



Blueberries
Medical Corp.

BLUEBERRIES MEDICAL CORP.

(FORMERLY CDN MSOLAR CORP.)

**CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED
MARCH 31, 2021 and 2020**

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements of Blueberries Medical Corp. (the "Company" or "Blueberries") for the three months ended March 31, 2021, and 2020 have been prepared by the management of Blueberries, reviewed by the Audit Committee of the Board of Directors and approved by the Board of Directors.

In accordance with National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators, the Company herewith discloses that the accompanying unaudited interim consolidated financial statements have not been reviewed by an auditor.

May 31, 2021

"Facundo Garreton"
Facundo Garreton
Chairman & Interim CEO

"Ian D. Atacan"
Ian D. Atacan CPA, CMA
Chief Financial Officer

BLUEBERRIES MEDICAL CORP.
Interim Condensed Consolidated Statements of Financial Position
(unaudited)

<i>(Expressed in Canadian Dollars)</i>	Note Reference	<u>As at March 31,</u> 2021	<u>As at December 31,</u> 2020
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 990,886	\$ 306,507
Other receivables		98,041	203,987
Prepays		81,331	12,140
		1,170,258	522,634
Non-Current Assets			
Advances towards property plant & equipment	4	1,994,250	1,994,250
Property plant & equipment	5	2,375,997	2,736,986
Right-of-use asset	6	514,724	608,789
Intangible assets	7	786,964	841,335
Investment in joint operation	8	566,218	566,218
Total Assets		\$ 7,408,411	\$ 7,270,212
LIABILITIES AND EQUITY			
Current Liabilities			
Trade accounts payable & accrued liabilities	16	\$ 963,720	\$ 999,050
Current portion of lease liability	6	188,990	208,558
Employee benefits	16	27,390	43,424
Derivative liability	9	845,866	845,866
		2,025,966	2,096,898
Non-Current Liabilities			
Convertible debt	9	899,782	837,293
Long-term lease liability	6	372,175	446,242
Total Liabilities		3,297,923	3,380,433
Equity			
Share capital	10	14,732,388	13,637,620
Warrants	11	1,194,870	4,614,288
Contributed surplus	12	5,815,892	2,486,402
Accumulated other comprehensive loss		(778,701)	(584,895)
Deficit		(16,853,961)	(16,263,636)
Total equity		4,110,488	3,889,779
Total liabilities and equity		\$ 7,408,411	\$ 7,270,212
Going concern	2		
Related party transactions	16		
Commitments	18		

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

On behalf of the Board

"Facundo Garreton"
Facundor Garreton, Chairman

"Catherine Lathwell"
Catherine Lathwell, Chair of Audit Committee

BLUEBERRIES MEDICAL CORP.**Interim Condensed Consolidated Statements of Loss and Comprehensive Loss**

(unaudited)

<i>(Expressed in Canadian Dollars)</i>	Note Reference	<u>Three Months Ended March 31,</u>	
		2021	2020
Revenues			
Product revenues		\$ 23,120	\$ -
Cost of sales		(1,195)	-
Gross profit		\$ 21,925	\$ -
Expenses			
Pre-operating expenses		\$ (114,171)	\$ (251,646)
General and administrative expenses	13	(159,953)	(1,083,299)
Depreciation and amortization	5,6,7	(217,026)	(175,892)
Finance expense	9	(62,489)	-
Foreign exchange loss		(35,266)	(135,470)
Total expenses		(588,905)	(1,646,307)
Other expense			
Other expense		(23,345)	(23,047)
Total other expense		(23,345)	(23,047)
Net loss before income tax		(590,325)	(1,669,354)
Current and deferred income tax		-	-
Net loss		\$ (590,325)	\$ (1,669,354)
Other Comprehensive Loss			
Foreign currency translation adjustment		\$ (193,806)	\$ (174,243)
		(193,806)	(174,243)
Comprehensive loss		\$ (784,131)	\$ (1,843,597)
Net loss per share - basic and diluted	14	(0.004)	(0.013)
Weighted average number of shares	14	139,201,916	123,701,831

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

BLUEBERRIES MEDICAL CORP.
Interim Condensed Consolidated Statements of Changes in Equity
(unaudited)

<i>(Expressed in Canadian Dollars)</i>	Note Reference	Common Shares	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total
Balance at December 31, 2020		126,701,831	\$ 13,637,620	4,614,288	2,486,402	(584,895)	(16,263,636)	\$ 3,889,779
Shares issued - private placement	10	15,384,615	\$ 1,000,000					1,000,000
Share issuance costs - private placement	10		(30,000)					(30,000)
Shares issued - exercise of options	10,12	660,000	92,268		(26,268)			66,000
Shares issued - share based compensation	10,12	250,000	32,500					32,500
Stock option expense	12				(63,660)			(63,660)
Warrants expired	11			(3,419,418)	3,419,418			-
Other comprehensive loss						(193,806)		(193,806)
Net loss							(590,325)	(590,325)
Balance at March 31, 2021		142,996,446	\$ 14,732,388	1,194,870	5,815,892	(778,701)	(16,853,961)	\$ 4,110,488

Balance at December 31, 2019		123,701,831	\$ 13,487,620	4,614,288	1,680,488	(383,455)	(11,323,529)	\$ 8,075,412
Stock option expense	12				502,944			502,944
Other comprehensive loss						(174,243)		(174,243)
Net loss							(1,669,354)	(1,669,354)
Balance at March 31, 2020		123,701,831	\$ 13,487,620	4,614,288	2,183,432	(557,698)	(12,992,883)	\$ 6,734,759
Shares issued - purchase of BBV Labs	8,10	3,000,000	\$ 150,000					150,000
Stock option expense	12				302,970			302,970
Other comprehensive loss						(27,197)		(27,197)
Net loss							(3,270,753)	(3,270,753)
Balance at December 31, 2020		126,701,831	\$ 13,637,620	4,614,288	2,486,402	(584,895)	(16,263,636)	\$ 3,889,779

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

BLUEBERRIES MEDICAL CORP.**Interim Condensed Consolidated Statements of Cash Flows**

(unaudited)

<i>(Expressed in Canadian Dollars)</i>	Note Reference	<u>Three Months Ended March 31,</u>	
		2021	2020.
Cash generated from (used in)			
Operating activities			
Net loss		\$ (590,325)	\$ (1,669,354)
Adjustment for:			
Depreciation and amortization	5,6,7	217,026	175,892
Share based compensation	10,12	(31,160)	502,944
Interest on lease, related party debt & decommissioning provision		15,949	20,398
Finance expense	9	62,489	-
Unrealized foreign exchange loss		34,369	136,029
Change in non-cash working capital	15	17,649	78,696
Net cash used in operating activities		(274,003)	(755,395)
Investing activities			
Purchase of property, plant, and equipment	5	-	(188,219)
Purchase of licences		(13,768)	(17,083)
Advances towards property, plant, and equipment	4	-	(2,397)
Net cash used in investing activities		(13,768)	(207,699)
Financing activities			
Principal portion of lease payments	6	(50,073)	(53,450)
Issuance of shares, net of costs	10,12	970,000	-
Options exercised		66,000	-
Net cash generated from (used in) financing activities		985,927	(53,450)
Net cash from operating, investing and financing activities		698,156	(1,016,544)
Effects of exchange rate changes on cash		(13,777)	(39,248)
Cash, beginning of period		306,507	2,666,191
Cash, end of period		990,886	1,610,399
Interest paid in cash		320	-
Interest received in cash		16	5,470
Taxes paid in cash		-	-

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

Blueberries Medical Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)



1. NATURE OF OPERATIONS

Blueberries Medical Corp. (the "Company", "Blueberries" or "BBM"), is a licensed producer of psychoactive and non-psychoactive cannabis by-products in Colombia.

Blueberries, which formerly operated under the name CDN MSolar Corp. ("CMS"), was incorporated in Canada on March 15, 2013 under the Business Corporations Act (British Columbia). On September 30, 2013, the Company completed an amalgamation with MN Ventures Ltd. ("MN"), a reporting issuer and continued under the name CDN MSolar Corp.

On February 5, 2019, Blueberries completed a transaction (the "Transaction") with Blueberries Cannabis Corp. (the "Private Company" or "BCC"), a private company registered under the Ontario Business Corporations Act. Simultaneously with the Transaction, CMS legally changed its name to Blueberries Medical Corp. Blueberries carries out its operations through the Private Company's wholly owned subsidiary, Blueberries S.A.S ("BBSAS").

References within these financial statements to the "Company" for periods, dates and/or transactions prior to the Transaction are in reference to the Private Company, as the corporate entity of interest pre-Transaction. Alternatively, references within these financial statements to the "Company" for periods, dates and/or transactions subsequent to the Transaction are in reference to Blueberries, as the corporate entity of interest post-Transaction. The comparative periods reflected in these financial statements are those of the Private Company, as the financials are a continuance of BCC.

The Company's corporate office and its principal place of business are 8500 West Georgia Street, Suite 2200, Vancouver, BC, V6C 3E8. On February 6, 2019, the common shares of the Company were listed on the Canadian Securities Exchange (the "CSE") under the symbol "CNSX: BBM". The common shares are also listed on the Frankfurt Stock Exchange ("FSE") under the symbol "10A" and on the OTCQB Market in the United States under the ticker symbol "BBRRF".

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

a) Statement of compliance

The unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRIC") interpretations applicable to companies reporting under IFRS, including IAS 34, Interim Financial Reporting and include the operating results of Blueberries and its subsidiaries. Accordingly, certain information and disclosure normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. These unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2020, which were prepared in accordance with IFRS.

These unaudited condensed interim consolidated financial statements as at and for the period ended March 31, 2021 and 2020 were authorized for issuance on May 31, 2021 by the Blueberries Board of Directors.

b) Basis of measurement and going concern

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to discharge its obligations and realize its assets in the normal course of operations for the foreseeable future. Since incorporation, the Company has incurred a net loss with no revenue-generating operations, which were primarily financed from proceeds received through issuance of share capital. Until the Company's assets start generating cash flow, it will continue to exhaust its remaining financial resources to fund existing operations. 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 as it will be contingent upon the Company's ability to successfully identify and procure necessary capital, which may be by way of strategic transactions to obtain financing and/or generate profitable operations that are beneficial to the Company and its shareholders.

Management believes that the going concern assumption is appropriate for these unaudited condensed interim consolidated financial statements and that the Company will be able to meet its budgeted administrative costs during the upcoming year and beyond when considering the Company's current financial forecast. However, there is no certainty as to the timing and likelihood of realizing a strategic transaction that would provide additional financial resources beyond those currently retained by the Company. Should the going concern assumption not be appropriate and the Company is not able to realize its assets and settle its liabilities, these unaudited condensed interim consolidated financial statements would require adjustments to the amounts and classifications of assets and liabilities.

Blueberries Medical Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)



3. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING STANDARDS AND AMENDMENTS

The accounting policies adopted are consistent with those of the Company's consolidated financial statements for the year ended December 31, 2020.

4. ADVANCES TOWARDS PROPERTY, PLANT, AND EQUIPMENT

Advances towards property, plant and equipment include \$1,994,250 (US\$1,500,000) that was paid in February 2019 for 15 hectares of farmland in Cogua (Zipaquirá), Colombia. The title on the land has not yet been transferred to the Company. The Company is currently working on the permitting and zoning of the property. The seller of this land is a legal entity whose minority beneficial owner is also a minority shareholder of the Company.

5. PROPERTY, PLANT, AND EQUIPMENT

	Land	Agricultural Facilities	Buildings & Construction	Equipment & Vehicles	Furniture & Fixtures	Total
COST						
Balance, December 31, 2019	2,234	688,706	306,542	1,340,631	16,725	2,354,838
Additions	-	278,962	302,335	234,404	14,421	830,122
Disposals	-	(11,522)	-	-	-	(11,522)
Foreign currency translation	(138)	(5,116)	(2,375)	(75,420)	(900)	(83,949)
Balance, December 31, 2020	2,096	951,030	606,502	1,499,615	30,246	3,089,489
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Foreign currency translation	(197)	(89,231)	(56,906)	(140,486)	(2,838)	(289,656)
Balance, March 31, 2021	1,899	861,799	549,596	1,359,129	27,408	2,799,833
ACCUMULATED DEPRECIATION						
Balance, December 31, 2019	-	(23,689)	(17,125)	(17,993)	(1,910)	(60,717)
Depreciation	-	(61,355)	(45,315)	(145,306)	(7,598)	(259,574)
Disposals	-	(11,522)	-	-	-	(11,522)
Foreign currency translation	-	(9,625)	(8,382)	(2,637)	(46)	(20,690)
Balance, December 31, 2020	-	(106,191)	(70,822)	(165,936)	(9,554)	(352,503)
Depreciation	-	(45,627)	(15,995)	(46,238)	(2,487)	(110,348)
Disposals	-	-	-	-	-	-
Foreign currency translation	-	12,537	7,548	17,893	1,037	39,015
Balance, March 31, 2021	-	(139,280)	(79,270)	(194,281)	(11,005)	(423,836)
NET BOOK VALUE						
Net Book Value, December 31, 2019	2,234	665,017	289,417	1,322,638	14,815	2,294,121
Net Book Value, December 31, 2020	2,096	844,839	535,680	1,333,679	20,692	2,736,986
Net Book Value, March 31, 2021	1,899	722,519	470,327	1,164,848	16,403	2,375,997

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As at March 31, 2021, the Company recognized a lease liability and a corresponding right-of-use asset relating to a leased vehicle and leased extraction facilities in Tocancipa and the rural property in the municipality of Guatavita, Colombia. See Note 18.

Right-of-use asset

Balance, December 31, 2019	823,444
Depreciation	(160,130)
Foreign exchange adjustment	(54,525)
Balance, December 31, 2020	608,789
Depreciation	(39,154)
Foreign exchange adjustment	(54,911)
Balance, March 31, 2021	514,724

(1) The right-of-use asset additions consist of the initial recognition of the lease liability at \$925,990 and estimated dismantlement costs of \$9,294, prior to any interest expense recognized.

(2) The right-of-use assets have been depreciated on a straight-line basis over the lease terms.

Blueberries Medical Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
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6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Long-term lease liability	
Balance, December 31, 2019	618,662
Payments	(204,076)
Interest expense	80,069
Foreign exchange adjustment	(62,126)
Less - current portion	(208,558)
Balance, December 31, 2020	446,242
Payments	(50,073)
Interest expense	23,032
Foreign exchange adjustment	(66,594)
Less - current portion	(188,990)
Balance, March 31, 2021	372,175

7. INTANGIBLE ASSETS

By March 31, 2021, Blueberries S.A.S. was granted licenses to produce, manufacture, market and export cannabis derivatives and products using extracts in Colombia by the Ministry of Health. The licenses obtained for cannabis operations are as follows:

- a license to use seed for planting as well as their export and use for medical and scientific purposes
- a low THC cultivation license (non-psychoactive, less than 1% THC content)
- a production license authorizing the domestic and international distribution of high and low THC Medicinal Cannabis extracts
- a high THC cultivation license (psychoactive, more than 1% THC content)

The fair value attributed to the licenses are straight-line amortized over their estimated useful life of 5 years.

Other finite life intangibles consist of assets such as software related licenses, which are amortized over their estimated useful lives of three years.

A continuity schedule for the balance of the intangible assets is as follows:

Intangible Assets	Total
Balance, December 31, 2019	1,101,427
Additions	34,511
Amortization	(294,035)
Foreign currency translation	(568)
Balance, December 31, 2020	841,335
Additions	13,768
Amortization	(67,622)
Foreign currency translation	(517)
Balance, March 31, 2021	786,964

8. INVESTMENT IN JOINT OPERATION

Blueberries' investment in Argentina (the "Argentina Project") is structured via its 100% ownership of BBV Labs Inc. ("BBV Labs"), a Panamanian company that owns the rights to a joint venture (the "Joint Venture") with an Argentinian state-owned company, Cannabis Avatara, S.E. ("Cannava"), via 75% owned Argentinian operating company, SATIN S.A.S. ("SATIN").

In 2019, Blueberries paid an exclusivity fee to BBV Labs of US\$25,000 (C\$34,258) as reimbursement of expenses incurred in negotiation of the Joint Venture with Cannava.

In 2019, in accordance with the terms of the Joint Venture, Blueberries made an advance of \$381,960 (US\$300,000) to Cannava.

Blueberries Medical Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
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8. INVESTMENT IN JOINT OPERATION (continued)

On November 30, 2020 Blueberries completed the acquisition of BBV Labs, at a purchase price of C\$150,000, and the payment of the purchase price satisfied by Blueberries issuing 3,000,000 common shares in the capital of the Company to the vendors, such common shares to be fair valued at C\$0.05 per common share.

Blueberries' and Cannava's commitments under the Joint Venture are as follows:

- The first phase of the Joint Venture will be a Pilot Cultivation Program (the "Pilot Project").
- Blueberries will build a large-scale modern cultivation facility and processing center of excellence in Argentina.
- Cannava will contribute all licenses/permits and authorizations necessary to import seeds, cultivate, grow, and harvest cannabis, process cannabis, extract cannabis oil and other derivative products, export cannabis and derivative products, and import/export equipment and products.
- Cannava will grant access to utilize 3.2 million ft² (74 acres or 30 hectares) of prime agricultural land for the cultivation and growth of cannabis in Jujuy Province, Argentina.
- Cannava will contribute all cooperation agreements with the National Institute of Agricultural Technology ("INTA"), Ministry of Security, Ministry of Public Health, National Council of Scientific and Technological Investigations ("CONICET") and other regulatory and technological Argentinian authorities as required.

The agreement with Cannava is considered to be a joint operation, however currently only minimal activities have taken place. As of March 31, 2021, the Pilot Project has not yet been implemented and is being developed.

9. CONVERTIBLE DEBT

On July 16, 2020 Blueberries closed a non-brokered private placement offering (the "Offering") of C\$1,000,000 in principal amount of unsecured convertible debentures (the "Debentures"). The Debentures will mature 24 months from the date of closing (the "Maturity Date") and bear interest at a rate of 13% per annum, with an effective interest rate of 32.36%. The Debentures will be convertible at the option of the investors, in whole or in part, into common shares of the Company (the "Shares") at a conversion price of the lower of: (i) C\$0.065 per Share or; (ii) the volume-weighted average price of the Shares on the Canadian Securities Exchange ("CSE") for the 15 consecutive trading day period ending on the conversion date subject to a minimum conversion price of C\$0.05. As the conversion option does not meet the fixed for fixed criteria it has been recorded as a derivative liability.

Prior to the Maturity Date, the Company may prepay all or part of the outstanding principal amount of the Debenture and any accrued and unpaid interest thereon at any time and from time to time, provided that prior to such prepayment, the Company must provide the investors with at least five business days prior notice of such intention to make such prepayment at which time the investors may, but shall not be obligated to, convert any or all of the Debentures in accordance with the terms of the Debentures.

The fair value of the derivative liability was determined using a Monte-Carlo simulation with the following key assumptions at inception and December 31, 2020:

	At inception	At year end
Measurement date	13-Jul-2020	31-Dec-2020
Principal	\$1,000,000	\$1,000,000
Issuance date	13-Jul-2020	13-Jul-2020
Maturity date	13-Jul-2022	13-Jul-2022
Remaining life (years)	2.00	1.53
Interest rate (per year)	13%	13%
Risk free rate (per year)	0.28%	0.22%
Stock price (\$/share)	\$0.05	\$0.10
Conversion price	Lesser of \$0.065 & 15-day VWAP, minimum of \$0.05	

The Company initially recognized \$717,605 as convertible debt liability, and \$270,395 as derivative liability of the conversion feature. Below table shows the continuity of the convertible debt liability and derivative liability.

Fair Value of Derivative Liability

Balance at December 31, 2019	-
Fair value at inception - July 13, 2020	270,395
Unrealized gain on changes in fair value	575,471
Balance, December 31, 2020	845,866
	-
Balance, March 31, 2021	845,866

Blueberries Medical Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
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9. CONVERTIBLE DEBT (continued)

Convertible Debt Liability	
Balance at December 31, 2019	-
Amounts issued	1,000,000
Less: Convertible debt issuance cost	(12,000)
Total cash proceeds	988,000
Less: Fair value of derivative liability	(270,395)
Accrued interest	60,667
Accretion	59,021
Balance, December 31, 2020	837,293
Accrued interest	32,500
Accretion	29,989
Balance, March 31, 2021	899,782

10. SHARE CAPITAL

As at March 31, 2021, the Company was authorized to issue unlimited common shares with no par value, with holders of common shares entitled to one vote per share and to dividends, if declared.

Outstanding common shares as of March 31, 2021 are as follows:

	Number of Shares	Amount (\$)
Balance, December 31, 2019	123,701,831	13,487,620
Shares issued to purchase BBV Labs. ⁽¹⁾	3,000,000	150,000
Balance, December 31, 2020	126,701,831	13,637,620
Shares issued from exercise of options ⁽²⁾	660,000	92,268
Share based compensation ⁽³⁾	250,000	32,500
Private placement of common shares ⁽⁴⁾	15,384,615	1,000,000
Share issue costs	-	(30,000)
Balance, March 31, 2021	142,996,446	14,732,388

⁽¹⁾ On November 30, 2020, the Company purchased BBV Labs. in a non-cash transaction, whereby Blueberries issued 3,000,000 common shares at the fair value of \$0.05 per share. No issuance costs were incurred relating to the transaction. See Note 12.

⁽²⁾ During the first quarter of 2021, 660,000 options were exercised at a price of C\$0.10 per share. The shares issued by the Company were allocated to common shares and contributed surplus based on the assessed fair value using the Black-Scholes valuation model.

⁽³⁾ On January 19, 2021, Blueberries issued 250,000 shares to a director of the Company. The issued shares were allocated to common shares at a deemed price of C\$0.13.

⁽⁴⁾ On January 19, 2021, Blueberries completed a non-brokered private placement for aggregate gross proceeds of C\$1,000,000 from the sale of common shares at a price of C\$0.065 per share. As part of the private placement the Company issued 15,384,615 shares. In connection with the private placement, C\$30,000 commissions were paid.

11. WARRANTS

The following table reflects the continuity of warrants for the three months ended March 31, 2021:

	Number of purchase warrants	Number of finder warrants	Total number of warrants
Balance, December 31, 2019	30,666,059	3,454,103	34,120,162
Balance, December 31, 2020	30,666,059	3,454,103	34,120,162
Warrants expired	(16,151,000)	(2,466,100)	(18,617,100)
Balance, March 31, 2021	14,515,059	988,003	15,503,062

Blueberries Medical Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian Dollars)



11. WARRANTS (continued)

Black-Scholes option pricing model assumptions for warrants

The warrants were allocated a fair value using the Black-Scholes option pricing model with the following assumptions:

	Expiring August 29, 2021		Expiring October 30, 2021	
	Purchase	Finder	Purchase	Finder
Risk-free interest rate	1.40%	1.40%	1.55%	1.55%
Exercise price	\$0.35	\$0.25	\$0.35	\$0.35
Estimated stock price	\$0.24	\$0.24	\$0.14	\$0.14
Expected dividend yield	0%	0%	0%	0%
Expected stock price volatility	85.4%	85.4%	85.3%	85.3%
Expected warrant life	2 years	2 years	2 years	2 years
Fair value of warrant granted	\$0.09	\$0.11	\$0.03	\$0.03

12. STOCK OPTIONS

The following table reflects the continuity of stock options since December 31, 2019:

	Stock options	Weighted average exercise price (C\$)
Balance, December 31, 2019	9,565,000	0.479
Options forfeited ⁽¹⁾	(1,320,000)	0.382
Options issued ⁽²⁾	3,660,000	0.151
Balance, December 31, 2020	11,905,000	0.388
Options forfeited ⁽³⁾	(3,099,998)	0.339
Options exercised ⁽⁴⁾	(660,000)	0.100
Options issued ⁽⁵⁾	2,750,000	0.131
Balance, March 31, 2021	10,895,002	0.355

⁽¹⁾ When an optionee resigns or a contractual relationship with an optionee ends, the stock option plan of Blueberries allows 90 days for vested options to be exercised. During 2020, 1,320,000 unvested options were forfeited resulting in a reversal of stock-based compensation of \$186,446.

⁽²⁾ During the year ended December 31, 2020, 3,660,000 options were granted. 1,000,000 options were granted on January 15, 2020, and 250,000 options were granted on March 19, 2020 all with an exercise price of \$0.25 per option. 2,410,000 options were granted on March 27, 2020 with an exercise price of \$0.10 per option. These options are for a 5-year term, 1,000,000 options expiring in January 2025 and 2,660,000 expiring in March 2025. Of the options 2,743,333 vested immediately, 416,667 will vest in March 2021 and March 2022 and 83,333 will vest in March 2023. Using the Black-Scholes option pricing model, the fair value of the 1,000,000 options granted in January has been estimated at \$0.09, 250,000 options granted on March 19, 2020 has been estimated at \$0.03 and 2,410,000 options granted on March 27, 2020 has been estimated at \$0.04.

⁽³⁾ During the first quarter of 2021, 3,099,998 unvested options were forfeited resulting in a reversal of stock-based compensation of \$251,982.

⁽⁴⁾ During the first quarter of 2021, 660,000 options were exercised at the exercise price of \$0.10 per option.

⁽⁵⁾ On January 19, 2021 and February 3, 2021 Blueberries granted 2,250,000 and 500,000 options to certain directors and managers of the Company to purchase Blueberries' common shares. The options are exercisable at a price of \$0.13 and \$0.135 per option for a 5-year term, expiring on January 19, 2026 and February 3, 2026, respectively, with one-third vesting in January and February 2022, one-third vesting in January and February 2023, and one-third vesting in January and February 2024. The fair values of the options have been estimated at \$0.1095 and \$0.1134, respectively at the grant date using the Black-Scholes option pricing model.

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12. STOCK OPTIONS (continued)

Black-Scholes option pricing model assumptions for stock options

The stock options were allocated a fair value using the Black-Scholes option pricing model with the following assumptions:

Risk-free interest rate	0.33% - 1.82%
Estimated stock price	\$0.06 - \$0.71
Forfeiture rate	10%
Expected dividend yield	0%
Expected stock price volatility	85.93% - 125.95%
Expected option life	3 -5 years

The following summarizes stock options issued and outstanding as at March 31, 2021:

Exercise prices (C\$)	Number of options outstanding	Weighted average term to expiry (years)	Number of options exercisable
0.100	1,270,000	3.99	1,270,000
0.130	2,250,000	4.81	-
0.135	500,000	4.85	-
0.250	150,000	3.97	50,000
0.400	2,391,668	2.85	2,116,667
0.550	4,333,334	3.02	3,700,000
0.355	10,895,002	3.56	7,136,667

13. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended March 31,	
	2021	2020
Share based compensation	(31,160)	502,944
Marketing and investor relations	-	35,498
Director and management fees	57,000	140,155
Legal	333	43,585
Consulting	17,746	107,063
Salary, wages, and benefits	63,779	150,783
Audit and accounting	(8,817)	22,388
General office	14,808	47,097
Travel	41	10,088
Filing and transfer agent fees	24,902	13,802
Insurance	17,615	4,054
Other	3,705	5,842
Total general and administrative expenses	159,953	1,083,299

14. BASIC AND DILUTED LOSS PER SHARE

For the three months ended March 31, 2021 and 2020, there is no difference between the calculated basic and diluted loss per share. All purchase warrants, finder's warrants, and stock options have been excluded from the calculation as they have an anti-dilutive effect on loss per share.

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15. SUPPLEMENTAL CASHFLOW INFORMATION

	Three Months ended March 31,	
	2021	2020
Prepays	(70,020)	(39,935)
Other receivables	101,436	(64,913)
Inventory	-	1,715
Trade accounts payable and other accounts payable	(1,092)	194,917
Employee benefits	(12,675)	(13,088)
Change in non-cash working capital	17,649	78,696
Relating to:		
Operating activities	17,649	78,696
Change in non-cash working capital	17,649	78,696

16. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2021 and 2020, there were separate related party transactions as follows:

- During the three months ended March 31, 2021, the Company paid key management personnel, including officers, directors, or their related entities, for management services. For the three months ended March 31, 2021, compensation of key management personnel and directors for services provided was \$177,781 (2020 - \$497,452), including \$104,682 of share-based compensation (2020 - \$321,735). As at March 31, 2021, of the total compensation amounts, \$33,509 was unpaid in accounts payable (2020 - \$51,599). There was \$Nil in employee benefits liabilities at March 31, 2021 (2020 - \$4,090).
- Of the C\$1,000,000 convertible debt that were issued on July 16, 2020, C\$814,647 was issued to a company controlled by a director and officer of Blueberries. See Note 9.

17. FINANCIAL INSTRUMENTS

As of March 31, 2021, Blueberries financial instruments consist of cash and cash equivalents, other receivables, trade accounts payable and accrued liabilities, convertible debt, derivative liability, and employee benefits. The fair values of these financial instruments approximate their carrying values due to the short-term maturity of these instruments.

The Company characterizes its fair value measurements of financial instruments into a three-level hierarchy depending on the degree to which the inputs are observable, as follows:

- Level 1 inputs are quoted prices in active markets for identical assets and liabilities;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the assets or liabilities either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

A financial instrument is classified to the lowest level hierarchy for which a significant input has been used in measuring fair value.

The Company measures cash and cash equivalents and derivative liability at fair value. Cash is classified as Level 1 input in the fair value hierarchy, while the derivative liability is considered as a Level 3 input.

18. COMMITMENTS AND CONTINGENT LIABILITIES

A summary of the Company's commitments as of March 31, 2021 are as follows:

Commitment	2021	2022 and thereafter	Total
Security service agreement	10,321	-	10,321
Consulting and administrative agreements	4,036	-	4,036
Total	14,357	-	14,357

Blueberries Medical Corp.

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**18. COMMITMENTS AND CONTINGENT LIABILITIES (continued)**

In addition to short-term commitments tabled above, the Company has lease liabilities. Details of the leases are as follows. See Note 6.

Leases	Lease Term	Lease Payments			Total
		2021	2022	2023 and after	
Cultivation area (Guatavita - El Recuerdo)	May 21, 2025	-	5,345	-	5,345
Cultivation area (Guatavita)	November 4, 2025	1,440	1,992	6,258	9,690
Vehicle	November 25, 2022	10,005	10,005	-	20,009
Extraction facility (Tocancipa)	October 6, 2024	144,974	193,299	226,009	564,282
Total		156,419	210,641	232,266	599,326

19. GEOGRAPHICAL SEGMENT INFORMATION

The Company is engaged in the growth, cultivation, and development of medicinal cannabis and related products with operations in Colombia. Management has defined the operating segments of the Company based on geographical areas, identifying operations held in Colombia as a separate geographic segment. The Canada segment reflects balances and expenses related to all Company operations in Canada, which collectively represent the corporate operations of the Company.

The following tables show information regarding the Company's segments for the three months ended March 31, 2021 and 2020.

For the three months ended March 31, 2021	Colombia	Canada	Total
Revenues	\$ 23,120	\$ -	\$ 23,120
Cost of Sales	(1,195)	-	(1,195)
Expenses:			
Pre-operating expenses	(114,171)	-	(114,171)
General and administrative expenses	(85,611)	(74,342)	(159,953)
Depreciation and amortization	(152,859)	(64,167)	(217,026)
Finance expense	-	(62,489)	(62,489)
Other expense	(23,313)	(32)	(23,345)
Foreign exchange loss	(35,266)	-	(35,266)
Net Loss	(389,295)	(201,030)	(590,325)
Assets - March 31, 2021	3,424,102	3,984,309	7,408,411
Liabilities - March 31, 2021	912,971	2,384,952	3,297,923

For the three months ended March 31, 2020	Colombia	Canada	Total
Expenses:			
Pre-operating expenses	\$ 251,646	\$ -	\$ 251,646
General and administrative expenses	330,405	752,894	1,083,299
Depreciation and amortization	111,675	64,217	175,892
Other expense (income)	23,218	(171)	23,047
Foreign exchange loss	135,334	136	135,470
Net Loss	852,278	817,076	1,669,354
Assets - March 31, 2020	3,777,103	4,676,558	8,453,661
Liabilities - March 31, 2020	1,097,151	621,751	1,718,902