

**CANADIAN IMPERIAL VENTURE CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTH PERIODS ENDED**  
**AUGUST 31, 2020**  
**(Unaudited – Prepared by Management)**  
**(Expressed in Canadian Dollars)**

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

	August 31, 2020	November 30, 2019
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 131,977	\$ 196,485
Amounts receivable	<u>2,189</u>	<u>1,172</u>
<b>Total current assets</b>	<u>134,166</u>	<u>197,657</u>
<b>Total assets</b>	<u>\$ 134,166</u>	<u>\$ 197,657</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ <u>114,123</u>	\$ <u>128,898</u>
<b>Total current liabilities</b>	<u>114,123</u>	<u>128,898</u>
<b>Shareholders' equity</b>		
Share capital (Note 5)	15,931,640	15,931,640
Reserves (Note 5)	2,661,740	2,661,740
Deficit	<u>(18,573,337)</u>	<u>(18,524,621)</u>
<b>Total shareholders' equity</b>	<u>20,043</u>	<u>68,759</u>
<b>Total liabilities and shareholders' equity</b>	<u>\$ 134,166</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)

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>August 31,</b>		<b>August 31,</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>EXPENSES</b>				
Consulting fees	\$ -	\$ 44,666	\$ -	\$ 133,000
General and administrative	22	26	99	155
Professional fees (Note 8)	17,674	50,766	41,162	71,354
Rent	-	17,460	-	52,381
Transfer agent and filing fees	1,359	34,045	7,455	66,447
	(19,055)	(146,963)	(48,716)	(323,337)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (19,055)</b>	<b>\$ (146,963)</b>	<b>\$ (48,716)</b>	<b>\$ (323,337)</b>
<b>Net loss per common share, basic and diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.02)</b>
<b>Weighted average number of common shares outstanding, basic and diluted</b>	<b>14,800,334</b>	<b>14,800,334</b>	<b>14,800,334</b>	<b>13,980,682</b>

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)

	<b>Nine Months Ended August 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (48,716)	\$ (323,337)
<b>Changes in non-cash working capital items:</b>		
Amounts receivable	(1,017)	(11,549)
Prepaid expenses	-	6,500
Accounts payable and accrued liabilities	<u>(14,775)</u>	<u>143,396</u>
Net cash used in operating activities	<u>(64,508)</u>	<u>(184,990)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from exercise of warrants	-	179,112
Related party loan repayments	<u>-</u>	<u>(3,500)</u>
Net cash provided by financing activities	<u>-</u>	<u>175,612</u>
<b>Change in cash for the period</b>	(64,508)	(9,378)
<b>Cash, beginning of the period</b>	<u>196,485</u>	<u>311,471</u>
<b>Cash, end of the period</b>	<u>\$ 131,977</u>	<u>\$ 302,093</u>
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 consolidated financial statements.

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

	<u>Share Capital</u>				Total Shareholders' Equity
	Shares	Amount	Reserves	Deficit	
<b>Balance, November 30, 2018</b>	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	-	-	-	(323,337)	(323,337)
<b>Balance, August 31, 2019</b>	14,800,334	\$ 15,931,640	\$ 2,661,740	\$ (18,487,545)	\$ 105,835
<b>Balance, November 30, 2019</b>	14,800,334	\$ 15,931,640	\$ 2,661,740	\$ (18,524,621)	\$ 68,759
Net loss and comprehensive loss for the period	-	-	-	(48,716)	(48,716)
<b>Balance, August 31, 2020</b>	14,800,334	\$ 15,931,640	\$ 2,661,740	\$ (18,573,337)	\$ 20,043

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

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**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
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**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 condensed interim 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 nine month period ended August 31, 2020, the Company incurred a net loss of \$48,716 and had an accumulated deficit at August 31, 2020 of \$18,573,337. 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.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effect on the Company’s business or ability to raise funds.

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 for the Resulting Issuer

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**1. NATURE OF OPERATIONS AND GOING CONCERN (continued):**

Ikänik Farms, Inc. (continued):

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.

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, 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.

The Company is continuing to work with Ikänik to complete all regulatory requirements to complete the Transaction.

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**2. BASIS OF PRESENTATION**

**a) Statement of compliance**

These condensed interim consolidated financial statements, including comparatives have been prepared in accordance with International Accounting Standards 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed interim consolidated financial statements 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”). Other than as disclosed in Note 3, the accounting policies 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 a complete set of IFRS 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 September 30, 2020.

**b) Principles of consolidation**

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

<b>Name of Subsidiary</b>	<b>Country of Incorporation</b>	<b>Percentage Ownership</b>	<b>Principal Activity</b>
11326937 Canada Inc.	Canada	100%	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. SIGNIFICANT ACCOUNTING POLICIES**

**New standards and interpretations adopted during the period**

- 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. The Company adopted this standard effective December 1, 2019 and determined it had no impact on the Company’s consolidated financial statements.
- 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. The Company adopted this standard effective December 1, 2019 and determined it had no significant impact on the Company’s consolidated financial statements.



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**4. 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 nine months ended August 31, 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.

**5. SHARE CAPITAL**

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

During the nine month period ended August 31, 2020, no shares were issued by the Company.

During the nine month period ended August 31, 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 consultants 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 common shares which may be awarded to any one individual may not exceed 5% of the issued common 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 common shares of the Company in any twelve-month period.
- iv) Under TSXV 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 nine month periods ended August 31, 2020 and 2019.

As at August 31, 2020 and November 30, 2019, there were no stock options outstanding and exercisable.

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**5. SHARE CAPITAL (continued):**

**Share purchase warrants**

There were no warrants granted during the nine month periods ended August 31, 2020 and 2019.

As at August 31, 2020 and November 30, 2019, there were no warrants outstanding and exercisable.

**6. FINANCIAL INSTRUMENTS AND RISK FACTORS**

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

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.

The fair value of the Company's amounts receivable, accounts payable and accrued liabilities 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 1 quoted prices in active markets for identical assets or liabilities.

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 August 31, 2020, the Company had a cash balance of \$131,977 to settle current liabilities of \$114,123. The Company expects to fund future liabilities through the issuance of share capital. 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 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 at August 31, 2020, the Company did not have any investments in investment-grade short-term deposit certificates.

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**6. FINANCIAL INSTRUMENTS AND 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 business 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 fund 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 determines there are sufficient business opportunities or economic potential and if it has adequate financial resources to do so (Note 1).

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 nine month period ended August 31, 2020. The Company is not subject to externally imposed capital requirements.

**8. RELATED PARTY TRANSACTIONS**

Related parties and related party transactions impacting the accompanying condensed interim consolidated 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 August 31,		Nine months ended August 31,	
	2020	2019	2020	2019
Short-term benefits*	\$ -	\$ 2,950	\$ 2,950	\$ 8,850

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

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**8. RELATED PARTY TRANSACTIONS (continued):**

During the nine month period ended August 31, 2020, the Company had the following transactions with related parties:

- The Company incurred \$2,950 (2019 - \$8,850) in professional fees with MJJ & Associates Consulting Ltd., a company controlled by Ming Jang, an officer of the Company.

As at August 31, 2020, the Company had the following amounts outstanding to related parties:

- a) Included in accounts payable and accrued liabilities is \$nil (2019 - \$2,950) owing to MJJ & Associates Consulting Ltd., a company controlled by Ming Jang, an officer of the Company for professional fees.

During the nine month period ended August 31, 2020, the Company repaid a loan of \$nil (2019 - \$3,500) to Jeff Lightfoot, a director of the Company.