



**Blueberries**  
Medical Corp.

**BLUEBERRIES MEDICAL CORP.**

**CONDENSED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND SIX MONTHS ENDED  
JUNE 30, 2021 and 2020**

**Dated August 30, 2021**

**(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 and six months ended June 30, 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.

August 30, 2021

"Facundo Garreton"

Facundo Garreton  
Chairman & CEO

"Guillermo Pablo Rodriguez"

Guillermo Rodriguez  
Chief Financial Officer

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

<i>(Expressed in Canadian Dollars)</i>	Note Reference	As at June, 2021	As at December 31, 2020
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents		\$ 402.231	\$ 306.507
Accounts receivables		27.388	-
Other receivables		66.103	203.987
Prepays		63.358	12.140
Inventories and biological assets		22.041	-
		<b>581.121</b>	<b>522.634</b>
Non-Current Assets			
Advances towards property plant & equipment	4	1.994.250	1.994.250
Property plant & equipment	5	2.225.467	2.736.986
Right-of-use asset	6	416.054	608.789
Intangible assets	7	787.194	841.335
Investment in joint operation	8	561.967	566.218
Other non-current assets			
<b>Total Assets</b>		<b>\$ 6.566.053</b>	<b>\$ 7.270.212</b>
<b>LIABILITIES AND EQUITY</b>			
Current Liabilities			
Trade accounts payable & accrued liabilities		\$ 741.881	\$ 999.050
Current portion of lease liability	7	151.130	208.558
Employee benefits		31.691	43.424
Derivative liability	10	845.866	845.866
		<b>1.770.568</b>	<b>2.096.898</b>
Non-Current Liabilities			
Convertible debt	9	964.763	837.293
Long-term lease liability	6	325.483	446.242
<b>Total Liabilities</b>		<b>3.060.814</b>	<b>3.380.433</b>
Equity			
Share capital	10	14.732.388	13.637.620
Warrants	11	1.194.871	4.614.288
Contributed surplus		5.555.626	2.486.402
Accumulated other comprehensive loss		(854.618)	(584.895)
Deficit		(17.123.028)	(16.263.636)
<b>Total equity</b>		<b>3.505.239</b>	<b>3.889.779</b>
<b>Total liabilities and equity</b>		<b>\$ 6.566.053</b>	<b>\$ 7.270.212</b>
Going concern	2		
Related party transactions	16		
Commitments	18		
Subsequent events	20		

*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)

(Expressed in Canadian Dollars)	Note Reference	Three Months Ended June 30,		Six Months Ended June 30,	
		2021	2020	2021	2020
<b>Revenues</b>					
Product revenues		\$ 14.785	\$ 4.644	\$ 37.905	\$ 4.644
Cost of sales		(7.171)	(3.356)	(8.366)	(3.356)
<b>Gross profit</b>		<b>\$ 7.614</b>	<b>\$ 1.288</b>	<b>\$ 29.539</b>	<b>\$ 1.288</b>
<b>Expenses</b>					
Pre-operating expenses		\$ (123.060)	\$ (154.991)	\$ (237.231)	\$ (406.637)
General and administrative expenses	13	35.692	(513.086)	(124.261)	(1.596.385)
Depreciation and amortization	5,6,7	(141.191)	(166.144)	(358.217)	(342.036)
Finance expense	9	(64.980)	-	(127.469)	-
Foreign exchange gain (loss)		8.204	45.382	(27.062)	(90.088)
<b>Total expenses</b>		<b>(285.335)</b>	<b>(788.839)</b>	<b>(874.240)</b>	<b>(2.435.146)</b>
<b>Other income (expense)</b>					
Other income (expense)		8.716	(26.533)	(14.629)	(49.580)
<b>Total other income (expense)</b>		<b>8.716</b>	<b>(26.533)</b>	<b>(14.629)</b>	<b>(49.580)</b>
<b>Net loss before income tax</b>		<b>(269.005)</b>	<b>(814.084)</b>	<b>(859.330)</b>	<b>(2.483.438)</b>
Current and deferred income tax		(62)	-	(62)	-
<b>Net loss</b>		<b>\$ (269.067)</b>	<b>\$ (814.084)</b>	<b>\$ (859.392)</b>	<b>\$ (2.483.438)</b>
<b>Other Comprehensive Loss</b>					
Foreign currency translation adjustment		\$ (75.917)	\$ 2.905	\$ (269.723)	\$ (171.338)
		(75.917)	2.905	(269.723)	(171.338)
<b>Comprehensive loss</b>		<b>\$ (344.984)</b>	<b>\$ (811.179)</b>	<b>\$ (1.129.115)</b>	<b>\$ (2.654.776)</b>
Net loss per share - basic and diluted	14	(0,002)	(0,007)	(0,006)	(0,020)
Weighted average number of shares	14	142.996.446	123.701.831	142.996.446	123.701.831

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

## 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
<b>Balance at December 31, 2020</b>		<b>126,701.831</b>	<b>\$ 13,637.620</b>	<b>4,614.288</b>	<b>2,486.402</b>	<b>(584.895)</b>	<b>(16,263.636)</b>	<b>\$ 3,889.779</b>
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				(323.925)			(323.925)
Warrants expired	11			(3,419.417)	3,419.417			-
Other comprehensive loss						(269.723)		(269.723)
Net loss							(859.392)	(859.392)
<b>Balance at June 30, 2021</b>		<b>142,996.446</b>	<b>\$ 14,732.388</b>	<b>1,194.871</b>	<b>5,555.626</b>	<b>(854.618)</b>	<b>(17,123.028)</b>	<b>\$ 3,505.239</b>
			-	-	(0)	-	-	\$ (0)

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				682.478			682.478
Other comprehensive loss						(171.338)		(171.338)
Net loss							(2,483.438)	(2,483.438)
<b>Balance at June 30, 2020</b>		<b>123,701.831</b>	<b>\$ 13,487.620</b>	<b>4,614.288</b>	<b>2,362.966</b>	<b>(554.793)</b>	<b>(13,806.967)</b>	<b>\$ 6,103.114</b>
Shares issued - purchase of BBV Labs	8,10	3,000.000	150.000					150.000
Stock option expense	12				123.436			123.436
Other comprehensive loss						(30.102)		(30.102)
Net loss							(2,456.669)	(2,456.669)
<b>Balance at December 31, 2020</b>		<b>126,701.831</b>	<b>\$ 13,637.620</b>	<b>4,614.288</b>	<b>2,486.402</b>	<b>(584.895)</b>	<b>(16,263.636)</b>	<b>\$ 3,889.779</b>

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)

(Expressed in Canadian Dollars)	Note Reference	Three Months Ended June 30,		Six Months Ended June 30,	
		2021	2020	2021	2020
<b>Cash generated from (used in)</b>					
<b>Operating activities</b>					
Net loss		\$ (269.067)	\$ (814.084)	\$ (859.392)	\$ (2.483.438)
Adjustment for:					
Depreciation and amortization	5,6,7	141.191	166.144	358.217	342.036
Share based compensation	11,13	(260.265)	179.534	(291.425)	682.478
Interest on lease, related party debt & decommissioning provision		12.633	18.463	28.582	38.861
Finance expense	10	64.982	-	127.471	-
Changes in fair value of derivative liabilities	10	-	-	-	-
Unrealized foreign exchange loss		(2.416)	(42.014)	31.953	94.015
Change in non-cash working capital	15	(212.849)	(67.426)	(195.200)	11.270
Net cash used in operating activities		(525.791)	(559.383)	(799.794)	(1.314.778)
<b>Investing activities</b>					
Purchase of property, plant, and equipment	6	-	(100.052)	-	(288.271)
Purchase of licences		(6.912)	(6.544)	(20.680)	(23.627)
Advances towards property, plant, and equipment	4	-	(87.967)	-	(90.364)
Net cash used in investing activities		(6.912)	(194.563)	(20.680)	(402.262)
<b>Financing activities</b>					
Principal portion of lease payments	7	(30.627)	(50.553)	(80.700)	(104.003)
Issuance of shares, net of costs	11,13	-	-	970.000	-
Options exercised		(66.000)	-	-	-
Net cash generated from financing activities		(30.627)	(50.553)	955.300	(104.003)
<b>Net cash from operating, investing and financing activities</b>					
		(563.330)	(804.499)	134.826	(1.821.043)
Effects of exchange rate changes on cash		(25.325)	(27.239)	(39.102)	(66.487)
Cash, beginning of period		990.886	1.610.399	306.507	2.666.191
<b>Cash, end of period</b>		<b>402.231</b>	<b>778.662</b>	<b>402.231</b>	<b>778.662</b>
Interest paid in cash		790	-	1.110	-
Interest received in cash		69	506	85	5.976
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 six months ended June 30, 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 June 30, 2021 and 2020 were authorized for issuance on August 30, 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 six months ended June 30, 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 (Zipaquira), 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
<b>COST</b>						
<b>Balance, December 31, 2019</b>	<b>2,234</b>	<b>688,706</b>	<b>306,542</b>	<b>1,340,631</b>	<b>16,725</b>	<b>2,354,838</b>
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)
<b>Balance, December 31, 2020</b>	<b>2,096</b>	<b>951,030</b>	<b>606,502</b>	<b>1,499,615</b>	<b>30,246</b>	<b>3,089,489</b>
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Foreign currency translation	(235)	(106,416)	(67,865)	(169,849)	(3,384)	(347,749)
<b>Balance, June 30, 2021</b>	<b>1,861</b>	<b>844,614</b>	<b>538,637</b>	<b>1,329,766</b>	<b>26,862</b>	<b>2,741,740</b>
<b>ACCUMULATED DEPRECIATION</b>						
<b>Balance, December 31, 2019</b>	<b>-</b>	<b>(23,689)</b>	<b>(17,125)</b>	<b>(17,993)</b>	<b>(1,910)</b>	<b>(60,717)</b>
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)
<b>Balance, December 31, 2020</b>	<b>-</b>	<b>(106,191)</b>	<b>(70,822)</b>	<b>(165,936)</b>	<b>(9,554)</b>	<b>(352,503)</b>
Depreciation	-	(88,097)	(30,884)	(89,278)	(4,803)	(213,062)
Disposals	-	-	-	-	-	-
Foreign currency translation	-	15,591	9,225	23,203	1,271	49,291
<b>Balance, June 30, 2021</b>	<b>-</b>	<b>(178,696)</b>	<b>(92,481)</b>	<b>(232,011)</b>	<b>(13,085)</b>	<b>(516,273)</b>
<b>NET BOOK VALUE</b>						
Net Book Value, December 31, 2019	2,234	665,017	289,417	1,322,638	14,815	2,294,121
<b>Net Book Value, December 31, 2020</b>	<b>2,096</b>	<b>844,839</b>	<b>535,680</b>	<b>1,333,679</b>	<b>20,692</b>	<b>2,736,986</b>
<b>Net Book Value, June 30, 2021</b>	<b>1,861</b>	<b>665,917</b>	<b>446,156</b>	<b>1,097,756</b>	<b>13,776</b>	<b>2,225,467</b>

### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As at June 30, 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 also Note 18.

#### Right-of-use asset

<b>Balance, December 31, 2019</b>	<b>823,444</b>
Depreciation	(160,130)
Foreign exchange adjustment	(54,525)
<b>Balance, December 31, 2020</b>	<b>608,789</b>
Contract Adjustment Tocancipa	(55,868)
Depreciation	(71,768)
Foreign exchange adjustment	(65,099)
<b>Balance, June, 2021</b>	<b>416,054</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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  
For the six months ended June 30, 2021 and 2020  
(Expressed in Canadian Dollars)



### 6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

<b>Long-term lease liability</b>	
<b>Balance, December 31, 2019</b>	<b>618,662</b>
Payments	(204,076)
Interest expense	80,069
Foreign exchange adjustment	(62,126)
Less - current portion	(208,558)
<b>Balance, December 31, 2020</b>	<b>446,242</b>
Payments	(130,773)
Interest expense	44,358
Foreign exchange adjustment	(91,772)
Less - current portion	(151,130)
<b>Balance, June, 2021</b>	<b>325,483</b>

### 7. INTANGIBLE ASSETS

By June 30, 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:

<b>Intangible Assets</b>	<b>Total</b>
<b>Balance, December 31, 2019</b>	<b>1,101,427</b>
Additions	34,511
Amortization	(294,035)
Foreign currency translation	(568)
<b>Balance, December 31, 2020</b>	<b>841,335</b>
Additions	20,680
Amortization	(74,415)
Foreign currency translation	(406)
<b>Balance, June, 2021</b>	<b>787,194</b>

### 8. INVESTMENT IN JOINT OPERATION

Blueberries' investment in Argentina (the "Argentina Project") is structured via its 100% ownership of BBV Labs, a Panamanian company that owns 75% of the rights to a joint venture (the "Joint Venture") with an Argentinian state-owned company, Cannabis Avatara, S.E. ("Cannava"). At the date hereof, regulations from Argentina Senate Chambers are still on hold. Argentina government has approved the use of Cannabis for medical and industrial purposes, but rules and operational decrees were not established yet.

## Blueberries Medical Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
For the six months ended June 30, 2021 and 2020  
(Expressed in Canadian Dollars)



### 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 derivate Liability	CAD\$
Balance as of December 31, 2019	-
Fair value at inception July 13, 2020	270.395
Unrealized gain on changes on fair value	575.471
<b>Balance, December 31, 2020</b>	<b>845.866</b>
Unrealized gain on changes on fair value	
<b>Balance, March 31, 2021</b>	<b>845.866</b>
Unrealized gain on changes on fair value	
<b>Balance, June 30, 2021</b>	<b>845.866</b>

## Blueberries Medical Corp.

Notes to the Unaudited Condensed Interim Consolidated Financial Statements  
For the six months ended June 30, 2021 and 2020  
(Expressed in Canadian Dollars)



<b>Convertible debt liability</b>	<b>CAD\$</b>
Balance as of January 1, 2020	-
Additions	1,000,000
Less: Convertible debt issuance cost	(12,000)
Total cash proceeds	988,000
Less: Convertible debt issuance cost	(270,395)
Accrued interest	60,667
Accretion	59,021
<b>Balance, December 31, 2020</b>	<b>837,293</b>
Accrued interest	32,500
Accretion	29,989
<b>Balance, March 31, 2021</b>	<b>899,782</b>
Accrued interest	32,500
Accretion	32,481
<b>Balance, June 30, 2021</b>	<b>964,763</b>

## 10. SHARE CAPITAL

As at June 30, 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 June 30, 2021 are as follows:

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

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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 June 30, 2021:

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	Number Of Purchase warrants	Number of Finder warrants	Total number of warrants
<b>Balance, December 31, 2019</b>	<b>30.666.059</b>	<b>3.454.103</b>	<b>34.120.162</b>
<b>Balance, December 31, 2020</b>	<b>30.666.059</b>	<b>3.454.103</b>	<b>34.120.162</b>
warrants expired	(16.151.000)	(2.466.100)	(18.617.100)
<b>Balance, March 31, 2021</b>	<b>14.515.059</b>	<b>988.003</b>	<b>15.503.062</b>
<b>Balance, June 30, 2021</b>	<b>14.515.059</b>	<b>988.003</b>	<b>15.503.062</b>

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 (CAD \$)
<b>Balance, December 31, 2019</b>	<b>9.565.000</b>	<b>0,479</b>
Options forfeited <sup>(1)</sup>	(1.320.000)	0,382
Options issued <sup>(2)</sup>	3.660.000	0,151
<b>Balance, December 31, 2020</b>	<b>11.905.000</b>	<b>0,388</b>
Options forfeited <sup>(3)</sup>	(3.099.998)	0,339
Options exercised <sup>(4)</sup>	(660.000)	0,100
Options issued <sup>(5)</sup>	2.750.000	0,131
<b>Balance, March 31, 2021</b>	<b>10.895.002</b>	<b>0,355</b>
Options forfeited <sup>(6)</sup>	(775.000)	0,249
Options issued <sup>(7)</sup>	500.000	0,082
<b>Balance, June 30, 2021</b>	<b>10.620.002</b>	<b>0,350</b>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

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

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

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(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.

(6) During the second quarter of 2021, 775,000 unvested options were forfeited resulting in a reversal of stock-based compensation of \$260,265.

(7) On June 2, 2021 Blueberries granted 500,000 options to certain manager of the Company to purchase Blueberries' common shares. The options are exercisable at a price of \$0.125 per option for a 5-year term, expiring on June 2, 2026, with one-third vesting in June 2022, one-third vesting in June 2023, and one-third vesting in June 2024. The fair values of the options have been estimated at \$0.0818 at the grant date using the Black-Scholes option pricing model.

### 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 June 30, 2021:

Exercise Price (CAD \$)	Number of Options Outstanding	Weighted average Term to expiry (years)	Number Of Options Exercisable
0,100	1.245.000	3,74	1.245.000
0,125	500.000	4,93	-
0,130	2.250.000	4,56	-
0,135	500.000	4,60	-
0,250	150.000	3,72	50.000
0,400	2.241.668	2,60	2.016.667
0,550	3.733.334	2,72	3.400.000
0,333	10.620.002	3,42	6.711.667

### 13. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Share based compensation	(260,265)	179,534	(291,425)	682,478
Marketing and investor relations	-	15,674	-	51,172
Director and management fees	43,700	108,188	100,700	248,343
Legal	4,496	2,999	4,829	46,584
Consulting	5,301	36,552	23,047	143,615
Salary, wages, and benefits	95,731	83,627	159,511	234,410
Audit & accounting	17,500	19,250	8,683	41,638
General office	10,171	19,600	24,979	66,697
Travel	(23)	187	18	10,275
Filing and transfer agent fees	7,940	26,164	32,842	39,966
Insurance	20,568	21,941	38,183	25,995
Other	19,189	630	22,894	5,212
<b>Total general and administrative expenses</b>	<b>(35,692)</b>	<b>513,086</b>	<b>124,261</b>	<b>1,596,385</b>

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### 14. BASIC AND DILUTED LOSS PER SHARE

For the six months ended June 30, 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.

### 15. SUPPLEMENTAL CASHFLOW INFORMATION

	Three months ended June 30,		Six Months ended June 30,	
	2021	2020	2021	2020
Prepays	17,749	7,622	(52,271)	(32,313)
Other receivables	30,778	(41,794)	132,214	(106,707)
Inventory	(23,010)	(26,671)	(23,010)	(24,956)
Trade accounts payable and other accounts payable	(218,086)	(36)	(219,178)	194,881
Employee benefits	5,499	(6,547)	(7,176)	(19,635)
Related party debt	-	-	-	-
Right-of-use asset	(54,371)	-	(54,371)	-
Working capital adjustment for receivables	28,592	-	28,592	-
Working capital adjustment on payables	-	-	-	-
Working capital adjustment on due to related party	-	-	-	-
<b>Change in non-cash working capital</b>	<b>(212,849)</b>	<b>(67,426)</b>	<b>(195,200)</b>	<b>11,270</b>
Relating to:				
Operating activities	(212,849)	(67,426)	(195,200)	11,270
Investing activities	-	-	-	-
Financing activities	-	-	-	-
<b>Change in non-cash working capital</b>	<b>(212,849)</b>	<b>(67,426)</b>	<b>(195,200)</b>	<b>11,270</b>

### 16. RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2021, and 2020, there were not separate related party transactions.

### 17. FINANCIAL INSTRUMENTS

As of June 30, 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 June 30, 2021 are as follows:

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<b>Commitment</b>	<b>2021</b>	<b>2022 and thereafter</b>	<b>Total</b>
Security service agreement	10,115	-	<b>10,115</b>
Consulting and administrative agreements	3,956	-	<b>3,956</b>
Electrical and infrastructure construction	8,242	-	<b>8,242</b>
<b>Total</b>	<b>22,312</b>	<b>-</b>	<b>22,312</b>

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

<b>Leases</b>	<b>Lease Term</b>	<b>2021</b>	<b>2022</b>	<b>2023 and after</b>	<b>Total</b>
Cultivation area (Guatavita - El Recuerdo)	May 21, 2025	-	5,345	-	<b>5,345</b>
Cultivation area (Guatavita - El Amarillal)	November 4, 2025	1,920	1,992	6,258	<b>10,170</b>
Vehicle	November 25, 2022	13,339	13,339	-	<b>26,679</b>
Extraction facility (Tocancipa)	October 6, 2024	154,912	177,653	207,754	<b>540,319</b>
<b>Total</b>		<b>170,171</b>	<b>198,329</b>	<b>214,012</b>	<b>582,512</b>

### 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 six months ended June 30, 2021 and 2020.

<b>For the six months ended June 30, 2021</b>	<b>Colombia</b>	<b>Canada</b>	<b>Panamá</b>	<b>Total</b>
<b>Revenues</b>	\$ 37,905	\$ -		\$ 37,905
<b>Cost of Sales</b>	(8,366)	-		(8,366)
<b>Expenses:</b>				
Pre-operating expenses	(237,231)	-		(237,231)
General and administrative expenses	(208,365)	84,740	(636)	(124,261)
Depreciation and amortization	(292,923)	(65,294)		(358,217)
Finance expense	-	(127,469)		(127,469)
Other expense	(11,298)	(3,331)		(14,629)
Foreign exchange loss	(33,899)	6,837		(27,062)
<b>Net Loss</b>	<b>(754,177)</b>	<b>(104,517)</b>	<b>(636)</b>	<b>(859,330)</b>
<b>Assets - June 30, 2021</b>	<b>3,199,474</b>	<b>3,362,754</b>	<b>3,826</b>	<b>6,566,053</b>
<b>Liabilities - June 30, 2021</b>	<b>674,153</b>	<b>2,382,012</b>	<b>4,649</b>	<b>3,060,814</b>

<b>For the six months ended June 30, 2020</b>	<b>Colombia</b>	<b>Canada</b>	<b>Total</b>
<b>Sales</b>	\$ 4,644	\$ -	\$ 4,644
<b>Cost of Sales</b>	(3,356)	-	(3,356)
<b>Expenses:</b>			
Pre-operating expenses	(406,637)	-	(406,637)
General and administrative expenses	(500,899)	(1,095,486)	(1,596,385)
Depreciation and amortization	(213,848)	(128,188)	(342,036)
Listing expense	-	-	-
Other expense	(49,055)	(525)	(49,580)
Foreign exchange loss	(89,338)	(750)	(90,088)
<b>Net Loss</b>	<b>(1,258,489)</b>	<b>(1,224,949)</b>	<b>(2,483,438)</b>
<b>Assets June 30, 2020</b>	<b>3,976,404</b>	<b>3,846,846</b>	<b>7,823,250</b>
<b>Liabilities June 30, 2020</b>	<b>1,109,757</b>	<b>610,379</b>	<b>1,720,136</b>

**Blueberries Medical Corp.**

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**20. SUBSEQUENT EVENTS**

At the end of this quarter, there is no subsequent event currently in place, that could change or affect the valuation, or this condensed interim consolidated FS, Cash Flow and equity expressed hereinafter. The company is facing low level of cash and it is working in several ways to get new financial support from its shareholders.