

**CANADIAN IMPERIAL VENTURE CORP.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTH PERIOD ENDED**  
**FEBRUARY 28, 2021**  
**(Expressed in Canadian Dollars)**

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## **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 28,<br>2021 | November 30,<br>2020 |
|--|----------------------|----------------------|
| <b>ASSETS</b>                                      |                      |                      |
| <b>Current</b>                                     |                      |                      |
| Cash   | \$ 30,973            | \$ 89,580            |
| Amounts receivable                                 | <u>4,236</u>         | <u>3,041</u>         |
| <b>Total current assets</b>                        | <u>35,209</u>        | <u>92,621</u>        |
| <b>Total assets</b>                                | <u>\$ 35,209</u>     | <u>\$ 92,621</u>     |
| <b>LIABILITIES AND SHAREHOLDERS' DEFICIT</b>       |                      |                      |
| <b>Current</b>                                     |                      |                      |
| Accounts payable and accrued liabilities (Note 7)  | \$ <u>103,824</u>    | \$ <u>146,246</u>    |
| <b>Total current liabilities</b>                   | <u>103,824</u>       | <u>146,246</u>       |
| <b>Shareholders' deficit</b>                       |                      |                      |
| Capital stock (Note 4)                             | 15,931,640           | 15,931,640           |
| Reserves (Note 4)                                  | 2,661,740            | 2,661,740            |
| Deficit  | <u>(18,661,995)</u>  | <u>(18,647,005)</u>  |
| <b>Total shareholders' deficit</b>                 | <u>(68,615)</u>      | <u>(53,625)</u>      |
| <b>Total liabilities and shareholders' deficit</b> | <u>\$ 35,209</u>     | <u>\$ 92,621</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>February 28,<br/>2021</b> | <b>February 29,<br/>2020</b> |
| <b>EXPENSES</b>  |                              |                              |
| General and administrative   | \$ 89                        | \$ 49                        |
| Professional fees (Note 7)   | 10,181                       | 12,852                       |
| Transfer agent and filing fees   | 4,720                        | 856                          |
| <b>Total expenses</b>  | <u>(14,990)</u>              | <u>(13,757)</u>              |
| <b>Loss and comprehensive loss for the period</b>                                  | <u>\$ (14,990)</u>           | <u>\$ (13,757)</u>           |
| <b>Loss per common share, basic and diluted</b>                                    | <u>\$ (0.00)</u>             | <u>\$ (0.00)</u>             |
| <b>Weighted average number of common shares outstanding,<br/>basic and diluted</b> | <u>14,800,334</u>            | <u>14,800,334</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)

|   | <b>Three Months Ended</b>    |                              |
|---|------------------------------|------------------------------|
|   | <b>February 28,<br/>2021</b> | <b>February 29,<br/>2020</b> |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>       |                              |                              |
| Loss for the period                               | \$ (14,990)                  | \$ (13,757)                  |
| <b>Changes in non-cash working capital items:</b> |                              |                              |
| Amounts receivable                                | (1,195)                      | (801)                        |
| Accounts payables and accrued liabilities         | <u>(42,422)</u>              | <u>8,167</u>                 |
| Net cash used in operating activities             | <u>(58,607)</u>              | <u>(6,391)</u>               |
| <br>  |                              |                              |
| <b>Change in cash for the period</b>              | (58,607)                     | (6,391)                      |
| <b>Cash, beginning of the period</b>              | <u>89,580</u>                | <u>196,485</u>               |
| <b>Cash, end of the period</b>                    | <u>\$ 30,973</u>             | <u>\$ 190,094</u>            |
| <hr/>   |                              |                              |
| Cash paid during the period for interest          | \$ -                         | \$ -                         |
| Cash paid during the period for income taxes      | \$ -                         | \$ -                         |

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

|  | <u>Share Capital</u>       |               |              |                 | Total<br>Shareholders'<br>Equity (deficit) |
|--|----------------------------|---------------|--------------|-----------------|--|
|  | Number of<br>Common Shares | Amount        | Reserves     | Deficit         |  |
| <b>Balance, November 30, 2019</b>              | 14,800,439                 | \$ 15,931,640 | \$ 2,661,740 | \$ (18,524,621) | \$ 68,759                                  |
| Net loss and comprehensive loss for the period | -                          | -             | -            | (13,757)        | (13,757)                                   |
| <b>Balance, February 29, 2020</b>              | 14,800,439                 | 15,931,640    | 2,661,740    | (18,538,378)    | 55,002                                     |
| <b>Balance, November 30, 2020</b>              | 14,800,334                 | \$ 15,931,640 | \$ 2,661,740 | \$ (18,647,005) | \$ (53,625)                                |
| Net loss and comprehensive loss for the period | -                          | -             | -            | (14,990)        | (14,990)                                   |
| <b>Balance, February 28, 2021</b>              | 14,800,334                 | \$ 15,931,640 | \$ 2,661,740 | \$ (18,661,995) | \$ (68,615)                                |

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 28, 2021**

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**1. NATURE OF OPERATIONS AND GOING CONCERN**

Canadian Imperial Venture Corp. (“CIVC” or 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 28, 2021, the Company incurred a net loss of \$14,990, had a working capital deficit of \$68,615 and had an accumulated shareholders’ deficit at February 28, 2021 of \$18,661,995. 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.

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.

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 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

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

Ikänik Farms, Inc. (continued):

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.

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.

Subsequent to the three month period ended February 28, 2021, the Company announced it had received conditional approval from the CSE to list the shares of the Company for trading on the CSE following the completion of the Transaction.

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**2. BASIS OF PRESENTATION**

**a) Statement of compliance and basis of measurement**

These condensed interim consolidated financial statements, including comparatives have been prepared 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 consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as and measured as at their fair value.

In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These condensed interim consolidated financial statements of the Company for the three month period ended February 28, 2021 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on March 30, 2021.

**b) Principles of consolidation**

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

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| Name of subsidiary   | Country of incorporation | Proportion of ownership interest | Principal activity   |
|----------------------|--------------------------|----------------------------------|--|
| 11326937 Canada Inc. | Canada                   | 100%                             | Inactive – formed for purpose of completing the Transaction (Note 1) |

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**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 28, 2021 are consistent with those applied and disclosed in Note 4 to the Company’s audited consolidated financial statements for the year ended November 30, 2020.

#### **4. CAPITAL STOCK**

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

During the three month period ended February 28, 2021, the Company did not issue any common shares.

##### **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 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 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 three month period ended February 28, 2021.

As at February 28, 2021 and November 30, 2020, there were no stock options outstanding and exercisable.

##### **Share purchase warrants**

As at February 28, 2021 and November 30, 2020, 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:

**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 28, 2021, the Company had a cash balance of \$30,973 to settle current liabilities of \$103,824. 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, 2021, 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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**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 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 (see 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 three month period ended February 28, 2021. The Company is not subject to externally imposed capital requirements.

**7. RELATED PARTY TRANSACTIONS**

Related parties and related party transactions impacting the accompanying 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:

|                      | <b>Three months ended</b>    |                              |
|----------------------|------------------------------|------------------------------|
|                      | <b>February 28,<br/>2021</b> | <b>February 29,<br/>2020</b> |
| 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, 2021, the Company had the following transactions with related parties:

The Company incurred \$2,950 (Q1-2020 - \$2,950) in professional fees with MJJ & Associates Consulting Ltd., a company controlled by Ming Jang, an officer of the Company.

As at February 28, 2021, the Company had the following amounts outstanding to related parties:

- a) Included in accounts payable and accrued liabilities is \$3,098 (November 30, 2020 - \$6,195) owing to MJJ & Associates Consulting Ltd., a company controlled by Ming Jang, an officer of the Company for professional fees.