CANADIAN IMPERIAL VENTURE CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDED
FEBRUARY 28, 2019
(Expressed in Canadian Dollars)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

CANADIAN IMPERIAL VENTURE CORP.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	February 28, 2019	November 30, 2018
ASSETS		
Current		
Cash	$ 427,101	$ 311,471
Amounts receivable	18,469	2,279
Prepaid expenses	-	6,500
Total current assets	445,570	320,250
Total assets	$ 445,570	$ 320,250
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Trade payables and accrued liabilities	$ 108,250	$ 66,690
Due to related parties (Note 8)	-	3,500
Total current liabilities	108,250	70,190
Shareholders' equity		
Share capital (Note 5)	15,931,640	15,752,528
Reserves (Note 5)	2,661,740	2,661,740
Deficit	(18,256,060)	(18,164,208)
Total shareholders' equity	337,320	250,060
Total liabilities and shareholders' equity	$ 445,570	$ 320,250

Nature of operations and going concern (Note 1)
Basis of presentation (Note 2)
Subsequent event (Note 10)

"Jacqueline Tucker" Director *"Jeff Lightfoot"* Director

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

CANADIAN IMPERIAL VENTURE CORP.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(UNAUDITED – Prepared by Management)
(Expressed in Canadian Dollars)
FOR THE THREE MONTH PERIODS ENDED FEBRUARY 28,

	2019	2018
EXPENSES		
Bank and interest charges	$ 27	$ 83
Consulting fees	44,000	3,240
Professional fees (Note 8)	2,950	32,441
Rent	17,460	-
Transfer agent and filing fees	27,415	3,077
Total operating expenses	(91,852)	(38,841)
Net loss and comprehensive loss for the period	$ (91,852)	$ (38,841)
Net loss per common share, basic and diluted	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding, basic and diluted	13,638,527	2,944,674

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

CANADIAN IMPERIAL VENTURE CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
(UNAUDITED – Prepared by Management)
(Expressed in Canadian Dollars)
FOR THE THREE MONTH PERIODS ENDED FEBRUARY 28,

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (91,852)	$ (38,841)
Changes in non-cash working capital items:		
Amounts receivable	(16,190)	(1,997)
Prepaid expenses	6,500	-
Increase (decrease) in trade payables and accrued liabilities	41,560	(329,570)
Net cash used in operating activities	(59,982)	(370,408)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issuance, net of costs	-	1,045,000
Proceeds from exercise of warrants	179,112	-
Loan advances repayments	-	(74,000)
Related party loans repayments	(3,500)	(43,000)
Net cash provided by financing activities	175,612	928,000
Change in cash for the period	115,630	557,592
Cash, beginning of the period	311,471	8,587
Cash, end of the period	$ 427,101	$ 566,179
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

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

CANADIAN IMPERIAL VENTURE CORP.
CONDENSED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY AND DEFICIT
(UNAUDITED – Prepared by Management)
(Expressed in Canadian Dollars)
FOR THE THREE MONTH PERIODS ENDED FEBRUARY 28,

	Share Capital				
	Number of Common Shares	**Amount**	**Reserves**	**Deficit**	**Total Shareholder's Equity**
Balance, November 30, 2017	1,564,939	$ 14,714,917	$ 2,661,740	$ (17,957,957)	$ (581,300)
Private placement	11,000,000	1,045,000	-	-	1,045,000
Finder units	802,500	(76,238)	76,238	-	-
Net loss and comprehensive loss for the period	-	-	-	(38,841)	(38,841)
Balance, February 28, 2018	13,367,439	15,683,679	2,737,978	(17,996,798)	424,859
Balance, November 30, 2018	13,367,439	$ 15,752,528	$ 2,661,740	$ (18,164,208)	$ 250,060
Exercise of warrants	1,432,895	179,112	-	-	179,112
Net loss and comprehensive loss for the period	-	-	-	(91,852)	(91,852)
Balance, February 28, 2019	14,800,334	$ 15,931,640	$ 2,661,740	$ (18,256,060)	$ 337,320

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Canadian Imperial Venture Corp. (the "Company") is incorporated under the Business Corporations Act of British Columbia. The Company is listed on the NEX branch of the TSX Venture Exchange, under the symbol CQV.H. The Company's head office is located at 2900 – 595 Burrard Street, Vancouver, BC.

The principal business of the Company is the identification and evaluation of assets or a business with a view to completing a transaction subject to receipt of shareholder approval and acceptance by regulatory authorities. The success of the Company will be dependent on obtaining the necessary financing to evaluate and pursue these opportunities.

These unaudited financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. During the three month period ended February 28, 2019, the Company incurred a net loss of $91,852 and had an accumulated deficit at February 28, 2019 of $18,256,060. These conditions cast significant doubt on the Company's ability to continue as a going concern.

The current market conditions and volatility increases the uncertainty of the Company's ability to continue as a going concern given the need to both curtail expenditures and to raise additional funds. The Company is experiencing, and has experienced, negative operating cash flows. The Company will continue to search for new or alternate sources of financing but anticipates that the current market conditions may impact the ability to source such funds.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the Company's statement of financial position.

2. BASIS OF PRESENTATION

a) Statement of compliance and basis of measurement

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"). These should be read in conjunction with the Company's last annual consolidated financial statements as at and for the year ended November 30, 2018 ("last annual financial statements"). The accounting policies and critical estimates applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the last annual financial statements, except for the new judgements and accounting standards newly adopted on December 1, 2018 as described in note 3 (b) below. These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of changes in the Company's financial position and performance since the last annual financial statements.

These condensed interim consolidated financial statements were approved by the Board of Directors on April 29, 2019.

2. BASIS OF PRESENTATION (continued):

b) Functional currency and presentation currency

The Company’s functional and presentation currency is the Canadian dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash includes cash on hand and deposits held with financial institutions.

b) Financial instruments

The Company has adopted new accounting standard IFRS 9 – Financial Instruments, effective December 1, 2018. The new standard sets out requirements for classifying, recognizing and measuring financial assets and financial liabilities. This standard replaces IAS 39 – Financial Instruments: Recognition and Measurement.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018. IFRS 9 allows for an exemption from restating prior periods in respect of the standard’s classification and measurement requirements. The Company has chosen to apply this exemption upon initial adoption, although it was determined that the adoption of IFRS 9 had no impact on the comparative period’s financial statements.

IFRS 9 establishes three primary measurement categories for financial assets: fair value through profit and loss (“FVTPL”), fair value through other comprehensive income (“FVOCI”) and amortized cost. The basis for classification depends on the entity’s business model and the contractual cash flow characteristics of the instrument. For financial liabilities, the new standard retains most of the requirements of IAS 39, except that fair value changes due to changes in an entity’s own credit risk are recorded in other comprehensive Income rather than in net earnings.

Upon adoption of IFRS 9, the Company has changed its accounting policy for financial instruments as follows:

Classification
The Company determines the classification of its financial instruments at initial recognition. Upon initial recognition, a financial asset is classified as measured at: amortized cost, fair value through profit and loss (“FVTPL”), or fair value through other comprehensive income (loss) (“FVOCI”). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments. A financial liability is classified as measured at amortized cost or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

b) Financial instruments (continued):

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity investment that is held for trading is measured at FVTPL. For other equity investments that are not held for trading, the Company may irrevocably elect to designate them as FVOCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Company has elected to measure them at FVTPL.

The Company completed an assessment of its financial assets and liabilities as at February 28, 2019. The adoption of IFRS 9 has no quantitative impact on the Company's financial instruments as at February 28, 2019.

However, it has an impact on the classification of the Company's financial instruments compared to the old standard IAS 39 as follows:

Asset or Liability	**Original classification IAS 39**	**New classification IFRS 9**
Cash and cash equivalents	FVTPL	FVTPL
Receivables	Loans and receivables	Amortized cost
Trade payables and accrued liabilities	Other liabilities	Amortized cost

Measurement

Initial measurement

On initial recognition, all financial assets and financial liabilities are measured at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case the transaction costs are expensed as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

b) Financial instruments (continued):

Measurement (continued):

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial instruments:

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost
These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income is calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Impairment of financial instruments

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For financial assets measured at amortized cost, and debt investments at FVOCI, the Company applies the expected credit loss impairment model. On adoption of the expected credit loss model there was no material adjustment.

c) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

c) Income taxes (continued):

Deferred tax is recorded using the liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect both accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the date of the statement of financial position.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

d) Share capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, warrants, and stock options are classified as equity instruments. Incremental costs directly attributable to the issue of new common shares, warrants or stock options are shown in equity as a deduction, net of tax, from the proceeds.

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable component, as determined by the closing quoted bid price on the issuance date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded as reserves.

e) Loss per common share

Basic loss per share has been calculated using the weighted average number of common shares outstanding during the period.

Diluted loss per share has been calculated using the weighted average number of common shares that would have been outstanding during the respective period had all of the stock options and warrants outstanding at year-end having a dilutive effect been converted into shares at the beginning of the year and the proceeds used to repurchase the Company's common shares at the average market price for the year. If these computations prove to be anti-dilutive, diluted loss per share is the same as basic loss per share.

3. SIGNIFICANT ACCOUNTING POLICIES (continued):

f) Share-based compensation

The stock option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from reserves to capital stock.

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

Share-based payments to non-employees are measured at the fair value of the goods or services received or if such fair value is not reliably measurable, at the fair value of the equity instruments issued.

g) New standards, interpretations and amendments

- IFRS 9 – Financial Instruments – Effective January 1, 2018, the Company adopted IFRS 9. See Note 3 (b) for the impact of the transition to IFRS 9 on the Company's financial statements.

- IFRS 15 – Revenue from Contracts with Customers – Effective December 1, 2018, the Company adopted IFRS 15. IFRS 15 had no impact on the Company's financial statements as the Company did not recognize any revenue during the year.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning on or after January 1, 2019. Updates which are not applicable or are not consequential to the Company have been excluded thereof. The following have not yet been adopted by the Company.

- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

- IFRIC 23 – Uncertainty over Income Tax Treatment: New standard to clarify the accounting for uncertainties in income taxes. The interpretation provides guidance and clarifies the application of the recognition and measurement criteria in IAS 12 "Income Taxes" when there is uncertainty over income tax treatments. The interpretation is effective for annual periods beginning on January 1, 2019.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and judgments about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the financial statements are discussed below.

Critical judgments

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

Key sources of estimation uncertainty

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

5. CAPITAL STOCK

Authorized capital stock: unlimited number of common shares without par value, issuable in series.

During the three month period ended February 28, 2019, the Company issued 1,432,895 common shares for proceeds of $179,112 on the exercise of warrants.

On February 15, 2018, the Company completed a private placement for gross proceeds of $1,045,000. These funds were raised through the issuance of 11,000,000 units at a price of $0.095 per unit with each unit consisting of one common share and one share purchase warrant entitling the holder to acquire one additional share at a price of $0.125 for a period of 12 months. The Company incurred share issuance costs of $7,389.

The Company had also issued 802,500 finder's units on terms identical to those issued to subscribers. The finders units had a fair value of $76,238 and were recorded in share capital and share issuance costs with a net impact of $nil.

(Expressed in Canadian Dollars)

5. CAPITAL STOCK (continued):

Stock Option Plan

The Company has a rolling Stock Option Plan (the "Plan") under which non-transferable options to purchase common shares of the Company may be granted to directors, officers, employees or service providers of the Company.

Options granted must expire no later than a maximum of ten years from the date of the grant. Terms of the Plan are as follows:

i) The number of common shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant.

ii) The number of shares which may be awarded to any one individual may not exceed 5% of the issued shares at the date of grant, and the total number of options awarded to any consultant shall not exceed 2% of the issued and outstanding common shares at the time of the grant.

iii) The total number of options awarded to all persons employed by the Company who perform investor relations activities shall not exceed 2% of the issued and outstanding shares of the Company in any twelve-month period.

iv) Under TSX.V policy all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis.

The Plan does not require vesting provisions for options issued except in limited circumstances.

There were no stock options granted during the three month period ended February 28, 2019.

As at February 28, 2019 and November 30, 2018, there were no stock options outstanding and exercisable.

Share purchase warrants

The following is a summary of changes in share purchase warrants:

	Number of Options	Weighted Average Exercise Price
Outstanding, November 30, 2017	-	$ -
Granted	11,802,500	0.125
Outstanding, November 30, 2018	11,802,500	0.125
Exercised	(1,432,895)	0.125
Expired	(10,369,605)	0.125
Outstanding, February 28, 2019	-	$ -

As at February 28, 2019, there were no warrants outstanding and exercisable.

6. FINANCIAL RISK FACTORS

The fair value of the Company's amounts receivable, trade payables and accrued liabilities, due to related parties and loans approximate their carrying value, which is the amount recorded on the statement of financial position, due to their short term nature. The Company's cash is measured at fair value, under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Level 3 inputs in determining the fair value of investments includes subjective estimates in assessing for indicators of impairment.

As at February 28, 2019, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 2 in the fair value hierarchy above.

The key assumptions used by the Company in the valuation of Level 3 investments include and are not limited to, to the value of recently completed financings by the investee, entity-specific information, and publicly available information of comparable entities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk. Amounts receivable consists of input tax credits receivable from the Government of Canada and are not subject to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at February 28, 2019, the Company had a cash balance of $427,101 to settle current liabilities of $108,250. The Company expects to fund these liabilities through the issuance of capital stock. See Note 1 for discussion of going concern risk.

Market risk

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

a) Interest rate risk

The Company has cash balances which are not at a significant risk to fluctuating interest rates. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of February 28, 2019, the Company did not have any investments in investment-grade short-term deposit certificates.

6. FINANCIAL RISK FACTORS (continued):

b) Price risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

c) Foreign currency risk

The Company operates in Canada and is not exposed to any significant foreign currency risk.

7. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, and development of its exploration and evaluation interests. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company is largely dependent upon external financings to fund activities. In order to search for new business opportunities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new business opportunities and seek to acquire new business assets if it feels there are sufficient business opportunities or economic potential and if it has adequate financial resources to do so. (see Note 10)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three month period ended February 28, 2019. The Company is not subject to externally imposed capital requirements.

8. RELATED PARTY TRANSACTIONS

Related parties and related party transactions impacting the accompanying financial statements are summarized below and include transactions with the following individuals or entities:

Key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS (continued):

Remuneration attributed to key management personnel can be summarized as follows:

	Three months ended February 28, 2019	2018
Short-term benefits*	$ 2,950	$ 30,560

*includes base salaries pursuant to contractual employment or consultancy arrangements. These have been recorded in professional fees and consulting fees.

During the three month period ended February 28, 2019, the Company had the following transactions with related parties:

The Company incurred $2,950 (Q1-2018 - $18,527) in professional fees with MJJ & Associates Consulting Ltd., a company controlled by Ming Jang, an officer of the Company.

As at February 28, 2019, the Company had the following amounts outstanding to related parties:

a) Included in accounts payable and accrued liabilities is $nil (Q1-2018 $2,500) owing to Owen Bird Law Corporation, a law firm in which Jeff Lightfoot, a director of the Company, is a partner.

b) Included in accounts payable and accrued liabilities is $nil (Q1-2018 - $6,195) owing to MJJ & Associates Consulting Ltd., a company controlled by Ming Jang, an officer of the Company for professional fees.

During the three month period ended February 28, 2019, the Company repaid a loan for $3,500 to Jeff Lightfoot, a director of the Company.

9. LOANS

During the year ended November 30, 2017, loans totalling $22,000 were received from unrelated third parties. These loans are unsecured, non-interest bearing and are due on demand.

During the year ended November 30, 2018, the Company repaid all outstanding loans totalling $88,000.

10. SUBSEQUENT EVENT

Subsequent to the period ended February 28, 2019 the Company announced that it has entered into a business combination agreement dated April 2, 2019 (the “Agreement”) with Cannus Partners Inc. (“Cannus”) and a wholly owned subsidiary of the Company, 11326937 Canada Inc. (“Newco”), formed for the purpose of completing the amalgamation. Cannus is an arm’s length company incorporated under the Canada Business Corporations Act and is a vertically integrated cannabis cultivator, producer, distributor and dispensary operator that is building out its “seed to sale” business.

Pursuant to the Agreement, the Company has agreed to acquire all of the issued and outstanding securities of Cannus and the business of Cannus by way of a three-cornered amalgamation (the “Transaction”) between the Company, Cannus and Newco pursuant to the provisions of the Canada Business Corporations Act. The Transaction will result in a reverse takeover of the Company by the security holders of Cannus. Prior to the completion of the Transaction, the Company will designate its common shares as subordinate voting shares (the “Resulting Issuer SV Shares”) and create a new class of Series A compressed multiple voting shares (the “Resulting Issuer Series A Shares”, together with the Resulting Issuer SV Shares, the “Resulting Issuer Shares”). Each Resulting Series A Share will have the economic and voting rights of 100 Resulting Issuer SV

10. SUBSEQUENT EVENT (continued):

Shares, and shall be convertible into Resulting Issuer SV Shares on the terms and conditions to be determined by Cannus. The Company will consolidate its existing shares on a ratio to be mutually agreed upon by the Company and Cannus such that immediately prior to the closing of the Transaction, there will be an aggregate of 9,500,000 common shares of the Company issued and outstanding on a post-consolidation basis, which will be redesignated into Resulting Issuer SV Shares such that shareholders of the Company will own 9,500,000 Resulting Issuer SV Shares.

Pursuant to the terms of the Agreement, it is anticipated that Newco and Cannus will amalgamate to form a single subsidiary of the Company and that in consideration for the cancellation of all outstanding securities of Cannus, the security holders of Cannus will receive:

(i) one Resulting Issuer SV Share for each common share of Cannus (each, a “Cannus Common Share”);

(ii) one Resulting Series A Share for each Series A compressed share of Cannus (each, a “Cannus Series A Share”);

(iii) one option to purchase Resulting Issuer SV Shares for each option to purchase Cannus Common Shares (each, a “Cannus Common Option”) on the same terms and conditions as each Cannus Common Option;

(iv) one option to purchase Resulting Series A Shares for each option to purchase Cannus Series A Shares (each, a “Cannus Series A Option”) on the same terms and conditions as each Cannus Series A Option;

(v) one purchase warrant for Resulting Issuer SV Shares for each purchase warrant for Cannus Common Shares (each, a “Cannus Common Warrant”) on the same terms and conditions as each Cannus Common Warrant;

(vi) one purchase warrant for Resulting Series A Shares for each purchase warrant for Cannus Series A Shares (each, a “Cannus Series A Warrant”) on the same terms and conditions as each Cannus Series A Warrant; and

(vii) one purchase warrant for Resulting Issuer SV Shares for each broker right to purchase Cannus Common Shares (each, a “Cannus Broker Right”) on the same terms and conditions as each Cannus Broker Right.

In connection with the completion of the Transaction, the Company intends to change its name to “Ikänic Farms” or such other name as may be agreed by the parties.

Completion of the Transaction is subject to a number of conditions, including Cannus having completed a financing for aggregate gross proceeds of no less than US$10,000,000, or such aggregate number as determined by Cannus, receipt of all necessary shareholder and regulatory approvals, the execution of related transaction documents, approval of the TSX Venture Exchange (the “TSXV”) for the delisting of the common shares of the Company from the TSXV and conditional approval of the Canadian Securities Exchange (the “CSE”) for the listing of the Resulting Issuer SV Shares following completion of the Transaction.

Certain securities issued in connection with the Transaction may be subject to the escrow requirements of the CSE, mutually agreed upon escrow conditions and hold periods as required by the CSE and applicable securities laws.