GLOBAL FOOD AND INGREDIENTS INC.

Consolidated Financial Statements
Years Ended March 31, 2021 and 2020
(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Global Food and Ingredients Inc.

Opinion

We have audited the consolidated financial statements of Global Food and Ingredients Inc. (the Entity), which comprise:

- the consolidated statements of financial position as at March 31, 2021 and March 31, 2020
- the consolidated statements of profit and other comprehensive income for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as March 31, 2021 and March 31, 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in Management's Discussion and Analysis as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

May 30, 2022

GLOBAL FOOD AND INGREDIENTS INC.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at			March 31 2021		March 31 2020
Assets	Notes				
Current assets:					
Cash		**$**	**1,556,202**	$	941,399
Restricted cash			**42,313**		-
Trade and other receivables	5		**7,679,273**		3,338,508
Current tax assets			**-**		34,911
Inventories	6		**14,329,664**		3,208,174
Derivative financial instruments	13		**189,658**		-
Prepaid expenses and deposits			**1,039,605**		213,403
			24,836,715		7,736,395
Non-current assets:					
Property, plant and equipment	7		**18,466,483**		17,972,445
Right-of-use assets	8		**641,281**		677,888
Intangible asset	9		**-**		2,088,893
Total assets		**$**	**43,944,479**	$	28,475,621
Liabilities					
Current liabilities:					
Bank indebtedness	11	**$**	**6,226,036**	$	1,157,390
Trade payables and accrued liabilities	10		**9,199,583**		2,200,282
Current tax liabilities			**195,481**		-
Derivative financial instruments	13		**-**		13,475
Demand loan	11		**500,000**		-
Current portion of long-term debt	12		**826,693**		333,333
Current portion of lease obligations	8		**151,220**		116,099
			17,099,013		3,820,579
Non-current liabilities:					
Long-term debt	12		**12,673,182**		11,460,364
Other loan payable	20		**80,000**		-
Convertible notes	21		**-**		4,117,978
Lease obligations	8		**495,617**		543,493
Preferred shares	15		**350,000**		-
Vendor take-back note	14		**-**		1,709,118
Deferred tax liabilities, net	25		**1,097,250**		1,726,134
Total liabilities			**31,795,062**		23,377,666
Equity					
Equity attributable to shareholders of the Company:					
Share capital	15		**4,657**		2,277
Foreign currency translation reserve			**(4,419)**		-
Retained earnings			**2,808,535**		4,002,901
			2,808,773		4,005,178
Non-controlling interests:					
Non-controlling interests	16		**9,340,644**		1,092,777
Total equity			**12,149,417**		5,097,955
Total equity and liabilities		**$**	**43,944,479**	$	28,475,621

Subsequent events (Notes 2, 11 and 26)

Approved on behalf of the board

GLOBAL FOOD AND INGREDIENTS INC.
Consolidated Statements of Profit and Other Comprehensive Income
(Expressed in Canadian Dollars)

For the year ended	Notes		March 31 2021		March 31 2020
Revenue	17	**$**	**61,566,535**	$	14,565,755
Cost of sales	6 & 7		**58,698,431**		12,746,154
Gross profit			**2,868,104**		1,819,601
Expenses:					
General and administration	18 & 20		**3,878,466**		1,645,218
Depreciation of property, plant and equipment	7		**157,701**		53,050
Amortization right-of-use assets	8		**143,780**		67,425
Amortization of intangible asset	9		**411,996**		187,928
Total expenses			**4,591,943**		1,953,621
Loss before the undernoted			**(1,723,839)**		(134,020)
Other expenses (income):					
Gain on bargain purchase	4		**-**		(4,903,542)
Finance costs, net	19		**1,154,000**		649,851
Impairment of intangible asset	9		**1,676,897**		-
Net insurance proceeds	9		**(3,797,839)**		-
Other income	20		**(40,000)**		-
Gain on retirement of vendor take-back note	14		**(1,325,046)**		-
Unrealized loss (gain) on derivative financial instruments			**(189,658)**		13,475
Realized foreign exchange loss (gain)			**(1,254,044)**		29,053
Unrealized foreign exchange loss (gain)			**49,745**		(22,387)
Acquisition costs	4		**-**		330,749
Profit before income tax			**2,002,106**		3,768,781
Income tax expense (recovery)	25		**846,545**		(261,596)
Profit for the period		**$**	**1,155,561**	$	4,030,377
Other comprehensive income (loss) for the period, net of taxes:					
Items that may be subsequently reclassified to profit or loss:					
Foreign operations - foreign currency translation difference			**(4,419)**		-
Total comprehensive income for the period		**$**	**1,151,142**	$	4,030,377
Profit (loss) for the period attributable to:					
Non-controlling interests			**(1,397,583)**		-
Shareholders of the Company			**2,553,144**		4,030,377
Profit for the period		**$**	**1,155,561**	$	4,030,377
Total comprehensive income (loss) for the period attributable to:					
Non-controlling interests			**(1,397,583)**		-
Shareholders of the Company			**2,548,725**		4,030,377
Total comprehensive income for the period		**$**	**1,151,142**	$	4,030,377
Net profit per share					
Basic and diluted		**$**	**0.31**	$	0.82
Weighted average number of common shares outstanding					
Basic and diluted	15		**8,209,466**		4,932,808

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

GLOBAL FOOD AND INGREDIENTS INC.
Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

		Share capital	Foreign currency translation reserve	Retained earnings	Equity attributable to shareholders of the Company	Non-controlling interests	Total equity
As of March 31, 2019		$ 2	$ -	$ 122,524	**$ 122,526**	$ -	**$ 122,526**
Issuance of common shares	15	2,275	-	-	**2,275**	-	**2,275**
Profit for the period		-	-	4,030,377	**4,030,377**	-	**4,030,377**
Deferred taxes	25	-	-	-	**-**	(364,262)	**(364,262)**
Issuance of convertible notes	21	-	-	-	**-**	1,457,039	**1,457,039**
Dividend paid on common shares	15	-	-	(150,000)	**(150,000)**	-	**(150,000)**
As of March 31, 2020		2,277	-	4,002,901	**4,005,178**	1,092,777	**5,097,955**
Issuance of common shares	15	2,380	-	-	**2,380**	-	**2,380**
Profit for the period		-	-	2,553,144	**2,553,144**	(1,397,583)	**1,155,561**
Other comprehensive loss for the period		-	(4,419)	-	**(4,419)**	-	**(4,419)**
Deferred taxes	25	-	-	-	**-**	1,279,962	**1,279,962**
Issuance of limited partnership units	16	-	-	(3,747,510)	**(3,747,510)**	8,365,488	**4,617,978**
As of March 31, 2021		**$ 4,657**	**$ (4,419)**	**$ 2,808,535**	**$ 2,808,773**	**$ 9,340,644**	**$ 12,149,417**

GLOBAL FOOD AND INGREDIENTS INC.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

For the year ended	Notes		March 31 2021		March 31 2020
Operating activities					
Profit for the period		**$**	**1,155,561**	$	4,030,377
Items not involving cash:					
Depreciation of property, plant and equipment	7		**630,548**		210,945
Amortization of the right-of-use assets	8		**143,780**		67,425
Amortization of intangible asset	9		**411,996**		187,928
Amortization of deferred financing fees	12		**45,511**		18,755
Gain on retirement of vendor take-back note	14		**(1,325,046)**		-
Impairment of intangible asset	9		**1,676,897**		-
Gain on bargain purchase	4		**-**		(4,903,542)
Change in unrealized loss (gain) on derivative financial instruments			**(203,133)**		13,475
Finance costs, net	19		**1,154,000**		649,851
Forgiveness of other loans payable	20		**(40,000)**		-
Income tax expense (recovery)	25		**846,545**		(261,596)
			4,496,659		13,618
Changes in non-cash operating working capital:					
Trade and other receivables			**(4,328,389)**		(1,466,946)
Restricted cash			**(42,313)**		-
Inventories			**(11,113,917)**		(3,208,174)
Prepaid expenses and deposits			**(825,974)**		(268,601)
Trade payables and accrued liabilities			**7,172,628**		336,217
Income tax recovered (paid)			**34,925**		(34,911)
Cash used in operating activities			**(4,606,381)**		(4,628,797)
Investing activities					
Purchase of property, plant and equipment	7		**(1,124,586)**		(310,523)
Cash paid for business acquisition	4		**-**		(12,009,037)
Cash used in investing activities			**(1,124,586)**		(12,319,560)
Financing activities					
Increase in bank indebtedness	11		**5,068,646**		1,157,390
Repayment of shareholder loans			**-**		(1,000,000)
Proceeds from demand loan	11		**500,000**		-
Proceeds from long-term debt	12		**2,000,000**		12,000,000
Financing costs paid related to long-term debt			**(6,000)**		(225,058)
Repayment of principal on long-term debt			**(333,333)**		-
Proceeds from other loan payable	20		**120,000**		-
Repayment of principal on lease obligations			**(159,636)**		(24,206)
Interest paid, net			**(1,089,923)**		(241,726)
Net payments on retirement of vendor take-back note	14		**(585,798)**		-
Proceeds from issuance of limited partnership units	16		**500,000**		-
Proceeds from issuance of convertible notes	21		**-**		5,500,000
Proceeds from issuance of preferred shares	15		**350,000**		-
Proceeds from issuance of common shares	15		**2,380**		2,275
Dividends paid on common shares			**-**		(150,000)
Cash provided by financing activities			**6,366,336**		17,018,675
Net increase in cash			**635,369**		70,318
Effect of movements in exchange rates on cash held			**(20,566)**		-
Cash, beginning of the period			**941,399**		871,081
Cash, end of the period		**$**	**1,556,202**	$	941,399

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

1. NATURE OF OPERATIONS

Global Food and Ingredients Inc. (the "Company") is a private company incorporated under the Canadian Business Corporations Act (Ontario, Canada) on April 19, 2018. The Company is engaged in the purchasing, processing, exporting and distribution of agricultural commodities and ingredients. The registered office of the Company is located at 43 Colborne Street, Suite 400, Toronto, Ontario, M5E 1E3.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

These consolidated financial statements for the years ended March 31, 2021 and 2020 have been prepared in accordance with International Financial Reporting Standards ("IFRS") in effect as of March 31, 2021.

These consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company (the "Board of Directors") on May 30, 2022.

2.2 Basis of presentation and measurement

These consolidated financial statements have been prepared on the going concern basis under the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the summary of significant accounting policies set out in Note 3.

The consolidated financial statements are presented in Canadian dollars which is also the Company's functional currency. Each entity within the consolidated financial statements determines its own functional currency and items included in the consolidated financial statements of each entity are remeasured using the functional currency.

2.3 Basis of consolidation

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, and entities over which the Company has control as defined in IFRS 10 *Consolidated Financial Statements*, all of which also have a March 31 year end, with the exception of GFI LP and 11567403 Canada Inc., which have a December 31 year end. The consolidated financial statements are prepared for all entities as at March 31. Entities over which the Company has control are presented on a consolidated basis from the date control commences. Control, as defined in IFRS 10 for purposes of determining the consolidated basis of financial statement presentation exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power and rights in respect of the entity. All of the consolidated entities were under control, as defined in IFRS 10 for purposes of determining the consolidated basis of financial statement presentation, during the entirety of the periods for which their respective results of operations were included in the consolidated statements. All intercompany balances and transactions are eliminated on consolidation.

In 2021 limited partnership units in GFI LP were issued to certain non-controlling interests during the year which resulted in a decrease in the Company's limited partnership interest in GFI LP from 100.00% to 45.45%. The Company has determined that it continues to control GFI LP as, in addition to the 45.45% limited partnership interest in GFI LP, the Company also owns and controls 100.00% of 11567403 Canada Inc., the General Partner of GFI LP, and under the Limited Partnership Agreement of GFI LP dated August 15, 2019, the General Partner has absolute and complete control and power over GFI LP. Subsequent to year-end, GFI acquired 100% of the limited partnership units of GFI LP (refer to Note 26).

The Company's consolidated subsidiaries are listed below, and are owned or controlled 100% by the Company unless otherwise noted:

Entity	Year-end	Functional Currency Dollars	Country of Incorporation
11567403 Canada Inc.	December 31	Canadian	Canada
GFI LP	December 31	Canadian	Canada
North Lily Foods Inc.	March 31	United States	United States
Global Foods and Ingredients USA Inc.	March 31	United States	United States

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue

IFRS 15 *Revenue from Contracts with Customers* specifies how and when revenue should be recognized based on a five-step model, which is applied to all contracts with customers. The pattern and timing of revenue recognition is consistent with prior year practice. The Company's accounting policy for revenue recognition under IFRS 15 is to follow a five-step model to determine the amount and timing of revenue to be recognized:

- identifying the contract with a customer;
- identifying the performance obligation(s) within the contract;
- determining the transaction price;
- allocating the transaction price to the performance obligation(s); and
- recognizing revenue when/as performance obligation(s) are satisfied.

In some cases, judgment is required in determining whether the customer is a business or the end consumer. This evaluation is made on the basis of whether the business obtains control of the product before transferring to the end consumer. Control of the product transfers at a point in time upon shipment to the customer. In determining the appropriate time of sale, the Company takes into consideration a) the Company's right to payment for the goods or services; b) customer's legal title; c) transfer of physical possession of the goods; and d) timing of acceptance of goods.

Revenue is recognized based on the sale of commodities for a fixed price when control is transferred. The amount recognized reflects the consideration that the Company expects to receive taking into account any variation that is expected to result from rights of return. Revenue is recognized at the time the commodities are shipped or delivered to the buyer which depending on the terms of the sale reflect when the Company transfers the significant risks and rewards of ownership. Once the Company transfers the significant risks and rewards of ownership of the goods and does not retain material involvement associated with ownership or control over the goods sold. No significant payment terms or warranties and other related obligation exist within the Company's contract with their customers. As a practical expedient the Company will not be disclosing the transaction price to outstanding performance obligations as all contracts have a length of less than one year.

3.2 Cash

The Company considers all investments with original maturities of three months or less, that are highly liquid and readily convertible into cash, to be cash equivalents. Restricted cash reflects any cash balance held within a financial institution that is required as part of margining against future and forward contracts.

3.3 Inventories

Inventories are measured at the lower of cost determined on a weighted-average basis, and net realizable value. Cost includes all costs of conversions, including materials, processing fees and freight-in. Net realizable value refers to the amount the Company expects to realize from the sale of the inventories in the ordinary course of business less direct costs to sell. A provision for shrinkage is calculated based on historical experience and is periodically reviewed by management for adequacy.

3.4 Property, plant and equipment ("PPE")

PPE is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write off the cost of PPE, less their estimated residual value, using the straight-line method over the following expected useful lives:

- Buildings – 10 to 35 years
- Leasehold improvements – the shorter of the useful life or life of the lease
- Furniture and fixtures – 5 years
- Office equipment – 1 to 4 years
- Plant and equipment – 20 to 35 years
- Automotive – 4 years

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment ("PPE") (continued)

An item of PPE is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of profit and other comprehensive income.

Assets under construction are transferred to the appropriate asset class when available for use and depreciation of the assets commences at that point of time.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for PPE and any changes arising from the assessment are applied by the Company prospectively.

Where an item of PPE comprises major components with different useful lives, the components are accounted for as separate items of PPE. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

3.5 Leases

The Company assesses whether a contract is or contains a lease, at inception of a contract. Leases are recognized as a right-of-use asset and corresponding liability at the commencement date. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. The finance cost is recognized in finance costs in the statement of profit and other comprehensive income over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), variable lease payments that are based on an index or a rate or subject to a fair market value renewal, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option. The Company allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate stand-alone price of the non-lease components. The lease liability is net of lease incentives receivable. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the lessee's incremental borrowing rate. The period over which the lease payments are discounted is the reasonably certain lease term, including renewal options that the Company is reasonably certain to exercise. Renewal options are included in a number of leases across the Company.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis in the statement of profit and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Variable lease payments that do not depend on an index or a rate or are not subject to a fair market value renewal are expensed as incurred and recognized in statement of profit and other comprehensive income.

Right-of-use assets are measured at cost which is calculated as the amount of the initial measurement of lease liability plus any lease payments made at or before the commencement date, any initial direct costs and related restoration costs. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The lease liability is subsequently measured at amortized cost using the effective interest rate method, where the carrying amount will be increased to reflect the interest on the lease liability and reduced by any lease payments made. The interest will be reflected in the finance costs on the statement of profit and other comprehensive income. In the event of a reassessment of the lease liability, the amount of the remeasurement of the lease liability will be recorded as an adjustment to the right-of-use asset. In doing so, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement, the amount will be recorded in the statement of profit and other comprehensive income.

3.6 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Derivatives

The Company evaluates all of its agreements to determine if such instruments have derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as an asset or a liability, the derivative instrument is initially recorded at its fair value and is then revalued at each reporting date, with changes in the fair value reported in the Company's statement of profit and other comprehensive income. In calculating the fair value of derivative instruments, the Company uses a valuation model when level 1 inputs are not available to estimate fair value at each reporting date. Derivative instruments are classified as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the financial statement date.

3.8 Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities, including derivatives, are recognized when the Company becomes a party to the contractual provisions of a financial instrument or non-financial derivative contract. All financial instruments are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities, other than financial assets and financial liabilities classified as FVTPL (as defined below), are added to or deducted from the fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in the statement of profit and other comprehensive income.

Classification and subsequent measurement

The Company classifies financial assets, at the time of initial recognition, according to the Company's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets are classified in the following measurement categories:

a) amortized cost ("AC");
b) fair value through profit or loss ("FVTPL"); and
c) fair value through other comprehensive income ("FVTOCI").

Financial assets are subsequently measured at amortized cost if both the following conditions are met and they are not designated as FVTPL: a) the financial asset is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest rate method, less any impairment, with gains and losses recognized in the statement of profit and other comprehensive income in the period that the asset is derecognized or impaired.

All financial assets not classified at amortized cost as described above are measured at FVTPL or FVTOCI depending on the business model and cash flow characteristics. The Company has no financial assets measured at FVTOCI.

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method with gains and losses recognized in the statement of profit and other comprehensive income in the period that the liability is derecognized, except for financial liabilities classified as FVTPL.

Impairment of financial instruments – Expected credit losses ("ECL")

For all financial assets recorded at amortized cost, the Company applies the simplified approach to provide expected credit losses prescribed by IFRS 9 *Financial Instruments*, which requires the use of the lifetime expected loss provision for all accounts receivable based on the Company's historical default rates over the expected life of the accounts receivable and is adjusted for forward-looking estimates. The methodologies and assumptions, including, but not limited to, any forecasts of future economic conditions, credit ratings, and macro-economic factors, are reviewed regularly.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Financial instruments (continued)

All individually significant loans receivable is assessed for impairment. All individually significant loans receivable found not to be specifically impaired are then collectively assessed for impairment. Loans receivables not individually significant are collectively assessed for impairment by grouping together loans receivable with similar risk characteristics.

ECL are calculated as the product of the probability of default, exposure at default and loss given default over the remaining expected life of the receivables. The Company recorded an ECL of 2.14% of the uninsured portion of accounts receivable for the years ended March 31, 2021 and March 31, 2020.

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in the statement of profit and other comprehensive income.

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of profit and other comprehensive income.

3.9 Foreign currency transactions

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian Dollars at the foreign exchange rate applicable at each reporting period. Foreign exchange gains and losses resulting from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and other comprehensive income.

At the end of the reporting period the Company's operations denominated in currencies other than the Canadian dollar are reported as follow:

a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the consolidated statement of financial position;
b) income and expenses for each statement of profit and comprehensive income statement of cash flows for the years presented are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
c) components of equity are translated at the exchange rates at the dates of the relevant transactions or at average exchange rates where this is a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, and are not re-translated; and
d) all resulting exchange differences are recognized in other comprehensive income (loss).

3.10 Taxation

The current income tax expense is based on taxable income for the period. Income tax payable is based on the income tax expense from the current and prior periods that has not been remitted. Taxable income differs from "net profit before income tax" as reported in the statement of profit and other comprehensive income because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible.

Current income tax represents the expected income taxes recoverable (or payable) on taxable income for the period using income tax rates enacted or substantively enacted at the end of the reporting period and factors in any adjustments arising from prior years.

Deferred taxes are accounted for using the liability method. Under this method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates in effect for the period in which those differences are expected to be recovered or settled.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Taxation (continued)

The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the statement of profit and other comprehensive income in the year that includes the substantive enactment date. A deferred tax asset is recognized initially when it is probable that future taxable income will be sufficient to use the related tax benefits and may be subsequently reduced, if necessary, to the extent that it is no longer probable that future taxable profits will be available. A deferred tax expense or benefit is recognized in accumulated other comprehensive (loss) income or otherwise directly in equity to the extent that it relates to items that are recognized in accumulated other comprehensive (loss) income or directly in equity in the same or a different period.

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

IFRIC Interpretation 23, *Uncertainty over Income Tax Treatments*, provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Company adopted the new guidance on April 1, 2019. No uncertain tax positions were identified for the fiscal year ended March 31, 2021 or 2020.

3.11 Government assistance

Government grants are recognized when there is reasonable assurance that the grant will be received, and all attaching conditions will be complied with. If the conditions are attached to the grant which must be satisfied before the Company is eligible to receive the contribution, the recognition of the grant revenue is deferred until those conditions are satisfied. Grants are recorded on a net basis.

3.12 Business combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The Company measures goodwill as the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair value of the assets transferred (including cash), the liabilities incurred by the Company on behalf of the acquiree. Transaction costs, other than those associated with the issuance of debt or equity securities that the Company incurs in connection with a business combination, are expensed as incurred.

Acquisitions in which the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount of the identifiable assets and liabilities assumed exceeds the fair value of the consideration transferred, the excess amount will be recognized as a gain on bargain purchase in the statement of profit and other comprehensive income on the acquisition date.

The acquisition date is the date when the Company obtains control of the acquiree.

3.13 Impairment of non-financial assets

At each financial reporting date, the Company reviews the carrying amounts of its tangible assets to determine whether there is an indication that those assets have suffered an impairment loss. At the financial reporting date, the carrying value of goodwill and indefinite life intangible assets are tested for impairment.

If any such indication exists, or at the financial reporting date when impairment testing for tangible assets and goodwill and indefinite life intangible assets is required, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the assets belong.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Impairment of non-financial assets (continued)

The recoverable amount is the higher of fair value less the costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal ("FVLCD"), recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies, discounted cash flows, or other available fair value indicators.

If the recoverable amount of an asset (or CGU) is estimated to be less than it's carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized at that time.

Where an impairment loss subsequently reverses, the carrying amount of the asset (CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

3.14 Intangible assets

Intangible assets are recorded at cost, less accumulated amortization and impairment losses, unless acquired through a business combination in which case it would be recorded at fair market value. Amortization is recorded on a straight-line basis over their estimated useful lives, which do not exceed the contractual period, if any. The estimated useful lives, residual values, and amortization methods are reviewed at each year-end, and any changes in estimates are accounted for prospectively.

3.15 Earnings per share ("EPS")

The Company presents basic and diluted EPS data for its shares. Basic EPS is calculated by dividing net income attributed to common shareholders of the Company by the weighted average number of shares outstanding during the period.

Diluted EPS is calculated by dividing the net income attributable to common shareholders of the Company by the weighted average number of shares outstanding, plus the weighted average number of shares that would be issued on exercise of dilutive securities granted to employees, as calculated under the treasury stock method, so as long as the result would not reduce the loss per share.

3.16 Operating segments

Management has determined the operating and geographic segments. Management evaluates and makes decisions on operating performance by segment. The Company has one reportable operating segment and four geographic areas, as defined in Note 17. The Chief Executive Officer acts as the chief operating decision marker and reviews the operating results of the defined segments.

3.17 Significant accounting judgments and estimates

The application of the Company's accounting policies requires management to use estimates and judgments that can have a significant effect on the revenues, expenses, assets and liabilities recognized, and disclosures made in the consolidated financial statements.

Management's best estimates concerning the future are based on the facts and circumstances available at the time estimates are made. Management uses historical experience, general economic conditions and assumptions regarding probable future outcomes as the basis for determining estimates. Estimates and their underlying assumptions are reviewed periodically, and the effects of any changes are recognized at that time. Actual results could differ from the estimates used.

The global pandemic outbreak of the novel strain of coronavirus ("COVID-19") has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, store closures, self-imposed quarantine periods and social distancing, may cause material disruption to businesses globally resulting in an economic slowdown. COVID-19 has cast uncertainty on the assumptions used by management in making its judgments and estimates. Accordingly, there is a higher level of uncertainty with respect to management's judgments and estimates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Significant accounting judgments and estimates (continued)

(A) Estimated useful lives and depreciation of property, plant and equipment

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

(B) Intangible assets and impairment

Amortization of intangible assets is dependent upon estimate of useful lives which are defined as either finite or indefinite. Indefinite useful lives are not subject to amortization. Intangible assets with finite useful lives are amortized on a straight-line basis over the estimated useful lives.

Intangible assets are assessed for impairment whenever there is an indication that they may be impaired. The amortization period and the amortization method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. These assessments are dependent on judgements and estimates.

(C) Expected credit loss

Management determines ECL by evaluating individual receivable balances and considering customers' financial condition and current economic conditions. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded as income when received. All receivables are expected to be collected within one year of the year end.

(D) Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to the expectation of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that the tax positions taken will be sustained upon examination by applicable tax authorities.

(E) Leases

Each capitalized lease is evaluated to determine if the Company would exercise any of the renewal options offered. Several material factors are considered in determining if the renewal options would be exercised, such as length of the renewal, renewal rate, and ability to transfer locations. When measuring lease liabilities, the Company used discounted lease payments using a weighted-average rate in the range of 4.45% to 6.45% per annum. The weighted-average rate is based on the internal borrowing rate, which relies on judgments and estimates.

(F) Fair value of financial instruments

To determine the fair value of financial instruments, the Company develops assumptions and selects certain methods to perform the fair value calculations. Various methods considered include but are not limited to: (a) assigning the value attributed to the transaction at the time of origination; (b) re-measuring the instrument if it requires concurrent fair value measurement; and (c) valuing the instrument at the issuance value less any amortized costs. As judgment is a factor in determining the value and selecting a method, as well as, the inherent uncertainty in estimating the fair value, the valuation estimates may be different. Estimates may ultimately be different from amounts subsequently realized, resulting in an overstatement or understatement of net loss and comprehensive loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Significant accounting judgments and estimates (continued)

(G) Business combination

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets acquired, liabilities assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date when the Company obtains control of the acquiree. The identifiable assets acquired and liabilities assumed are recognized at their acquisition date fair values, except for deferred taxes and share-based payment awards, where IFRS provides exceptions to recording the amounts at fair value.

Goodwill represents the difference between total consideration paid and the fair value of the net identifiable assets acquired. Acquisition costs incurred are expensed to total expenses. Contingent consideration is measured at its acquisition date fair value and is included as part of the consideration transferred in a business combination, subject to the applicable terms and conditions.

Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9 with the corresponding gain or loss recognized in statement of profit and loss.

Based on the facts and circumstances that existed at the acquisition date, management will perform a valuation analysis to allocate the purchase price based on the fair values of the identifiable assets acquired and liabilities assumed on the acquisition date. Management has one year from the acquisition date to confirm and finalize the facts and circumstances that support the finalized fair value analysis and related purchase price allocation. Until such time, these values are provisionally reported and are subject to change. Changes to fair values and allocations are retrospectively adjusted in subsequent periods.

In determining the fair value of all identifiable assets acquired and liabilities assumed, the most significant estimates generally relate to contingent consideration and intangible assets. Management exercises judgment in estimating the probability and timing of when earn-outs are expected to be achieved, which is used as the basis for estimating fair value. Identified intangible assets are fair valued using appropriate valuation techniques which are generally based on a forecast of the total expected future net cash flows of the acquiree. Valuations are highly dependent on the inputs used and assumptions made by management regarding the future performance of these assets and any changes in the discount rate applied.

Judgment is applied in determining whether an acquisition is a business combination or an asset acquisition by considering the nature of the assets acquired and the processes applied to those assets, or if the integrated set of assets and activities is capable of being conducted and managed for the purpose of providing a return to investors or other owners.

3.18 Change in accounting standards

<u>Adoption of IFRS 3 - Business Combinations</u>
The amendments to the standards were effective January 1, 2020, with the option to early adopt. The Company early adopted the amendments on April 1, 2019. IFRS 3 provides clarification on the definition of a business. The amendments permit a simplified assessment to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The Company applied the new standards to the transaction entered into during the year ended March 31, 2020. No transactions were entered into during the year ended March 31, 2021.

<u>Adoption of IFRS 16 – Leases</u>
The IASB published IFRS 16 in January 2016 with an effective date of January 1, 2019. The new standard requires lessees to recognize nearly all leases on the balance sheet which will reflect their right to use an asset for a period of time and the associated liability for payments. The Company commenced applying the new standards on April 1, 2019.

The Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases and apply IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 *Leases* were not reassessed for whether a lease exists.

The Company reviewed all existing lease agreements as of April 1, 2019 and assessed that there were no leases that needed to be reclassified leases as per the new standard.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Change in accounting standards (continued)

The estimated lease obligations are based on the present value of remaining lease payments as of the adoption date, discounted using the interest rate implicit in the lease or, if that rate could not be determined, the Company's incremental borrowing rate. The right-of-use assets are measured at cost which is calculated as the amount of the initial measurement of the lease liability plus any lease payments made at or before the adoption date, any initial direct costs and related restoration costs.

In applying the modified retrospective approach, the Company has taken advantage of the following practical expedients:

a) a single discount rate has been applied to portfolios of leases with reasonably similar characteristics;
b) the Company maintained the lease assessments made under IAS 17 and IFRIC 4, Determining Whether an Arrangement Contains a Lease for existing contracts; therefore, the definition of a lease under IFRS 16 was applied only to contracts entered or changed after April 1, 2019; and
c) the Company recognized a right-of-use asset on the date of the application at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the consolidated statement of financial position.

Adoption of IAS 1 and 8 - Presentation of Financial Statements
The Company adopted amendments IAS 1 and 8 on April 1, 2020. IAS 1 and 8 provide clarification on the definition of materiality and how it should be applied. The amendments also align the definition of material across IFRS and other publications. There was no impact on the consolidated financial statements.

3.19 Future accounting standards and interpretations issued but not yet effective

Certain new standards, interpretation, amendments and improvements to existing standards were issued by the International Accounting Standards Board ("IASB") or Interpretations of the IFRS Interpretations Committee ("IFRIC"). The Company monitors the potential changes and analyses the effect that changes in the standards may have on the operations. The following have not yet been adopted and are being evaluated to determine their impact on the consolidated financial statements.

Amendment to IAS 1 - Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current
In January 2020, the IASB issued amendment to paragraph 69-76 of IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments specify that the conditions which exist at the end of a reporting period are those which will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2023, with early adoption permitted. The amendments are to be applied retrospectively. The Company does not intend to early adopt the amendment.

Amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates –Definition of Accounting Estimates
In February 2021, the IASB issued Definition of Accounting Estimates, which amends IAS 8. The amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for annual periods beginning on or after January 1, 2023 with earlier adoption permitted. The Company does not intend to early adopt the amendment.

Amendments to IFRS 9 – Financial Instruments
As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 9. The amendment clarifies which fees should be included when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Company does not intend to early adopt the amendment.

(Expressed in Canadian Dollars)

4. BUSINESS COMBINATION

Canpulse Acquisition
On November 26, 2019, the Company entered into an asset purchase agreement for the acquisition of certain processing facilities and a toll processing agreement, that meet the definition of a business from an unrelated party.

The fair value of the identifiable assets acquired, and liabilities assumed as of the acquisition date are as follows:

		Value
Assets acquired:		
Intangible assets	$	2,276,821
Land		693,883
Buildings and leasehold improvements		2,686,583
Plant and equipment		12,997,121
Furniture and fixtures		45,570
Automotive		36,166
Office equipment		7,584
Assets under construction		1,400,000
Right-of-use-assets		103,366
Liabilities assumed:		
Lease obligations		(94,329)
Deferred tax liabilities		(1,601,917)
Net assets acquired at fair value	**$**	**18,550,848**

Pursuant to the terms of the asset purchase agreement, the Company satisfied the purchase price through the following:

		Value
Cash	$	12,009,037
Non-cash transaction:		
Vendor-take-back note on acquisition (Note 14)		1,638,269
Total consideration	**$**	**13,647,306**

The transaction resulted in a gain on bargain purchase of $4,903,542 which reflects the difference between the total consideration and net assets acquired at fair value. Costs related to the acquisition amounting to $330,749 were expensed in the prior year.

It is impracticable to disclose the financial information of the acquired processing facilities since the acquisition date or the financial information of the Company for the current reporting period as though the acquisition date had occurred at the beginning of the annual reporting period due to the following reasons:

(i) the processing facilities were not utilized in any third-party processing and as a result there was no third-party revenue associated with the processing facilities before the acquisition;
(ii) the Company is using the processing facilities for third-party processing after the acquisition; therefore, the primary businesses pre- and post-acquisition are fundamentally different; and
(iii) the Vendor (see Note 9) entered into receivership and has dissolved its operations.

(Expressed in Canadian Dollars)

5. TRADE AND OTHER RECEIVABLES

Trade and other receivables, as at March 31, 2021 and 2020 consist of:

As at		**March 31 2021**		March 31 2020
Trade receivables	**$**	**7,731,317**	$	3,351,906
ECL		**(52,044)**		(13,398)
Total	**$**	**7,679,273**	$	3,338,508

6. INVENTORIES

The Company's inventories include the following:

As at		**March 31 2021**		March 31 2020
Agricultural commodities	**$**	**14,230,277**	$	3,197,754
Other		**99,387**		10,420
Total	**$**	**14,329,664**	$	3,208,174

The amount of inventories recognized in cost of sales during the years ended March 31, 2021 and 2020 was $48,146,016 and $10,972,333, respectively. Included in this balance was an inventory write-down of $523,748 during the year ended March 31, 2021 and an inventory write-up of $127,348 during the year ended March 31, 2020.

GLOBAL FOOD AND INGREDIENTS INC.
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7. PROPERTY, PLANT AND EQUIPMENT

	Assets under construction	Land	Furniture and fixtures	Office equipment	Plant and equipment	Automotive	Buildings and leasehold improvements	Total
Cost:								
As of March 31, 2019	$ -	$ -	$ 944	$ 5,369	$ -	$ -	$ -	$ 6,313
Acquired through business acquisition	1,400,000	693,883	45,570	7,584	12,997,121	36,166	2,686,583	17,866,907
Additions	-	-	65,630	67,076	113,441	2,170	62,206	310,523
As of March 31, 2020	1,400,000	693,883	112,144	80,029	13,110,562	38,336	2,748,789	18,183,743
Additions	371,641	-	4,861	38,025	668,529	-	41,530	1,124,586
As of March 31, 2021	**$ 1,771,641**	**$ 693,883**	**$ 117,005**	**$ 118,054**	**$ 13,779,091**	**$ 38,336**	**$ 2,790,319**	**$ 19,308,329**
Accumulated depreciation:								
As of March 31, 2019	$ -	$ -	$ 32	$ 321	$ -	$ -	$ -	$ 353
Depreciation	-	-	9,749	9,919	150,236	3,272	37,769	210,945
As of March 31, 2020	-	-	9,781	10,240	150,236	3,272	37,769	211,298
Depreciation	-	-	23,060	28,495	450,612	9,584	118,797	630,548
As of March 31, 2021	**$ -**	**$ -**	**$ 32,841**	**$ 38,735**	**$ 600,848**	**$ 12,856**	**$ 156,566**	**$ 841,846**
Net book value:								
As of March 31, 2020	1,400,000	693,883	102,363	69,789	12,960,326	35,064	2,711,020	17,972,445
As of March 31, 2021	**$ 1,771,641**	**$ 693,883**	**$ 84,164**	**$ 79,319**	**$ 13,178,243**	**$ 25,480**	**$ 2,633,753**	**$ 18,466,483**

Depreciation relating to property, plant and equipment for the years ended March 31, 2021 and 2020 has been recorded as follows:

For the year ended	**March 31 2021**	March 31 2020
Cost of sales	**$ 472,847**	$ 157,895
Expenses	**157,701**	53,050
Total	**$ 630,548**	$ 210,945

(Expressed in Canadian Dollars)

8. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

		Property leases		Equipment leases		**Total**
Right-of-use assets:						
As of March 31, 2019	$	-	$	-	**$**	**-**
Additions		641,947		-		**641,947**
Acquired through business acquisition [Note 4]		-		103,366		**103,366**
Amortization		(64,195)		(3,230)		**(67,425)**
As of March 31, 2020		577,752		100,136		**677,888**
Additions		107,173		-		**107,173**
Amortization		(137,320)		(6,460)		**(143,780)**
As of March 31, 2021	**$**	**547,605**	**$**	**93,676**	**$**	**641,281**
Lease obligations:						
As of March 31, 2019	$	-	$	-		**$-**
Recognition of lease obligations on initial application of IFRS 16		568,055		-		**568,055**
Acquired through business acquisition [Note 4]		-		94,329		**94,329**
Repayment		(24,206)		-		**(24,206)**
Accretion expenses		18,372		3,042		**21,414**
As of March 31, 2020		562,221		97,371		**659,592**
Additions		104,819		-		**104,819**
Repayment		(154,636)		(5,000)		**(159,636)**
The effect of changes in foreign exchange		2,413		-		**2,413**
Accretion expenses		33,691		5,958		**39,649**
As of March 31, 2021	**$**	**548,508**	**$**	**98,329**	**$**	**646,837**

Amortization relating to right-of-use assets for the years ended March 31, 2021 and 2020 has been recorded as follows:

For the year ended		**March 31 2021**		March 31 2020
Cost of sales	**$**	**-**	$	-
Expenses		**143,780**		67,425
Total	**$**	**143,780**	$	67,425

Interest expense relating to lease obligations for the years ended March 31, 2021 and 2020 has been recorded as follows:

For the year ended		**March 31 2021**		March 31 2020
Cost of sales	**$**	**-**	$	-
Finance costs		**39,649**		21,414
Total	**$**	**39,649**	$	21,414

As of March 31, 2021, the current and long-term lease obligations were $151,220 (2020 - $116,099) and $495,617 (2020 - $543,493), respectively.

The following table presents the contractual undiscounted cash flows for lease obligations as of March 31, 2021 and 2020:

As at		**March 31 2021**		March 31 2020
2021	**$**	**-**	$	155,236
2022		**185,374**		157,147
2023		**188,133**		159,058
2024		**190,915**		160,969
2025		**81,320**		60,960
2026		**10,000**		10,000
2027 and beyond		**80,000**		80,000
Total	**$**	**735,742**	$	783,370

(Expressed in Canadian Dollars)

9. INTANGIBLE ASSET

		Toll Processing Agreement		**Total**
Cost:				
As of March 31, 2019	$	-	**$**	**-**
Acquired through business combination [Note 4]		2,276,821		**2,276,821**
As of March 31, 2020		2,276,821		**2,276,821**
Additions		-		**-**
Impairment		(2,276,821)		**(2,276,821)**
As of March 31, 2021	$	-	**$**	**-**
Accumulated amortization:				
As of March 31, 2019	$	-	**$**	**-**
Amortization		187,928		**187,928**
As of March 31, 2020		187,928		**187,928**
Amortization		411,996		**411,996**
Impairment		(599,924)		**(599,924)**
As of March 31, 2021	$	-	**$**	**-**
Net book value:				
As of March 31, 2020		2,088,893		**2,088,893**
As of March 31, 2021	$	-	**$**	**-**

Amortization expense is included in expenses. The amount in expenses for the years ended March 31, 2021 and 2020 was $411,996 and $187,928, respectively.

As part of the acquisition outlined in Note 4, the Company entered into an agreement ("Toll Processing Agreement") with an unrelated party (the "Vendor") on November 26, 2019 with an identifiable value of $2,276,821. The Toll Processing Agreement was deemed to carry a useful life of five years. During the year ended March 31, 2021, the Vendor entered into receivership and the Toll Processing Agreement was subsequently cancelled. As a result, an impairment charge of $1,676,897, representing the carrying value of the Toll Processing Agreement was recorded in the statement of profit and other comprehensive income.

In addition, the Company received insurance proceeds of $3,903,379 during the year under its contract frustration policy in connection with the Toll Processing Agreement. Under an agreement with an insurance company for the payment of the insurance proceeds, the Company is required to enforce a guarantee it was required to have obtained from the Vendor's related party at the time of entering into the Toll Processing Agreement and remit all recoveries to the insurance company. The insurance proceeds, net of legal and professional fees of $105,540, are included in the statement of profit and other comprehensive income as the Company believes it has met all conditions under the agreement with the insurance company and has initiated legal proceedings to enforce the guarantee under the Toll Processing Agreement.

10. TRADE PAYABLES AND ACCRUED LIABILITIES

As at		**March 31 2021**		March 31 2020
Trade payables	**$**	**2,160,285**	$	595,174
Accrued liabilities		**7,039,298**		1,605,108
Total	**$**	**9,199,583**	$	2,200,282

(Expressed in Canadian Dollars)

11. BANK INDEBTEDNESS

(a) On July 8, 2020, the Company entered into a credit facility agreement to establish an uncommitted revolving credit facility with an overall limit of $6,000,000 which is due on demand. The facility bears interest at applicable Canadian prime, US base and LIBOR rates plus a margin, depending on the form of borrowing. The margins range from 0.75% to 3.75% per annum.

The facility is secured by a general security agreement, constituting a first ranking security in all personal property of the Company, guarantees and postponement of claims from certain shareholders and GFI LP, priority agreements with Farm Credit Canada (“FCC”), guarantee from Export Development Canada (“EDC”) and shareholder guarantee and postponement in the amount of $3,000,000 and a certificate of insurance evidencing contract frustration insurance coverage, with the lender as first loss payee.

Under the terms of the credit agreement, the Company is required to comply with certain financial and non-financial covenants. The Company had drawn $5,360,000 (2020 – nil) under the facility at year end.

Subsequent to year end, the lender amended the credit facility agreement to temporarily increase the overall limit to $10,000,000 until August 31, 2021. This facility was replaced with the facility noted in Note 26 (d).

(b) On July 10, 2019, the Company entered into a credit facility agreement to establish a revolving credit facility with an overall limit of $3,000,000 which was due on demand. The facility bore interest at prime plus 2.50% per annum and was secured by a general security agreement, constituting a first priority security interest in all the present and future property of the Company, shareholder guarantees and postponement of amounts payable to shareholders including the convertible shareholder notes as outlined in Note 21.

Under the terms of the credit agreement, the Company was required to comply with certain financial and non-financial covenants. The Company had drawn $585,162 on the facility as at March 31, 2020. During the year, the facility was replaced with the facility outlined in Note 11(a).

(c) On April 14, 2020, the Company entered into a credit facility agreement with FCC to establish a revolving personal property loan in an amount of $500,000 to fund working capital. The facility bears interest at 3.45% and is repayable on demand. The facility was subject to the same security and covenant requirements as outlined in Note 12.

(d) The Company had uncashed cheques at year-end of $866,036 (2020 – $572,228).

12. LONG-TERM DEBT

As at		**March 31 2021**		March 31 2020
Total long-term debt, beginning of period	**$**	**11,793,697**	$	-
Proceeds from long-term debt		**2,000,000**		12,000,000
Repayment of long-term debt		**(333,333)**		-
Financing costs paid related to long-term debt		**(6,000)**		(225,058)
Total cash flow from long-term debt financing activities		**13,454,364**		11,774,942
Amortization of deferred finance fees		**45,511**		18,755
Total non-cash changes		**45,511**		18,755
Total long-term debt, end of period	**$**	**13,499,875**	$	11,793,697
Current portion of long-term debt		**826,693**		333,333
Long-term debt	**$**	**12,673,182**	$	11,460,364

On November 22, 2019, the Company entered into a credit facility agreement with FCC, which was amended on August 31, 2020, to establish the following facilities:

(a) a non-revolving real asset loan in the amount of $12,000,000, bearing interest at FCC’s variable mortgage rate plus 2.75% and is repayable in equal monthly payments of $66,667 plus interest beginning on November 1, 2020, with any remaining balance due in full on the maturity date of December 1, 2024. Effective January 1, 2021, the loan was converted to a fixed rate of 5.25%. The repayment terms were unchanged; and

12. LONG-TERM DEBT (continued)

(b) a non-revolving real asset loan with FCC in the amount of $2,000,000, bearing interest at FCC's variable mortgage rate plus 2.00% and is repayable in equal monthly blended payments of $21,586 starting from February 1, 2022, with any remaining balance due in full on the maturity date of January 2, 2026.

The facilities are secured by a collateral mortgage granted by 11567403 Canada Inc. on behalf of GFI LP in favour of FCC registered on November 29, 2019 in the principal sum of $15,000,000 against the Company's properties, a general security agreement, constituting a first priority security interest in all present and future real and personal property of the Company, security pledge agreements, assignment of insurance and material contracts, guarantees from certain shareholders and the postponement and subordination of the vendor take-back note and convertible notes outlined in Notes 14 and 21, respectively.

Under the terms of the credit facility agreement, the Company is required to comply with certain financial and non-financial covenants.

The following table presents the principal repayment as of March 31, 2021 and 2020:

As at		**March 31 2021**		March 31 2020
2021	**$**	**-**	$	333,333
2022		**826,693**		800,000
2023		**956,446**		800,000
2024		**964,889**		800,000
2025		**9,440,624**		9,266,667
2026 and beyond		**1,478,015**		-
Total	**$**	**13,666,667**	$	12,000,000

13. DERIVATIVE FINANCIAL INSTRUMENTS

The Company entered into forward contracts on foreign currency as a portion of the Company's sales and purchases are denominated in U.S. dollars. The Company maintains a bank account in U.S dollars to receive foreign currency payments and to fund foreign currency purchases. The fluctuation of the foreign currencies against the Canadian dollar presents a risk to the Company.

The following contracts were outstanding as at March 31, 2021 and 2020:

As at		**March 31 2021**		March 31 2020
Contract amount of forward contracts outstanding	**$**	**69,112,630**	$	3,886,145
Unrealized loss (gain) on derivative financial instruments		**(189,658)**		13,475

14. VENDOR TAKE-BACK NOTE

The acquisition outlined in Note 4 includes consideration in the form of a vendor-take-back note ("VTB"). The VTB was non-interest bearing and payable in three equal annual installments of $1,000,000, beginning on November 26, 2023. The VTB was subordinated to the credit facilities outlined in Notes 11 and 12 and all future arm's length indebtedness of the Company. The VTB was recorded at fair value of $1,638,269 as at November 26, 2019. The amortization of the discount to face value of the note was recorded over the term of the note.

The Company had the right to deduct from the annual payments or any other amounts owing under the VTB:

(a) any amounts invoiced to the Vendor, by the Company and duly and properly owing by the Vendor;
(b) any losses or damages incurred by the Company as a result of a material breach by the Vendor or related parties under the Toll Processing Agreement between the Company and the Vendor;
(c) all minimum remaining payments that were contemplated to be paid to the Company by the Vendor under the Toll Processing Agreement in the event of its early termination by the Vendor, or any related parties; and
(d) any amounts owing by the Vendor to the Company pursuant to a claim for indemnification in favour of the Company under the asset purchase agreement.

Amortization of discount on the VTB for the period amounted to $201,726 (2020 – $70,849).

(Expressed in Canadian Dollars)

14. VENDOR TAKE-BACK NOTE (continued)

During the year, as a result of the Vendor entering receivership as outlined in Note 9, the Company entered into an agreement with the lender of the Vendor to fully retire the VTB resulting in a gain in the statement of profit and other comprehensive income in the amount of $1,325,046, net of costs to discharge of $585,798.

15. SHARE CAPITAL

(a) Share capital

The authorized share capital of the Company is comprised of the following:

As at		**March 31 2021**		March 31 2020
Authorized				
Unlimited non-voting, non-cumulative, retractable and redeemable Class A preferred shares				
Unlimited non-voting, non-cumulative, retractable and redeemable Class B preferred shares				
Unlimited non-voting, non-cumulative, retractable and redeemable Class C preferred shares				
Unlimited Class A common shares				
Unlimited Class B common shares				
Issued and outstanding:				
6,580,000 (2020 - 4,200,000) Class A common shares	**$**	**2,382**	$	2
2,275,000 (2020 - 2,275,000) Class B common shares		**2,275**		2,275
Total	**$**	**4,657**	$	2,277

In the prior year, the Company amended its articles of incorporation to create new classes of shares.

During the prior year, the Company exchanged 2 common shares held by existing shareholders for 4,200,000 Class A common shares.

During the year, the Company issued dividends of nil (2020 - $150,000) on Class A common shares.

During the year, the Company issued 2,380,000 (2020 - nil) Class A common shares for cash proceeds of $2,380 (2020 - nil) and nil (2020 - 2,275,000) Class B common shares for cash proceeds of nil (2020 - $2,275)

(b) Preferred shares

During the year the Company issued 350,000 (2020 - nil) Class A preferred shares for cash proceeds of $350,000 (2020 - nil). All Class A preferred shares are entitled to require the Company to redeem at any time all of the shares held by the holder(s) at a price of $1.00 per share. During the year, the holder of the Class A preferred shares entered into an undertaking confirming that that they will not demand redemption of the preferred shares prior to April 1, 2022. As a result, the preferred shares have been classified as a liability for the year ended March 31, 2021.

16. NON-CONTROLING INTERESTS

During the year, in addition to the convertible shareholder notes and unsecured subordinated notes converted into 5,500,000 limited partnership units in GFI LP ("LP unit(s)") at a price of $1.00 per LP unit as outlined in Note 21, GFI LP issued 500,000 LP units for cash proceeds of $500,000 to a shareholder of the Company. The difference between the carrying value of non-controlling interest in GFI LP and the consideration received was recorded as charge to retained earnings in the amount of $3,747,510. As at March 31, 2021, the non-controlling interests was 54.55% (2020 – nil).

(Expressed in Canadian Dollars)

17. REVENUE

For the year ended		**March 31 2021**		March 31 2020
Primary geographical markets:				
North America	**$**	**28,182,250**	$	8,300,058
Europe		**7,618,410**		995,919
Asia		**23,309,929**		4,780,365
South America		**2,455,946**		489,413
Total	**$**	**61,566,535**	$	14,565,755
Major goods/service lines:				
Sale of commodities	**$**	**57,810,477**	$	12,438,283
Processing revenue		**3,737,070**		1,987,472
Other income		**18,988**		140,000
Total	**$**	**61,566,535**	$	14,565,755

18. GENERAL AND ADMINISTRATION

For the year ended		**March 31 2021**		March 31 2020
Compensation and benefits	**$**	**2,575,630**	$	965,905
Rent and utilities		**83,750**		73,933
Taxes and licenses		**71,795**		18,491
Professional and consulting fees		**379,953**		198,285
Facility and office expenses		**140,676**		50,505
Computer, software, and internet expenses		**133,568**		50,049
Bank charges and fees		**179,206**		69,587
Insurance		**212,491**		69,799
Travel, meals, and entertainment		**97,300**		148,917
Other		**4,097**		(253)
Total	**$**	**3,878,466**	$	1,645,218

19. FINANCE COSTS

For the year ended		**March 31 2021**		March 31 2020
Interest income	**$**	**(6,297)**	$	(1,052)
Interest expense on lease obligations		**39,649**		21,414
Interest expense on bank indebtedness and long-term debt		**918,922**		310,322
Interest expense on convertible notes		**-**		248,318
Amortization on vendor take-back note		**201,726**		70,849
Total	**$**	**1,154,000**	$	649,851

20. GOVERNMENT ASSISTANCE

During the year, the Company and its subsidiaries obtained a Canada Emergency Business Account ("CEBA") loan in the amount of $120,000 in response to the COVID-19 pandemic, of which $40,000 was received in the form of a forgivable loan which is included in other income. In the case of default, the forgivable loan is repayable.

The loan is interest-free up to the initial maturity date of December 31, 2022. Subsequently, the remaining loan balance will automatically renew for three additional years to December 31, 2025 and will start bearing interest at 5.00% per annum. If the loan is repaid prior to December 31, 2022 it will result in a loan forgiveness up to $40,000 of the balance outstanding.

(Expressed in Canadian Dollars)

20. GOVERNMENT ASSISTANCE (continued)

In accordance with IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* the government assistance granted under the Canada Emergency Wage Subsidy ("CEWS") program launched by the Canadian government in response to the COVID-19 pandemic was recorded as a grant. The Company and its subsidiaries obtained $695,103 (2020 – nil) under the CEWS program during the year which was recorded to general and administration as an offset to compensation and benefits.

21. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties are defined as management and members of the Company and/or members of their immediate family and/or other companies and/or entities in which a board member or senior officer is a principal owner or senior executive. Other than disclosed elsewhere in the consolidated financial statements, related party transactions and balances are as follows:

a) During the year ended March 31, 2020, GFI LP issued $5,000,000 convertible notes to shareholders of the Company. These notes bore interest of 7.80%, had a maturity date of April 30, 2025, were convertible in April 2020 at a price equal to $1.00 per LP unit and were subordinated to the credit facilities outlined in Notes 11 and 12.

   As the convertible notes are considered compound instruments, a portion of the principal was recorded in non-controlling interests amounting to $1,444,336, using the residual value method. In April 2020 all notes were converted to 5,000,000 LP units and the interest was paid in full.

b) During the year ended March 31, 2020, GFI LP issued a convertible note in the amount of $500,000. The note bore interest at 15.00%, had a maturity date of April 30, 2025 and was subordinated to the credit facilities outlined in Notes 11 and 12.

   As the convertible notes are considered compound instruments, a portion of the principal was recorded in non-controlling interests amount to $12,703, using the residual value method. On April 1 ,2020, the holder elected to convert this note into 500,000 LP units. All interest owing on the note was paid.

c) The Company's key management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company. Key management personnel include members of the Board of Directors and executive officers. Compensation of key management personnel may include short-term and long-term benefits as applicable, including salaries, bonuses, stock options or post-employment benefits. Compensation provided to the key management are as follows:

For the year ended		**March 31 2021**		March 31 2020
Short-term employee benefits	**$**	**860,615**	$	256,513
Long-term employee benefits		**19,370**		1,587
Total	**$**	**879,985**	$	258,100

22. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to ensure sufficient liquidity to support its financial obligations and to execute its operating and strategic plans, managing healthy liquidity reserves and access to capital. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support business development. The directors do not establish quantitative return on capital criteria for management, but rather rely on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned business development and pay for administrative costs, the Company will spend its existing working capital and seek to raise additional amounts, as needed. There were no changes in the Company's approach to capital management during the years ended March 31, 2021 and 2020.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company plans to use existing funds, as well as funds from the future sale of products, to fund operations and expansion activities. However, the Company may attempt to issue new shares or issue new debt for acquisitions. There can be no assurance that the Company will be able to continue raising capital in this manner.

23. COMMITMENTS AND CONTINGENCIES

Contingencies

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits and/or licenses that could result in the Company ceasing operations. While management of the Company believes that the Company is in compliance, in all material respects, with applicable local and state regulations as of March 31, 2021 food and agriculture regulations continue to evolve and are subject to differing interpretations. As a result, the Company may be subject to regulatory fines, penalties, or restrictions in the future.

Claims and Litigation

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of March 31, 2021, there were no material pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations. There are also no proceedings in which any of the Company's directors, officers or affiliates are an adverse party or have a material interest adverse to the Company's interest.

24. FINANCIAL RISK FACTORS

The Company is exposed to credit risk, liquidity risk, currency risk, and interest rate risk. The Company's management oversees the management of these risks. The Company`s management is supported by the members of the Board of Directors that advise on financial risks and the appropriate financial risk governance framework for the Company. The Company's financial risk activities are governed by policies and procedures and financial risks are identified, measured, and managed in accordance with the Company's policies and the Company's risk appetite.

(A) Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits from the asset's highest and best use or by selling it to another market participant that would utilize the asset in its highest and best use.

The Company uses valuation techniques that are considered to be appropriate in the circumstances and for which there is sufficient data with unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 inputs are observable inputs other than quoted prices included within Level 1, such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability that reflect the reporting entity's own assumptions and are not based on observable market data.

(Expressed in Canadian Dollars)

24. FINANCIAL RISK FACTORS (continued)

(A) Fair Value (continued)

The hierarchy into which the financial instruments of the Company are measured and recognized at fair value as of March 31, 2021 and 2020 were as follows:

- Level 2: Derivative financial instruments

There were no transfers between levels in the hierarchy. For financial assets and liabilities not measured at fair value, their carrying value is considered to approximate fair value due to their short-term nature, or due to their market terms.

Financial assets:

	FVTPL	Carrying value at amortized cost	**Total**
Cash	$ -	$ 941,399	**$ 941,399**
Trade and other receivables	-	3,338,508	**3,338,508**
As of March 31, 2020	-	4,279,907	**4,279,907**
Cash	-	1,556,202	**1,556,202**
Restricted cash	-	42,313	**42,313**
Derivative financial instruments	189,658	-	**189,658**
Trade and other receivables	-	7,679,273	**7,679,273**
As of March 31, 2021	**$ 189,658**	**$ 9,277,788**	**$ 9,467,446**

Financial liabilities:

	FVTPL	Carrying value at amortized cost	**Total**
Trade payables and accrued liabilities	$ -	$ 2,200,282	**$ 2,200,282**
Convertible notes	-	4,117,978	**4,117,978**
Vendor take-back note	-	1,709,118	**1,709,118**
Derivative financial instruments	13,475	-	**13,475**
Bank indebtedness	-	1,157,390	**1,157,390**
Long-term debt	-	11,793,697	**11,793,697**
As of March 31, 2020	13,475	20,978,465	**20,991,940**
Trade payables and accrued liabilities	-	9,199,583	**9,199,583**
Bank indebtedness	-	6,226,036	**6,226,036**
Demand loan	-	500,000	**500,000**
Long-term debt	-	13,499,875	**13,499,875**
Other loan payable	-	80,000	**80,000**
Preferred shares	-	350,000	**350,000**
As of March 31, 2021	**$ -**	**$ 29,855,494**	**$ 29,855,494**

(Expressed in Canadian Dollars)

24. FINANCIAL RISK FACTORS (continued)

(B) Credit Risk

Credit risk is the risk of unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments which potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, deposits and trade and other receivable. To address its credit risk arising from cash and cash equivalents and deposits, the Company ensures to keep these balances with reputable financial institutions. The Company recorded an ECL equivalent to 2.14% of the uninsured portion of trade receivable for the year ended March 31, 2021 and March 31, 2020. In the current year, this amounts to less than 1.00% of the trade receivable balance. The Company is not significantly exposed to its accounts receivable due to its diversified customer base and a stringent collection policy.

The components of trade and other receivable as of March 31, 2021 and March 31, 2020 were:

	0 - 30 days	31 - 90 days	Over 90 days	Total
As of March 31, 2021	$ 6,646,053	$ 503,576	$ 529,644	**$ 7,679,273**
As of March 31, 2020	$ 2,486,121	$ 852,387	$ -	**$ 3,338,508**

(C) Liquidity Risk

Liquidity risk is the risk that the Company is unable to generate or obtain sufficient cash in a cost-effective manner to fund its obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages liquidity risk through maintaining sufficient funds on hand and continuously monitoring forecast and actual cash flows.

The Company has the following gross obligations as of March 31, 2021 and 2020, which are expected to be payable in the following respective periods:

	Less than 1 year	1 - 5 years	Over 5 years	Total
Trade payables and accrued liabilities	$ 9,199,583	$ -	$ -	**$ 9,199,583**
Bank indebtedness	6,226,036	-	-	**6,226,036**
Current tax liabilities	195,481	-	-	**195,481**
Demand loan	500,000	-	-	**500,000**
Long-term debt	826,693	12,839,974	-	**13,666,667**
Lease obligations	151,220	495,617	-	**646,837**
Other loan payable	-	80,000	-	**80,000**
Preferred shares	-	350,000	-	**350,000**
As of March 31, 2021	**$ 17,099,013**	**$ 13,765,591**	**$ -**	**$ 30,864,604**

	Less than 1 year	1 - 5 years	Over 5 years	Total
Trade payables and accrued liabilities	$ 2,200,282	$ -	$ -	**$ 2,200,282**
Bank indebtedness	1,157,390	-	-	**1,157,390**
Long-term debt	333,333	11,666,667	-	**12,000,000**
Lease obligations	116,099	543,493	-	**659,592**
Convertible notes	-	4,117,978	-	**4,117,978**
Vendor take-back note	-	1,709,118	-	**1,709,118**
As of March 31, 2020	**$ 3,807,104**	**$ 18,037,256**	**$ -**	**$ 21,844,360**

24. FINANCIAL RISK FACTORS (continued)

(D) Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. As the Company operates in an international environment, some of the Company's financial instruments and transactions are denominated in currencies other than the Canadian dollar. The results of the Company's operations are subject to currency transaction and translation risks.

As of March 31, 2021 and 2020, the Company had forward contracts in place with respect to foreign exchange rates. The Company believes that a change in exchange rates can have a significant impact on financial results. All foreign currency exposure relates to the United Sates dollar, as presented below.

	Amount (USD)	Conversion Rate	**Sensitivity**	Effect on fair value, as at March 31, 2021
Cash and cash equivalents	**$ 935,560**	1.258	**Increase/Decrease 1%**	$ 11,769
Trade and other receivables	**$ 5,172,941**	1.258	**Increase/Decrease 1%**	$ 65,076
Trade payables	**$ (1,653,502)**	1.258	**Increase/Decrease 1%**	$ (20,801)

	Amount (USD)	Conversion Rate	**Sensitivity**	Effect on fair value, as at March 31, 2020
Cash and cash equivalents	**$ 241,528**	1.419	**Increase/Decrease 1%**	$ 3,427
Trade and other receivables	**$ 1,164,950**	1.419	**Increase/Decrease 1%**	$ 16,531
Trade payables	**$ (131,842)**	1.419	**Increase/Decrease 1%**	$ (1,871)

(E) 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 is exposed to interest rate risk on its cash and cash equivalents and long-term debts. Cash and cash equivalents and deposits bear interest at market rates. The Company's debts have variable rates of interest. The Company does not use any derivative instruments to hedge against interest rate risk and believes that the change in interest rates will not have a significant impact on its financial results.

	Amount	Interest Rate	**Sensitivity**	Effect on fair value, as at March 31, 2021
Bank indebtedness	**$ 5,360,000**	4.450%	**Increase/Decrease 1%**	$ (53,600)
Demand loan	**$ 500,000**	3.450%	**Increase/Decrease 1%**	$ (5,000)
Long-term debt	**$ 11,666,667**	6.200%	**Increase/Decrease 1%**	$ (116,667)
Long-term debt	**$ 2,000,000**	5.450%	**Increase/Decrease 1%**	$ (20,000)

	Amount	Interest Rate	**Sensitivity**	Effect on fair value, as at March 31, 2020
Bank indebtedness	**$ 585,162**	6.450%	**Increase/Decrease 1%**	$ (5,852)
Long-term debt	**$ 12,000,000**	7.700%	**Increase/Decrease 1%**	$ (120,000)

(F) Economic Dependency

Approximately 16% (2020 – 44%) of the Company's revenue was derived from one (2020 – two) customer(s). The accounts receivable balance relating to these customers at year end was $1,294,540 (2020 – $1,238,236). As the March 31, 2020 fiscal year was the Company's first year of operations, the risk of economic dependency will be mitigated in future years due to the expansion of the customer base, as evidenced in the in the fiscal year-ended March 31, 2021.

(Expressed in Canadian Dollars)

24. FINANCIAL RISK FACTORS (continued)

(G) Industry

The Company operates in the agricultural environment and is affected by general economic trends. A decline in economic conditions, consumer-spending levels or other adverse conditions could lead to reduced revenue and gross margins.

The Company is dependent on the supply chain and distribution industry which has been impacted by the effects of COVID-19. These impacts may result in delays in shipments which could have an adverse impact on the Company's revenue and gross margins.

25. TAXATION

Income tax expense varies from the amount that would be computed by applying the basic federal and provincial tax rates to net profit before income tax, shown as follows:

For the year ended		**March 31 2021**		March 31 2020
Expected tax rate		**25.00%**		25.00%
Expected tax expense	**$**	**500,526**	$	942,195
Permanent differences		**427**		(1,221,834)
Taxable loss attributable to non-controlling interests		**341,750**		-
Effect of tax rate differences		**3,952**		10
Effect of preferential rates available to small businesses in Canada		**(110)**		18,033
Income tax expense (recovery)	**$**	**846,545**	$	(261,596)

The Company's income tax expense (recovery) consists of the following:

For the year ended		**March 31 2021**		March 31 2020
Current tax expense (recovery)	**$**	**195,467**	$	(20,519)
Deferred tax expense (recovery)		**651,078**		(241,077)
Income tax expense (recovery)	**$**	**846,545**	$	(261,596)

Deferred income taxes reflect the impact of loss carry forwards and of temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws. The following deferred tax assets and liabilities have been recognized for accounting purposes:

As at		**March 31 2021**		March 31 2020
Deferred tax assets	**$**	**226,082**	$	521,327
Deferred tax liabilities		**(1,323,332)**		(2,247,461)
Net deferred tax liabilities	**$**	**(1,097,250)**	$	(1,726,134)

(Expressed in Canadian Dollars)

25. TAXATION (continued)

The effect of temporary differences and loss carry forwards that give rise to significant portions of the net deferred tax liabilities, which has been recognized during the year are as follows:

	April 1 2020	Recognized in goodwill	Recognized in profit and loss	Recognized in non-controlling interest	**March 31 2021**
Loss carry forwards	$ 354,129	$ -	$ (297,259)	$ -	**$ 56,870**
Financial statement reserves	2,300	-	20,099	-	**22,399**
Lease obligations	164,898	-	(4,811)	(13,274)	**146,813**
Deferred tax assets	$ 521,327	$ -	$ (281,971)	$ (13,274)	**$ 226,082**
Property, plant and equipment	(880,938)	-	(766,253)	473,330	**(1,173,861)**
Intangible assets	(522,227)	-	237,458	284,769	**-**
Right-of-use assets	(169,472)	-	9,747	13,651	**(146,074)**
Debt financing	(668,229)	-	146,743	521,486	**-**
Deferred financing fees	(6,595)	-	3,198	-	**(3,397)**
Deferred tax liabilities	$ (2,247,461)	$ -	$ (369,107)	$ 1,293,236	**$ (1,323,332)**
Net deferred tax liabilities	$ (1,726,134)	$ -	$ (651,078)	$ 1,279,962	**$ (1,097,250)**

	April 1 2019	Recognized in goodwill	Recognized in profit and loss	Recognized in non-controlling interest	**March 31 2020**
Loss carry forwards	$ -	$ -	$ 354,129	$ -	**$ 354,129**
Financial statement reserves	-	-	2,300	-	**2,300**
Lease obligations	-	-	164,898	-	**164,898**
Deferred tax assets	$ -	$ -	$ 521,327	$ -	**$ 521,327**
Property, plant and equipment	(1,032)	(692,246)	(187,660)	-	**(880,938)**
Intangible assets	-	(569,209)	46,982	-	**(522,227)**
Right-of-use assets	-	-	(169,472)	-	**(169,472)**
Debt financing	-	(340,462)	36,495	(364,262)	**(668,229)**
Deferred financing fees	-	-	(6,595)	-	**(6,595)**
Deferred tax liabilities	$ (1,032)	$ (1,601,917)	$ (280,250)	$ (364,262)	**$ (2,247,461)**
Net deferred tax liabilities	$ (1,032)	$ (1,601,917)	$ 241,077	$ (364,262)	**$ (1,726,134)**

(Expressed in Canadian Dollars)

25. TAXATION (continued)

The company has the following Canadian non-capital losses available to reduce future years' federal and provincial taxable income, which expire as follows:

	Canada	USA	Total
2040	$ 18	$ -	**$ 18**
2041	581	241,325	**241,906**
Total	$ 599	$ 241,325	**$ 241,924**

As at March 31, 2021, and 2020, the Company had temporary differences associated with investments in subsidiaries for which no deferred income tax liabilities have been recognized, as the Company is able to control the timing and reversal of these temporary differences and material undistributed earnings are considered permanently invested. The gross temporary differences were:

As at	**March 31 2021**	March 31 2020
Investment in GFI LP	**$ 8,130,436**	$ 6,628,672
Investment in 11567403 Canada Inc.	**993**	663
Total	**$ 8,131,429**	$ 6,629,335

26. SUBSEQUENT EVENTS

The Company's management has evaluated subsequent events up to May 30, 2022, the date the consolidated financial statements were issued:

(a) On May 15, 2021, the Company approved a stock option plan for directors, officers and employees. On the same day, the Company entered into an agreement with a LP unitholder resulting in the issuance of 675,000 warrants that could be exchanged on a cashless basis for common shares of the Company.

(b) On May 28, 2021, the Company's credit facility agreement with FCC was amended to establish a non-revolving real asset facility in the maximum amount of $4,000,000, bearing interest at FCC's variable mortgage rate plus 2.00% and repayable in equal monthly payments of $27,778 plus interest beginning on June 1, 2022, with any remaining balance due in full on the maturity date of April 1, 2026.

The facility was also amended such that an existing continuing collateral mortgage granted by 11567403 Canada Inc. on behalf of GFI LP in favour of FCC registered on November 29, 2019 in the principal sum of $15,000,000 against the Company's properties was increased to $25,000,000.

(c) In June 2021 the Company amended its articles of incorporation to create Class C common shares.

(d) On August 27, 2021, the Company entered into a revolving Asset Backed Loan facility with JP Morgan Chase Bank N.A. Toronto Branch to fund working capital. The committed facility carries a three-year term and can be drawn to a maximum of $25,000,000 or the USD equivalent, which can increase to $28,000,000 during December 1 to March 31 each year. The facility can be increased to $40,000,000 (and $43,000,000 during December 1 to March 31 of the year) during the term subject to certain requirements being met. The facility is secured by a first ranking on all of the inventory and accounts receivable of the Company and its subsidiaries and any amounts drawn under the facility carry an interest rate of Canadian prime rate/US Base rate plus 0.25%, or CDOR plus 1.70%. The Company is required to pay an annual interest rate of 0.25% of undrawn amounts. Under the terms of the credit agreement, the Company is required to comply with certain financial and non-financial covenants.

(e) On September 28, 2021 the Company completed the asset acquisition of a state-of-the-art plant-based pet food ingredients production facility in Bowden, Alberta; thereby launching the Company's new Plant-Based Pet Food Ingredients division. In connection with the acquisition, the Company paid cash consideration of $2,500,000.

(f) On August 4, 2021, the Company entered into a non-binding Letter of Intent with Pivotal Financial Corp ("Pivotal"), which outlines the terms and conditions pursuant to which Pivotal and the Company will complete a transaction that will result in a go-public event for the Company. On November 2, 2021 the Company and Pivotal entered into a definitive business combination agreement.

26. SUBSEQUENT EVENTS (continued)

The business combination agreement outlines the general terms and condition pursuant to the which Pivotal and the Company intend to complete a reverse takeover transaction through a three-cornered amalgamation that will result in Pivotal acquiring all of the issued and outstanding securities of the Company, constituting the Qualifying Transaction (“Transaction”) under the policies of the TSX Venture Exchange (the “TSX-V”). Upon completion of the Transaction, the resulting company (the “Resulting Issuer”) will hold 100% of the Company’s common shares and the Company will be a wholly-owned subsidiary of the Resulting Issuer.

The terms of the transaction include the purchase by Pivotal of all of the issued and outstanding securities of the Company in exchange for: (a) the issuance to the Company shareholders of Pivotal common shares on the basis of five Pivotal common shares for each of the Company Class A and Class B common shares (including the common shares to be issued upon the exchange of the preferred shares and the conversion of the Convertible Debentures on a one-for-one basis immediately prior to the closing of the Transaction); and (b) convertible securities of Pivotal in exchange for outstanding convertible securities of the Company, with appropriate adjustments. Immediately prior to the Transaction, all of the directors and officers of Pivotal will resign such that following the closing of the Transaction, the officers and directors of the Company will become the officers and directors of the Resulting Issuer.

Closing of the Transaction is subject to a number of conditions, including the approval of the TSX-V and the Company acquiring 100.00% of the outstanding Limited Partner units of GFI LP.

(g) In July and August 2021, the Company completed a non-brokered Convertible Debenture offering of 7,377 convertible debentures (each, a “Convertible Debenture” and collectively, the “Convertible Debentures”) at an issue price of $1,000.00 each for aggregate gross proceeds of $7,377,000. The Convertible Debentures are unsecured obligations of the Company, bear interest at a rate of 7.00% per annum from the date of issuance, and mature on the date that is one year from the issuance date (the “Maturity Date”) unless earlier converted as provided herein. The entire principal amount of the Convertible Debentures will be automatically, without any further action on the part of the holder, converted into common shares of the Company at the Conversion Price (as defined herein) immediately prior to the completion of a Liquidity Event, defined as:

i. the listing of the common shares of the Company on the TSX, the TSX-V, the NEO Exchange, the Canadian Securities Exchange, or any other exchange as may be determined by the Company;

ii. a transaction with a capital pool company or other that is a reporting issuer in at least one jurisdiction of Canada by way of plan of arrangement, amalgamation, reverse take-over, qualifying transaction, or any other business combination or other similar transaction pursuant to which its common shares (or the common shares of the resulting issuer) are listed on the TSX, the TSX-V, the NEO Exchange, the Canadian Securities Exchange (collectively, paragraphs (i) and (ii) above are referred to herein as a “Going-Public Transaction”);

iii. a sale of all or substantially all of the assets of the Company to a person other than an affiliate of the Company; or

iv. a change of control of the Company.

“Conversion Price” means a price equal to the lesser of:

i. either:
   (a) in the case of a Going-Public-Transaction, a 20.00% discount to the price at which the securities are issued and sold to the public or the deemed issue price of the securities in the Going-Public Transaction, or
   (b) in the case of a change of control, a 20.00% discount to the price attributable to the securities in such transaction; and

ii. a total price equal to a pre-money valuation of $75,000,000.

The non-brokered Convertible Debenture offering was completed in three tranches, the first tranche was completed on July 30, 2021, the second tranche was completed in three parts on August 18, August 19 and August 24, 2021 and the third tranche was completed on August 27, 2021.

In conjunction with the Convertible Debentures, as it related to applicable subscription proceeds identified by eligible finders, the Company paid a finder’s fee equal to 7.00% of the aggregate subscription proceeds, which amounted to $125,010. In addition, the Company issued certain finders compensation warrants equal to 7.00% of the number of common shares issuable on conversion of the principal amount of the Convertible Debentures sold, totalling 51,672 common share purchase warrants.

26. SUBSEQUENT EVENTS (continued)

(h) In October 2021, select Class A common shareholders exchanged 4,200,000 Class A common shares for an equivalent number of Class B common shares and select Class B common shareholders exchanged 422,500 Class B common shares for an equivalent number of Class A common shares.

(i) On January 2, 2022, the Company entered into an agreement to acquire 100% of the limited partnership interest in GFI LP at a price equal to $1.00 per LP unit. The Company satisfied the consideration for 6,000,000 LP units by issuing 960,000 shares of the Company ("Consideration Shares") which, pursuant to the Transaction will be exchanged for Resulting Issuer common shares on the basis of five Resulting Issuer common shares for each Consideration Share. On the same date, 675,000 warrants of the Company held by a LP unitholder were exercised on a cashless basis and resulted in the issuance of 325,080 Consideration Shares to the holder on a cashless basis.

(j) On January 31, 2022 the Company entered into a loan agreement with a shareholder in the principal amount of $2,000,000. The loan will bear interest at a rate of 1.00% per month and will accrue and become payable along with the principal amount 120 days following the issuance.

(k) On February 9, 2022, the Company entered into a share purchase agreement and acquired 100% of the outstanding shares of Your Fitness Dish Inc. o/a YoFiit, a plant-based milk and snack food company, which is complimentary to the Company's current business operations. The acquisition meets the definition of a business from an unrelated party. In consideration of the purchase, the Company paid $1,500,000 in cash on closing plus the repayment of outstanding obligations of $385,952 and additional consideration through the issuance of common shares. In addition, the agreement provides for a contingent performance payout to be settled in shares and/or cash (at the sole discretion of the Company's) based on the performance and continuing employment terms therein. In conjunction with the acquisition, the Company issued 10,000 finder options.

Due to the timing of the acquisition, the Company is in the process of completing the initial accounting for the business combination, including assessing fair value adjustments to reflect consideration paid; the allocation of the consideration paid against acquired assets and assumed liabilities measured at fair value and goodwill; and analysis of revenue and profit and loss for the combined entity had the acquisition occurred as of April 1, 2021.

(l) On March 25, 2022, the Company entered into an asset purchase agreement and acquired certain assets of Export Associates Inc. o/a Bentilia, a premium lentil-based pasta brand, which is complimentary to the Company's current business operations. The acquisition meets the definition of a business from an unrelated party. In consideration of the purchase, the Company paid $741,584 in cash on close (including a holdback related to the transfer of specific assets) and additional consideration through the issuance of common shares and warrants.

Due to the timing of the acquisition, the Company is in the process of completing the initial accounting for the business combination, including assessing fair value adjustments to reflect consideration paid and the allocation of the consideration paid against acquired assets measured at fair value and goodwill.

(m) On March 25, 2022, the Company entered into an agreement with the Convertible Debenture holders to amend the existing agreement to change the conversion from common shares to one unit of the Company ("Convertible Debenture Unit"). Each Convertible Debenture Unit will be comprised of one common share and one warrant. The conversion price will be consistent with the existing terms and the warrant can be exercised for one common share at $1.75 for a period of 24 months following the completion of the Transaction.

(n) On March 30, 2022, the Company exchanged the 350,000 issued and outstanding Class A preferred shares for 56,000 Class A common shares of the Company. On the same date, select Class B common shareholders exchanged 617,500 Class B common shares for an equivalent number of Class A common shares.

(o) On March 31, 2022, 11567403 Canada Inc. was dissolved; thereby, triggering the dissolution of GFI LP and wind-up of 11567403 Canada Inc. In doing so, all the assets owned by GFI LP were transferred to GFI.

(p) On April 9, 2022, select Class A common shareholders exchanged 1,400,000 Class A common shares for an equivalent number of Class B common shares.

26. SUBSEQUENT EVENTS (continued)

(q) On May 18, 2022, the Company completed a brokered and non-brokered private placement financing, pursuant to which it issued 2,845,200 subscription receipts (the "Subscription Receipts) for gross proceeds of $3,556,500. The Subscription Receipts are priced at $1.25 each. Upon completion of the Transaction, each Subscription Receipt will be automatically converted into one unit of the Resulting Issuer for no additional consideration. Each unit consists of one common share and one warrant. Each warrant shall entitle the holder to purchase one Resulting Issuer common share at $1.75 for a period of 24 months following the completion of the Transaction. In connection with the brokered private placement, the agents will be paid a cash commission equal to 7.0% of the gross proceeds and reduced to 3.5% of the gross proceeds from subscribers on the president's list, in addition to a corporate finance advisory fee. The agents will also be granted broker warrants in connection to the brokered private placement, equal to 7.0% of the total brokered Subscription Receipts issued, other than for Subscription Receipts issued to subscribers on the president's list ("Broker Warrants"). Each Broker Warrant can be exercised for one aforementioned Resulting Issuer unit at $1.25 per unit for a period of 24 months following the closing of the Transaction. In connection with the non-brokered private placement, a finder will be paid a cash commission equal to 7.0% of the gross proceeds issued to subscribers introduced by the finder and be granted finder's warrants equal to 7.0% of total Subscription Receipts issued to subscribers introduced by the finder (the "Finder's Warrants"). Each Finder's Warrant can be exercised for one aforementioned Resulting Issuer unit at $1.25 per unit for a period of 24 months following the closing of the Transaction.