

CANADIAN IMPERIAL VENTURE CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTH PERIOD ENDED
FEBRUARY 29, 2020
(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 consolidated 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 consolidated 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 CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)

	February 29, 2020	November 30, 2019
ASSETS		
Current		
Cash	\$ 190,094	\$ 196,485
Amounts receivable	<u>1,973</u>	<u>1,172</u>
Total current assets	<u>192,067</u>	<u>197,657</u>
Total assets	<u>\$ 192,067</u>	<u>\$ 197,657</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Trade payables and accrued liabilities (Note 7)	\$ <u>137,065</u>	\$ <u>128,898</u>
Total current liabilities	<u>137,065</u>	<u>128,898</u>
Shareholders' equity		
Share capital (Note 4)	15,931,640	15,931,640
Reserves (Note 4)	2,661,740	2,661,740
Deficit	<u>(18,538,378)</u>	<u>(18,524,621)</u>
Total shareholders' equity	<u>55,002</u>	<u>68,759</u>
Total liabilities and shareholders' equity	<u>\$ 192,067</u>	<u>\$ 197,657</u>

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

"Jacqueline Tucker"

Director

"Jeff Lightfoot"

Director

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

CANADIAN IMPERIAL VENTURE CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(UNAUDITED – Prepared by Management)
(Expressed in Canadian Dollars)

	Three Months Ended	
	February 29, 2020	February 28, 2019
EXPENSES		
Bank and interest charges	\$ 49	\$ 27
Consulting fees	-	44,000
Professional fees (Note 7)	12,852	2,950
Rent	-	17,460
Transfer agent and filing fees	<u>856</u>	<u>27,415</u>
Total operating expenses	<u>(13,757)</u>	<u>(91,852)</u>
Net loss and comprehensive loss for the period	<u>\$ (13,757)</u>	<u>\$ (91,852)</u>
Net loss per common share, basic and diluted	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>13,638,527</u>	<u>13,638,527</u>

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

CANADIAN IMPERIAL VENTURE CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED – Prepared by Management)
(Expressed in Canadian Dollars)

	Three Months Ended	
	February 29, 2020	February 28. 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (13,757)	\$ (91,852)
Changes in non-cash working capital items:		
Amounts receivable	(801)	(16,190)
Prepaid expenses	-	6,500
Increase in accounts payables and accrued liabilities	<u>8,167</u>	<u>41,560</u>
Net cash used in operating activities	<u>(6,391)</u>	<u>(59,982)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from exercise of warrants	-	179,112
Related party loans repayments	<u>-</u>	<u>(3,500)</u>
Net cash provided by financing activities	<u>-</u>	<u>175,612</u>
Change in cash for the period	(6,391)	115,630
Cash, beginning of the period	<u>196,485</u>	<u>311,471</u>
Cash, end of the period	<u>\$ 190,094</u>	<u>\$ 427,101</u>
Cash paid during the period for interest	\$ -	\$ -
Cash paid during the period for income taxes	\$ -	\$ -

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CANADIAN IMPERIAL VENTURE CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY AND DEFICIT
(UNAUDITED – Prepared by Management)
(Expressed in Canadian Dollars)

	<u>Share Capital</u>				Total Shareholder's Equity
	Number of Common Shares	Amount	Reserves	Deficit	
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
Balance, November 30, 2019	14,800,334	\$ 15,931,640	\$ 2,661,740	\$ (18,524,621)	\$ 68,759
Net loss and comprehensive loss for the period	-	-	-	(13,757)	(13,757)
Balance, February 28, 2019	14,800,334	\$ 15,931,640	\$ 2,661,740	\$ (18,538,378)	\$ 55,002

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

CANADIAN IMPERIAL VENTURE CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
FEBRUARY 29, 2020

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 consolidated 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 29, 2020, the Company incurred a net loss of \$13,757 and had an accumulated deficit at February 29, 2020 of \$18,538,378. 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.

Ikänik Farms, Inc.

On April 2, 2019, the Company entered into a business combination agreement (the “Agreement”) with Ikänik Farms, Inc. (“Ikänik”) (formerly Ikänik Partners, Inc.) and a wholly owned subsidiary of the Company, 11326937 Canada Inc. (“Newco”), formed for the purpose of completing the amalgamation. Ikänik 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 Ikänik and the business of Ikänik by way of a three-cornered amalgamation (the “Transaction”) between the Company, Ikänik 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 Ikänik. 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 Issuer Series A Share will have the economic and voting rights equivalent to 100 times the Resulting Issuer SV Shares, and shall be convertible into or exchangeable to the Resulting Issuer SV Shares on the terms and conditions to be determined by Ikänik. The Company will consolidate its existing shares on a ratio to be mutually agreed upon by the Company and Ikänik 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 Shares such that shareholders of the Company will own 9,500,000 Resulting Issuer Shares.

CANADIAN IMPERIAL VENTURE CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
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1. NATURE OF OPERATIONS AND GOING CONCERN (continued):

Ikänik Farms, Inc. (continued):

Pursuant to the terms of the Agreement, it is anticipated that Newco and Ikänik will amalgamate to form a single subsidiary of the Company. In consideration for the cancellation of all outstanding securities of Ikänik upon completion of the Transaction, the security holders of Ikänik will receive:

- (i) one Resulting Issuer SV Share for each common share of Ikänik (each, a “Ikänik Common Share”);
- (ii) one Resulting Issuer Series A Share for each Series A compressed share of Ikänik (each, a “Ikänik Series A Share”);
- (iii) one option to purchase Resulting Issuer Shares for each option to purchase Ikänik Common Shares (each, an “Ikänik Common Option”) on the same terms and conditions as each Ikänik Common Option;
- (iv) one option to purchase Resulting Issuer Series A Shares for each option to purchase Ikänik Series A Shares (each, a “Ikänik Series A Option”) on the same terms and conditions as each Ikänik Series A Option;
- (v) one purchase warrant for Resulting Issuer SV Shares for each purchase warrant for Ikänik Common Shares (each, a “Ikänik Common Warrant”) on the same terms and conditions as each Ikänik Common Warrant;
- (vi) one purchase warrant for Resulting Issuer Series A Shares for each purchase warrant for Ikänik Series A Shares (each, a “Ikänik Series A Warrant”) on the same terms and conditions as each Ikänik Series A Warrant; and
- (vii) one broker warrant for Resulting Issuer SV Shares for each broker right to purchase Ikänik Common Shares (each, a “Ikänik Broker Right”) on the same terms and conditions as each Ikänik Broker Right.

Completion of the Transaction is subject to a number of conditions, such as working capital and cash position requirements for the Company, including Ikänik having to complete a financing, 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 lock-up periods as required by the CSE and applicable securities laws.

CANADIAN IMPERIAL VENTURE CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
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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, 2019 (“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.

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 24, 2020.

b) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary.

Name of subsidiary	Country of Incorporation	Percentage Ownership	Functional Currency	Principal Activity
11326937 Canada Inc.	Canada	100%	CAD	Inactive – formed for the purpose of completing the Transaction (Note 1)

c) Functional currency and presentation currency

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

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires the use of estimates and/or judgments that affect the amounts reported and disclosed in the consolidated financial statements and related notes. These estimates and judgments are based on management’s best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements.

The critical estimates and judgments applied in the preparation of the unaudited condensed interim consolidated financial statements for the three months ended February 29, 2020 are consistent with those applied and disclosed in Note 4 to the Company’s audited consolidated financial statements for the year ended November 30, 2019.

4. CAPITAL STOCK

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

During the three month period ended February 29, 2020, no shares were issued by the Company.

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.

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 29, 2020 and November 30, 2019, there were no stock options outstanding and exercisable.

Share purchase warrants

As at February 29, 2020 and November 30, 2019, there were no warrants outstanding and exercisable.

5. FINANCIAL RISK MANAGEMENT

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

Fair value of financial assets and liabilities

IFRS 13 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

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5. FINANCIAL RISK MANAGEMENT (continued):

Fair value of financial assets and liabilities (continued):

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 (i.e.: as prices) or indirectly (i.e.: derived from prices); and
Level 3:	Inputs that are not based on observable market data.

The fair value of cash is measured using Level 1 inputs. The carrying values of trade receivable, accounts payable and accrued liabilities, and due to related parties approximate their respective fair values due to the short-term nature of these instruments.

Financial instrument risk management

The Company's exposures and the impact on its 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 29, 2020, the Company had a cash balance of \$190,094 to settle current liabilities of \$137,065. 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 29, 2020, the Company did not have any investments in investment-grade short-term deposit certificates.

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.

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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6. 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.

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 29, 2020. The Company is not subject to externally imposed capital requirements.

7. 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.

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

	Three months ended	
	February 29, 2020	February 28, 2019
Short-term benefits*	\$ 2,950	\$ 2,950

*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 29, 2020, the Company had the following transactions with related parties:

The Company incurred \$2,950 (Q1-2019 - \$2,950) in professional fees with MJJ & Associates Consulting Ltd., a company controlled by Ming Jang, an officer of the Company.

As at February 29, 2020, the Company had the following amounts outstanding to related parties:

- a) Included in accounts payable and accrued liabilities is \$3,098 (Q1-2019 - \$nil) owing to MJJ & Associates Consulting Ltd., a company controlled by Ming Jang, an officer of the Company for professional fees.