NAMEX VENTURES INC.
(FORMERLY NAMEX EXPLORATIONS INC.)

Unaudited Interim Financial Statements

For the six-month period ended

March 31, 2021 and 2020

(Expressed in Canadian dollars)

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited financial statements have been prepared by management and approved by the Audit Committee.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute to Chartered Accountants for a review of interim financial statements by an entity's auditor

NAMEX VENTURES INC.
(FORMERLY NAMEX EXPLORATIONS INC.)
Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	March 31 2021	March 31 2020	September 30, 2020	September 30, 2019
		$	$		
Assets					
Current					
Cash		71,127	4,378	142,262	45,333
GST receivable		1,383	1,718	1,383	3,369
		72,509	6,096	143,645	48,702
Investments in associate	6	508,135	538,685	527,960	528,279
Other assets	5	140,000	200,000	160,000	200,000
		720,644	**744,781**	**831,605**	**776,981**
Liabilities					
Current					
Accounts payable and accrued liabilities		293,568	161,160	19,600	15,529
Due to related parties	8	315,844	18,700	212,700	57,000
Loans and promissory notes payable	7	100	10,100	300,221	-
		609,512	189,960	532,521	72,529
Non-Current					
CEBA loans payable	7	60,000	-	40,000	-
		60,000	-	40,000	-
Equity					
Share capital	9	20,969,205	20,939,205	20,969,205	20,959,205
Contributed surplus	9	2,159,611	2,041,449	2,159,611	2,041,449
Deficit		(23,077,683)	(22,425,833)	(22,869,732)	(22,296,202)
Equity		51,133	554,821	259,084	704,452
		720,644	**744,781**	**831,605**	**776,981**

Nature of operations and going concern (Note 1)
Subsequent events (Note 13)

Approved by the Board:

"George H Gale"
.... Director
Chairman

"John Schillinger"
.... Director
Chief Financial Officer

See accompanying notes to the financial statements.

NAMEX VENTURES INC.
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

For the Quarter ended

	3 Months Ended		**6 Months Ended**	
	March 31 2021	**March 31 2020**	**March 31 2021**	**March 31 2020**
	$	$	$	$
EXPENSES				
General and administrative	4,100	668	6,515	2,665
Professional fees	72,607	52,500	104,107	89,028
Regulatory and filing fees	5,200	3,692	6,422	10,974
Rent	(7,000)	4,000	(7,000)	7,000
Salaries	8,571	9,000	17,143	19,500
Share-based payments	10,000	-	20,000	-
Loss before other items	93,478	69,860	147,188	129,166
Other items				
Share of loss from associate	35,763	1,722	60,763	3,444
Foreign exchange loss	-	-		
Loss (gain) on debt settlements	-	-		
NET LOSS AND COMPREHENSIVE LOSS	(129,242)	(71,582)	(207,951)	(132,610)
LOSS PER SHARE – Basic and diluted	(0.01)	(0.01)	(.01)	(.01)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	46,907,138	46,907,138	46,907,138	46,907,136

NAMEX VENTURES INC.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Common Shares					
	Number of Shares	Amount	Shares Issuable	Contributed Surplus	Deficit	Total
		$	$	$	$	$
Balance, September 30, 2019	**46,907,138**	**20,959,205**	**-**	**2,041,449**	**(22,296,202)**	**704,452**
Share-based compensation	-	-	-	66,966	-	66,966
Warrants issued	-	-	-	51,196	-	51,196
Shares issuable	-	-	10,000	-	-	10,000
Net loss and comprehensive loss	-	-	-	-	(573,530)	(573,530)
Balance, September 30, 2020	**46,907,138**	**20,959,205**	**10,000**	**2,159,611**	**(22,869,732)**	**259,084**

	Common Shares					
	Number of Shares	Amount	Shares Issuable	Contributed Surplus	Deficit	Total
		$	$	$	$	$
Balance, September 30, 2020	**46,907,138**	**20,959,205**	**10,000**	**2,159,611**	**(22,869,732)**	**259,084**
Net loss and comprehensive loss					(78,708)	(78,708)
Balance, December 31, 2020	**46,907,138**	**20,959,205**	**10,000**	**2,159,611**	**(22,948,441)**	**180,375**
Private Placement						
Net loss and comprehensive loss					(129,242)	(129,242)
Balance, March 31, 2021	**46,907,138**	**20,959,205**	**10,000**	**2,159,611**	**(23,077,683)**	**51,133**

See accompanying notes to the financial statements.

NAMEX VENTURES INC.
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Three Month Period Ended		Six Month Period Ended	
	March 31 2021	**March 31 2020**	**March 31 2021**	**March 31 2020**
	$.	$	$	$.
OPERATING ACTIVITIES				
Net loss for the year	(129,242)	(71,582)	(207,951)	(132,610)
Net cash provided by operations:				
JV Agreement	35,763	1,722	60,763	3,444
Share-based payments	10,000	0	20,000	0
Loan receivable GFDCL	(12,755)	(6,870)	(40,937)	(13,870)
Loan CEBA			20,000	0
Accounts payable and accrued liabilities	48,959	42,428	56,367	73,382
Due to related parties	6,623	28,700	15,623	28,700
Cash used in operating activities	(40,652)	(5,602)	(76,135)	(40,954)
FINANCING ACTIVITIES				
Proceeds from Private Placement	5,000	0	5,000	0
Cash used in operating activities	5,000		5,000	0
Increase in cash for the period	(35,652)	(5,602)	(71,135)	(40,954)
Cash, beginning of period	106,779	9,981	142,262	45,333
Cash, end of period	71,127	4,378	71,127	4,378

1. NATURE OF OPERATIONS AND GOING CONCERN

Namex Ventures Inc. (formerly Namex Explorations Inc.) (the "Company") was incorporated in Canada pursuant to the *Canada Business Corporation Act*. The Company's head office is 35 Lakewood Boulevard, Winnipeg, MB R2J 4A3.

The Company is a public company whose principal business activities were the exploration and development of natural resources in Canada. In fiscal year 2020, the Company pivoted into a new line of business of cultivating and processing hemp for the extraction of CBD for sale in the health and wellness market. The Company's common shares were listed for trading in Canada under the symbol NME. During fiscal year 2015, the Company's common shares were halted for failure to file its annual financial statements. As a result, the Company's securities were suspended until revocation of a Cease Trade Order ("CTO") on September 6, 2019. As of December 31, 2020, trading of the Company's shares continues to be halted.

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business. The Company incurred a loss of $(129,242) for the period ended March 31, 2021, and, as of that date, had accumulated losses totalling $(209,379) since inception, and a working capital deficiency of $(216,059).

The Company's ability to continue as a going concern is dependent on the Company being able to satisfy its liabilities as they become due and to obtain the necessary financing to complete the growth of hemp and extraction of cannabinoid products, the attainment of profitable operations and/or the receipt of proceeds from the disposition of its property interests. Many factors influence the Company's ability to raise funds, including the climate for investment. The March 2020 pandemic outbreak of COVID-19 discussed below could have a negative impact on the Company's ability to raise new capital. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations.

Management is pursuing all possible sources of financing. While the Company has been successful in raising funds in the past, it is uncertain whether it will be able to raise sufficient funds in the future. If the Company is unable to secure additional financing, repay liabilities as they come due, negotiate suitable joint venture agreements and/or continue as a going concern, then material adjustments would be required to the carrying value of assets and liabilities and the statement of financial position classifications used. The financial statements do not include any adjustments relating to the recovery of assets and classification of assets and liabilities that may arise should the Company be unable to continue as a going concern.

The Company has had the CTO removed and anticipates being listed on a stock exchange in Canada in fiscal year 2021. The Company currently does not have sufficient funds to cover costs related to the listing on a stock exchange. There is no assurance that the Company will be able to raise sufficient funds to finance its business of cultivating and processing hemp for the extraction of CBD for sale in the health and wellness market.

In March 2020, the World Health Organization declared a global pandemic known as COVID-19. The expected impacts on global commerce are expected to be far reaching. Material uncertainties may come into existence that could influence management's going concern assumption. The duration and impact of the COVID-19 outbreak is unknown at this time and it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company. The Company continues to closely evaluate the impact of COVID-19 on its operations.

2. BASIS OF PREPARATION

(a) Statement of Compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by International Accounting Standards Board ("IASB").

These financial statements were reviewed by the Audit Committee and approved and authorized for issuance by the Board of Directors on April 28, 2021.

(b) Presentation
These financial statements are prepared on an accrual basis and are based on historical costs except for certain financial instruments which are measured at fair value as explained in the accounting policies set out in Note 4b. The financial statements are presented in Canadian dollars unless otherwise noted. The functional currency of the Company is the Canadian dollar.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4a.

(c) Functional and presentation currency
The financial statements are presented in Canadian dollars which is the functional currency of the Company.

3. RECENT ACCOUNTING PRONOUNCEMENTS

New Accounting Standards

<u>Adoption of IFRS 16 Leases ("IFRS 16")</u>

Effective October 1, 2019, the Company adopted IFRS 16 which supersedes IAS 17 Leases ("IAS 17"). The Company has applied the new standard using the modified retrospective approach with no restatement of comparative periods. The cumulative effect of initial adoption of IFRS 16 is adjusted to accumulated deficit at the adoption date. The adoption of IFRS 16 does not have material impact on the Company's financial statements as the Company does not have long-term leases in place.

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning on or after October 1, 2019, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list above.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Significant Accounting Judgments, Estimates and Assumptions
The preparation of these financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Significant Accounting Judgments, Estimates and Assumptions (continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods. Actual results could differ from these estimates.

Significant judgements, estimates and assumptions that have the most significant effect on the amounts recognized in these financial statements include:

(i) Going concern
The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgement. Management continually monitors ongoing cash requirements to assess the Company's ability to meet these future funding requirements. Further information regarding going concern is outlined in Note 1.

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

(iii) The inputs used in accounting for share-based payments and warrants
Management uses valuation techniques in measuring the fair value of stock options and warrants granted. The fair value is often determined using the Black-Scholes option pricing model which requires management to make certain estimates, judgements, and assumptions in relation to the expected life of the share options, expected volatility, expected risk-free rate, and expected forfeiture rate. Changes to these assumptions could have a material impact on the Company's financial statements.

(iv) Impairment of investments in associate
The carrying amounts of the Company's investments in associate are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of the investments exceed the recoverable amount. The recoverable value of the investments is determined using discounted future cash flow models, which incorporate assumptions regarding future events, specifically future cash flows, growth rates and discount rates.

(b) Financial Instruments
(i) Classification and measurement
Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. The Company classifies its financial instruments in the following categories: at amortized cost, at fair value through other comprehensive income (loss) ("FVTOCI"), or at fair value through profit ("FVTPL").

Financial assets
The Company determines the classification of financial assets at initial recognition. The classification of financial instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial assets at amortized cost
Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortized cost using the effective interest rate method. The Company measures cash at amortized cost.

ii) Financial assets at FVTOCI
Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and sell financial assets, and the contractual terms of these financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings. The Company does not have any financial assets classified as FVTOCI.

iii) Financial assets at FVTPL
By default, all other financial assets are measured subsequently at FVTPL. The Company does not have financial assets at FVTPL.

<u>Financial liabilities</u>
All financial liabilities are initially recorded at fair value and classified as measured at amortized cost or FVTPL.

i) Amortized cost
Financial liabilities are subsequently measured at amortized cost using the effective interest rate method except for financial liabilities at FVTPL, financial guarantee contracts, loan commitments as below-market interest rate, and liabilities related to contingent consideration of an acquirer in a business combination. The Company's accounts payable, loans and promissory notes payable and due to related parties are measured at amortized cost.

ii) Financial liabilities at FVTPL
Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in the statements of comprehensive loss. The Company does not have any financial liabilities classified as FVTPL.

(ii) Impairment of financial assets
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

The Company recognizes loss allowances for expected credit losses ("ECLs") on its financial assets measured at amortized cost. Due to the nature of its financial assets, the Company measures loss allowances at an amount equal to expected lifetime ECLs. Lifetime ECLs are the anticipated ECLs that result from all possible default events over the expected life of a financial asset. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the related financial asset. The Company does not have any financial assets that contain a financing component.

(c) Investment in Associate
The Company has an investment in an associate. An associate is an entity over which the Company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies. The Company accounts for its investment in associate using the equity method of accounting. Investment in the associate accounted for using the equity method is initially recognized at cost. Subsequent to initial recognition, the carrying value of the Company's investment in an associate is adjusted for the Company's share of comprehensive income (loss) and distributions of the investee. The carrying value of the associate is assessed for impairment at each statement of financial position date.

(d) Joint Arrangements
A joint arrangement is classified as such when the arrangement provides joint control to the parties. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require unanimous consent of parties sharing control. The Company recognizes joint arrangements as either joint ventures or joint operations depending on the circumstances of each arrangement. The assets, liabilities and results of joint operations are included within the respective line items of the statements of financial position, statements of comprehensive loss, statements of changes in equity and statements of cash flows where an arrangement is classified as a joint operation. Arrangements classified as a joint venture are accounted for using the equity method of accounting. The Company's interest in an investee is initially recorded at cost and is subsequently adjusted for the Company's share of changes in the net assets of the investee, less any impairment in the value of individual investments, and any dividends paid. Currently, the Company has not classified any arrangements as a joint venture or a joint operation.

(f) Share Capital and Warrants
The Company records in shareholders' equity proceeds from share issuances net of issuance costs and any tax effects. Common shares issued for consideration other than cash are valued based on their fair value at the date the agreement to issue shares was concluded. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity.

The Company allocates the proceeds received upon issuance of equity units for cash, consisting of shares and warrants, using residual method with respect to the measurement of shares and warrants issued.

(g) Share-based Payments
From time to time, the Company grants options to purchase common shares to directors, officers, employees and non-employees. The Company accounts for share-based payments, including stock options, at their fair value on the grant date and recognizes the cost as a compensation expense over the period that the employees become entitled to the award. The fair value of the options on the grant date is determined using the Black-Scholes pricing model for stock option awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service conditions are expected to be met such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service conditions at the vesting date. A corresponding increase is recognized in shareholders' equity for these costs.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Loss per Share
Basic loss per share is calculated by dividing the loss available to common shareholders by the weighted average number of common shares issued and outstanding during the year. The Company uses the treasury stock method for calculating diluted loss per common share. Diluted and basic loss per share are the same because the effects of potential issuances of shares under options and warrants would be anti-dilutive.

(i) Foreign Currency
Transactions and balances in currencies other than the Canadian dollar, the currency of the primary economic environment in which the Company operates ("the functional currency"), are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange prevailing on the statement of financial position date are recognized in the statement of comprehensive loss.

5. OTHER ASSETS

On March 30, 2019, the Company entered into a binding Letter of Agreement (the "Cultivation Agreement") with 2683859 Ontario Ltd. ("2683859"), whereby the principals of 2683859 agreed to provide expertise to establish an EU GMP facility in Jamaica commencing by December 31, 2019, and to oversee the day-to-day activities in the facility for five years. The Company issued 10,000,000 common shares with a fair value of $200,000 to 2683859 in consideration for entering into the Cultivation Agreement.

The Company is amortizing the consideration over the term of the Cultivation Agreement. The carrying value of the consideration as of March 31, 2021 was $140,000 (2019: $200,000). During the period ended March 31, 2021 the Company recognized service expense of $10,000, which is included in share-based payments on the statements of comprehensive loss.

6. INVESTMENTS IN ASSOCIATE

On April 6, 2019, the Company entered into a Letter of Agreement (the "Property Agreements") with Dion Tetrault, the holder of 25% of Gillespie Farmers Delight Company Limited ("GFDCL"). Under the terms of the Property Agreement, the Company acquired a 25% interest in GFDCL by the issuance of 13,500,000 Units with a fair value of $425,427. Each Unit comprised one common share and one share purchase warrant exercisable for five years at a price of $0.10 per share.

On July 30, 2019, the Company entered into a Joint Venture Agreement with Errol A. Gillespie, who owns 52.5% of GFDCL, and Preferred Dental Technologies Inc. ("PDTI"), which owns 22.5% of GFDCL. By virtue of its purchase of the Dion Tetrault shares, the Company owns 25% of GFDCL. Under the terms of the Joint Venture Agreement, the Company is committed to provide up to US $3 million capital contribution to facilitate initial activities related to growing, cultivating, and processing craft hemp. During the period ended March 31, 2021, the Company paid $10,105 to GFDCL. A total of $260,762 USD has been advanced to GFDCL as of March 31, 2021.

The following table summarizes the financial information relating to GFDCL:

	Q2 2021	**Q2 2020**	**Q2 2019**
	JMD$	JMD$	JMD$
Net loss for the period	(143,054)	(46,363)	(5,843)
Current assets	**124,900**	156,124	3,078
Non-current assets	578,329	1,270,890	749,269
Total assets	540,857	1,380,651	752,347
Current liabilities	330,369	144,146	37,589
Non-current liabilities	608,798	1,367,922	614,740
Total liabilities	939,167	1,512,068	652,329
Net assets	(398,310)	(131,417)	100,018

7. LOANS AND PROMISSORY NOTES PAYABLE

On December 15, 2020, The Company received the expanded Canada Emergency Business Account (CEBA) loan for $20,000 for COVID-19 relief. Total CEBA loans received to date total $60,000. In Q2 2021, the company received loans of $6,623 CDN from a Related Party. The Company repaid the $10,000 promissory note and $3,485 owing to related parties

In fiscal 2020 the Company entered into various Promissory Note Agreements (the "Notes") with a counterparty totalling $312,201, including $278,760 (US$200,000) denominated in US dollars ("USD"). The foreign exchange impact on the notes denominated in USD totaled $11,980 during the period ended March 31, 2020. The Notes are due on demand and non-interest bearing. As consideration for providing the loan by the party, the Company issued 2,000,000 warrants. Each warrant is exercisable for five years at a price of $0.10 per warrant.

On September 2, 2020, the Company received a loan from the Canadian government's Canada Emergency Business Account ("CEBA") Program in the amount of $60,000. The CEBA is a government guaranteed loan of up to $60,000 that is interest-free until December 31, 2022. The loan is available to help businesses with operating costs during COVID-19. Twenty-five percent of the loan amount ($10,000) is eligible for forgiveness as long as the business pays back $30,000 on or before December 31, 2022. If the business cannot pay back the loan by December 31, 2022, it can be converted into a three-year term loan at an interest rate of 5%. The principal amount of $60,000 is recorded as a non-current loan payable as at March 31, 2021.

8. RELATED PARTY TRANSACTIONS

Unless otherwise noted, amounts due to related parties are non-interest bearing, unsecured and have no fixed terms of repayment. The following related party transactions were in the normal course of operation.

a) The Company defines key management personnel as officers and directors of the Company and/or entities controlled by them. During the period ended March 31, 2021 and 2020, the Company incurred following key management compensation charges:

	Q2 2021	**Q2 2020**
	($)	**($)**
Professional fees	72,607	52,500
Share-based payments	10,000	-
Total	82,607	52,500

8. RELATED PARTY TRANSACTIONS (continued)

During the period ended March 31, 2021, the Company was charged $15,000 in professional fees (2019: $15,000) by the President of the Company. As of March 31, 2020, $45,000 (2019: $30,000) remains outstanding.

During the period ended March 31, 2020, the Company was charged $15,000 in professional fees (2019: $15,000) by the Vice President & Chief Operation Officer of the Company. As of March 31, 2021, $60,000 (2019: $15,000) remains outstanding.

During the period ended December 31, 2020, the Company was charged $1,500 in professional fees (2019: $1,000) by the Chief Financial Officer of the Company for accounting services. As at March 31, 2021, $10,500 (2019: $1,000) remains outstanding.

9. SHARE CAPITAL

(a) Authorized
Unlimited number of common shares without par value.

(b) Issued
On September 16, 2019, the Company issued 1,000,000 common shares with a fair value of $20,000 as a finder's fee for the investments in associate (Note 6).

On September 16, 2019, the Company issued 2,000,000 Units with a fair value of $54,473 in connection with various debt settlement agreements entered into with arm's length creditors. Each Unit comprised one common share and one share purchase warrant exercisable for three years at a price of $0.10 per share. Total fair value of $40,000 was allocated to share capital and $14,473 to warrants based on their relative fair values. The fair value of the warrants was calculated using the Black-Scholes option pricing model assuming a share price of $0.02, an expected life of three years, a risk-free interest rate of 1.56%, an expected dividend rate of 0%, and an expected annual volatility of 109%. The debt had a carrying value of $40,000. On completion of the debt settlement, the Company recorded a loss on settlement of $14,473.

On September 16, 2019, the Company issued 664,330 common shares with a fair value of $13,287 in connection with various debt settlement agreements entered into with the Company's shareholders. The debt had a carrying value of $62,883. As the transaction involved creditors that were also shareholders of the Company acting in the capacity thereof, the resulting difference of $49,596 was recognized in the statements of changes in equity.

On September 23, 2019, the Company issued 1,850,000 Units with a fair value of $37,202 in connection with various debt settlement agreements entered into with arm's length creditors.

Each Unit comprised one common share and one share purchase warrant exercisable for one year at a price of $0.25 per share. Total fair value of $37,000 was allocated to share capital and $202 to warrants based on their relative fair values. The fair value of the warrants was calculated using the Black-Scholes option pricing model assuming a share price of $0.02, an expected life of one year, a risk-free interest rate of 1.70%, an expected dividend rate of 0%, and an expected annual volatility of 96%. The debt had a carrying value of $185,000. On completion of the debt settlement, the Company recorded a gain on settlement of $147,798.

On September 23, 2019, the Company issued 650,000 Units with a fair value of $13,000 in connection with a debt settlement agreement entered into with a shareholder of the Company. Each Unit comprised one common share and one share purchase warrant exercisable for one year at a price of $0.25 per share. The total fair value of the Units was allocated to share capital. The debt had a carrying value of $65,000. As the transaction involved a creditor that was also a shareholder of the Company acting in the capacity thereof, the resulting difference of $52,000 was recognized in the statements of changes in equity.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

On September 23, 2019, the Company issued 13,500,000 Units with a fair value of $425,427 for the investments in associate (Note 6). Each Unit comprised one common share and one share purchase warrant exercisable for five years at a price of $0.10 per share. Total fair value of $270,000 was allocated to share capital and $155,427 to warrants based on their relative fair values. The fair value of the warrants was calculated using the Black-Scholes option pricing model assuming a share price of $0.02, an expected life of five years, a risk-free interest rate of 1.40%, an expected dividend rate of 0%, and an expected annual volatility of 110%.

On September 23, 2019, the Company issued 10,000,000 common shares with a fair value of $200,000 for the Cultivation Agreements (Note 5).

On March 9, 2020, the Company was committed to issue 100,000 common shares in exchange for services at a fair value of $10,000. As at March 31, 2021, the shares were approved for issuance by the Board of Directors but are still pending issuance.

(c) Stock options

The Company has adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 20% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

A summary of the Company's outstanding stock options at March 31, 2021 and 2020, and the changes for the periods then ended is presented below:

	Number of options	Weighted average exercise price $
Outstanding, March 31, 2019	-	-
Granted	3,900,000	0.10
Outstanding, March 31, 2020	3,900,000	0.10
Granted	3,500,000	0.10
Outstanding, March 31, 2021	7,400,000	0.10

On December 16, 2019, the Company granted an aggregate of 3,500,000 incentive stock options under its stock option plan to certain officers, directors and consultants of the Company, subject to vesting provisions. The options are exercisable at a price of $0.10 for a period of 10 years from the date of grant.

During the three-month period ended March 31, 2021, the Company recognized share-based compensation of $10,000 (2020 - Nil). This compensation comes about by quarterly amortization of other Assets.

The Company uses the Black-Scholes option pricing model to estimate the fair value for all share-based compensation. The assumptions used in this pricing model and the resulting weighted average fair values per option are as follows:

Share price	$0.02
Risk-free interest rate	1.66%
Expected life	10 years
Expected volatility	145%
Expected dividend yield	0%
Expected forfeiture rate	0%

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

(c) Stock Options (continued)

Details of stock options outstanding and exercisable as of March 31, 2021 are as follows:

Expiry Date	Exercise Price	Weighted average remaining contractual life (years)	Outstanding	Exercisable
September 16, 2024	$0.10	3.46	3,900,000	3,900,000
December 16, 2029	$0.10	8.71	3,500,000	3,500,000
Total			7,400,000	7,400,000

(d) Warrants
A summary of the Company's outstanding warrants at March 31, 2021 and 2020, and the changes for the period ended is presented below:

	Number of warrants	Weighted average exercise price $
Outstanding, March 31, 2018	-	-
Granted	18,000,000	0.12
Outstanding, March 31, 2019	18,000,000	0.12
Granted	4,521,410	0.12
Outstanding, March 31, 2020	22,521,410	0.12
Granted	-	-
Outstanding, March 31, 2021	22,521,410	0.12

Details of warrants outstanding as at March 31, 2021 are as follows:

Expiry Date	Weighted average exercise price $	Weighted average remaining contractual life (years)	Outstanding
September 15, 2021	0.10	0.71	2,000,000
September 22, 2022	0.25	1.73	2,500,000
July 20, 2023	0.10	2.04	521,410
September 22, 2024	0.10	3.73	13,500,000
July 19, 2025	0.10	4.54	2,000,000
September 20, 2025	0.10	4.73	2,000,000
	0.12	3.37	22,521,410

(Expressed in Canadian Dollars)

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Fair Values and Classification of Financial Instruments

The Company's financial instruments consist of cash, bank indebtedness, accounts payable and due to related parties. Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial instruments	Category	March 31, 2021	March 31, 2020
Cash	Amortized cost	71,127	4,378
Accounts payable	Amortized cost	18,868	41,161
Due to related parties	Amortized cost	49,168	18,700
Loans and promissory notes payable	Amortized cost	266,780	10,100

The Company's financial instruments are categorized in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of cash and bank indebtedness is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The carrying values of cash, accounts payable and due to related parties approximate their fair values because of their nature and relatively short maturity dates or durations.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations.

Concentration of credit risk exists with respect to the Company's cash is placed with a major Canadian financial institution. The Company is not exposed to significant credit risk on its cash.

(c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. At March 31, 2021, the Company had $71,127 cash in the bank. The Company will require additional funds to meet the business requirements for the coming year. The Company is in the process of trying to find investors and trying to raise equity. All the Company's liabilities are due on demand.

d) Interest Rate Risk

The Company is nominally exposed to interest rate risk. The Company's bank account earns interest income at variable rates. The Company does not have any variable interest rate liabilities.

10. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

e) Foreign Currency Risk

Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar. The Company has not entered into any foreign currency contracts to mitigate risk, but manages the risk my minimizing the value of financial instruments denominated in foreign currency. The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in USD:

	March 31, 2021
Balance in USD:	
Cash	$ 53,734
Loans and promissory notes payable	(266,780)
Net exposure in US dollars	(213,046)
Balance in Canadian dollars:	$ (230,514)

Although the company deals in US dollars to a significant extent the impact of currency changes is minimal. All the loans and notes payable are interest free and consideration was provided by issuance of warrants. The impact of currency fluctuations would show up in exchange rate gain or loss which historically have been small and therefore considered immaterial (Note 7).

f) Commodity Price Risk

The Company is not exposed to price risk with respect to commodity prices.

11. CAPITAL MANAGEMENT

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's activities the growth of hemp and extraction of cannabinoid products. To effectively manage the Company's capital requirements, the Company needs to raise capital. The Company's primary source of funds comes from the issuance of capital stock. Although the Company has been successful at raising funds in the past through the issuance of common stock, it is uncertain whether it will continue this financing due to uncertain economic conditions. The Company does not usually use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations. The Company is not subject to any externally imposed capital requirements.

There have been no changes to the Company's approach to capital management during the period ended March 31, 2021.

12. SIGNIFICANT EVENTS DURING QUARTER 1 AND QUARTER 2

The Company repaid the $10,000 promissory note owing to a related party (Note 8).

GFDCL began work on fencing and security in accordance with the requirements outlined in the No Objection Letter from the Cannabis Licensing Authority of Jamaica. The fencing and surveillance system has been completed and GFD is working on establishing internet service for monitoring. GFD also began work on setting up a greenhouse.

GFDCL received seeds for planting Craft Hemp.

The company to date received loans of $315,944 CDN from a Related Party.

On December 15, 2020, The Company received the expanded Canada Emergency Business Account (CEBA) loan for $20,000 for COVID-19 relief. Total CEBA loans received total $60,000. The loans are interest-free, and if paid by December 31, 2022, up to $20,000 will be forgiven.

On January 7, 2021, the company received forgiveness for $7,000 in rent from Preferred Dental for their Shared Workspace Agreement. The amount owing to Preferred Dental for rent is now $0.

In Q2 2021, The Company advanced $9,194 USD to GFDCL. Under the terms of the Jamaican Joint Venture Agreement the Company is committed to advance up to $3 million to facilitate initial activities related to growing, cultivating, and processing craft hemp at the highest standards. These are in the form of loans and are to be repaid from future profit.

In Q2 GFDCL planted a test plot of craft hemp seeds to provide 'proof of yield'.

The Company completed their annual audit and filed their Audited Annual Financial Statement and MD&A on SEDAR.

On February 3rd, The Company was informed by their primary financial institution that their policy changed regarding clients who deal with Hemp and CBD's and as a result of their policy change, they are no longer able to provide banking services to The Company. The Company has applied for an account with another financial institute for daily banking.

The Company has set the date for the Annual General Meeting to be Thursday, May 13th.

The company received loans of $8,000 USD from a Related Party.

Year to date the Company advanced $260,038 USD to GFDCL. Under the terms of the Jamaican Joint Venture Agreement the Company is committed to advance up to $3 million to facilitate initial activities related to growing, cultivating, and processing craft hemp at the highest standards. These are in the form of loans and are to be repaid from future profits.

On March 9, 2021, the company engaged Entrepreneur Capital Corp to prepare a business plan and to raise operating funds. The Company paid US$8,000 and agreed to issue 33,333 shares worth US$10,000 for the completion of the business plan.

13. SUBSEQUENT EVENTS

The Company granted 190,000 warrants at $0.10 per warrant for a period of 3 years, expiring April 22, 2024 in consideration of a Related Party Loan totaling $19,000 CDN.

The Company issued 33,333 shares at $0.33 USD ($0.375) for debt of $10,000 USD ($12,500 CDN).

The Company entered into a Loan Agreement with a Related Party in the amount of $8,000 USD which was advanced in Q2. The loan has no term and bears interest at 0%. In consideration of the loan, the company agreed to issue 150,000 warrants at a price of $0.25 per share for a period of 5 years, expiring April 22, 2026.

The Company issued 100,000 common shares at a deemed price of $0.10 per share for a Finder's Fee which was approved in FYE 2019-2020.

The Company accepted a Private Placement of $5,000 for 20,000 Units at a price of $0.25 per unit. Each unit is composed of one common share of the Company and one Share purchase warrant to purchase one additional share at an exercise price of $0.50 per share for a period of 24 months, expiring April 13, 2023.