brand IP Holdings, LLC	United States Dollar

2. Basis of Presentation (continued)

These condensed interim consolidated financial statements of the Company are presented in United States.

Transactions denominated in foreign currencies are initially recorded in the functional currency using exchange rates in effect at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using exchange rates prevailing at the end of the reporting period. All exchange gains and losses are included in the condensed interim consolidated statements of loss and comprehensive loss.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company are expressed in United States dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive loss and reported as accumulated other comprehensive loss in the statement of changes in shareholders' deficiency.

d) Basis of Consolidation

The Subsidiaries are controlled by the Company, as the Company is exposed, or has rights, to variable returns from its involvement with the Subsidiaries and has the ability to affect those returns through its power over the Subsidiaries by way of its ownership of all of the issued and outstanding common shares. The financial statements of subsidiaries are included in these condensed interim consolidated financial statements from the date that control commences until the date control ceases. All inter-company balances and transactions have been eliminated upon consolidation.

e) Estimation Uncertainty due to COVID-19

Since 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the federal, state, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders in Canada and the United States. Government measures imposed to limit the spread of COVID-19 impacted the Company's operations during the period ended March 31, 2022 and December 31, 2021, in that its licensees experienced reduced revenues as a result of operational limitations put on retailers which also impacted the ability to pay amounts owed to the Company which resulted in the impairment of some of the Company's receivables.

At this time, it is unknown the extent of the long-term impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put in place by Canada, the United States and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Company's business and financial condition.

3. Significant Accounting Policies

These unaudited condensed consolidated interim financial statements have been prepared using the same accounting policies, significant accounting judgments and estimates, and methods of computation as the annual consolidated financial statements of the Company as at and for the year ended December 31, 2021 as described in note 6 of those audited consolidated financial statements, with the exception of certain amendments to accounting standards or new interpretations issued by the IASB with are applicable for annual periods beginning on or after January 1, 2022.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

Significant judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Expected Credit Losses

The calculation of the Company's expected credit losses on financial instruments requires management to make a number of estimates including the probability of possible outcomes with regards to credit losses, the discount rate to use for the time value of money, changes to the financial instrument's credit risk as well as other future-oriented factors.

Estimated Useful Lives, Depreciation of Property, Plant and Equipment and Depreciation

Depreciation of property, plant and equipment is dependent upon estimates of useful lives that are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent on estimates of recoverable amounts and include the consideration of economic factors and market conditions, as well as the useful lives of assets.

Deferred Tax Assets

Deferred tax assets, including those arising from tax loss carry forwards, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management’s estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

4. Significant Accounting Judgments, Estimates and Assumptions (continued)

Fair Value of Financial Instruments

The individual fair values attributed to the different components of a financing transaction, notably, convertible debt and loans, are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and derive estimates. Significant judgment is also used when attributing fair values to each component of a transaction upon initial recognition, measuring fair values for certain instruments on a recurring basis and disclosing the fair values of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of instruments that are not quoted or observable in an active market.

Accounts Payable and Accrued Liabilities

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle this obligation are both probable and able to be reliably measured.

Share-Based Compensation

The Company uses the Black-Scholes option-pricing model to determine the fair value of equity-based grants. The Black-Scholes option pricing model requires management to make certain assumptions and estimates such as the expected life of the instrument, volatility of the Company's future share price, risk-free rates, future dividend yields and estimated forfeitures at the initial grant date. Changes in assumptions used to estimate fair value could result in materially different results.

Classification of Convertible Debt as Financial Liabilities and Equity

Management has concluded that, based on the terms of the convertible promissory notes, the host debt component shall be classified as a financial liability and measured at the present value of the discounted future cash flows at the market rate of similar instruments that do not include a conversion feature. The residual balance, which represents the conversion feature, is classified as a separate component of equity.

Variable Consideration in Revenue from Contracts with Customers

The determination of the amount of variable consideration to recognize is dependent on management's estimate of the most likely amount to which the Company will be entitled and the probability of a significant reversal in that amount. These determinations require management to make estimates based on historical amounts received to estimate future returns and pricing adjustments.

4. Significant Accounting Judgments, Estimates and Assumptions (continued)

Business Combinations

In a business combination, the identifiable assets, liabilities and contingent liabilities of the acquired Company are recorded at their fair values. The determination of the fair value of these assets and liabilities require significant estimates. Contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in the acquisition. Management exercises judgment in estimating the probability and timing of when earn-outs are expected to be achieved which is used as the basis for estimating fair value. For any intangible assets identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied.

Determination of Cash-Generating Units

Goodwill, property and equipment and intangible assets are allocated to the CGU that represents the lowest level within the Company at which management monitors goodwill, property and equipment or indefinite life intangibles, and not at a level higher than an operating segment. The Company considers each subsidiary to be a CGU. For the purpose of impairment testing for goodwill, the Company allocates the goodwill to the group of CGUs expected to benefit from the synergies of the business combination. For the purpose of impairment testing for intangible assets with indefinite lives, the Company compares the lowest level CGU's carrying amount with its recoverable amount.

Impairment of Long-lived Assets

When determining the recoverable amount of the CGU or CGUs to which goodwill is allocated, the Company relies on a number of factors, including historical results, business plans, forecasts and market data. Changes in the conditions for these judgments and estimates can significantly affect the estimated recoverable amount.

Going Concern

Management has assessed and concluded that the going concern assumption is appropriate for a period of at least twelve months following the end of the reporting period. Management applied significant judgment in arriving at this conclusion including:

i. The amount of revenue to be generated from existing and new licenses to provide sufficient cash flow to fund operations and other committed expenditures;
ii. A reorganization of the Company's products offered for sale to move away from certain goods that have become commoditized;
iii. The ability to convert existing debt into equity;
iv. The ability to enter into new financing agreements; and
v. The streamlining of general and administrative expenses to manage cash flows

(Unaudited - Expressed in United States Dollars)

4. Significant Accounting Judgments, Estimates and Assumptions (continued)

Contingencies

Management's determination of the existence of contingencies requires the use of judgment. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. Management also applies judgment to assess the likelihood of the occurrence of one or more future events. When contingencies exist, management estimates the related financial impact to the Company based on the possible outcomes of one or more future events.

Asset Acquisition versus Business Combination

Management's judgment is required to determine whether an acquisition of another company or a group of assets from another company meet the definition of a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. If management determines that the acquired company or assets meets the definition of a business, the transaction will be accounted for as a business combination. If management determines that the acquisition does not meet the definition of a business, the transaction will be accounted for as an asset acquisition.

5. Inventory

As at March 31, 2022 and December 31, 2021, the Company's inventory was comprised of the following:

	March 31, 2022	December 31, 2021
Finished goods for resale online	$ 100,538	$ 69,211
Raw materials	89,491	115,717
Obsolescence provision	-	-
	$ 190,029	$ 184,928

The cost of inventories, net of a credit memo issued by a vendor, included as an expense and included in cost of goods sold, for three months ended March 31, 2022 was $44,488 (March 31, 2021 - $79,942).

6. Marketable Securities

During the year ended December 31, 2020, the Company acquired 3,149,607 common shares of Plant-Based Investment Corp. ("PBIC"), formerly Cannabis Growth Opportunities Corporation, in exchange for 14,285,714 SVS of the Company (the "Share Swap"). The shares issued by the Company are measured by reference to the fair value of the PBIC shares and was estimated as $967,541, which included a discount for lack of marketability of 14.68% related to the statutory four month plus one day trading restriction on the shares acquired. As part of the Share Swap, each of the investor and Company have signed a voting and resale agreement providing that each party will be required to vote the shares acquired under the Share Swap as recommended by the other party and will be restricted from trading the shares for a period of 18 months.

(Unaudited - Expressed in United States Dollars)

6. Marketable Securities (continued)

The movement in the carrying value of the Company's investment during the period ended March 31, 2022 and December 31, 2021 are as follows:

		March 31, 2022		December 31, 2021
Balance - beginning of year	$	608,656	$	989,509
Shares acquired during the year		-		-
Shares Sold during the year		-		-
Unrealized loss during the year		(37,309)		(389,399)
Effects of foreign exchange		8,366		8,546
Balance - end of year	$	579,713	$	608,656

7. Property and Equipment

		Computer Equipment		Office Furniture and Equipment		Trade Equipment		Total
Cost								
Balance - January 01, 2021	**$**	**9,637**	**$**	**37,335**	**$**	**239,584**	**$**	**291,730**
Additions		6,236		-		4,675		10,911
Disposals		-		-		-		-
Impaired		-		(37,335)		(40,884)		(78,219)
Balance - December 31, 2021		**15,873**		**-**		**203,375**		**224,422**
Additions		-		-		-		-
Disposals		-		-		-		-
Impaired		-		-		-		-
Balance - March 31, 2022	**$**	**15,873**	**$**	**-**	**$**	**203,375**	**$**	**224,422**
Accumulated Depreciation								
Balance - January 01, 2021	**$**	**7,245**	**$**	**15,332**	**$**	**111,312**	**$**	**139,063**
Depreciation for the year		3,213		6,983		34,798		44,994
Disposals		-		-		-		-
Impaired		-		(22,315)		(16,628)		(38,943)
Balance - December 31, 2021		**10,458**		**-**		**129,482**		**145,114**
Depreciation for the year		525		-		4,003		4,528
Disposals		-		-		-		-
Impaired		-		-		-		-
Balance - March 31, 2022	**$**	**10,983**	**$**	**-**	**$**	**133,485**	**$**	**149,642**
Net Book Value								
As at December 31, 2021	**$**	**5,415**	**$**	**-**	**$**	**73,893**	**$**	**79,308**
As at March 31, 2022	**$**	**4,890**	**$**	**-**	**$**	**69,890**	**$**	**74,780**

During the year ended December 31, 2021, the Company disposed its molds that were sold to licensee and recorded the net proceed of $15,229. There are no disposals recorded during three months ended March 31, 2022. There was no impairment recognized during the three months ended March 31, 2022 and 2021.

(Unaudited - Expressed in United States Dollars)

8. Promissory Note

During the year ended December 31, 2020, the Company received $150,567 in connection with the Paycheck Protection Program. The advance was structured as a promissory note but was eligible for forgiveness as a government grant if the Company complied with certain conditions. The promissory note was to mature on May 1, 2022, carried interest at a rate of 1% per annum and was repayable by 18 monthly payments of $8,475 with the first payment due December 1, 2020. During the year ended December 31, 2020, the Company and the lender entered into a change in terms agreement pursuant to which the repayable principal balance of the promissory note was reduced to $8,000. Pursuant to the change in terms agreement, the interest rate remains at 1% per annum and the promissory note is repayable by 18 monthly payments of $450 with the first payment due December 1, 2020.

In connection with the change in terms agreement, the Company recorded forgiveness of $142,567 on outstanding principal and accrued interest, and this amount has been included as government assistance in the consolidated statement of loss and comprehensive loss. Total payments towards this promissory note amounted to $1,350.

During the year ended December 31, 2021, the Company got confirmation from the lender of loan forgiveness for the entire amount of principal and interest. The lender returned all payments of $1,350 that were made by the Company.

During the year ended December 31, 2021, the Company received an additional $81,886 from the Paycheck Protection Program, which not required to be re-paid.

During the three months ended March 31, 2022, the Company entered into a promissory note in the principal amount of CAD$100,000. This promissory note bears interest at 15% per annum, and matures on April 25, 2023. In connection with this promissory note, the Company agreed to issue 20,000 share purchase warrants.

The movement in the carrying value of the promissory note during the three months ended March 31, 2022 and the year ended December 31, 2021 is as follows:

Balance – January 01, 2021	$	8,000
Additions		81,886
Less: loan forgiveness		(89,886)
Balance - December 31, 2021	**$**	**-**
Additions		100,000
Balance – March 31, 2022		(100,000)

9. Due to Shareholder

During the year ended December 31, 2020, the Company and a shareholder entered into an operating facility pursuant to which the shareholder will advance up to CAD$1,500,000 (the "Operating Facility") in minimum tranches of CAD$50,000 ("Advances"). The advances shall bear interest at a rate of 8% per annum with interest payable monthly in arrears on the first business day of each month. At the option of the lender, any outstanding interest may be converted into SVS of the Company at a price of CAD$0.15 per share. All outstanding Advances are repayable on demand at any time and all outstanding amounts shall be permanently repaid and the Operating Facility cancelled after 36 months from the date of the agreement. The Company may repay the Operating Facility at any time and the lender may be entitled to elect to receive SVS of the Company at a price of CAD$0.15 per share, in place and instead of repayment of the amount outstanding under the Operating Facility. The conversion feature was accounted for as equity component based on the fact that it did not breach the fixed for fixed criteria. As such, the debt host was valued first and the residual value was allocated to the equity component. The debt host fair value being equivalent to face value, a value of $nil was allocated to the equity component due to the fact that the advances are due on demand. The Operating Facility is secured by a charge on the current and future assets, undertakings and properties of the Company of every nature and kind whatsoever situate, including but not limited to any and all registerable and/or unregistrable intellectual property rights in any and all jurisdictions owned, licensed, and/or used by the Company and all proceeds thereof, pursuant to and including general security agreements from the Company.

As at December 31, 2020, the Company had received advances of $1,178,134 (CAD$1,500,000), and had accrued interest payable of $13,405 (CAD$17,067).

During the year ended December 31, 2021, the Company settled the outstanding principal and accrued interest of $1,214,088 (CAD$1,538,005) by issuing 23,661,623 SVS of the Company pursuant to a debt settlement agreement. Following completion of the debt settlement agreement, the Company as access to the operating facility of up to CAD$1,500,000. In addition, the Company and the shareholder amended the terms of the operating facility such that the maturity date of all future amounts owing under the facility shall be repaid by July 17, 2023 and the lender shall not be entitled to demand repayment of the operating facility unless and until the occurrence of an Event of Default which is continuing has not been cured.

As at March 31, 2022, the Company has received advances of $141,836 (CAD$179,820) from a shareholder and has accrued interest payable of $5,230 (CAD$6,583).

The movement in the carrying value of the amount due to shareholder note during the three months ended March 31, 2022 and the year ended December 31, 2021 is as follows:

(Unaudited - Expressed in United States Dollars)

9. Due to Shareholder (continued)

Balance - January 01, 2021	1,191,539
Add: accrued interest	16,531
Effects of foreign exchange	6,018
Less: converted to SVS	(1,214,088)
Add: Advances in F21	141,836
Add: Interest accrued on advance	2,356
Balance - December 31, 2021	$ 144,192
Add: Interest accrued on advance	2,878
Add: Currency Translation	2,062
Balance - March 31, 2022	$ 149,132

10. Share Capital

The Company is authorized to issue an unlimited number of Subordinate Voting Shares ("SVS") without nominal or par value and an unlimited number of Multiple Voting Shares ("MVS") without nominal or par value. Bhang is authorized to issue up to 200,000 common shares with a par value of $0.01 per share.

During the three months ended March 31, 2022, the Company had the following share capital transactions:

i) The Company issued 4,970,000 SVS to the officers, directors and consultants of the Company upon the vesting of RSUs issued during the year ended December 31, 2021.

During the year ended December 31, 2021, Company had the following share capital transactions:

i) The Company issued 27,240,192 SVS through a non-brokered private placement in March 2021 for aggregate gross proceeds of $1,408,416 (CAD$1,770,613). In connection with this private placement, the Company paid finder's fees in the amount of $13,255 (CAD$16,586);

ii) The Company issued 23,661,623 SVS pursuant to a debt settlement transaction with an existing shareholder of the Company (note 9);

iii) The Company granted 7,362,500 RSUs of the Company to officers, directors and consultants of the Company. Of the issued RSUs, 2,062,500 vested during the year ended December 31, 2021 while the remaining will vest during the year ending December 31, 2022. The fair-value of the RSUs amounted to $464,584, of which $130,147 was recorded as share-based compensation expense during the year ended December 31, 2021;

iv) The Company issued 20,013,876 SVS as a result of the conversion of 20,013.876 MVS;

(Unaudited - Expressed in United States Dollars)

10. Share Capital (Continued)

v) The Company issued 22,147,400 units through a non-brokered private placement in December 2021 for gross proceeds of $948,296 (CAD$1,218,107). Each of these units were comprised of 22,147,400 SVS and 11,073,700 share purchase warrants. The share purchase warrants were valued using the residual method which resulted in the value allocated to share-purchase warrants to be $nil. In connection with this private placement, the Company paid finder's fees of CAD$33,633 ($26,183) and issued 454,800 finder warrants at an exercise price $0.10;

vi) The Company issued 3,194,000 SVS at a price of CAD$0.08 to the CEO of the Company as a bonus which was recorded under wages and salaries and 1,500,000 SVS to Green Globe Holdings, LLC at a price of CAD$0.08 in accordance with a marketing and sales agreement;

vii) The Company issued 12,000,000 share purchase warrants to a service provider at exercise price of $0.115 and 35,000 warrants to service provider at exercise price of $0.15 per SVS;

viii) During the year ended December 31, 2020, the Company granted 2,750,000 RSUs to certain officers, directors and consultants of the Company of which 500,000 RSUs vested during the year ended December 31, 2021 with the remaining vesting in fiscal 2022 and 2023. The Company recorded share-based compensation in the amount of $27,842 during the year ended December 31, 2021);

ix) The Company issued 430,000 restricted shares issued during year ended December 31, 2020. Of these issued restricted shares, the Company cancelled 170,000 restricted shares during the year ended December 31, 2021 that were issued to former employees that had yet to vest. During the year ended December 31, 2021, 83,333 restricted shares vested. The remaining 33,334 restricted shares are yet to vest in F22.

The following summarizes the Company's RSU activities :

	Number of Securities Issued	**Number of Securities Vested**	**Fair Value Upon Vesting**
Balance, January 01, 2021	3,280,000	2,493,333	149,817
Fair value of securities that continued to vest during the period	-	500,000	27,842
Restricted shares cancelled (note ix)	(170,000)	83,333	-
RSUs granted (note iii)	7,362,500	2,062,500	130,147
Balance, December 31, 2021	10,472,500	5,139,166	$ 307,806
RSUs vested (note i)	-	4,970,000	313,986
Balance, March 31, 2022	10,472,500	10,109,166	$ 621,792

(Unaudited - Expressed in United States Dollars)

11. Stock Options and Warrants

(a) Stock Options

The Company maintains a Stock Option Plan (the "Plan") for the benefit of directors, officers, employees and consultants. The maximum number of common shares reserved for issuance and available for purchase pursuant to options granted under the Plan cannot exceed 10% of the total number of common shares of the Company issued and outstanding at the date of any grant made. In addition, the aggregate number of shares so reserved for issuance to one person may not exceed 5% of the issued and outstanding shares in any given 12-month period. Options pursuant to the Plan are granted at the discretion of the Board of Directors, vest at schedules determined by the Board, and have an exercise price of not less than that permitted by the stock exchange on which the shares are listed.

The following summarizes the stock option activities:

	Number of Options	**Weighted Average Exercise Price (CAD)**
Balance, January 1, 2021	7,780,000	0.43
Granted	4,575,000	0.10
Expired	(250,000)	(0.55)
Forfeited	(390,000)	(0.15)
Balance, December 31, 2021	11,715,000	$ 0.31
Granted	-	
Expired	-	
Forfeited	-	
Balance, March 31, 2022	11,715,000	$ 0.31

The Company had the following stock options outstanding at March 31, 2022:

Number of Options	Exercisable	Exercise Price ($CAD)	Remaining Contractual Life (Years)	Expiry Date
1,870,000	1,870,000	$ 0.52	0.28	July 11, 2022
3,750,000	3,000,000	$ 0.52	2.28	July 11, 2024
220,000	220,000	$ 0.11	3.06	April 21, 2025
1,000,000	1,000,000	$ 0.08	1.51	October 1, 2023
300,000	300,000	$ 0.10	1.51	October 1, 2023
4,575,000	3,415,000	$ 0.10	2.76	December 31, 2024
11,715,000	9,805,000	$ 0. 31	2.08	

(Unaudited - Expressed in United States Dollars)

11. Stock Options and Warrants (continued)

During the year ended December 31, 2021, the Company granted 4,575,000 stock options to certain officers, directors, employees and consultants of the Company. These stock options are exercisable at $0.10 per SVS and expire 3 years from the date of issuance. Of the 4,575,000 SVS issued, 3,165,000 SVS were vested immediately while the remaining vest during the year ended December 31, 2022.

The fair value of the issued stock options of CAD$378,117 was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	1.13%
Forfeiture rate	0%
Expected life	3 years
Expected volatility	203%*

(b) Warrants

All of the outstanding warrants were issued in conjunction with the issuance of SVS. The fair value of warrants issued and outstanding is reflected in contributed surplus. Amounts for warrants that are subsequently exercised are transferred from contributed surplus to share capital.

The following summarizes the warrant activities:

	Number of Warrants	Weighted Average Exercise Price ($CAD)
Balance, January 01, 2021	25,139,091	$ 0.26
Issued pursuant to private placement (note 10)	11,073,700	0.10
Issued pursuant to finder warrants for private placement	454,800	0.10
Issued in connection with Service provider (note 10)	12,000,000	0.115
Issued in connection with Service provider (note 10)	35,000	0.15
Expired	(8,099,091)	(0.46)
Balance, December 31, 2021	40,603,500	$ 0.13
Expired	(3,571,428)	(0.18)
Balance, March 31, 2022	37,032,072	$ 0.12

(Unaudited - Expressed in United States Dollars)

11. Stock Options and Warrants (continued)

(b) Warrants (continued)

During the year ended December 31, 2021, the Company:

i) In connection with a non-brokered private placement of SVS, issued 11,073,700 share purchase warrants exercisable at $0.10 per SVS. These warrants expire 18 months from the date of issuance.

ii) Issued 454,800 finders warrants in connection with a non-brokered private placement of SVS.

The fair value of the warrants of CAD$21,556 was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	0.81%
Expected life	1.5 years
Expected volatility	134%

The fair value of these finders warrants were included as share-issuance costs.

iii) Issued 12,000,000 share purchase warrants in connection with a marketing service provider, exercisable at $0.115 per SVS, expiring 24 months from the date of issuance. Of the 12,000,000 warrants issued, 2,000,000 warrants vested immediately while the remaining vest over certain time and performance milestones.

The fair value of these warrants amounted to CAD$713,962 was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	0.97%
Expected life	2 years
Expected volatility	145%

Share-based compensation expense related to these issued warrants amounted to CAD$118,994 during the year ended December 31, 2021 and have been included in marketing expense.

iv) Issued 35,000 share purchase warrants to a service provider, exercisable at $0.15 per SVS, expiring 18 months from the date of issuance.

The fair value of these warrants amounted to CAD$1,438 was estimated at the grant date based on the Black-Scholes pricing model, using the following assumptions:

Expected dividend yield	Nil
Risk-free interest rate	1.13%
Expected life	1.5 years
Expected volatility	128%

Share-based compensation expense related to these issued warrants amounted to CAD$1,438 during the year ended December 31, 2021, and have been included in marketing expense.

(Unaudited - Expressed in United States Dollars)

11. Stock Options and Warrants (continued)

(b) Warrants (continued)

The Company had the following warrants outstanding at March 31, 2022:

Number of Warrants	Exercisable		Exercise Price ($CAD)	Remaining Contractual Life (Years)	Expiry Date
5,261,905	5,261,905	$	0.15	0.30	July 17, 2022
6,666,667	6,666,667	$	0.15	0.30	July 17, 2022
1,540,000	1,540,000	$	0.10	1.75	December 30, 2023
11,073,700	11,073,700	$	0.10	1.21	June 17, 2023
454,800	454,800	$	0.10	1.21	June 17, 2023
12,000,000	2,000,000	$	0.115	1.75	December 30, 2023
35,000	35,000	$	0.10	1.17	May 31, 2023
37,032,072	27,032,072	$	0.12	1.12	

12. Related Party Transactions

During the three months ended March 31, 2022 and 2021, the Company incurred the following related party transactions:

i) Licensing and product sales revenue of $10,050 (2021 - $12,530) was recognized on sales to a company controlled by the sibling of the Company's former President and CEO. As at March 31, 2022, accounts receivable included $3,350 (December 31, 2021 - $3,570) owing from this company.

ii) Key Management Personnel consists of the former President and CEO, the former interim President the current President, CEO and COO, and the CFO. The compensation paid or payable to key management for the three months ended March 31, 2022 includes salaries and bonus of $50,000 (2021 - $54,167) and professional fees of $7,500 (2021 - $7,500). Included in share-based compensation for three months ended March 31, 2022 was $6,651 (2021 - $30,188) related to the continued vesting of stock options.

iii) Included in share-based compensation for three months ended March 31, 2022 $Nil (2021 - $9,169) related to the continued vesting of stock options, and $178,473 (2021 - $9,247) related to RSU's granted to directors of the Company.

Additional related party transactions are disclosed in notes 6, 9, and 10.

(Unaudited - Expressed in United States Dollars)

13. Financial Instruments

i) Market Risk

a) Currency Risk

As at March 31, 2022 and December 31, 2021, the Company's cash and cash equivalents included CAD$48,736 (2021 - CAD$407,232), marketable securities included CAD$755,310 (2021 - CAD$771,654), accounts payable and accrued liabilities included CAD$423,437 (2021 - CAD$199,473) and due to shareholder included CAD$186,403 (2021 - CAD$182,807). If the United States Dollar had weakened (strengthened) by 10% compared to the CAD, net loss for the year would have been $15,545 higher (lower) (2021 - $62,834 higher (lower)).

b) Interest Rate Risk

As at March 31, 2022 and December 31, 2021, the Company's exposure to interest rate risk would relate to its amounts due to shareholder, but its interest rate risk is limited as the aforementioned financial instruments are fixed interest rate instruments.

c) Credit Risk

Credit risk is derived from cash and trade and other receivables. The Company places the majority of its cash in deposit with major United States and Canadian financial institutions. The Company has established a policy to mitigate the risk of loss related to granting customer credit. Cash balances are maintained by directors and officers of the Company with no access granted to other parties.

The carrying amount of cash, trade and other receivables and non-financial instruments including contract asset represents the Company's maximum exposure to credit risk, which amounted to $411,236 as at March 31, 2022 (December 31, 2021 - $723,657). The provision for expected credit losses included in trade accounts receivable as at March 31, 2022 is $89,392 (2021 - $89,392).

Included in revenue for the three months ended March 31, 2022 was $238,594 from four customers (2021 - revenue of $147,400 from two customers), each of which represent greater than 10% of the Company's revenue.

As at March 31, 2022 and December 31, 2021, the Company's trade accounts receivable were aged as follows:

		2022		2021
Current	$	168,229	$	187,068
1-30 days		16,220		-
31 days- 60 days		5,109		3,381
61 days-older		110,209		88,891
Expected credit losses		(89,392)		(89,392)
	$	210,375	$	189,948

(Unaudited - Expressed in United States Dollars)

13. Financial Instruments (continued)

The change in the provision for expected credit losses is as follows:

	2022	2021
Balance, beginning of year	$ 89,392	$ 263,770
Amounts previously provided for, written-off during the year		(174,979)
Additional allowance		17,810
Reversal of prior periods provision		(17,209)
Balance, end of year	$ 89,392	$ 89,392

The change in the Company's contract assets are as follows:

	2022	2021
Balance, beginning of year	$ 42,615	$ 54,418
Recognition of revenue pursuant to IFRS 15	13,853	18,000
Collected from licensee	(6,154)	(29,803)
Balance, end of year	$ 50,314	$ 42,615

The change in the Company's contract liabilities are as follows:

	2022	2021
Balance, beginning of year	$ 854,425	$ 900,242
Additions for new licensees	-	200,000
Recognition of revenue pursuant to IFRS 15	(68,699)	(214,709)
Impairment	-	(31,108)
Balance, end of year	$ 785,726	$ 854,425

During the year ended December 31, 2021, the Company recorded an impairment on molds previously sold to a licensee. In connection with the impairment of the molds, the Company recorded an impairment of contract liability in the amount of $31,108 which was recorded as an offset of the gain/loss in disposition of assets in the Company's statement of operations and comprehensive loss. During the three months ended March 31, 2022, the Company did not observe any signs of impairment.

(Unaudited - Expressed in United States Dollars)

13. Financial Instruments (continued)

d) Liquidity Risk

Liquidity risk represents the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when they become due. As at March 31, 2022, the Company has current assets of $1,331,345 (2021 - $1,640,053) and current liabilities of $1,375,181 (2021 - $1,342,158), which resulted in a working capital deficit of $43,836 (2021 - working capital surplus of $297,895).

As at March 31, 2022, the contractual maturities of the Company's accounts payable and accrued liabilities and amounts due to shareholder are as follows:

	Year 1
Accounts payable and accrued liabilities	$ 988,898
Due to shareholder	149,132
	$ 1,138,030

e) Fair Values

The carrying amounts of the Company's cash, trade and other receivables, accounts payable and accrued liabilities, and due to shareholder and non-financial instruments including contract assets approximate their fair values because of the short-term nature of these items.

f) Fair Value Hierarchy

A number of the Company's accounting policies and disclosures require the measurement of fair valued for both financial and non-financial assets and liabilities. The Company has an established framework for all significant fair value measurements, including Level 3 fair values. When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. The Company regularly assesses significant unobservable inputs and valuation adjustments. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques 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 or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash, cash held in trust and marketable securities are included in Level 1. During the three months ended March 31, 2022 and the year ended December 31, 2021, there were no transfers of amounts between levels.

14. Segmented Information

The Company's only operating segment is the licensing of cannabis infused products and the distribution and sale of ancillary products. All property and equipment are located in the United States. Revenues were generated in the United States and Canada during the three months ended March 31, 2022. The majority of the Company's expenses are incurred in United States dollars with vendors located in the United States. Expenses incurred in Canadian Dollars typically relate to compliance associated with being a publicly-traded company. The Company's non-current assets and revenue by country are as follows:

	Three Months Ended March 31, 2022			As at December 31, 2021		
	Canada	United States	Total	Canada	United States	Total
Non-current assets	$0	$74,780	$74,780	$0	$79,308	$79,308

	Three Months Ended March 31, 2022			Three Months Ended 31, 2021		
	Canada	United States	Total	Canada	United States	Total
Revenue	$130,344	$219,145	$349,489	$105,022	$167,562	$272,584

(Unaudited - Expressed in United States Dollars)

15. General and Administrative Expenses

General and administrative expenses for the for three months ended March 31, 2022 and 2021 are as follows:

	2022	2021
Bank charges and interest	$1,342	$3,504
Business taxes	2,771	1,240
Depreciation and amortization of property and equipment and right-of-use assets	4,528	8,419
Dues, subscriptions, and licenses	5,246	5,629
Insurance	38,417	37,391
Office expense	27,955	16,643
Telephone	161	-
Travel	36,227	5,994
	$116,647	$78,820

16. Adjustment for Items Included in Net Loss

Items included in net loss for three months ended March 31, 2022 and 2021that do not contribute to cash flows provided by (used in) operating activities are as follows:

	2022	2021
Interest expense (notes 8 and 9)	$2,878	$17,498
Interest expense on lease liabilities	-	(219)
Government assistance (note 8)	-	(16,054)
	$(2,878)	$(1,225)

17. Changes in Non-cash Working Capital

The changes to the Company's non-cash working capital for three months ended March 31, 2022 and 2021 are as follows:

	2022	2021
Trade and other receivables, net	$(20,427)	$ (12)
Inventory	(5,100)	18,444
Prepaid expenses	(27,555)	(57,068)
Accounts payable and accrued liabilities	10,646	(26,969)
Contract asset	(7,699)	(845)
Contract liability	(68,699)	52,571
	($118,834)	$(13,879)

(Unaudited - Expressed in United States Dollars)

18. Net Cash Provided by (Used in) Investing Activities

The items giving rise to changes in the Company's cash flows from investing activities for three months ended March 31, 2022 and 2021 are as follows:

	2022	2021
Purchase of property and equipment	-	$ (24,000)
Promissory Note Receivable, net	-	(50,000)
	-	$ (74,000)

19. Net Cash Provided by Financing Activities

The items giving rise to changes in the Company's cash flows from financing activities for three months ended March 31, 2022 and 2021 are as follows:

	2022	2021
Proceeds from issuance of common shares	$ -	$1,408,416
Share issuance costs	-	(16,586)
Proceeds of promissory notes	100,000	113,832
Repayment of promissory notes	-	(40,000)
	$100,000	$1,465,662

20. Revenue

The Company derives revenue from the transfer of goods and services over time and at a point-in-time from the following revenue streams as follows:

Three months Ended March 31, 2022	**Point-in-time**	**Over time**	**Total**
Online product sales	$15,446	$ -	$15,446
Licensing	257,645	76,398	334,043
Gross Revenue	$273,091	$76,398	$349,489

Three Months Ended March 31, 2021	**Point-in-time**	**Over time**	**Total**
Online product sales	$28,427	$ -	$28,427
Licensing	89,192	154,965	244,157
Gross Revenue	$117,619	$154,965	$272,584

21. Capital Management

The Company includes equity, comprised of share capital, contributed surplus (including the fair value of equity instruments to be issued) and deficit, in the definition of capital.

The Company's objectives when managing capital are as follows:

(i) to safeguard the Company's assets and ensure the Company's ability to continue as a going concern; and
(ii) to raise sufficient capital to meet its general and administrative expenditures.

The Company manages its capital structure and makes adjustments based on the general economic conditions, the Company's short-term working capital requirements, and its planned capital requirements and strategic growth initiatives.

The Company's principal source of capital is from the issuance of common shares and debt financing from shareholders. In order to achieve its objectives, the Company expects to spend its working capital, when applicable, and raise additional funds as required.

The Company does not have any externally imposed capital requirements.

22. Subsequent Events

Subsequent to the three months ended March 31, 2022:

i) The Company entered into a series of share purchase and sale transactions (the "Share Sale Transactions") for the sale of an aggregate of 2,060,000 common shares of PBIC (Note 6) for gross proceeds of CAD$412,000. As a result of the Share Sale Transactions, the Company's ownership of common shares of PBIC was reduced to 1,089,000 common shares.