TOP STRIKE RESOURCES CORP.

Condensed Interim Financial Statements (unaudited)

Three and Nine months ended January 31, 2021 and 2020

(Expressed in Canadian dollars)

Notice

Top Strike Resources' auditor, MNP LLP, has not reviewed the condensed interim financial statements.

TOP STRIKE RESOURCES CORP.
Condensed Interim Statements of Financial Position
(Expressed in Canadian dollars)
(unaudited)

As at	Notes		January 31, 2021		April 30, 2020
ASSETS					
Current Assets					
Cash		$	3,320,285	$	3,745,922
Trade and other receivables			5,451		9,601
Prepaids			22,649		-
Due from related parties			146,783		146,618
			3,495,168		3,902,141
Non-Current Assets					
Deposits			2,500		2,500
Equipment			5,482		6,300
Investments	4		6,961,352		5,383,020
TOTAL ASSETS		$	10,464,502	$	9,293,961
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities		$	37,287	$	76,132
Deferred government grants	5		12,732		-
			50,019		76,132
Non-Current Liabilities					
Loan	5		24,529		-
Convertible debenture - debt component	6		1,440,041		-
Convertible debenture - derivative component	6		725,400		-
TOTAL LIABILITIES			2,239,989		76,132
SHAREHOLDERS' EQUITY					
Share capital			21,984,522		21,984,522
Warrants			4,556,922		4,556,922
Contributed surplus			1,874,646		1,810,617
Deficit			(20,183,852)		(19,134,232)
Treasury stock	7		(7,725)		-
TOTAL SHAREHOLDERS' EQUITY			8,224,513		9,217,829
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$	10,464,502	$	9,293,961

Subsequent events (Note 11)

See accompanying notes to the condensed interim financial statements.

TOP STRIKE RESOURCES CORP.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)
(unaudited)

	Notes	Three months ended January 31 2021	Three months ended January 31 2020	Nine months ended January 31 2021	Nine months ended January 31 2020
Revenues					
Interest income	4	**$ 142,842**	$ 307,630	**$ 403,877**	$ 702,828
Expenses					
Change in fair value of investments and financial instruments:					
Unrealized loss on derivatives	6	**351,000**	-	**340,600**	-
Unrealized loss on foreign exchange		**203,260**	-	**414,812**	-
Office and miscellaneous		**9,759**	1,773	**15,237**	8,677
Depreciation		**255**	457	**819**	1,473
Professional fees		**6,727**	19,268	**71,247**	87,731
Corporate communication		**14,139**	31,662	**25,590**	77,771
Rent and parking		**6,735**	8,985	**19,533**	29,021
Travel		**-**	6,537	**-**	36,327
Salaries and benefits		**145,077**	147,370	**352,431**	386,146
Meals and entertainment		**1,036**	6,213	**3,293**	19,361
Marketing		**-**	6,832	**-**	35,912
Interest and bank charges		**62,485**	551	**145,037**	1,998
Conferences		**664**	-	**869**	14,082
Share-based compensation		**4,719**	18,786	**64,029**	211,784
		805,856	248,434	**1,453,497**	910,283
Loss and comprehensive gain (loss) for the period		**$ (663,014)**	$ 59,196	**$(1,049,620)**	$ (207,455)
Basic (loss) per common share	8	**$ (0.00)**	$ 0.00	**$ (0.01)**	$ (0.00)
Weighted average number of common shares outstanding	8	**181,632,694**	183,911,960	**181,527,006**	185,281,432

See accompanying notes to the condensed interim financial statements.

TOP STRIKE RESOURCES CORP.
Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)
(unaudited)

	Shares outstanding	Share capital	Warrants	Contributed surplus	Deficit	Treasury stock	Total shareholders equity
Balance at May 1, 2020	**181,991,390**	**$21,984,522**	**$4,556,922**	**$1,810,617**	**$(19,134,232)**	**-**	**$ 9,217,829**
Share-based compensation	-	-	-	64,029	-	-	**-**
Shares purchased (NCIB)	(500,000)	-	-	-	-	(7,725)	**(7,725)**
Loss and comprehensive loss for the period	-	-	-	-	(1,049,620)	-	**(1,049,620)**
Balance at January 31, 2021	**181,491,390**	**$21,984,522**	**$4,556,922**	**$1,874,646**	**$(20,183,852)**	**$(7,725)**	**$8,224,513**

	Shares outstanding	Share capital	Warrants	Contributed surplus	Deficit	Treasury stock	Total shareholders equity
Balance at May 1, 2019	**185,966,168**	**$22,061,737**	**$4,556,922**	**$1,566,334**	**$(19,639,537)**	**-**	**$8,545,456**
Share-based compensation	-	-	-	211,784	-	-	**211,784**
Issuance of shares	2,222,222	127,950	-			-	**127,950**
Shares cancelled	(2,803,000)	(70,075)	-			70,075	**-**
Shares purchased (NCIB)	(136,000)	-	-			(72.795)	**(72,795)**
Loss and comprehensive loss for the period	-	-	-	-	(207,455)	-	**(207,455)**
Balance at January 31, 2020	**185,249,390**	**$22,119,612**	**$4,556,922**	**$1,778,118**	**$(19,846,992)**	**$(2,720)**	**$8,604,940**

See accompanying notes to the condensed interim financial statements.

TOP STRIKE RESOURCES CORP.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(unaudited)

			Three months Ended January 31		Nine months Ended January 31
		2021	2020	**2021**	2020
	Notes				
Operating activities					
Net loss for the period		**$ (663,014)**	$ 59,196	**$(1,049,620)**	$ (207,455)
Adjustments for:					
Interest income		**(142,842)**	(307,630)	**(403,877)**	(702,828)
Depreciation		**255**	457	**819**	1,473
Share-based compensation		**4,719**	18,786	**64,029**	211,784
Unrealized loss on derivative instruments	6	**351,000**	-	**340,600**	-
Unrealized loss on investments		**-**	-	**-**	-
Unrealized foreign exchange loss		**203,260**	-	**414,812**	-
Loan accretion	5,6	**62,068**	-	**143,752**	-
Government grants		**(1,676)**	-	**(12,732)**	-
Prepaids		**(16,008)**	21,832	**(22,649)**	35,912
Trade and other receivables		**11,380**	127,911	**12,011**	119,646
Accounts payable and accrued liabilities		**(15,061)**	29,158	**(38,845)**	7,897
		(205,919)	(50,290)	**(551,700)**	(533,571)
Purchase of investments		**-**	(127,950)	**-**	(217,950)
Issuance of notes receivable		**-**	-	**-**	(4,000,000)
Payments of notes receivable		**-**	-	**-**	3,250,000
Interest received		**40,144**	81,693	**93,623**	662,978
Net cash provided used in operating activities		**(165,775)**	(96,547)	**(458,077)**	(838,543)
Financing activities					
Loan proceeds	5	**-**	-	**40,000**	-
Advance to related parties	9	**-**	-	**165**	-
Purchase of treasury stock	7	**(7,725)**	(2,720)	**(7,725)**	(72,795)
Decrease in subscription receivable		**-**	-	**-**	200,000
Net cash provided (used) in financing activities		**(7,725)**	(2,720)	**32,440**	127,205
Change in cash and cash equivalents for the period		**(173,500)**	(99,267)	**(425,637)**	(711,338)
Cash and cash equivalents, beginning of period		**3,493,785**	4,244,384	**3,745,922**	4,856,455
Cash and cash equivalents, end of period		**$ 3,320,285**	$4,145,117	**$ 3,320,285**	$ 4,145,117

See accompanying notes to the condensed interim financial statements.

1. Nature and continuance of operations

Prior to September 24, 2018, Top Strike Resources Corp. ("Top Strike", the "Company") had no activity and had not earned significant revenues. The Company has evaluated several oil and gas as well as other opportunities. The Company had previously focused on international and domestic oil and gas projects but has expanded its scope to consider other industries as well.

On September 24, 2018, the Company announced the completion of a recapitalization financing, the appointment of a new management team and Board of Directors and commencement of trading on the Canadian Securities Exchange. The transactions have transitioned the Company from an oil and gas issuer to a merchant capital firm, rebranded as "Vencanna Ventures Inc.", providing capital to early-stage global cannabis initiatives including state compliant opportunities in the United States.

The Company trades under the symbol "VENI" on the Canadian Securities Exchange and under the symbol "TPPRF" on the OTCQB Venture Market ("OTCQB"), a US trading platform operated by the OTC Market Group in New York. The Company's principal place of business is located in Calgary, Alberta. The address of the Company's head office is Suite 310, 250 6th Avenue SW, Calgary, Alberta, T2P 3H7.

2. Basis of presentation

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. These condensed interim financial statements do not include all the information required for full annual financial statements.

These condensed interim financial statements are stated in Canadian dollars and have been prepared following the same accounting policies and methods of computation as the financial statements for the year ended April 30, 2020 except as specified in Note 3 below. These condensed interim financial statements should be read in conjunction with the financial statements and notes thereto in the Company's annual filings for the year ended April 30, 2020. The condensed interim financial statements were approved and authorized for issuance by the board of directors of Top Strike on March 29, 2021.

(b) Basis of measurement

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for share-based payment transactions, investments, convertible notes, convertible debentures and derivative instruments which have been recorded at fair market value.

(c) Functional currency

The Company's presentation currency is Canadian dollars. The functional currency of the Company is Canadian dollars.

3. Summary of significant accounting policies

The accounting policies used are consistent with those of the previous financial year as described in Note 3 of the Company's financial statements for the year ended April 30, 2020. With the exception of the following policy.

Government grants

The Company receives grants periodically from different governmental incentive programs. Grants are recognized initially when there is reasonable assurance the grant or subsidy will be received and when the Company believes it is in compliance with the related conditions of the grant or subsidy. The financial aid received for expenditures incurred is recognized against the expenditure in the same accounting period in which the expenditures were incurred.

4. Investments

Galenas New Jersey LLC ("Galenas NJ")

On August 8, 2019, the Company purchased an approximate 15% interest in Galenas NJ for $90,000. On December 18, 2019, the Company acquired an additional 22.5% interest in Galenas NJ from Medical Investor Holdings LLC (d.b.a. Vertical Companies) ("Vertical") with a settlement of accrued interest of $127,950 on the Vertical loan. On January 24, 2020 the Company issued 2,222,222 common shares at a share price of $0.02 to Medical Investment Fund LLC ("MIF") for exchange of additional 22.5% interest in Galenas NJ.

Investments in Galenas NJ is measured at FVTPL, and considered to be under Level 3 fair value hierarchy. The fair value of this investment as at January 31, 2021 is $118,900.

Convertible promissory notes

GOH Note

On February 20, 2020, the Company was assigned a convertible promissory note ("GOH Note") as settlement for the note receivable to Vertical. The GOH Note was originally issued by Galenas LLC for the principal sum of $US3,300,000 on July 12, 2018 with interest accruing at a rate of 8% per annum. The holder of the GOH Note has the option to convert the note into a 35% non-dilutive interest in Galenas LLC anytime prior to the maturity date on July 1, 2021. Upon maturity the entire unpaid principal balance and all accrued interest on the note shall become due and payable.

The GOH Note is measured at FVTPL, and considered to be under Level 3 hierarchy. The fair value of this investment as at January 31, 2021 is $5,178,062

GOH Note 2

On July 3, 2020, the Company was assigned a convertible promissory note ("GOH Note 2"). The GOH Note 2 was originally issued by Galenas LLC for the principal sum of $US1,300,000. The note has an interest rate of 9.6% and is paid in monthly installments of $US10,400. The holder of the GOH Note 2 has the option to convert the note into 223 membership units (approximately 10.3% equity interest) of Galenas LLC on or prior to the maturity date of August 1, 2021.

The GOH Note 2 is measured at FVTPL, and considered to be under Level 3 hierarchy. The fair value of this investment as at January 31, 2021 is $1,664,390.

5. Loan

On June 6, 2020, the Company received a $40,000 Canada Emergency Response interest free loan to cover operating costs. The loan was offered by the Government of Canada through the Company's bank and is related to the Covid-19 pandemic. The balance of the loan is due on or before December 31, 2022. Full payment of the loan by December 31, 2022 will result in a loan forgiveness benefit of $10,000. On December 31, 2022, the Corporation has the option to extend the loan for an additional 3 years at in annual interest rate of 5%. In determining the fair value of the loan the Company used an effective interest rate of 10% and considered the interest free and forgiveness features of the loan.

The fair value of the debt component of the loan was $22,915 and $24,529 as at January 31, 2021. During the period the Company recorded loan accretion of $635 on the condensed interim statement of loss and comprehensive loss.

The residual value of the loan was $17,085 and $12,732 as at January 31, 2021. The residual value was classified and recorded as a deferred government grant on the statement of financial position. During the period the Company expensed $1,676 of the deferred grant to salaries and benefits on the condensed interim statement of loss and comprehensive loss.

(Expressed in Canadian dollars)

6. Convertible debenture

On July 3, 2020, the Company issued a US$1,300,000 convertible debenture maturing July 3, 2022. The debenture is convertible at the holder's option at a conversion rate of $US0.05 per common share totaling 26,000,000 common shares of the Company. The debenture carries an interest rate of 8% and is accrued and payable on January 31, April 30, July 31, and October 31 of each year; interest is paid in cash, common stock, or accrued. The Company also holds an option to extend the maturity of the debenture to July 3, 2024 at an interest rate of 9.6% and common share conversion rate of 29,900,000 common shares. The Company may elect to force conversion if the Company's VWAP equals or exceeds US$0.075 per common share.

The conversion and debt feature of the convertible debenture is presented separately on the condensed statement of financial position due to the variability of foreign currency of the settlement feature. The Black Sholes option pricing model is used to value the derivative component. The derivative component is valued upon the initial issuance date July 3, 2020 and at each period end date. The convertible debenture carries an implied interest rate of 17.72%.

Convertible debenture	January 31, 2021	Oct 31, 2020
Debt component (US)	**$ 1,124,768**	$ 1,077,042
Foreign exchange rate	**~1.28**	~1.33
Debt component	**1,440,041**	1,434,404
Derivative component	**725,400**	374,400
	$ 2,165,441	$ 1,808,804

7. Share capital

The Company has an unlimited number of common shares authorized for issuance. At January 31, 2021 there were 181,991,390 common shares issued, 181,491,390 outstanding and 500,000 held in treasury. There are also 117,701,059 warrants and 17,466,740 stock options outstanding.

On October 5, 2020 the Company re-commenced its Normal course issuer bid (NCIB). Under the NCIB the Company may purchase up to 5% of its 181,991,390 of its issued and outstanding common shares. During the period the Company purchased 500,000 common shares at a cost of $7,725. On January 31, 2021 the 500,000 common shares purchased were held in treasury.

8. Per share amounts

Basic loss per share is calculated based on net gain(loss) and the weighted-average number of common shares outstanding any additions to basic shares are considered anti-dilutive.

	Three months ended October 31		Nine months ended October 31	
	2021	2020	**2021**	2020
Gain (loss) for the period	**$ (663,014)**	$ 59,196	**$ (1,049,620)**	$ (207,456)
Weighted average number of common shares (basic and diluted)	**181,632,694**	183,911,960	**181,527,006**	185,281,432
Basic and diluted loss per share	**$ (0.00)**	$ 0.00	**$ (0.00)**	$ (0.00)

At January 31, 2021, there were 17,466,740 (April 30, 2020 – 17,466,740) stock options considered anti-dilutive.

9. Related party transactions

During the period ended January 31, 2021, $3,127 (2020 - $15,493) in legal fees were incurred from a law firm at which the Corporate Secretary of the Company is a Partner. As at January 31, 2021, accounts payable and accrued liabilities included amounts payable to related parties totaling $20,002 (2019 - $6,871) for the above professional fees.

The Company loaned its directors, executives and employees cash restricted to the sole purpose of purchasing Company shares on the open market. The related party loans are payable upon demand by the Company, are secured by the underlying stock purchased and bear zero interest. The due from related parties balance was $146,783 for the period ended January 31, 2021.

On July 3, 2020, the Company announced the purchase of the $US1,300,000 GOH Note 2 and the issue of a debenture. Jon Sharun, a director of the Company, is a partner of the seller and purchaser off the $US1,300,000 note and debenture respectively. The debenture carries an interest rate of 8% and is accrued and payable on January 31, April 30, July 31, and October 31 of each year; interest is paid in cash, common stock, or accrued. The Company elected to accrue interest of $26,912 to the convertible debenture during the period ended January 31, 2021.

10. Financial risk management

As at January 31, 2021, the carrying values of cash, balances due from related parties, trade and other receivables, trade and other payables and deferred government grants approximate their values due to their short terms to maturity.

Financial risks

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

Credit risk

Credit risk represents the risk associated with the inability of a counterparty to fulfil its financial obligations. The Company is exposed to credit risk through cash, trade and other receivables, due from related parties and investments. The cash balance is primarily held in a chequing account at a reputable financial institution. Trade and other receivables consist of government receivables, due from related parties consist of secured related party loans. The Company does not have significant concentration credit risk from cash, due from related parties and trade and other receivables.

The Company manages credit risk though the careful selection and monitoring of its investments. The Convertible notes are managed through active review of the financial performance of the issuer, Galenas LLC. The Galenas LLC convertible notes constitute a high concentration of risk in a single entity. The convertible notes collectively account for 67% of the Company's total credit risk as at January 31, 2021. The Company's maximum exposure to credit risk as at January 31, 2021 is $10,456,520 (2020 - $9,285,161).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at January 31, 2020, the Company had a cash balance of $3,320,285 (April 30, 2020 - $3,745,922) to settle current liabilities of $50,019 (April 30, 2020 - $76,132). Historically, the Company's sole source of funding has been the issuance of equity securities for cash, through private placements and loans from related and other parties. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

10. Financial risk management (continued)

a) *Interest risk*

The Company is exposed to interest rate risk to the extent that the cash maintained at its banking institution is subject to floating rates of interest. The interest rate risk of cash is not considered significant.

As at January 31, 2021, the Company had 2 convertible notes from an American participant in the cannabis industry. The interest rate on the loans are fixed, and as such, the Company is not exposed to significant interest rate risk.

b) *Foreign currency risk*

As of January 31, 2021, the Company owns 2 convertible notes and a convertible debenture denominated in American Dollars. The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting with third parties in the functional currency when possible. The Company is exposed to currency risk from fluctuations in the value of its investments and its convertible debenture which are denominated in $US. The Company does not currently use foreign exchange contracts to hedge its exposure to foreign currency risk.

As at January 31, 2021, a 1% foreign exchange differential of the American dollar, with all other factors remaining constant, would result in $53,000 change in income (loss).

11. Subsequent events

The Company entered into a loan agreement dated March 11, 2021 with the Cannavative Group LLC ("Cannavative"), a leading premium cannabis brand in the state of Nevada. The Company will loan Cannavative US$2 million for facility expansion and general working capital purposes.

The loan is related to a letter of intent ("LOI") with Cannavative signed January 25, 2021 whereby the Company will acquire all the common shares of Cannavative in an all-share exchange through the issuance of an aggregate of 360,000,000 common shares of the Company at a deemed price of US$0.05 per common share (the "Transaction"). The Transaction is subject to the execution of a definitive agreement and other customary closing conditions. The Transaction is expected to constitute a "Fundamental Change" pursuant to the polices of the Canadian Securities Exchange ("CSE") and is subject to approval by the CSE and shareholders of the Company. Shareholders holding not less than 50% plus one share of the Company will approve the Transaction by way of written resolution.

The loan matures on March 11, 2022, at which time Cannavative will repay the loan in its entirety. Prior to execution of the definitive agreement the interest on the loan shall be 17.5% per annum. Upon execution of the definitive agreement, interest shall be reduced to 12.5% per annum. If Cannavative enters into an alternative transaction with a third party, or if any break fee is payable by Cannavative the loan will accelerate to the day that is 30 days from such event. Certain lenders to Cannavative will enter into subordination agreements providing the loan is senior in right of payment of indebtedness.