

**MANAGEMENT'S DISCUSSION & ANALYSIS**

For the three and nine month periods ended August 31, 2020

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This Management's Discussion and Analysis ("MD&A") prepared as at September 30, 2020, reviews the financial condition and results of operations of Canadian Imperial Venture Corp. (the "Company") for the three and nine month periods ended August 31, 2020 and all other material events up to the date of this report. The following discussion should be read in conjunction with the Company's November 30, 2019 annual audited consolidated financial statements and related notes together with the Management's Discussion and Analysis, and the unaudited condensed interim consolidated financial statements and related notes for the three and nine month periods ended August 31, 2020.

The financial data included in the discussion provided in this report has been prepared in accordance 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"). All dollar amounts are in Canadian dollars, unless otherwise noted.

**DESCRIPTION AND OVERVIEW OF BUSINESS**

Canadian Imperial Venture Corp. is a publicly listed company currently listed on the NEX division of the TSX Venture Exchange ("TSXV"), currently trading under the symbol "CQV.H".

On April 2, 2019, the Company entered into a business combination agreement (the "Agreement") with Ikänik Farms, Inc. ("Ikänik") (formerly Cannus 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 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

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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.

As at the date of this MD&A, the Company is continuing to work with Ikänik to complete all regulatory requirements to complete the Transaction.

## **RESULTS OF OPERATIONS**

### *Loss for the period*

The Company reported a net loss and comprehensive loss of \$48,716 and \$323,337 for the nine month periods ended August 31, 2020 and 2019 respectively.

The Company incurred consulting fees of \$nil and \$133,000 for the nine month periods ended August 31, 2020 and 2019 respectively. The costs incurred in the previous year can be attributed to fees paid to a third party consultant to help the Company with the business combination agreement with Ikänik.

Professional fees were \$41,162 for the nine month period ended August 31, 2020 compared to \$71,354 for the nine month period ended August 31, 2019. The professional fees incurred during the current period can be attributed to the legal costs associated with the business combination agreement with Ikänik transaction.

The Company incurred rent expense of \$nil and \$52,381 for the nine month periods ended August 31, 2020 and 2019 respectively. The costs incurred in the previous year can be attributed to maintaining an office for a third party consultant to help the Company with the business combination agreement with Ikänik.

The Company incurred transfer agent and filing fees of \$7,455 for the nine month period ended August 31, 2020 compared to fees of \$66,447 for the comparable nine month period ended August 31, 2019. The increased costs for the previous period can be attributed to the various expenses directly attributed with the Company's Annual General and Special Meeting.

### *Total assets*

The change in total assets over the three year period from 2018-2020 is largely the result of changes in the cash balance.

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Total assets of the Company were \$134,166 as at August 31, 2020 compared to assets of \$197,657 as at November 30, 2019.

The decrease in assets can be attributed to the reduction in the Company's cash balance. The Company had cash balances of \$131,977 and \$196,485 as at August 31, 2020 and November 30, 2019 respectively. The Company's funds have been predominantly used in connection with the Ikänik transaction for legal fees.

*Total liabilities*

As at August 31, 2020, the current liabilities of the Company were \$114,123 compared to \$128,898 as at November 30, 2019. The Company's current liabilities are primarily related to professional and consulting fees.

**SUMMARY OF QUARTERLY RESULTS**

The following table summarizes information derived from the Company's unaudited condensed interim financial statements for each of the eight most recently completed quarters:

Quarter Ended	Revenues	Net loss	Net loss per share <sup>(1)</sup>
August 31, 2020	\$nil	\$(19,055)	\$(0.00)
May 31, 2020	\$nil	\$(15,904)	\$(0.00)
February 29, 2020	\$nil	\$(13,757)	\$(0.00)
November 30, 2019	\$nil	\$(37,076)	\$(0.00)
August 31, 2019	\$nil	\$(146,963)	\$(0.01)
May 31, 2019	\$nil	\$(84,522)	\$(0.005)
February 28, 2019	\$nil	\$(91,852)	\$(0.005)
November 30, 2018	\$nil	\$(127,225)	\$(0.01)

<sup>(1)</sup> Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

It is the nature of many junior companies that there are no sales or revenue. There can be significant variances in the Company's reported loss from quarter-to-quarter arising from factors that are difficult to anticipate in advance or to predict from past results. The Company is actively finalizing the Ikänik transaction. Consulting and professional fees incurred by the Company over the past twelve months are directly related to the Ikänik transaction.

**LIQUIDITY AND CAPITAL RESOURCES**

Canadian Imperial Venture Corp. did not generate any cash flow from operations. The Company's financial success relies on management's ability to continue to identify and evaluate assets or a business with a view to completing a transaction subject to receipt of shareholder approval and acceptance by regulatory authorities. Future cash flows from operations will be dependent on maximizing the potential of these opportunities.

In order to finance the acquisition of assets or a business and corporate overhead, the Company has historically been dependent on investor sentiment remaining positive towards the junior companies, and towards Canadian Imperial Venture Corp. in particular, so that funds can be raised through the sale of the Company's securities. Many factors have an influence on investor sentiment, including a positive climate from investors to support junior companies, a company's track record and the experience and calibre of a company's management. There is no certainty that equity funding will be available at the times and in the amounts required to fund the Company's activities. Note 1 of the Company's unaudited condensed interim consolidated financial statements for the three and nine month periods ended August 31, 2020 further discusses the going concern issue. The condensed interim consolidated financial statements do not include any adjustments that might result from these uncertainties.

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Canadian Imperial Venture Corp. has in the past, financed its activities through equity and loan financings. It is anticipated as general sentiment towards junior companies turn positive, the Company can raise the necessary capital to secure and finance the acquisition of assets or a business. See "Description and Overview of Business" section for details relating to the Transaction.

Debt financing has been used to finance general operating expenses, but has not been used to fund asset and business acquisitions, and the Company has no current plans to use such financing. There are no other sources of financing that have been arranged by the Company.

The Company's working capital as at August 31, 2020 was \$20,043 compared to a working capital of \$68,759 as at November 30, 2019. This decrease can be attributed to the use of cash during the current period for expenditures incurred.

The Company has no commitments for capital expenditures.

*Cash and Financial Conditions*

The Company had a cash balance of \$131,977 as at August 31, 2020 as compared to a cash balance of \$196,485 as at November 30, 2019.

The decrease in cash for the period can be attributed to the payment of expenditures as incurred.

The Company does not have any unused lines of credit or other arrangements in place to borrow funds and has no off-balance sheet arrangements.

Canadian Imperial Venture Corp. does not use hedges or other financial derivatives.

*Financing Activities*

During the nine month period ended August 31, 2020, the Company had \$nil financing activities.

During the nine month period ended August 31, 2019, 1,432,895 warrants were exercised and converted into common shares for total proceeds of \$179,112, and the Company repaid a loan of \$3,500 to a related party.

*Investing Activities*

During the nine month periods ended August 31, 2020 and 2019, the Company had \$nil investing activities.

There were no material differences in the actual use of proceeds from the Company's previous disclosure in this regard.

**SECURITIES OUTSTANDING**

As at August 31, 2020 and the date of this MD&A, the Company had 14,800,334 common shares issued and outstanding.

As at August 31, 2020 and the date of this MD&A, the Company had no warrants outstanding.

As at August 31, 2020 and the date of this MD&A, the Company had no stock options issued and outstanding.

## OUTLOOK

It is anticipated that in the continued and foreseeable future, Canadian Imperial Venture Corp. will rely on the equity markets to meet its financing needs. Should cash flow build through its business operations, the Company will be in a position to finance other initiatives from cash flow.

Without continued external funding to pursue and finance any business opportunities, there is substantial doubt as to the Company's ability to operate as a going concern. Although Canadian Imperial Venture Corp. has been successful in raising funds to date, there can be no assurance that additional funding will be available in the future. The financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to achieve successful business results or obtain adequate financing.

Management and the Board of Directors continuously review and examine business proposals for the Company and conduct their due diligence in respect of the same.

## OFF-BALANCE SHEET ARRANGEMENTS

At the date of this report, the Company had no off-balance sheet arrangements.

## TRANSACTIONS WITH RELATED PARTIES

Related parties and related party transactions impacting the Company's 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.

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.

## **PROPOSED TRANSACTIONS**

See "Description and Overview of Business" for details of the proposed Transaction with Ikänik Farms, Inc.

## **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.

## **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 the financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1 of the Company's unaudited condensed interim consolidated financial statements for the three and nine month periods ended August 31, 2020.

### *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.

## **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 of the Company's condensed interim consolidated financial statements for the three and nine month periods ended August 31, 2020 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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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.

**FORWARD-LOOKING STATEMENTS**

Certain information set forth in this document includes forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Canadian Imperial Venture Corp's control, including but not limited to: general economic and business conditions, information included or implied in the various independently produced and published technical reports; cash flow projections; currency fluctuations; commodity price fluctuations; risks relating to our ability to obtain adequate financing for future activities; risks related to government regulations, including environmental regulations and other general market and industry conditions as well as those factors discussed in each management discussion and analysis, available on SEDAR at [www.sedar.com](http://www.sedar.com).

Although Canadian Imperial Venture Corp. has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Canadian Imperial Venture Corp.'s actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits Canadian Imperial Venture Corp. will derive from them. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and as such, undue reliance should not be placed on forward-looking statements.

The Company believes that the expectations reflected in these forward looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and as such forward looking statements contained into this report should not be relied upon. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to assumptions about general business and economic conditions, the availability of financing for the Company, the ability to attract and retain skilled staff and the ability to identify and secure a quality asset or a business with a view of completing a transaction subject to receipt of shareholder approval and acceptance by regulatory authorities.

**ADDITIONAL SOURCES OF INFORMATION**

Additional information relating to Canadian Imperial Venture Corp. can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com).