cannara

Quebec Grown
Premium Grade Cannabis

MANAGEMENT DISCUSSION & ANALYSIS

For the three-month period ended
November 30, 2021

January 20, 2022

CANNARA BIOTECH INC.

TSXV: LOVE.V OTCQB: LOVFF FRA: 8CB

This Management Discussion and Analysis ("MD&A") of Cannara Biotech Inc. ("Cannara" or the "Company") has been prepared by management as of January 20, 2022 and should be read in conjunction with the condensed interim consolidated financial statements and related notes thereto of the Company for the three-month period ended November 30, 2021 and 2020. The condensed interim consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Certain information and notes usually provided in the annual financial statements have been omitted or condensed. Therefore, this MD&A should also be read in conjunction with the information contained in the annual audited consolidated financial statements of the Company and the notes thereto for the year ended August 31, 2021.

All dollar amounts referred to in this MD&A are expressed in Canadian dollars unless indicated otherwise.

All references in this MD&A to "Q1 2022" and "first quarter of 2022" are to Cannara's fiscal quarter ended November 30, 2021. "Q1 2021" and "first quarter of 2021" are to Cannara's fiscal quarter ended November 30, 2020.

Additional information filed by us with the Canadian Securities Administrators, including quarterly reports, annual reports and other material contracts can be found on-line at www.sedar.com.

FORWARD-LOOKING STATEMENTS

This MD&A may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this MD&A and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation. Forward-looking statements relate to future events or future performance and reflect Company management's expectations or beliefs regarding future events and include, but are not limited to, the Company and its operations, its projections or estimates about its future business operations, its planned expansion activities, the adequacy of its financial resources, future economic performance and the Company's ability to become a leader in the field of cannabis cultivation, production and sales.

In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Such factors include, but are not limited to, the factors discussed in the section "Risk Factors" as well as those factors detailed from time to time in the Company's interim and annual financial statements and the related MD&A of those statements. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

NON-GAAP MEASURES

Management has included certain financial performance measures that are not recognized or defined under IFRS (“non-GAAP measures”). There are no standardized methods of calculating these non-GAAP measures, management’s methods may differ from those used by others, and accordingly, these measures may not be directly comparable to similarly titled measures used by others. Accordingly, these non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Management employs these measures internally to measure operating and financial performance. Management believes these non-IFRS financial measures, in addition to conventional measures prepared in accordance with IFRS, enable investors to evaluate the Company’s operating results, underlying performance and future prospects in a manner similar to management.

The Company has identified Adjusted Earnings (Loss) before Interest, Taxes, Depreciation and Amortization (“Adjusted EBITDA”) as a non-GAAP measure. Management defines Adjusted EBITDA as net income (loss) before net finance expense, tax, depreciation, amortization, impairment, share-based compensation, changes in fair value of inventory sold, unrealized gains and losses on changes in fair value of biological assets, gain on sublease on initial recognition and gains and losses on disposal of property, plant and equipment. The exclusion of net finance expense eliminates the impact on earnings derived from non-operational activities. The exclusion of depreciation, amortization, impairment, share-based compensation, changes in fair value of inventory sold, unrealized gains and losses on changes in fair value of biological assets, gain on sublease in initial recognition and gains and losses on disposal of property, plant and equipment eliminates the non-cash impact of these items.

Although Adjusted EBITDA is frequently used by securities analysts, lenders and others in their evaluation of companies, it has limitations as an analytical tool, and should not be considered in isolation, or as a substitute for analysis of the Company’s results as reported under IFRS. Adjusted EBITDA should not be considered either as discretionary cash available to invest in the growth of the business or as a measure of cash that will be available to meet the Company’s obligations. From time to time, the Company may exclude additional items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring.

COMPANY PROFILE

Cannara was incorporated under the laws of British Columbia on October 19, 2017 and is currently listed and publicly traded on the TSX Venture Exchange (“TSXV”) under the symbol “LOVE.V”, the OTCQB under the symbol “LOVFF” and the Frankfurt Stock Exchange under the symbol “8CB”. The Company’s headquarters are located in Montreal, Quebec.

Cannara Biotech Inc. is a vertically integrated producer of premium-grade cannabis and cannabis-derivative products for the Quebec and Canadian markets. The Company’s main focus is to deliver craft-quality “AAAA” products at disruptive retail pricing, continuous rotation of rare genetics, community responsiveness and transparency to collectively add to its value proposition. Leveraging the provinces low electricity costs, Cannara owns and operates two Quebec-based facilities spanning over 1,650,000 square feet. Cannara’s first purpose-built, modern indoor cultivation facility is located in Farnham, Quebec and measures 625,000 square feet, comprising 170,000 square feet of operational licensed cultivation area and 455,000 square feet of leased warehouse space ("Farnham Facility"). The second facility is a hybrid greenhouse facility that has been redesigned to replicate the indoor cultivation environment, including growing without utilizing the sun. The facility is comprised of 24 independent growing zones totaling 600,000 square feet, a 225,000 square feet cannabis 2.0 processing center and a 200,000 square feet rooftop greenhouse located in Valleyfield, Quebec (“Valleyfield Facility”). Cannara operates through its wholly owned subsidiaries, Cannara Biotech (Quebec) Inc. and Cannara Biotech (Valleyfield) Inc., both holding active licenses issued by Health Canada under the Cannabis Act.

Cannara is a leading producer of premium "AAAA" quality cannabis. Cannara is transforming the cannabis buying experience by offering consumers what they have been asking for- high quality at great value, rotating genetics, transparent harvest data, unique air-sealed packaging, attention to detail, and community responsiveness, all of which have had a compounded effect on product demand and market penetration.

COMPANY PROFILE (CONTINUED)

Cannara promises a different value proposition to consumers and stakeholders, one that can save consumers money when compared to premium products currently on shelves, while securing gross margins and a sustainable operation. The Cannara platform consists of 2 mega facilities in Quebec, a lean labor force, and a management team dedicated to product innovation, thought leadership, and maintaining a low cost-structure, all designed to allow for the highest quality products at some of the most disruptive prices in retail. Resulting from the Cannara model is a grassroot following in Quebec, Cannara's primary market, as well as daily inquiries for product distribution across all parts of Canada.

The Company officially launched its cannabis products into the retail market in February 2021 and completed its first fiscal year of cannabis retail operations on August 31, 2021. In its first fiscal year of cannabis retail operations, the Company generated approximately $14.0 million in revenues from its cannabis operations at a 43% gross margin before fair value adjustments. In Q1 2022, the Company generated approximately $5.7 million from its cannabis operations at a 39% gross margin before fair value adjustments which compares to $5.5 million from its cannabis operations at a 46% gross margin before fair value adjustments earned in the prior quarter. The Company acquired the Valleyfield Facility in June 2021 and received its license to begin cultivation in September 2021. During Q1 2022, the Company increased its staff, incurred start-up costs and adjusted its production capacity at the Farnham Facility to support the Valleyfield start-up plan, effectively reducing gross margin until products produced from the Valleyfield Facility are sold. As of January 20, 2022, 2 out of 24 zones measuring 25,000 square feet each are active and on schedule to be transformed to finished products during the Company's third fiscal quarter of 2022, with the Company having an objective of activating 6 zones by August 2022. As of November 30, 2021, Cannara's distribution network services 3 provinces (Quebec, Ontario, Saskatchewan) with an estimated 245 retailers reselling its products. The Company plans to expand its sales and distribution network on account of significant increased cannabis capacity from the Valleyfield Facility.

In the U.S. market, the Company, through ShopCBD.com Inc., operates an online e-commerce platform in the U.S. hemp-based CBD market by offering a curated selection of top tier products in a fast, secure and reliable transaction.

Additional information about Cannara may be found at www.cannara.ca and www.shopcbd.com.
Investor information may be found at www.investors.cannara.ca.

CANNARA FACILITIES

FACILITY	SIZE	CAPACITY	TYPE	ELECTRICITY	FACILITY HIGHLIGHTS
FARNHAM, QUEBEC	Licensed area: 170 000 sf Site: 625 000 sf Land: 1 430 000 sf	8,000 kg phase 1 capacity	Indoor	Power rate of approx. $0.065/kw	• Phase 1 completed in 2019 • State-of-the-art biomonitoring • 18 independent grow rooms • Automated cultivation systems
VALLEYFIELD, QUEBEC	Licensed area: 600 000 sf Roof top greenhouse: 200 000 sf Processing and cannabis 2.0 processing center: 235 000 sf Site: 1 030 000 sf Land: 3 130 000 sf	117,000 kg at full capacity *Cultivation activities started in November 2021, and will scale up alongside market penetration and profitability*	Hybrid Greenhouse	Preferential contracted power rate of approx. $0.035/kw	• Built in 2020 • Onsite Hydro Quebec substation • Fully outfitted and automated • 24 independent grow rooms • Blackout & shading systems • Tempered "smart" glass • Greenhouse converted to indoor facility to replicate Farnham Facility conditions

CANNARA BRAND PORTFOLIO

Our portfolio consists of three flagship brands with distinctive identity and purpose, each filling a white space in Canada's current cannabis market. All three brands offer handcrafted premium-grade cannabis, hang-dried, slow cured and trimmed perfectly to preserve the flower's natural properties. Our brand portfolio includes:

BRAND	STORY	PRODUCT MIX	MARKETS
TRIBAL	Tribal delivers uncompromised premium-grade cannabis to consumers who have a deep relationship with cannabis. From pheno-hunting rare genetics to unfolding each strain's lineage and flavor profiles, Tribal offers a continuous rotation of "AAAA" genetic strains at entry level pricing.	• Dried Flower • Pre-Rolls	Quebec Ontario Saskatchewan
Nugz	Nugz is a cult-worthy movement committed to abundance, quality and value. Nugz offers an exceptional product at disruptive retail prices specifically designed for long-time cannabis enthusiasts who have a sharp sense for quality but are looking for a price break that aligns with consuming habits.	• Dried Flower • Pre-Rolls • Hash	Quebec Ontario Saskatchewan
ORCHID CBD	Orchid CBD is a wellness brand dedicated to providing premium CBD-dominant cannabis. Orchid CBD offers award winning strains of terpene-rich, trichome covered, oversized dried flowers that deliver softer blissful experiences with no compromise on quality and flavours.	• Dried Flower • Pre-Rolls	Quebec Ontario Saskatchewan

CANNARA GENETIC PORTFOLIO

Cannara has established an extensive bank of genetics which includes some of the rarest strains available in Canada. By undergoing pheno-hunting selection methods, Cannara has the ability to further broaden the product mix for each one of its brands by providing users with dedicated cannabis experiences from carefully selected cultivars for years to come. Our current genetics in the retail market include:

GENETIC	LAUNCH DATE	THC – CBD	TYPE	AROMAS & FLAVORS
GELATO MINT Pheno #5	Feb 2021	THC 24% CBD 1%	Indica	Gelato Mint is best known for its overwhelming fresh flavors and aromas. As its name suggests, Gelato Mint smells like a fresh mint dessert with pepper and earthy pine undertones.
CRITICAL MASS CBD Pheno #1	Feb 2021	THC 4% CBD 8%	Indica	Critical Mass CBD's aromas are sweet and floral offering a soothing and relaxing sensation, however its unique bubblegum-like taste.
EARLY LEMON BERRY Pheno #92	Mar 2021	THC 24% CBD 1%	Sativa	Early Lemon Berry features overwhelming citrus flavors thanks to its higher percentage of limonene and myrcene terpenes. It smells like a mix of sweet grapefruit, lemons and berries.
CUBAN LINX Pheno #1	June 2021	THC 25% CBD 1%	Hybrid - Sativa	Cuban Linx packs a rich lemony aroma accentuated by hints of gassy diesel and a touch of spice.
DO-SI-DOS Pheno #2	June 2021	THC 26% CBD 1%	Hybrid - Indica	Do-Si-Dos delivers floral flavors followed by earthy and woody notes. The diversity and richness of this strain's profile will result in diverse fragrances and flavors.
CBD RUNTZ Pheno #7	June 2021	THC 8% CBD 16%	Hybrid - Sativa	CBD Runtz is an award-winning CBD strain that offers an abundance of terpenes, a fruity and sweet aroma that delivers a candy-like flavor. A rare combination for a 1:2 CBD flower.

MARKET INSIGHT

Cannara's market launch in February 2021 has demonstrated positive consumer response to its brand strategy, pricing strategy, product offering, and genetic mix across retail outlets in Quebec, Ontario, and Saskatchewan. The Company's "AAAA" quality cannabis and disruptive pricing have resulted in demand levels that have exceeded current capacity at the Farnham Facility. Additionally, Cannara's attention to detail, transparency, unique packaging, and community responsiveness have collectively added to its value proposition, which in turn have had a compounded effect on customer demand and market penetration and satisfaction.

Cannara's approach to the cannabis market has been driven by its pursuit for customer satisfaction and a commitment to delivering value to the market as a whole, from new entrants to experienced consumer segments. Over the course of the last nine months, the Company has exemplified thought leadership in bringing disruption and innovation to the Canadian cannabis market. Notable examples include:

Innovation in packaging	Cannara delivered best-in-class packaging for its 3.5g product lines, offering air-sealed tuna style cans preserving humidity and product integrity in an ecofriendly format.
Innovation in labeling	Cannara demonstrated innovation through transparency across all product labels by providing consumers with harvest dates, terpene percentages, and strain phenotypes for each lot.
Innovation in formats	Cannara introduced the first largest pre-roll "bulk" format in the Quebec market containing 14 x 0.6g pre-rolls per pack.
Innovation in genetics	Cannara's diligence in its phenotyping process allowed the Company to identify unique THC and CBD cultivars in order to fill whitespaces in the current market resulting in the release of its CBD Runtz product line in a segment previously neglected.
Continuous improvement	Cannara has taken early feedback from the community and has brought countless changes to its products and packaging methods within days of market feedback including the grind density of its pre-rolls, and the humidity levels of its product.

As a result, market response has opened new opportunities for the Company including the acquisition of Valleyfield Facility in the fourth quarter of 2021, one of Quebec's largest cannabis cultivation and manufacturing facilities. This asset is expected to allow the Company to increase its supply of cannabis products in order to grow market share in existing markets and to expand to new markets.

The Quebec market is showing signs of accelerated growth. For the fiscal year ended March 31, 2021, the provincial distributor of Quebec reported over $537 million in revenues, up from $311.6 million in fiscal 2020 and $240 million in 2019. Their retail footprint has expanded from 28 stores in fiscal year 2020 to 81 current locations as of the date of this release and has significant room for growth as Quebec has one store per 107,000 people, as compared to Ontario and British Colombia that have one store per 10,000 to 13,000 people. They plan to further increase their store count to 90 stores by the end of 2022. To date, the provincial distributor of Quebec has captured 53% of the illicit market, a trend which is expected to continue to rise as consumers migrate from the illicit trade to experience quality traceable products, competitive pricing, and an improved in-store buying experience. As a result, the Company expects to increase its revenue figures as the market continues to expand in Quebec.

The Ontario market is leading recreational cannabis sales nationally. For the fiscal year ended March 31, 2021, the Ontario Cannabis Store reported $840 million in total sales (average quarterly sales of $210 million). For the period ended June 30, 2021 and September 30, 2021, the Ontario Cannabis Store posted $307 million and $394 million in total sales. This achievement is primarily driven by the rapid growth of brick-and-mortar stores which reached 1,325 retail stores across the province as of January 2022. Increase product supply will enable the Company to penetrate further the Ontario market and gain market share.

In addition to further establishing its position in the Quebec and Ontario cannabis markets, Cannara is well positioned for national growth given its production capabilities, brand strategy, superior cannabis products and lower operating costs. Cannara has a significant cost advantage when compared to producers in other parts of the country as Quebec offers some of the lowest electricity and labor rates across Canada; the two largest cost inputs in cannabis cultivation. Growing demand and competitive production costs will enable Cannara and its brands to increase market share by focusing on offering premium-grade cannabis products at competitive prices to the market.

LOOKING AHEAD

Cannara is consistently monitoring growth opportunities that support its commitment to continue to report positive Adjusted EBITDA. The Company expects to allocate resources to existing and new activities over the course of the next fiscal year which include:

FY 2022 Activities

1. Increased Cannabis Supply
2. New Product Offering: Hash
3. New Genetics Releases
4. Butane Extraction Lab & Launch of Vape Cart Product Line
5. Increasing market Penetration in Quebec, Ontario, Saskatchewan and Expanding into New Territories
6. Continued positive Adjusted EBITDA

Increased Cannabis Supply

Cannara expects to activate at least 6 of its 25,000 square foot cultivation zones in its Valleyfield facility by August 2022 in order to increase supply of dried flower, pre-rolls, and hash products. To achieve this, 6 of the 24 independent zones will be modified to replicate indoor growing conditions to deliver on its commitment to deliver "AAAA" quality cannabis products. Remaining cultivation zones will be redesigned in lockstep with profitability and market penetration. As of January 20, 2022, the Company has activated 2 of its 24 independent zones, achieving 33% of its fiscal 2022 objective in the first quarter.

New Product Offering: Hash

Cannara launched a line of Hash products under its Nugz brand in early November 2021 to the Quebec market. Hash is expected to be a significant product revenue stream, in addition, it allows the Company to fully commercialize all parts of the cannabis plant other than its stems and fan leaves.

New Genetics Release

Cannara expects to deliver at least 2 new genetics to its brand portfolio by August 2022. To accomplish this, the Company continuously undergoes a rigorous pheno-hunting process which involves a hand selection process of selecting only a few winning plants out of hundreds of different cannabis plants. Genetic and pheno selection for market release will be based on cultivar-brand fit, potency of cannabinoids and terpenes, bud structure, yield, and anticipated market appeal.

Butane Extraction Lab & Launch of Live Resin Vape Cart Product Line

Cannara expects to introduce a line of live resin vape carts into market by August 2022. To accomplish this, the Company intends to construct a Butane extraction lab located in its Valleyfield site. Increased cannabis supply from the Valleyfield Facility will be used for the production of this new product line.

Increasing market Penetration in Quebec, Ontario, Saskatchewan and Expanding into New Provinces

Cannara's increase in cannabis supply with the Valleyfield Facility will allow the Company to expand its market share in Quebec, Ontario, Saskatchewan as well as to expand into new Provinces by August 2022. More specifically, the increase in available dried flower will permit the Company to shift from a just-in-time delivery model to a more optimal ready-for-sale supply chain model which will bring about multiple benefits to the delivery of finished goods. The Company expects to have a consistent product supply eliminating the current and frequent product shortages due to high demand for Cannara's products. Increased consistency of supply is expected to have a positive effect in market share in the markets the Company currently serves Quebec, Ontario, and Saskatchewan.

Continued Positive Adjusted EBITDA

Cannara expects to continue to report positive quarterly Adjusted EBITDA throughout FY 2022 resulting from the Company's focus on premium-grade cannabis products at disruptive retail pricing, its lean operational model, and its two mega facilities benefiting from Quebec's low electricity cost and competitive labor rates. Additionally, the development of a hash lab and butane hash oil ("BHO") extraction lab promises a "whole plant" capability making full use of all cannabis raw inputs. Furthermore, the Company's agility and commitment to profitability will drive the Company to pursuing the development of high demand SKUs that will generate healthy gross margins. During the three-month period ended November 30, 2021, the Company generated a positive Adjusted EBITDA of $1.2 million, marking its third consecutive quarter of positive Adjusted EBITDA.

Q1 2021 AND SUBSEQUENT EVENT HIGHLIGHTS

OPERATIONAL

September 2021 – License to sell cannabis derivate products and license to cultivate and process in the Valleyfield Facility

In September 2021, Cannara obtained from Health Canada the license necessary to be able to sell cannabis derivative products to retail in addition to receiving its processing and cultivation license at its recently acquired Valleyfield Facility.

October 2021 – Cannara continues its expansion to Ontario market

During the month of October 2021, Cannara started to deliver a selection of products to the Ontario market on a weekly basis and now has five SKUs listed at the Ontario Cannabis Store and more anticipated to come.

November 2021 – First 25,000 square foot zone with 9,600 plants propagated in Valleyfield and launch of hash products

In November 2021, the Company propagated its first zone with 9,600 plants which has been redesigned to replicate indoor growing conditions without utilizing the sun.

In addition, Cannara launched at the beginning of November its first two hash products in Quebec retails stores: Old School Hash and Ice Water Hash, under the Nugz brand.

January 2022 – Second 25,000 square foot zone with 9,600 plants propagated in Valleyfield

On January 12, 2022, the Company completed the propagation of its second zone with 9,600 plants and is reporting positive results from the current stage of growth of the 9,600 cannabis plants in the first zone. The Company expects to harvest the first zone during February 2022.

FINANCIAL TRANSACTIONS

November 2021 – Amended mortgage loan agreement on Farnham Facility

On November 30, 2021, the Company amended its existing credit agreement with CIBC, increasing its current installment loan from $5.4 million to $22 million, for which the proceeds were used to repay the existing mortgages payable and for capital expenditures required to redesign and render the Valleyfield Facility operational. The term of the loan is 3 years, renewable for additional 3-year terms at the option of the lender. If the loan is always renewed, the final term of the mortgage loan would be November 30, 2041. The loan is reimbursable monthly by 240 equal installments of $91,667 plus accrued interest. The loan bears an interest rate calculate on prime rate plus 2% or at banker acceptance rate + 3.5%. The loan is secured by a first ranking mortgage against the Farnham Facility.

Subsequent to quarter-end, the Company entered into an interest rate swap agreement with CIBC in order to provide the Company with fixed interest rate payments over the next five years reducing its exposure to expected volatility in interest rates. In addition, the Company was able to reduce its principal payments required on the $22 million mortgage increasing operating cash flows.

SELECTED FINANCIAL

Selected Financial Highlights	Three-month periods ended November 30, 2021	November 30, 2020
Gross revenue[1]	$ 6,327,335	$ 1,334,338
Other income	237,241	33,843
	6,564,576	1,368,181
Gross profit, before fair value adjustments	3,014,025	496,145
%[2]	46%	36%
Gross profit (loss)	2,620,042	(497,360)
%[3]	40%	-36%
Operating expenses	2,603,287	2,660,562
Net finance expense	547,254	337,111
Net income (loss)	$ (530,499)	$ (3,495,033)
%[4]	-8%	-255%
Adjusted EBITDA[5]	$ 1,176,425	$ (1,706,881)
%[5]	18%	-125%
Basic earnings (loss) per share	$ (0.01)	$ (0.01)
Diluted earnings (loss) per share	$ (0.01)	$ (0.01)

	November 30, 2021	August 31, 2021
Cash	$ 14,143,313	$ 8,159,305
Accounts receivable	3,609,827	2,847,725
Biological assets	1,654,558	1,902,206
Inventory	6,471,033	5,508,258
Working capital[6]	18,701,533	12,412,935
Total assets	102,140,575	92,022,613
Total current liabilities	8,100,090	6,833,798
Total non-current liabilities	30,518,676	21,073,003
Net assets	63,521,809	64,115,812

[1] Gross revenue included revenue from sale of goods, net of excise taxes and lease revenues.
[2] Gross profit before fair value adjustments % is determined as Gross profit before fair value adjustments divided by Total revenues.
[3] Gross profit (loss) % is determined as Gross profit (loss) divided by Total revenues.
[4] Net income (loss) % is determined as Net income (loss) divided by Total revenues.
[5] Adjusted EBITDA, Adjusted EBITDA % and working capital are non-GAAP financial performance measures.
A reconciliation of these measures is presented elsewhere in this MD&A.
Adjusted EBITDA % is determined as Adjusted EBITDA divided by total revenues.
[6] Working capital is determined as total current assets minus total current liabilities.

Adjusted EBITDA	Three-month periods ended November 30, 2021	November 30, 2020
Net loss	$ (530,499)	$ (3,495,033)
Adjustments:		
Changes in fair value of inventory sold	1,866,480	203,310
Unrealized gain on changes in fair value of biological assets	(1,472,497)	790,195
Amortization, including amortization in cost of good sold	794,664	352,897
Loss on disposal of fixed asset	24,662	-
Gain on sublease	(12,876)	-
Share-based compensation, including share-based compensation in cost of good sold	(40,762)	104,639
Net finance expense	547,254	337,111
Adjusted EBITDA[1]	$ 1,176,425	$ (1,706,881)

[1] Adjusted EBITDA is a non-GAAP financial performance measure.

For the first quarter of 2022, adjusted EBITDA amounted to $1.2 million, compared to $(1.7 million) in the same period of the prior year, an increase of $2.9 million or 170%. The net loss amounted to $0.5 million, compared to $3.5 million in the same period of the prior year, a decrease of $3 million or 14%. In the prior period, the Company had not yet received its sale license for the sale of cannabis in order to begin retail distribution with provincial distributors.

SELECTED SEGMENT RESULTS OF OPERATIONS

The Company operates in two segments: (1) Cannabis operations which encompasses the cultivation, processing and sale of premium-grade dried cannabis and cannabis derivatives for the Quebec and Canadian market and other related revenues ("Cannabis operations") and (2) Real estate operations related to the Farnham and Valleyfield Facility ("Real estate operations").

The chief operating decision-maker assesses performance based on segment operating results which were defined as segment operating income (loss) before share-based compensation, amortization, impairment, net finance expense, gain on sublease on initial recognition, loss on disposal of property, plant and equipment and income tax. Categorized as Other are items related to U.S. hemp-based CBD products revenues and related operating costs.

Selected Segment Financial Highlights	Three-month period ended November 30, 2021				Three-month period ended November 30, 2020			
	Cannabis operations	Real estate operations	Other	Total	Cannabis operations	Real estate operations	Other	Total
Gross revenue[1]	$ 5,415,981	$ 899,004	$ 12,350	$ 6,327,335	$ 679,125	$ 556,932	$ 98,281	$ 1,334,338
Other income	237,241	-	-	237,241	33,843	-	-	33,843
	5,653,222	899,004	12,350	6,564,576	712,968	556,932	98,281	1,368,181
Gross profit, before fair value adjustments	2,180,288	828,576	5,161	3,014,025	23,013	458,085	15,047	496,145
%[2]	39%	92%	42%	46%	3%	82%	15%	36%
Gross profit (loss)	1,786,305	828,576	5,161	2,620,042	(970,492)	458,085	15,047	(497,360)
%[3]	32%	92%	42%	40%	-136%	82%	15%	-36%
Operating expenses	2,368,704	-	25,020	2,393,724	2,036,321	-	246,031	2,282,352
Segment operating income (loss)	(582,399)	828,576	(19,859)	226,318	(3,006,813)	458,085	(230,984)	(2,779,712)
%[4]	-10%	92%	-161%	3%	-422%	82%	-235%	-203%
Net finance expense	-	-	547,254	547,254	-	-	337,111	337,111
Other	-	-	209,563	209,563	-	-	378,210	378,210

[1] Gross revenue included revenue from sale of goods, net of excise taxes and lease revenues.
[2] Gross profit before fair value adjustments % is determined as Gross profit before fair value adjustments divided by Total revenues.
[3] Gross profit (loss) % is determined as Gross profit (loss) divided by Total revenues.
[4] Segment operating income (loss) % is determined as Segment operaring income (loss) divided by Total revenues.

SELECTED SEGMENT RESULTS OF OPERATIONS *(continued)*

Cannabis operations

For the three-month period ended November 30, 2021, the segment generated $5.4 million in cannabis-related revenues, net of excise taxes, compared to $0.7 million for the same period of the prior year.

Revenues, net of excise taxes, from the retail market represented $5.1 million for the three-month period ended November 30, 2021, compared to nil for the same period of the prior year. The periods are not comparable as the Company had not yet received its sales licence in the prior period to be able to sale its products to provincial distributors. Highlights of the first quarter of 2022 are:

- Successful start-up of its Valleyfield Facility operation, with its first 25,000 square foot zone being planted with 9,600 plants in November 2021;
- Launch of 2 hash products in the Quebec market;
- Expansion to weekly reorders on several SKUs In the Ontario market; and
- Approximately 1,475 kg of cannabis or 344,500 units sold across 3 flagship brands during the first quarter of 2022, an increase of 14.5% in kg sold or 15.6% in number of units sold compared to fourth quarter of 2021.

Revenues from the wholesale market represented $0.3 million for the three-month period ended November 30, 2021 compared to $0.7 million for the same period of the prior year. The decrease is primarily attributable to the fact that the Company focused most of its sales to the retail market starting February 2021 as it has received all the necessary sale licenses. In the prior year, the Company utilized its wholesale distribution network as leverage to generate revenues while the Company was waiting to obtain the sale licenses.

For the three-month period ended November 30, 2021, the Company generated $237,000 as other income related to government incentives, various tax credits granted and other ancillary revenue compared to $34,000 for same period of the prior year.

For the three-month period ended November 30, 2021, the Company incurred $3.5 million in costs of goods sold, compared to $0.7 million for the same period of the prior year. The segment generated a gross profit before fair value adjustments of $2.2 million or 39% for the three-month period compared to $23,000 or 3% for the same period of the prior year.

Fair value adjustment on sale of inventory includes the fair value of biological assets included in the value of inventory transferred to cost of good sold. The change in fair value of inventory sold recognized during the first quarter of 2022 amounted to $1.9 million compared to $0.2 million for the same period of the prior year.

For the first quarter of 2022, the Company has recognized an unrealized gain on changes in fair value of biological assets of $1.5 million on the lots in the cultivation cycle that have not yet been harvested compared to a loss of $0.8 million for the same period of the prior year.

The segment generated $1.8 million in gross profit for the three-month period ended November 30, 2021 compared to a loss of $1 million in the same period of the prior year, representing a favorable increase of $2.8 million. The increase results primarily from gross profit generated from its retail and wholesale cannabis sales and unrealized gains in the fair value of biological assets as previously explained above.

For the three-month period ended November 30, 2021, the segment incurred $2.4 million in operating expenses compared to $2.0 million in the same period of the prior year resulting in an increase of $0.4 million or 20%.

SELECTED SEGMENT RESULTS OF OPERATIONS *(continued)*

Cannabis operations (continued)

For the first quarter of 2022, the increase in operating expenses is mainly attributable to:

- An increase of $0.5 million in general and administrative expenses, which is mainly attributable to the start-up cost incurred for the Valleyfield Facility;
- An increase of $0.2 million in selling and marketing, which is mainly due to the increase in selling costs related to the launch of the retail in 2021; offset by
- A decrease of $0.3 million in research and development due to the reduction of testing performed on different genetics. In the prior year, the Company performed additional research and development activities in anticipation of the launch of the first brands to the retail market. In 2021, it is a continuous investment in research and development with less waste and with the ability to monetize experiments as cannabis derivative products

Overall, the segment generated operating loss of $0.6 million for the first quarter of 2022, compared to $3.0 million in the same period of the prior year, representing a favorable decrease in operating loss of $2.4 million.

Real estate operations

As part of the Company's capital management strategy, the Company has leased out all currently unoccupied space in the Farnham facility. The Company leased 425,480 square feet of the total 625,000 available square feet currently to two tenants. The Company also leased out 80,000 square feet of its Valleyfield Facility to a third-party tenant until the end of September 2021.

For the three-month period ended November 30, 2021, the Company generated lease revenues of $0.9 million compared to $0.6 million in the same period of the prior year. This represents a favorable increase of $0.3 million or 50% due to the additional space lease out and a higher rate per square foot charge compared to same period of the prior year. To realize these lease revenues during the first quarter of 2022, the Company incurred $70,000 in lease operating costs compared to $99,000 in the same period of the prior year. The lease operating expenses incurred in the first quarter of 2022 are similar to the same period of the prior year.

For the three-month period ended November 30, 2021, the segment generated operating income of $0.8 million compared to $0.5 million for the same period of the prior year.

Other

For the three-month period ended November 30, 2021, the Company generated hemp-based CBD product revenues of $12,000 compared to $98,000 in the same period of the prior year and incurred $7,000 in costs of goods sold compared to $83,000 in the same period of the prior year, resulting in a gross profit of $5,000 compared to $15,000 for the same period of the prior year. In the first quarter of 2022, the segment incurred $25,000 in operating expenses compared to $246,000 in the same period of the prior year resulting in a decrease in operating expenses of $221,000. The Company limits its investment in the U.S. market since there has been no evolution in the regulation and operational uncertainties within the hemp-derived CBD industry in the U.S. For the first quarter of 2022, the segment generated an operating loss of $20,000 compared to $231,000 for the same period of the prior year.

For the three-month period ended November 30, 2021, the segment incurred $0.76 million in net finance and other expenses which are similar to the results of the same period of the prior year with $0.71 million.

For the first quarter of 2022, the results are mainly attributable to the following items:

- A decrease of $0.13 million in share-based compensation as the result of the impact of various forfeited options during 2022; offset by
- An increase of $ 0.2 million in finance expense as a result of the new financing closed in the fourth quarter of 2022 to support the expansion of the Company's cannabis activities.

QUARTERLY FINANCIAL POSITION AND RESULTS

The following table sets forth, for the quarter indicated, selected information relating to the Company's consolidated financial position as well as revenues, gross profit, net income (loss) attributable to Shareholders of the Company, related basic and diluted income (loss) per share attributable to Shareholders of the Company and adjusted EBITDA for the eight completed fiscal quarters to date:

	November 30, 2021	August 31, 2021	May 31, 2021	February 28, 2021	November 30, 2020	August 31, 2020	May 31, 2020	February 29, 2020
Current assets	$ 26,801,623	$ 19,246,733	$ 13,863,004	$ 10,524,748	$ 7,229,559	$ 10,529,856	$ 13,358,400	$ 15,743,534
Non-current assets	75,338,952	72,775,880	44,062,718	43,679,577	44,335,430	44,320,572	44,509,845	43,476,215
Total assets	102,140,575	92,022,613	57,925,722	54,204,325	51,564,989	54,850,428	57,868,245	59,219,749
Current liabilities	8,100,090	6,833,798	4,697,602	3,101,290	2,761,325	3,476,952	9,747,671	8,310,185
Non-current liabilities	30,518,676	21,073,003	16,732,890	16,868,088	13,774,253	13,008,615	6,519,482	7,075,879
Total liabilities	38,618,766	27,906,801	21,430,492	19,969,378	16,535,578	16,485,567	16,267,153	15,386,064
Net assets	$ 63,521,809	$ 64,115,812	$ 36,495,230	$ 34,234,947	$ 35,029,411	$ 38,364,861	$ 41,601,092	$ 43,833,685

	November 30, 2021	August 31, 2021	May 31, 2021	February 28, 2021	November 30, 2020	August 31, 2020	May 31, 2020	February 29, 2020
Total revenues	$ 6,564,576	$ 6,481,739	$ 7,159,331	$ 2,257,754	$ 1,368,181	$ 613,355	$ 763,906	$ 668,433
Gross profit before fair value adjustments	3,014,025	3,440,799	3,506,278	1,298,261	496,145	49,368	646,628	470,134
%[2]	46%	53%	49%	58%	36%	8%	85%	70%
Gross profit (loss)	2,620,042	4,526,126	4,419,124	2,095,208	(497,360)	(433,060)	715,741	470,134
Net income (loss) attributable to Shareholders of the Company	(530,499)	1,131,843	1,697,802	(862,756)	(3,495,032)	(3,859,502)	(2,374,841)	(3,529,035)
Basic and diluted income (loss) per share	$ (0.01)	$ 0.01	$ 0.01	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)	$ (0.01)
Adjusted EBITDA[1]	1,176,425	1,364,415	2,562,835	(716,750)	(1,706,881)	(1,426,734)	(2,215,049)	(2,718,689)
Cash from (used) in operating activities	113,460	1,394,724	1,508,662	(1,504,916)	(3,491,377)	(2,463,405)	(2,051,183)	(1,426,337)

[1] Adjusted EBITDA is a non-GAAP financial performance measures. A reconciliation of this amount for the applicable period is presented in the table below.
[2] Gross profit before fair value adjustments % is determined as Gross profit before fair value adjustments divided by Total revenues.

	Three-month periods ended							
Adjusted EBITDA	November 30, 2021	August 31, 2021	May 31, 2021	February 28, 2021	November 30, 2020	August 31, 2020	May 31, 2020	February 29, 2020
Net income (loss)	$ (530,499)	$ 1,131,843	$ 1,697,802	$ (862,756)	$ (3,495,033)	$ (3,909,180)	$ (2,507,103)	$ (3,737,072)
Adjustments:								
Changes in fair value of inventory sold	1,866,480	2,036,305	1,526,050	447,885	203,310	-	-	-
Unrealized (gain) loss on changes in fair value of biological assets	(1,472,497)	(3,121,632)	(2,438,896)	(1,244,832)	790,195	482,428	(69,113)	-
Amortization, including amortization in cost of good sold	794,664	807,266	1,117,260	385,393	352,897	1,053,956	113,654	725,074
Impairment	-	-	-	-	-	35,194	-	-
Loss on disposal of property, plant and equipment	24,662	12,136	-	54,224	-	13,791	-	-
Gain on sublease	(12,876)	(24,442)	-	-	-	-	(25,894)	-
Share-based compensation, including share-based compensation in cost of good sold	(40,762)	88,088	99,106	51,385	104,639	473,179	25,064	46,453
Net finance expense	547,254	434,851	561,513	451,951	337,111	423,898	248,343	246,856
Adjusted EBITDA	$ 1,176,425	$ 1,364,415	$ 2,562,835	$ (716,750)	$ (1,706,881)	$ (1,426,734)	$ (2,215,049)	$ (2,718,689)

CASH FLOW ANALYSIS

	Three-month periods ended	
	November 30, 2021	November 30, 2020
Cash from (used) in operating activities	$ 113,460	$ (3,703,216)
Cash from (used) in financing activities	9,509,326	621,394
Cash used in investing activities	(3,609,398)	(844,283)

Operating activities

For the first quarter of 2022, cash from (used in) operating activities was $0.1 million. With cannabis operations in full operations and related sales generated from the retail and wholesale market, the Company generated positive cash flows from operating activities since second half of 2021 while supporting the start-up costs of the Valleyfield Facility.

Financing activities

For the first quarter of 2022, cash from financing activities was $9.5 million which was mainly attributable to the proceeds received from the upsized mortgage loan agreement of $22 million, net of the reimbursement of the two other mortgage loans of $12 million and payment of transaction costs incurred totalling $98,000, reducing its overall debt servicing costs from 6.7% to 4.3% per annum. In addition, the Company made $270,000 in interest-related payments, $72,000 in lease-related payments and $50,000 in transaction costs-related payment for prior year financings.

CASH FLOW ANALYSIS *(continued)*

Investing activities

For the first quarter of 2022, cash used in investing activities was $3.6 million which was mainly attributable to the redesign and completion of the construction of the Valleyfield Facility, in addition to capital expenditures incurred increased the post-harvest processing capability at the Farnham Facility in order to process harvested cannabis from the Valleyfield Facility into finished products. Interest received relating to interest earned on cash balances held at a Canadian financial institution amounted to $5,000 for the three-month period. There is no restriction on the Company's ability to use its cash for its operational needs while it earns interest on the unused balance.

LIQUIDITY AND CAPITAL RESOURCES

As of the date of this MD&A, the operations were financed primarily through cash generated from the sales of cannabis products, funds raised in equity financings secured in previous quarters, debt raised against immoveable assets, government grants and recurrent lease revenues which continue to support the Company's cash flow. The Company's objectives when managing its liquidity, its capital resources and to meet its capital requirements is to generate sufficient cash to fund the Company's operations and working capital requirements.

The Company has a working capital of $18.7 million as at November 30, 2021 (August 31, 2021 - $12.4 million). The Company has been able to increase its working capital compared to prior year due to the liquidities generated through the sale of its cannabis products and the financing closed during the quarter.

As at November 30, 2021, the Company's working capital was composed of:

- cash on hand of $14.1 million (August 31, 2021 - $8.2 million); and
- accounts receivable, lease receivable, biological assets, inventory and prepaid expenses and other assets of $12.7 million (August 31, 2021 - $11.1 million); less
- accounts payable and accrued liabilities, sales tax payable, deferred lease revenue and deferred grant income of $6.8 million (August 31, 2021 - $6.3 million); and
- current portion of long-term debt, lease liabilities and mortgage payable of $1.3 million (August 31, 2021 - $0.5 million).

The Company may continue to have capital requirements in excess of its currently available resources. In the event the Company's plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, the Company may be required to seek additional financing.

Liquidity and capital resource measures

The Company expects that its existing cash resources of $14.1 million as at November 30, 2021, along with the forecasted cashflows that occurred subsequent to quarter-end, will enable it to fund its planned operating expenses for at least the next twelve months from November 30, 2021.

Financing

Type of loan	Interest Rate	Maturity	Balance as at November 30, 2021	Balance as at August 31, 2021
Secured mortgage loan (1)	4.45%	November 30, 2041 (2)	$ 22,000,000	$ -
Secured mortgage loan (2)	13%	-	-	6,550,000
Secured mortgage loan (2)	3.91%	-	-	5,750,000
Convertible debenture A	4%	June 21, 2024	5,700,000	-
Convertible debenture B	4%	July 12, 2024	5,000,000	-

(1) The term of the loan is 3 years, renewable for additional 3-year terms at the option of the lender. If the loan is always renewed, the final term of the mortgage loan would be November 30, 2041. In the event of default of the covenant, the secured mortgage loan can be repayable on demand. The financial covenant requires the Company to maintain a debt service ratio of not less than 1.25 to 1.0 at each year-end, relating to its Farnham Facility operations.

(2) As part of the upsized secured mortgage loan closed in November 2021, the Company used the proceeds to reimburse the two other secured mortgage loans totaling $12 million at the date of the reimbursement.

LIQUIDITY AND CAPITAL RESOURCES *(continued)*

Other contractual obligations

	Carrying amount	Less than one year	One to five years	Thereafter	Total contractual amount
Accounts payable and accrued liabilities	$ 6,256,122	$ 6,256,122	$ -	$ -	$ 6,256,122
Long-term debt (2)	5,432	3,546	2,068	-	5,614
Lease liabilities (2)	390,228	289,197	160,845	-	450,042
Mortgage payable (1)	21,901,628	1,100,000	5,500,000	15,400,000	22,000,000
Convertible debentures (2)	8,733,193	-	10,700,000	-	10,700,000

(1) The contractual obligations relating to the secured mortgage loan has been presented based on the contractual repayment term of equal installments over 20 years.

(2) The Company is committed to future minimum annual lease, convertible debentures payments and debt payments with respect to its office premises located in Ville St-Laurent, expiring May 31, 2023, a car lease and several items of production equipment. These figures are undiscounted future payments.

OFF-BALANCE SHEET ARRANGEMENTS

As at the date of this MD&A, the Company had no material off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company.

TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties include entities related by virtue of key management personnel and directors exercising significant influence or control over the entities' financial and operating policies.

Financing with a related party

For the first quarter of 2022, the Company recognized $0.3 million as interest expense on the mortgage and on the convertible debentures compared to $0.2 million in the same period of the prior year. As at November 30, 2021, accrued interest of $178,000 were included in accounts payable and accrued liabilities (as at August 31, 2021 - $72,000) and total convertible debentures amounted to $10.7 million (as at August 31, 2021 – mortgage payable amounted to $6.55 million and convertible debentures amounted to $10.7 million). The mortgage payable of $6.55 million along with accrued interest of $74,000 were reimbursed in November 2021 as part of the revised loan agreement with the Company's existing creditor.

Along with the Valleyfield Facility acquisition in June 2021, another related party funded certain deposit requirements by a provincial service provider of approximately $5.7 million by the issuance of a letter of credit.

Other

For the first quarter of 2022, the Company received a credit of $1,000 from a related party (2021 – incurred expenses of $8,000). These related parties are considered related to the Company as the shareholder of the related party is also a director on the Company's Board of Directors.

Key management personnel compensation

For the first quarter of 2022, salaries and benefits incurred for key management personnel amounted to $107,500 (2021 - $84,000); share-based compensation attributable to key management and directors was $26,500 (2021 - $16,000) and director fees were $17,500 (2021 - $11,250). As at November 30, 2021, the Company owed $25,000 (August 31, 2021 - $28,000) to key management personnel for accrued salaries and vacation expenses and $30,000 to directors (August 31, 2020 – $15,000).

Related party transactions have been recorded at the exchange amount, which is the amount agreed to and established by the related parties.

FINANCIAL INSTRUMENTS RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related to risks. The Board approves and monitors the risk management processes:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash balances, lease receivables from customers and deposits.

Cash balances in an asset position expose the Company to credit risk arising from the potential default by counterparties that carry the Company's cash balances or agree to deliver currencies. The Company attempts to mitigate this risk by dealing only with large financial institutions with good credit ratings. The financial institution providing the Company's credit facility meet these qualifications.

The carrying amount of the accounts receivable in the consolidated statement of financial position is presented net of an allowance for expected credit losses, estimated by the Company's management based, in part, on the age of the specific receivable balance and the current and expected collection trends. As at November 30, 2021, none of the receivables were past due. The allowance for expected credit loss was nil as at November 30, 2021. The Company's maximum credit exposure corresponds to the carrying amount of these financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due or can only do so at an excessive cost. The Company manages this risk by reviewing its capital requirements on an ongoing basis by maintaining cash flow forecasts and long-term operating and strategic plans.

As at November 30, 2021, the Company had current assets of $26.8 million and current liabilities of $8.1 million, for a working capital balance of $18.7 million. The Company expects that its existing cash as at November 30, 2021, along with the forecasted cashflows that occurred subsequent to quarter-end, will enable it to fund its planned operating expenses for at least the next 12 months.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company does not use derivative financial instruments to reduce its interest rate exposure as management does not believe the Company's exposure is significant.

Concentration risk

The Company has a significant concentration of its revenues generated from a customer that, if eliminated, would have a significant impact on the Company's operations.

CRITICAL ACCOUNTING ESTIMATES

Estimates and judgments are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The preparation of these consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates, judgments and assumptions. The carrying amounts of assets, liabilities, and other financial obligations, as well as the determination of fair values and reported income and expense in these consolidated financial statements, depend on the use of estimates and judgments. IFRS also requires management to exercise judgment in the process of choosing and applying the Company's accounting policies.

These estimates and judgments are based on the circumstances and estimates at the date of the consolidated financial statements and affect the reported amounts of income and expenses during the reporting period.

Given the uncertainty regarding the determination of these factors, 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 items impacted by such estimates and judgments are outlined below.

Disclosure of the Company's critical accounting estimates and assumptions is presented in note 3 of the audited consolidated financial statements for the year ended August 31, 2021.

SIGNIFICANT ACCOUNTING POLICIES

The financial information presented in this MD&A has been prepared in accordance with International Financial Reporting Standards. Our significant accounting policies are set out note 3 of the audited consolidated financial statements for the year ended August 31, 2021 and in note 2 of the condensed interim consolidated financial statements of the Company, as at and for the three-month periods ended November 30, 2021 and 2020.

SUMMARY OF OUTSTANDING SHARE DATA

Summary of Outstanding Share Data as of January 20, 2022:

Authorized:	Unlimited number of voting and participating common shares without par value.
Issued and outstanding:	876,481,321 common shares
	40,635,583 stock options
	59,444,444 contingently issuable common shares upon conversion of convertible debentures

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