



Blueberries
Medical Corp.

BLUEBERRIES MEDICAL CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2023 AND 2022**

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

Management's Comments on Unaudited Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim condensed interim consolidated financial statements of Blueberries Medical Corp. (the "Company" or "Blueberries") for the nine months ended September 30, 2023 and 2022 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 condensed interim consolidated financial statements have not been reviewed by an auditor.

November 24, 2023

"Facundo Garreton"
Chairman & CEO

"Guillermo Rodriguez"
Chief Financial Officer

BLUEBERRIES MEDICAL CORP.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	Notes	September 30, 2023	December 31, 2022
ASSETS			
<i>Current Assets</i>			
Cash		\$ 594,261	\$ 1,412,764
Accounts receivables	3	499,540	255,921
Inventories	4	164,740	12,311
Prepays		55,412	40,124
Assets held for sale	5	549,984	464,522
		1,863,937	2,185,642
<i>Non-Current Assets</i>			
Advances towards property, plant and equipment	6	-	380,229
Property, plant and equipment	7	642,905	619,353
Right-of-use asset	8	184,631	168,937
Intangible assets	9	1	1
Total Assets		\$ 2,691,474	\$ 3,354,162
LIABILITIES AND EQUITY			
<i>Current Liabilities</i>			
Trade accounts payable & accrued liabilities		\$ 577,764	\$ 449,413
Employee benefits		23,932	42,866
Current portion of lease liability	8	60,528	51,083
Convertible debt	10	1,390,000	1,146,373
Derivative liability	10	-	57,677
		2,052,224	1,747,412
<i>Non-Current Liabilities</i>			
Long-term lease liability	8	150,554	138,982
Total Liabilities		2,202,778	1,886,394
<i>Equity</i>			
Share capital	11	18,247,318	18,247,318
Contributed surplus	12	6,886,941	6,835,755
Accumulated other comprehensive loss		(509,915)	(736,781)
Deficit		(24,135,648)	(22,878,524)
Total equity		488,696	1,467,768
Total liabilities and equity		\$ 2,691,474	\$ 3,354,162
Going concern	1		
Commitments	19		

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

On behalf of the Board

"Facundo Garreton"
Facundo Garreton, Director

"Catherine Lathwell"
Catherine Lathwell, Director

BLUEBERRIES MEDICAL CORP.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Notes	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Revenue		\$ 83,449	\$ 104,856	\$ 228,608	\$ 178,397
Cost of sales		(53,960)	(5,967)	(131,576)	(61,143)
Direct cost of production		(12,515)	(112,714)	(62,551)	(210,258)
Gross profit (loss)		\$ 16,974	\$ (13,825)	\$ 34,481	\$ (93,004)
Expenses					
Operating expenses	14	\$ (23,112)	\$ (21,826)	\$ (82,988)	\$ (61,084)
General and administrative expenses	13	(243,472)	(304,319)	(815,826)	(956,489)
Depreciation and amortization	7, 8	(99,700)	(136,927)	(114,773)	(305,484)
Finance expense	10	(28,256)	(87,002)	(273,815)	(239,087)
Foreign exchange (loss) gain		11,407	429	(35,148)	(3,589)
Total expenses		(383,133)	(549,645)	(1,322,550)	(1,565,733)
Other income (expense)					
Gain on amendment of convertible debenture	10	-	198,839	-	198,839
Gain on disposal of property, plant and equipment	7	16,765	-	16,765	20,181
Changes of fair value of derivative liabilities	10	57,677	(67,262)	57,677	(67,262)
Other expense		(31,649)	6,387	(43,497)	32,497
Total other expenses		42,793	(60,875)	30,945	184,255
Net loss		(323,366)	(624,345)	\$ (1,257,124)	\$ (1,474,482)
Other Comprehensive Gain (Loss)					
Foreign currency translation adjustment		66,173	(81,858)	226,866	(35,033)
Comprehensive loss		\$ (257,131)	\$ (706,203)	\$ (1,030,258)	\$ (1,509,515)
Net loss per share - basic and diluted	16	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of shares outstanding - basic and diluted	16	218,309,152	163,810,263	218,309,152	163,810,263

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

BLUEBERRIES MEDICAL CORP.**Condensed Interim Consolidated Statements of Changes in Equity***(Expressed in Canadian Dollars)**(Unaudited)*

	Notes	Common Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Deficit	Total
Balance at December 31, 2022		218,309,152	\$ 18,247,318	\$ 6,835,755	\$ (736,781)	\$ (22,878,524)	\$ 1,467,768
Stock option expense	12	-	-	51,186	-	-	51,186
Other comprehensive income		-	-	-	226,866	-	226,866
Net loss		-	-	-	-	(1,257,124)	(1,257,124)
Balance at September 30, 2023		218,309,152	\$ 18,247,318	\$ 6,886,941	\$ (509,915)	\$ (24,135,648)	\$ 488,696
Balance at December 31, 2021		163,810,263	\$ 16,780,242	\$ 6,702,359	\$ (637,207)	\$ (21,410,648)	\$ 1,434,746
Stock option expense	12	-	-	103,175	-	-	103,175
Other comprehensive income		-	-	-	(35,033)	-	(35,033)
Net loss		-	-	-	-	(1,474,482)	(1,474,482)
Balance at September 30, 2022		163,810,263	\$ 16,780,242	\$ 6,805,534	\$ (672,240)	\$ (22,885,130)	\$ 28,406

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

BLUEBERRIES MEDICAL CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

For the nine months ended

Notes **September 30, 2023** September 30, 2022

Cash generated from (used in)

Operating activities

Net loss		\$ (1,257,124)	\$ (1,474,482)
Adjustment for:			
Depreciation and amortization	7,8	114,773	305,484
Gain on amendment of convertible debt	10	-	(198,839)
Gain on disposal of property, plant and equipment	6	(16,765)	(20,181)
Changes of fair value of derivative liabilities	10	-	67,262
Share based compensation	12	51,186	103,175
Interest on leases	8	7,130	34,915
Finance expense	10	243,627	239,087
Unrealized foreign exchange loss		35,148	3,589
Change in non-cash working capital	16	(301,919)	(304,993)
Net cash used in operating activities		(1,123,944)	(1,244,983)

Investing activities

Purchase of property, plant, and equipment	6	(21,862)	-
Proceed from disposal of property, plant and equipment	7	264,163	110,939
Net cash generated from investing activities		242,301	110,939

Financing activities

Transaction costs related to amendment of convertible debt	10	-	(3,761)
Principal portion of lease payments	8	(43,475)	(68,188)
Net cash used in financing activities		(43,475)	(71,949)

Decrease in cash

		(925,118)	(1,205,993)
Effects of exchange rate changes on cash		106,615	(18,347)
Cash, beginning of period		1,412,764	1,343,143
Cash, end of period		\$ 594,261	\$ 118,803

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

Blueberries Medical Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited)



1. NATURE OF OPERATIONS AND GOING CONCERN

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").

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".

These 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 significant revenue-generating operations, which were primarily financed from proceeds received through issuance of share capital. For the nine months ended September 30, 2023, the Company has incurred a net loss of \$1,257,124 (2022 - \$1,474,482) and has a working capital deficit of \$188,287 (2022 - working capital of \$438,230).

Until the Company's assets start generating significant 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 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 condensed interim consolidated financial statements would require adjustments to the amounts and classifications of assets and liabilities.

2. BASIS OF PRESENTATION

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, 2022, which were prepared in accordance with IFRS.

These unaudited condensed interim consolidated financial statements as at and for the nine months ended September 30, 2023 and 2022 were authorized for issuance on **November 24, 2023** ("date of issuance") by the Company's Board of Directors.

a) Basis of measurement and going concern

These condensed interim consolidated financial statements have been prepared on a going concern basis, under the historical cost convention. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting.

Blueberries Medical Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited)



b) Basis of consolidation

These condensed interim consolidated financial statements as at September 30, 2023 include the accounts of the Company and its subsidiaries. Subsidiaries are included in the condensed interim consolidated financial results of the Company from the effective date of acquisition of control up to the effective date of disposition or loss of control. All intercompany transactions, balances, income, and expenses are eliminated upon consolidation.

The following table summarizes the Company's subsidiaries, their country of incorporation, and the Company's ownership interest.

Subsidiaries	Country of incorporation	Ownership Interest
Blueberries Research Corporation ("BRC")	Canada	100%
Blueberries SAS ("BBSAS")	Colombia	100%
Centro De Desarrollo e Investigacion ("CDIBBSAS")	Colombia	100%
BBV Labs Inc. ("BBV Labs.")	Panama	100%
SATIN S.A.S. ("SATIN")	Argentina	75%

All intercompany balances and transactions are eliminated upon consolidation in preparing the condensed interim consolidated financial statements.

c) Functional and presentation currency

Amounts included in these condensed interim consolidated financial statements are expressed in Canadian dollars ("C\$") unless otherwise noted. \$ is used as presentation currency in view of the Company's Canadian based public market listing and head office location.

The Company's subsidiaries measure the items in their financial statements in their functional currencies (the currency of the primary economic environment they operate in). The functional currency of the Company is the Canadian dollar. The functional currency of the operating subsidiaries in Colombia is the Colombian Peso. The functional currency of Panama and Argentina subsidiaries is U.S. dollar.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the date of such transaction. At each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency using the exchange rate at the reporting date. Foreign exchange gains and losses are recognized in the statement of loss and comprehensive loss.

At the financial reporting date, the subsidiaries' assets and liabilities are translated at the reporting period exchange rate, while revenues, expenses and cash flows are translated at the average exchange rate for the period. Shareholders' equity is translated at the rate effective at the time of the transaction. The resulting translation adjustments are recognized in other comprehensive income (loss) ("OCI") and in accumulated OCI in shareholders' equity.

d) Significant accounting policies

The significant accounting policies followed in these condensed interim consolidated financial statements are consistent with those applied in the Company's audited annual consolidated financial statements for the year ended December 31, 2022 and to be adopted in its consolidated financial statements as at and year ended December 31, 2023.

e) Critical accounting estimates and judgments

The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Accordingly, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant estimates and judgments made by management in the preparation of these condensed interim consolidated financial statements are outlined below.

Useful lives of PPE and intangible assets

Depreciation and amortization of property, equipment and intangible assets are dependent upon estimates of useful lives, which are determined through the exercise of professional judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of the assets.

Blueberries Medical Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2023 and 2022

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Impairment testing

At the date of each statement of financial position, the Company reviews the carrying amounts of its finite-life intangible assets and property, plant and equipment, carried at cost to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount, being its value in use or fair value less cost to sell of the cash-generating unit to which the asset belongs. Judgement is also applied in determining the Company's CGUs. As part of the impairment testing, estimations would be involved in establishing the recoverable amount, including but not limited to, cash flow forecasts and discount rates.

Convertible debentures

The accounting for convertible debentures involves discounted cash flow technique which includes both inputs that are not based on observable market data and inputs that are available from observable market data. Where available, the Company seeks comparable interest rates and, if unavailable, uses those considered appropriate based on management's assessment of the Company's risk profile.

Derivative liability on convertible debentures

The valuation of the derivative liability involves using the Monte-Carlo simulation model and inputting the current share price of the underlying stock, the interest rate for the option, a risk-free interest rate for the option, the expected conversion option price, and the expected life of the option. The derivative liability is valued at FVPL at each reporting date.

Stock options

All equity-settled, share-based awards issued by the Company are recorded at fair value using the Black-Scholes option-pricing model. In assessing the fair value of equity-based compensation, estimates have to be made regarding the expected volatility in share price, estimated life, and estimated forfeitures at the initial grant date.

Tax provisions

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Valuation of deferred income tax assets

The Company assesses the probability of taxable profits being available in the future based on its budget forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When a forecast shows a net profit, the Company considers that the use of deferred income taxes is probable and recognizes the benefit. When management believes that the benefits will not be realized, the deferred income tax asset is not recognized.

Lease liabilities and right-of-use assets

A lease liability and a corresponding right-of-use asset is recognized at the commencement date of a lease at the present value of the lease payments over the lease term. The Company uses the implicit rate within the lease, if readily available, or the incremental borrowing rate when the rate implicit is not known. The discount rate is based on judgements including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use asset, lease liability, and resulting interest expense and depreciation expense, may differ due to changes in the market conditions. The lease term is also subject to certain assumptions including, the Company's intent regarding extension and termination options of a lease.

Biological assets

Biological assets are required to be recorded at fair value. As of September 30, 2023 and 2022, the Company had not started full commercialization of its cultivation operation, the Company did not recognize any fair value for its biological assets as the future economic benefit of any cannabis grown prior to the full commercialization is minimal and uncertain.

a) Accounting standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted as follows. The Company is reviewing the new standards but does not expect their future adoption to have a material impact on Blueberries in the current or future reporting periods.

Amendments to IAS 1 – Presentation of Financial Statements

In January 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements, to clarify its requirements for the presentation of liabilities as current or non-current in the statement of financial position. This will be effective on and after January 1, 2024.

Blueberries Medical Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited)

Amendments to IAS 12 – Income Taxes

In May 2021, the IASB issued an amendment to IAS 12 Income Taxes to clarify the accounting for deferred tax on transactions such as leases and decommissioning obligations. The scope of the recognition exemption in IAS 12 no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted.

3. ACCOUNTS RECEIVABLES

	September 30, 2023	December 31, 2022
Trade receivable	\$ 148,288	\$ 33,534
Expected credit loss	(5,370)	(4,536)
Recoverable sales tax	175,184	180,759
Other receivable	181,438	46,164
Total	\$ 499,540	\$ 255,921

4. INVENTORIES

Inventories are measured at the lower of cost and net realizable value (“NRV”). The cost of inventories is based on the weighted-average cost method. Net realizable value is determined as the estimated selling price in the ordinary course of business less estimated costs to complete and the estimated costs necessary to make the sale.

Inventory recognized as cost of goods sold during the nine months ended September 30, 2023 was \$124,928 (2022 - \$Nil). As of September 30, 2023, the Company had a total of \$164,740 (2022 - \$12,311) in inventories, which consisted of finished goods.

5. ASSETS HELD FOR SALE

Assets held for sale consists of a property used as a cultivation facility, located in Guatavita, Colombia and equipment located in the property. In December 2022, based on sample testing of the soil combined with the limited area available to scale operation, the Company has determined to sell the property. The disposal of the property is expected to be completed within a year from the reporting date.

Balance, December 31, 2022	\$ 464,522
Foreign exchange adjustment	85,462
Balance, September 30, 2023	\$ 549,984

6. ADVANCES TOWARDS PROPERTY, PLANT, AND EQUIPMENT

Advances towards property, plant and equipment consisted of \$1,994,250 (US\$1,500,000) that was paid in February 2019 to purchase 15 hectares of farmland in Cogua (Zipaquirá), Colombia (the “farmland”). The seller of this land is a legal entity whose minority beneficial owner is also a minority shareholder of the Company.

Balance, December 31, 2021	\$ 428,280
Foreign exchange adjustment	(48,051)
Balance, December 31, 2022	380,229
Foreign exchange adjustment	547
Settlement agreement	(380,776)
Balance, September 30, 2023	\$ -

Due to the permitting and zoning of the farmland, the title on the land had not been legally transferred to the Company. In 2021, due to impairment indicators being present, the Company’s management conducted an impairment test, which was required under IAS 36 and engaged a third-party consultant to provide a valuation of the farmland. Based on the result, the Company recognized an impairment of advances towards property, plant and equipment of \$ 1,565,970 in the consolidated statements of loss and comprehensive loss for the year ended December 31, 2021.

Blueberries Medical Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited)



On April 5, 2023, the Company, the seller and Terraflos entered into a termination and settlement agreement ("Termination agreement"). Pursuant to the Termination agreement, the Company terminated the agreement to purchase the farmland and agreed to receive \$380,776 (US\$281,140) as compensation to be settled as follows:

- \$243,792 (US\$180,000) in cash on closing (received);
- Transfer of 3,905,000 shares of the Company owned by the seller to Terraflos valued at \$136,984 (US\$101,140) (the "deemed value"), and in turn, Terraflos is to pay the deemed value in cash to the Company by July 30, 2023.

7. PROPERTY, PLANT, AND EQUIPMENT

	Land	Agricultural Facilities	Buildings & Construction	Equipment & Vehicles	Furniture & Fixtures	Total
COST						
Balance, December 31, 2021	\$ 1,791	\$ 812,885	\$ 525,811	\$ 1,283,431	\$ 25,853	\$ 2,649,771
Disposal	-	-	-	(103,975)	-	(103,975)
Foreign currency translation	(201)	(91,201)	(58,993)	(127,498)	(2,901)	(280,794)
Balance, December 31, 2022	1,590	721,684	466,818	1,051,958	22,952	2,265,002
Additions	-	-	-	21,862	-	21,862
Disposal	-	-	-	(25,672)	-	(103,975)
Foreign currency translation	293	132,772	85,883	193,180	4,223	416,351
Balance, September 30, 2023	\$ 1,883	\$ 854,456	\$ 552,701	\$ 1,241,328	\$ 27,175	\$ 2,599,240
ACCUMULATED DEPRECIATION						
Balance, December 31, 2021	\$ -	\$ (252,950)	\$ (119,003)	\$ (307,612)	\$ (17,319)	\$ (696,884)
Depreciation	-	(92,601)	(52,293)	(139,934)	(6,785)	(291,613)
Disposal	-	-	-	19,030	-	19,030
Foreign currency translation	-	35,844	17,567	44,283	2,490	100,184
Balance, December 31, 2022	-	(309,707)	(153,729)	(384,233)	(21,614)	(869,283)
Depreciation	-	-	(13,648)	(85,596)	(1,450)	(100,694)
Disposal	-	-	-	21,944	-	21,944
Foreign currency translation	-	(56,978)	(29,549)	(76,600)	(4,111)	(167,238)
Balance, September 30, 2023	\$ -	\$ (366,685)	\$ (196,926)	\$ (524,485)	\$ (27,175)	\$ (1,115,271)
NET BOOK VALUE						
Net Book Value, December 31, 2021	\$ 1,791	\$ 279,223	\$ 336,615	\$ 975,819	\$ 8,534	\$ 1,601,982
Cost	\$ 1,590	\$ 721,684	\$ 466,818	\$ 1,051,958	\$ 22,952	\$ 2,265,002
Accumulated Depreciation	-	(309,707)	(153,729)	(384,233)	(21,614)	(869,283)
Impairment	-	(263,050)	(65,811)	-	-	(328,861)
Transferred to assets held for sale (Note 5)	(1,590)	(162,539)	(205,771)	(94,622)	-	(464,522)
Foreign currency translation	-	13,612	3,405	-	-	17,017
Net Book Value, December 31, 2022	\$ -	\$ -	\$ 44,912	\$ 573,103	\$ 1,338	\$ 619,353
Cost	\$ 1,883	\$ 854,456	\$ 552,701	\$ 1,241,328	\$ 27,175	\$ 2,599,240
Accumulated Depreciation	-	(366,685)	(196,926)	(524,485)	(27,175)	(1,115,271)
Impairment	-	(311,444)	(77,919)	-	-	(389,363)
Transferred to assets held for sale (Note 5)	(1,883)	(269,941)	(243,628)	(34,532)	-	(549,984)
Foreign currency translation	-	93,614	223	4,446	-	98,283
Net Book Value, September 30, 2023	\$ -	\$ -	\$ 34,451	\$ 686,757	\$ -	\$ 642,905

In 2021, as management concluded that an impairment test was required under IAS 36, the Company engaged a third-party consultant to provide a valuation of its property, plant and equipment. In addition, for certain equipment not appraised, the Company has evaluated the replacement costs based on third-party quotes to determine any potential impairment. Based on these assessments, the Company recognized an impairment of property, plant and equipment of \$370,420.

In 2022, the Company returned equipment acquired in 2021 to a vendor and received a refund of \$101,939. The difference between the total refund received and the net carrying value of the equipment of \$16,994 at the time of return, has been recognized as a gain of disposal of property, plant and equipment in the consolidated statements of loss and comprehensive loss for the year ended December 31, 2022.

Blueberries Medical Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2023 and 2022

(Expressed in Canadian Dollars)

(Unaudited)



8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As at January 1, 2019, the Company recognized a lease liability and a corresponding right-of-use asset relating to a leased extraction facility in Tocancipa, a rural property in the municipality of Guatavita, Colombia.

In 2021, the Company amended the terms of its lease on its extraction facility in Tocancipa and recognized a gain on modification of lease of \$18,998. The Company impaired its right-of-use assets due to the market uncertainties in 2021.

In 2022, the Company terminated the lease in Tocancipa and entered into an extraction facility lease in Tenjo. In connection with the termination of the lease in Tocancipa, the Company paid a termination fee of \$24,733 ("termination fee"). The difference of \$215,294 between the reduction of lease liability on termination date of \$250,027 and the termination fee was recognized as a gain on termination of lease in the statements of loss and comprehensive loss for the year ended December 31, 2022 and entered into an extraction facility lease in Tenjo.

In order to operate in the new extraction facility in Tenjo, the Company is required to file an application of change of address under its current license, which has been filed in November 2022. The Company remains to operate in Tocancipa (Note 21) and will be moving to Tenjo once the approval to operate in Tenjo has been issued.

Due to the pending approval of application of change of address, the Company extended its occupancy in Tocancipa until the change of address is approved in the license granted by the Instituto Nacional de Vigilancia de Medicamentos y Alimentos ("INVIMA").

Right-of-use asset

Balance, December 31, 2021	\$	-
Addition		188,461
Depreciation ⁽¹⁾		(4,712)
Foreign exchange adjustment		(14,812)
Balance, December 31, 2022		168,937
Depreciation ⁽¹⁾		(14,079)
Foreign exchange adjustment		29,773
Balance, September 30, 2023	\$	184,631

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

Long-term lease liability

Balance, December 31, 2021	\$	223,331
Termination of a lease in Tocacipa		(250,027)
Payments		(86,092)
Addition		188,461
Interest expense		20,450
Foreign exchange adjustment		(14,861)
Less - current portion		(51,083)
Balance, December 31, 2022	\$	138,982
Payments		(43,475)
Interest expense		30,132
Foreign exchange adjustment		34,360
Less - current portion		(60,528)
Balance, September 30, 2023	\$	150,554

9. INTANGIBLE ASSETS

By December 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

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

In 2022, the management assessed the intangible assets were impaired. Due to continued uncertainty of local and export markets in Colombia, management performed a cash flow analysis. While management continues to believe that the future market for Colombian cannabis products is strong, the timing and amount of future cash flows from potential revenue streams is not projected to be sufficient to meet the current cost structure of the Company. Consequently

10. CONVERTIBLE DEBT

On July 16, 2020, Blueberries closed a non-brokered private placement offering (the "Offering") of \$1,000,000 in principal amount of unsecured convertible debentures (the "Initial Debentures"). The Initial 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 Initial 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) \$0.065 per Share or; (ii) the volume-weighted average price of the Shares on the CSE for the 15 consecutive trading day period ending on the conversion date subject to a minimum conversion price of \$0.05 ("Conversion price"). As the conversion option does not meet the fixed for fixed criteria it has been recorded as a derivative liability.

On July 29, 2022, the Company entered into an amendment agreement in connection with the Initial Debentures (the "Amended Debentures") in which the maturity date of the Initial Debentures was extended from July 13, 2022 to July 13, 2023 (the "New Maturity Date"). All the remaining terms of the Amended Debentures, including the Conversion Price, remain the same as the Initial Debentures. As consideration for the extension, the Company agreed to pay a total of \$163,800 to the holders of the Debenture in cash, or at the option of the holders of the Debenture, in the common shares of the Company at a conversion price of \$0.05 per share, on the New Maturity Date. In addition, the Company incurred a total of \$3,761 in legal fees.

The amendment was accounted for as a debt extinguishment and recognition of a new liability. The total transaction fees related to the amendment was \$167,561, along with the recognition of the new convertible debenture liability of \$960,036 and derivative liability of \$218,319, offset by the derecognition of convertible debenture liability of \$1,260,000 at July 29, 2022 amendment date, which resulted in a loss of \$85,916 on debt modification being recorded on the consolidated statements of loss and comprehensive loss for the year ended December 31, 2022.

The fair value of the derivative liability was determined using a Monte-Carlo simulation with the following key assumptions:

	At inception	As at	At amendment	As at
Measurement date	13-Jul-2020	31-Dec-2021	29-Jul-2022	31-Dec-2022
Principal	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Issuance/Amendment date	13-Jul-2020	13-Jul-2020	13-Jul-2020	13-Jul-2020
Maturity date	13-Jul-2022	13-Jul-2022	13-Jul-2023	13-Jul-2023
Remaining life (years)	2.00	0.53	0.96	0.53
Interest rate (per year)	13%	13%	13%	13%
Risk free rate (per year)	0.28%	0.39%	3.15%	4.47%
Stock price (\$/share)	\$0.05	\$0.07	\$0.04	\$0.02
Conversion price	Lesser of \$0.065 & 15-day VWAP, minimum of \$0.05			

On July 16, 2020, the Company initially recognized \$717,605 as convertible debt liability, and \$270,395 as derivative liability of the conversion feature. Upon amendment to extend the maturity term of the convertible debt liability, on July 29, 2022, the Company recognized \$960,036 as convertible debt liability, and \$218,319 as derivative liability of the conversion feature.

The table below shows the continuity of the convertible debt liability and derivative liability.

Fair Value of Derivative Liability

Balance at December 31, 2021	\$ 366,400
Initial fair value of new derivative liability, at amendment	218,319
Change in fair value of derivative liability	(527,042)
Balance at December 31, 2022	57,677
Change in fair value of derivative liability	(57,677)
Balance, September 30, 2023	\$ -

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**Convertible Debt Liability**

Balance, December 31, 2021	\$ 1,106,710
Accrued interest, prior to amendment	69,333
Accretion, prior to amendment	83,957
Derecognition of convertible debt liability, at amendment	(1,260,000)
Initial fair value of new convertible debt liability, at amendment	960,036
Accrued interest, post to amendment	60,666
Accretion, post to amendment	125,671
Balance, December 31, 2022	1,146,373
Accrued interest	69,333
Accretion	174,294
Balance, September 30, 2023	\$ 1,390,000

On July 13, 2023, the Amended Debentures, in the principal amount of \$1,000,000, were matured. As of the date of the issuance, the Company is holding discussions with lenders on how to proceed.

11. SHARE CAPITAL

As of September 30, 2023, 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.

	Number of Shares	Amount
Balance, December 31, 2021	163,810,263	16,780,242
Shares issued from private placement ⁽¹⁾	54,498,889	1,471,470
Share issue costs ⁽¹⁾	-	(4,394)
Balance, December 31, 2022 and September 30, 2023	218,309,152	\$ 18,247,318

⁽¹⁾ On November 28, 2022, the Company completed a non-brokered private placement for an aggregate gross proceed of \$1,471,470 (US\$1,100,000) from the sale of 54,498,889 common shares at a price of \$0.027, which was entirely purchased by Terraflos, a company that is controlled by Facundo Garreton, the Company's Chairman, CEO and Director. In connection with the private placement, the Company incurred a total of \$4,394 of share issued costs.

12. CONTRIBUTED SURPLUS

In connection with the Transaction, the Company adopted the Stock and Incentive Plan (the "Plan") which was approved by the shareholders of CMS on December 6, 2018. The Board establishes vesting and other terms and conditions for options at the time that they are granted. The Plan provides that stock options may be granted up to a number equal to 10% of the Company's outstanding shares. The plan also indicates that the maximum number of shares which may be issued to any one insider and his or her associates under the plan, together with any other previously established or proposed share compensation arrangements, within a one-year period shall be 5% of the shares outstanding at the time of the grant. As of September 30, 2023, the Company had 16,130,915 options remaining reserved on common shares.

The following table reflects the continuity of stock options:

	Stock options	Weighted average exercise price (\$)
Balance, December 31, 2021	7,510,001	0.23
Options expired	(2,855,001)	0.32
Options issued ⁽¹⁾	1,500,000	0.05
Balance, December 31, 2022	6,155,000	4.47
Options expired	(455,000)	0.28
Balance, September 30, 2023	5,700,000	0.13

⁽¹⁾ On July 1, 2022, Blueberries granted 1,500,000 options to certain director and officers of the Company to purchase Blueberries' common shares. The options are exercisable at price of \$0.05 per option for a 5-year term and vesting one-third each on every one-year anniversary from the grant date. The fair value of each option was \$0.0279, estimated using the Black-Scholes option pricing model.

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The stock options issued in 2022 were allocated a fair value using the Black-Scholes option pricing model with the following assumptions:

	2022
Risk-free interest rate	3.06%
Estimated stock price	\$0.04
Forfeiture rate	0%
Expected dividend yield	0%
Expected stock price volatility	115.36%
Expected option life	5 years

The following summarizes stock options issued, exercisable and outstanding as at September 30, 2023:

Exercise prices (\$)	Number of options outstanding	Weighted average term to expiry (years)	Number of options exercisable
0.05	1,500,000	3.75	500,000
0.10	300,000	1.49	300,000
0.10	75,000	3.17	25,000
0.13	500,000	2.67	333,334
0.13	2,250,000	2.31	1,500,000
0.14	500,000	2.35	333,334
0.40	575,000	0.35	575,000
0.13	5,700,000	2.49	3,566,668

During the nine months ended September 30, 2023, the Company recognized a total share-based compensation expense of \$51,186 (2022 – \$103,175) in the condensed interim consolidated statements of loss and comprehensive loss.

13. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended September		Nine months ended September	
	2023	2022	2023	2022
Audit and accounting	\$ 55,397	\$ 42,402	\$ 183,119	\$ 167,970
Consulting	18,191	31,571	42,506	94,969
Director and management fees	59,531	41,495	150,358	41,495
Filing and transfer agent fees	15,075	20,888	47,525	55,817
General office	31,660	(14,376)	38,964	20,068
Insurance	15,281	24,831	61,162	72,256
Legal	6,221	3,958	27,558	12,378
Other	(503)	9,642	5,518	10,278
Salary, wages, and benefits	23,860	110,608	202,204	375,853
Share based compensation expense	13,033	31,514	51,186	103,174
Travel	5,726	1,786	5,726	2,231
Total	\$ 243,472	\$ 304,319	\$ 815,826	\$ 956,489

14. OPERATING EXPENSES

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Salary, wages and benefits	\$ -	\$ 6,727	\$ -	\$ 16,149
Supplies, spare parts and equipment	15,086	12,884	35,408	14,247
Facilities and leases	7,222	3,247	27,922	7,539
Fuel and oil	242	91	242	145
Transportation	279	663	11,930	755
Utilities	-	479	-	762
Other	283	12,739	7,486	21,487
Total	\$ 23,112	\$ 36,830	\$ 82,988	\$ 61,084

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15. BASIC AND DILUTED LOSS PER SHARE

For the nine months ended September 30, 2023, and 2022, 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.

16. SUPPLEMENTAL CASH FLOW INFORMATION

For the nine months ended	September 30, 2023	September 30, 2022
Accounts receivables	\$ (243,619)	\$ (170,831)
Inventories	(152,429)	(17,743)
Prepays	(15,288)	(13,622)
Trade accounts payable and other accounts payable	128,351	(107,659)
Employee benefits	(18,934)	4,862
Change in non-cash working capital	\$ (301,919)	\$ (304,993)

17. RELATED PARTY TRANSACTIONS

- The Company has defined key management personnel as senior executive officers, as well as the Board of Directors. The total remuneration of key management personnel and the Board of Directors for the nine months ended September 30, 2023, was \$199,258 (2022 - \$143,751), including \$48,356 (2022 - \$102,609) of share-based compensation.
- On November 28, 2022, Terraflos acquired an aggregate of 54,498,889 common shares at a price of \$0.027 per common share for an aggregate gross proceed of \$1,471,470 (US\$1,100,000) (Note 11).

See Note 6.

18. FINANCIAL INSTRUMENTS

As of September 30, 2023, the Company's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, convertible debt, 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 derivative liability at fair value. Cash are classified as Level 1 input in the fair value hierarchy.

The Company has exposure to the following risks from its use of financial instruments:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient cash resources in order to finance operations, fund capital expenditures, and to repay debt and other liabilities of the Company as they come due, without incurring unacceptable losses or risking harm to the Company's reputation.

As at September 30, 2023, the Company's financial liabilities consist of trade accounts payable and accrued liabilities, employee benefits, convertible debt, and lease liability, which have contractual payment obligations within one year, with the exception of lease liabilities. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis.

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Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfil its contractual obligations. Financial instruments subject to credit risk include cash, and accounts receivable. All of the Company's cash are held at reputable financial institutions. Accounts receivables consist mainly of harmonized sales tax and general sales tax receivables that the Company expects to receive from the Government of Canada and Colombia respectively. As such credit risk is deemed to be low on these instruments. The Company also has trade receivables of \$148,288, of which \$5,370 has been provided for as potentially uncollectible.

Market risk

Market risk is the risk or uncertainty that changes in price, foreign exchange rates, and interest rates will affect the Company's net earnings and the value of financial instruments. Blueberries is exposed to two types of market risk, being foreign currency risk and interest rate risk as outlined below.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign currency exchange rates. The Company's functional and reporting currency, except for the Colombia, Argentina and Panama subsidiaries, is the Canadian dollar. The Colombian subsidiaries incur expenditures in Colombian pesos, which is their functional currency. Therefore, the Company is exposed to the risk of fluctuations in foreign exchange rates between Colombian pesos and Canadian dollars. Blueberries does not anticipate a significant impact on its condensed interim consolidated financial statements as a result of a 5% change in the exchange rate between the two currencies.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in prevailing market interest rates. The Company's convertible debt has fixed interest rate. As at September 30, 2023, the fluctuations of interest rates would not have had a significant impact on the condensed interim consolidated financial statements.

Capital risk management

The Company's objectives when managing capital are to ensure the Company will have sufficient financial capacity, liquidity, and flexibility to fund the Company's operations, growth, and ongoing developmental activities. The Company is dependent upon funding these activities through a combination of available cash, debt, and equity, which it considers to be the components of its capital structure as outlined below. There were no changes to the Company's capital management during the year, except the issuance of convertible debt. The Company is not exposed to any external capital requirements.

	September 30, 2023		December 31, 2022	
Derivative liability	\$	-	\$	57,677
Convertible debt		1,390,000		1,146,373
Shareholders' equity	\$	488,696	\$	1,467,768

19. COMMITMENTS

A summary of the Company's commitments as of September 30, 2023, are as follows:

Leases	Lease Term	2023	2024	2025	2026 and after	Total
Cultivation area (Guatavita - El Amarillal)	November 4, 2025	\$ 465	\$ 1,929	\$ 1,835	\$ -	\$ 4,229
New extraction facility (Tenjo)	September 30, 2032	12,505	50,020	50,020	337,637	450,182
Total		\$ 12,970	\$ 51,949	\$ 51,855	\$ 337,637	\$ 454,411

20. 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.

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The following tables show information regarding the Company's segments for the nine months ended September 30, 2023 and 2022:

For the nine months ended September 30, 2023	Colombia	Canada	Total
Revenues	\$ 228,608	\$ -	\$ 228,608
Cost of Sales	(131,576)	-	(131,576)
Direct cost of production	(62,551)	-	(62,551)
Expenses:			
Operating expenses	(82,988)	-	(82,988)
General and administrative expenses	(303,142)	(512,684)	(815,826)
Depreciation and amortization	(114,773)	-	(114,773)
Finance expense	(30,188)	(243,627)	(273,815)
Changes of fair value of derivative liabilities	-	57,677	57,677
Foreign exchange loss	(1,084)	(34,064)	(35,148)
Gain on disposal of property, plant and equipment	16,765	-	16,765
Other expense	(43,497)	-	(43,497)
Net Loss	(524,426)	(732,698)	(1,257,124)
Assets - September 30, 2023	2,348,458	343,016	2,691,474
Liabilities - September 30, 2023	\$ 511,552	\$ 1,691,226	\$ 2,202,778

For the nine months ended September 30, 2022	Colombia	Canada	Total
Revenues	\$ 178,397	\$ -	\$ 178,397
Cost of Sales	(61,143)	-	(61,143)
Direct cost of production	(210,258)	-	(210,258)
Expenses:			
Operating expenses	(61,084)	-	(61,084)
General and administrative expenses	(508,636)	(447,853)	(956,489)
Depreciation and amortization	(305,484)	-	(305,484)
Finance expense	-	(239,087)	(239,087)
Changes of fair value of derivative liabilities	-	(67,262)	(67,262)
Gain on amendment of convertible debt	-	198,839	198,839
Foreign exchange loss	(4,110)	523	(3,587)
Gain on disposal of property, plant and equipment	20,181	-	20,181
Other expense	32,495	-	32,495
Net Loss	(919,642)	(554,840)	(1,474,482)
Assets - December 31, 2022	2,005,619	1,348,543	3,354,162
Liabilities - December 31, 2022	\$ 362,629	\$ 1,523,765	\$ 1,886,394