NOTICE TO READER

May 4, 2022

VIA SEDAR

Re: Cann-Is Capital Corp. – Re-filing of the Audited Financial Statements for the year ended December 31, 2021

Please be advised that the audited financial statements of Cann-Is Capital Corp. for the years ended December 31, 2021 and 2020 originally filed on May 2, 2022 are being refiled solely to include the independent auditor's report which was inadvertently omitted from the filing. No other changes were made to the audited financial statements and the foregoing correction does not affect the accompanying management discussion and analysis.

Cann-Is Capital Corp.
(A Capital Pool Corporation)

Financial Statements

For the years ending December 31, 2021 and 2020

(In Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Cann-Is Capital Corp.:

Opinion

We have audited the financial statements of Cann-Is Capital Corp. (the "Corporation") which comprise the statements of financial position as at December 31, 2021 and December 31, 2020, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2021 and December 31, 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is William E.K. Avery.

MNP LLP

Toronto, Ontario
May 2, 2022

Chartered Professional Accountants
Licensed Public Accountants

MNP

Cann-Is Capital Corp.
Statements of Financial Position
(Expressed in Canadian Dollars)

	As at December 31, 2021	As at December 31, 2020
Assets		
Cash	**$ 93,378**	$ 143,900
Prepaid expenses	**2,260**	2,260
	$ 95,638	$ 146,160
Liabilities		
Accounts payable and accrued liabilities	**$ 60,738**	$ 23,792
Shareholders' Equity		
Share capital (Note 3)	**347,663**	347,663
Contributed surplus (Note 3)	**56,988**	56,988
Deficit	**(369,751)**	(282,283)
	34,900	122,368
	$ 95,638	$ 146,160

Approved by the Board *"Jonathan Graff"* **Director (Signed)** *"Geoffrey Rotstein"* **Director (Signed)**

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

(Expressed in Canadian Dollars)

For the Year Ended December 31,	2021	2020
Expenses		
Professional fees	$ 70,186	$ 57,974
Stock-based compensation	-	24,364
Filing fees	17,282	12,222
Net loss and comprehensive loss for the year	$87,468	$94,560
Net loss per share – basic and diluted	($ 0.02)	($ 0.02)
Weighted average shares outstanding	5,217,518	5,217,518

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

Cann-Is Capital Corp.
Statements of Changes in Cash Flows
(Expressed in Canadian Dollars)

For the Year Ended December 31,	2021	2020
Cash provided by (used in):		
Operating		
Net loss for the period	**($ 87,468)**	($ 94,560)
Stock based compensation (Note 3)	**-**	24,364
Change in accounts payable and accrued liabilities	**36,946**	6,334
	(50,522)	(63,862)
Change in cash	**(50,522)**	(63,862)
Cash, beginning of year	**143,900**	207,762
Cash, end of year	**$ 93,378**	**$ 143,900**

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

Cann-Is Capital Corp.

Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital	Deficit	Contributed Surplus	Shareholders' Equity
Balance, December 31, 2019	**5,217,518**	**$ 347,663**	**($ 187,723)**	**$ 32,624**	**$ 192,564**
Share based issuance	-	-	-	24,364	$ 24,364
Net loss for the year	-	-	(94,560)	-	(94,560)
Balance, December 31, 2020	**5,217,518**	**$ 347,663**	**($ 282,283)**	**$ 56,988**	**$ 122,368**
Net loss for the year	-	-	(87,468)	-	(87,468)
Balance, December 31, 2021	**5,217,518**	**$ 347,663**	**($ 369,751)**	**$ 56,988**	**$ 34,900**

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

1. INCORPORATION AND NATURE OF BUSINESS

Cann-Is Capital Corp. (the "Corporation") was incorporated under the Ontario Business Corporations Act on August 14, 2017.
On September 21, 2018, the Corporation completed its initial public offering of 2,945,000 common shares at a price of $0.10 per common share for gross proceeds of $294,500 as defined in the Policy 2.4 of the TSX Venture Exchange (the “Exchange”). As a result of this issuance, the Corporation now has 5,217,518 Common Shares issued and outstanding.

The Corporation paid a commission of 10% of gross proceeds to the Agent, and granted the Agent an option to purchase common shares equal to 10% of the total number of Common Shares sold as part of the Offering for a period ending twenty-four months from the date the Corporation’s Common Shares are listed on the TSX Venture Exchange. The Corporation was also required to pay a corporate finance fee of $12,500 and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering.

The Corporation entered into stock option agreements granting stock options to officers and directors to collectively acquire 200,000 of the outstanding common shares of the Corporation, at an exercise price of $0.10 per share and expiring ten years from the date of grant.

The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced commercial operations and has no assets other than cash held in trust and deferred offering costs. Given the nature of the activities, no separate segmented information is reported. The Corporation’s continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders’ approval. See Note 8 for more details on the Corporation’s proposed QT.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception of reasonable general and administrative expenses, not exceeding $3,000 per month. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange.

The head office and the registered head office of the Corporation is located at 100 King Street West, Suite 1600, Toronto, Ontario, M5X 1G5.

The global outbreak of COVID-19 (coronavirus) has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Corporation 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 and other countries to fight the virus.

On May 2, 2022, the Board of Directors approved the financial statements for the period ending December 31, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Presentation

The financial statements are presented in Canadian dollars ("CAD"), which is the Corporation's functional and presentation currency. The financial statements are prepared on a historical cost basis except for certain financial instruments classified as fair value through profit or loss ("FVPTL"), which are stated at their fair value. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

Loss Per Share

Basic loss per common share is determined by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the period, excluding shares in escrow. Diluted loss per common share is calculated in accordance with the treasury stock method and is based on the weighted average number of common shares and dilutive common share equivalents outstanding.

Financial Instruments

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instrument held to maturity, loans and receivables, fair value through profit or loss ("FVTPL"), available for sale, FVTPL liabilities or other liabilities.

FVTPL assets and liabilities are subsequently measured at fair value with the change in the fair value recognized in net income (loss) during the period.

Held to maturity assets, loans and receivables, and other liabilities are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income (loss), except for equity instruments without a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost.

The Corporation has classified its financial instruments as follows:

Financial Instrument	**Classification**
Cash	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

Additional fair value measurement disclosure includes classification of financial instrument fair values in a fair value hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements which are as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

There are no financial instruments measured at fair value on the statement of financial position.

Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the intention is to settle on a net basis, or to realize the asset and settle the liability simultaneously. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of operations and comprehensive income.

Deferred income tax is provided using the balance sheet method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences and deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to be recovered or settled. Deferred tax assets are recognized to the extent that realization of such benefits is probable.

Estimates

The preparation of financial statements in conformity with IFRS accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates used in the financial statements.

3. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

(i) Issued and Outstanding Common Shares

The Corporation has 5,217,518 Common Shares issued and outstanding.

(ii) Escrowed Shares

During the year ending December 31, 2018, the Corporation issued 2,257,218 common shares at $0.05 per share for total proceeds of $112,862.

(In Canadian Dollars)

The issued and outstanding Escrowed Shares will be held in escrow pursuant to the requirements of the Exchange.

All common shares acquired on exercise of stock options granted to directors and officer prior to the completion of a Qualifying Transaction, must also be deposited in escrow until the final exchange bulletin is issued.

All common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined in the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

(iii) Non-Escrowed Shares

During the year ending December 31, 2018, the Corporation issued 2,945,000 common shares at a price of $0.10 per share for gross proceeds of $294,500. The Corporation incurred share issuance costs of $46,515 related to this issuance.

(iv) Options and Warrants

The Corporation has established a stock option plan for its directors, officers and consultants under which the Corporation may grant options from time to time to acquire a maximum of 10% of the issued and outstanding common shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

Options may be exercised for a maximum term of ten years from the date of the grant. They are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Corporation and, in the case of death, expire one year thereafter.

Upon death, the options may be exercised by legal representation or designated beneficiaries of the holder of the option. Any shares issued upon exercise of the options prior to the Corporation entering into a Qualifying Transaction will be subject to escrow restrictions. Unless otherwise stated, the options fully vest when granted.

The following table reflects the stock options:

	Number of Stock Options	**Weighted Average Exercise Price ($)**
Balance, December 31, 2019	**200,000**	**$0.10**
Granted, April 30, 2020(1)	320,000	$0.10
Balance, December 31, 2020	**520,000**	**$0.10**
Balance, December 31, 2021	**520,000**	**$0.10**

(ii) On April 30, 2020, the Corporation granted 320,000 options to a director and a technical consultant, which vested immediately and are exercisable until September 21, 2028 at an exercise price of $0.10 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 0.18%, expected volatility of 100% and an expected life of 8.4 years. The value attributed to these options was $24,364.

The following table reflects the warrants:

(In Canadian Dollars)

	Number of Agent Warrants[(i)]	Weighted Average Exercise Price ($)
Balance, December 31, 2019	279,200	$0.10
Expired, September 21, 2020	(279,200)	n/a
Balance, December 31, 2020	**nil**	**n/a**
Balance, December 31, 2021	**nil**	**n/a**

(i) On September 21, 2018, the Corporation granted 294,500 warrants to the Agent, which are exercisable within two years from the date of grant at an exercise price of $0.10 per share. These warrants were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, risk-free interest rate of 1.55%, expected volatility of 100% and an expected life of two years. The value attributed to these warrants was $15,520. 15,300 warrants were exercised in fiscal 2019 and the remainder expired unexercised.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation includes equity, comprised of share capital and deficit, in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that not more than the lesser of 30% of the gross proceeds from the issuance of shares or $210,000 may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Corporation. These restrictions apply until completion of a Qualifying Transaction by the Corporation as defined under the Exchange policy 2.4.

Risk Disclosures and Fair Values

The Corporation's financial instruments, consisting of cash held in trust and accounts payable and accrued liabilities approximate fair value due to the relatively short-term maturity of the instruments. It is management’s opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

5. CONTINGENCY

There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limitations permissible under the policies of the Exchange, at which time the Exchange may suspend or de-list the Corporation’s shares from trading.

(In Canadian Dollars)

6. RELATED PARTY TRANSACTIONS

There was no remuneration paid to key management personnel during the year ended December 31, 2021.

7. INCOME TAXES

A reconciliation of combined federal and provincial corporate income taxes of statutory rates of 26.5% and the Corporation's effective income tax expense is as follows:

		December 31, 2021		December 31, 2020
Net loss before recovery of income taxes	**$**	**87,468**	**$**	94,560
Expected income tax recovery		**(23,179)**		(25,058)
Share based compensation		**-**		6,456
Changes in tax benefits not recognized		**23,179**		18,602
Income taxes recovery	**$**	**-**	**$**	**-**

Unrecognized Deferred Tax Assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

		December 31, 2021		December 31, 2020
Share issuance costs and share based compensation				24,364
Operating losses carried forward	**$**	**369,751**	**$**	285,285
Income taxes recovery	**$**	**369,751**	**$**	**309,647**

The operating loss carry forwards expire as noted in the table below. Share issue and financing costs will be fully amortized in 2025. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Corporation can utilize the benefits therefrom.

The Corporation's operating losses expire as follows:

2036	$ 133,466
2037	54,257
2038	94,560
2039	87,468
	$ 369,751

8. QUALIFYING TRANSACTION

On September 23, 2020, the Corporation entered into a binding engagement agreement with CWE European Holdings Inc. ("CWE") in respect of a proposed business combination transaction pursuant to which the Company will acquire all of the issued and outstanding securities of CWE (the "Proposed Transaction"). It is anticipated that the Proposed

Transaction will constitute the QT of the Company in accordance with the New CPC Policy. The binding exchange agreement was amended on November 4, 2020 and September 20, 2021, principally to extend the time to close the QT.