

AJA Ventures Inc.

**Condensed Consolidated Interim Financial Statements
Three and Six Months Ended July 31, 2022
(Unaudited)**

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 financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements have been prepared by and are the responsibility of management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of the condensed consolidated interim financial statements by an entity's auditor.

AJA Ventures Inc.

Condensed Consolidated Interim Statements of Financial Position

(Stated in Canadian Dollars)

(Unaudited)

	Notes	July 31, 2022	January 31, 2022
ASSETS			
Current assets			
Cash		\$ 2,451,248	\$ 2,624,648
GST receivable		25,897	16,005
Deposit	3	50,000	50,000
Investments	4	650,288	3,317,836
TOTAL ASSETS		\$ 3,177,433	\$ 6,008,489
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		\$ 55,815	\$ 64,310
Demand loans	5	168,611	216,721
Total current liabilities		224,426	281,031
Shareholders' Equity			
Common shares	6	10,263,201	7,903,683
Contributed surplus		287,157	273,184
Subscriptions received in advance	6	-	2,392,265
Deficit		(7,597,351)	(4,841,674)
Total equity		2,953,007	5,727,458
TOTAL LIABILITIES AND EQUITY		\$ 3,177,433	\$ 6,008,489

Nature and continuance of operations 1

Approved on behalf of the Board of Directors:

"Mark Rutledge"
Mark Rutledge, Director

"Kal Hourd"
Kal Hourd, Director

AJA Ventures Inc.

Condensed Consolidated Interim Statements of Earnings (Loss) and Comprehensive Earnings (Loss)

(Stated in Canadian Dollars)

(Unaudited)

	Notes	Three months ended July 31,		Six months ended July 31,	
		2022	2021	2022	2021
Expenses					
Filing and listing fees		\$ 2,179	\$ -	\$ 2,179	\$ 2,279
General and administrative		21,026	1,037	30,613	1,220
Management fees	8	28,353	48,469	46,705	48,469
Professional fees		44,125	5,897	56,039	46,322
Promotion and marketing		-	-	-	12,458
Share-based payments	7,8	5,624	-	13,973	-
Transfer agent fees		2,286	9,499	3,091	11,804
Loss before other items		(103,593)	(64,902)	(152,600)	(122,552)
Other items					
Foreign exchange gain (loss)		(1,821)	370	(1,821)	1,869
Finance charges		-	-	-	(10,816)
Forgiveness of debt		-	-	-	32,693
Fair value changes on investments	4	(747,872)	(661,089)	(2,579,108)	2,963,553
Loss on sale of investments	4	(22,148)	-	(22,148)	-
Earnings (loss) and comprehensive earnings (loss) for the period		\$ (875,434)	\$ (725,621)	\$ (2,755,677)	\$ 2,864,747
Basic and diluted income (loss) per common share					
	6	\$ (0.02)	\$ (0.02)	\$ (0.06)	\$ 0.16
Weighted average number of common shares outstanding					
	6	47,614,639	33,587,000	44,713,753	17,688,677

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

AJA Ventures Inc.

Condensed Consolidated Interim Statements of Changes in Equity

(Stated in Canadian Dollars)

(Unaudited)

	Common Shares		Contributed Surplus	Subscriptions	Deficit	Total
	Number	Amount		Received in Advance		
Balance at January 31, 2022	41,715,084	\$ 7,903,683	\$ 273,184	\$ 2,392,265	\$ (4,841,674)	\$ 5,727,458
Common shares issued for cash:						
Private placement	6,700,729	2,412,265	-	(2,412,265)	-	-
Share issue costs on private placements	-	(52,747)	-	-	-	(52,747)
Subscriptions received in advance	-	-	-	20,000	-	20,000
Share-based payments	-	-	13,973	-	-	13,973
Earnings (loss) for the period	-	-	-	-	(2,755,677)	(2,755,677)
Balance at July 31, 2022	48,415,813	\$ 10,263,201	\$ 287,157	\$ -	\$ (7,597,351)	\$ 2,953,007

	Common Shares		Contributed Surplus	Subscriptions	Deficit	Total
	Number	Amount		Received in Advance		
Balance at January 31, 2021	754,909	\$ 5,131,922	\$ 220,638	\$ -	\$ (7,251,599)	\$ (1,899,039)
Common shares issued for subsidiary	28,471,268	1,708,276	-	-	-	1,708,276
Common shares issued for debt	1,000,001	60,000	-	-	-	60,000
Earnings (loss) for the period	-	-	-	-	2,864,747	2,864,747
Balance at July 31, 2021	30,226,178	\$ 6,900,198	\$ 220,638	\$ -	\$ (4,386,852)	\$ 2,733,984

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

AJA Ventures Inc.

Condensed Consolidated Interim Statements of Cash Flows

(Stated in Canadian Dollars)

(Unaudited)

	Six months ended July 31,	
	2022	2021
Operating Activities		
Earnings (loss) for the period	\$ (2,755,677)	\$ 2,864,747
Items not involving cash:		
Share-based payments	13,973	-
Finance charges	-	10,816
Forgiveness of debt	-	(32,693)
Fair value changes on investments	2,579,108	(2,963,553)
Changes in non-cash working capital items:		
GST receivable	(9,892)	(6,870)
Accounts payable and accrued liabilities	(8,495)	47,537
Net cash used in operating activities	(180,983)	(80,016)
Investing Activities		
Proceeds from sale of investments	88,440	-
Net cash provided by investing activities	88,440	-
Financing Activities		
Repayment of demand loans	(48,110)	-
Subscriptions received in advance	20,000	50,000
Common shares issued for cash, net of issue costs	(52,747)	-
Net cash provided by (used in) financing activities	(80,857)	50,000
Change in cash during the period	(173,400)	(30,016)
Cash, beginning of period	2,624,648	116,878
Cash, end of period	\$ 2,451,248	\$ 86,862
Supplemental Cash Flow Information		
Income taxes paid	\$ -	\$ -
Interest paid (received)	\$ -	\$ -
Non-cash Financing Activities		
Issuance of common shares for purchase of subsidiary	\$ -	\$ 1,708,276
Issuance of common shares for payment of demand loans	\$ -	\$ 60,000

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

AJA Ventures Inc.

Notes to the Condensed Consolidated Interim Financial Statements

July 31, 2022

(Stated in Canadian Dollars)

(Unaudited)

1. Nature and Continuance of Operations

AJA Ventures Inc. (the "Company"), was incorporated under the laws of the Province of Alberta on April 19, 1998 and on July 26, 2002, the Company received a Certificate of Continuance from the Director under the provisions of the Canada Business Corporations Act and discontinued from the jurisdiction of Alberta. On February 11, 2020, the Company continued from under the Canada Business Corporations Act to under the Business Corporations Act (British Columbia). The Company's registered office is located at 700 – 400 West Georgia Street, Vancouver, BC, V6B 5A1.

The Company does not currently carry on any active operations. To date, the Company has made equity investments in two separate life sciences businesses and is in discussions to acquire an active operating business in the life sciences/wellness industry.

These condensed consolidated interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on the assumption that the Company will continue as a going concern and realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation.

As at July 31, 2022, the Company had not yet achieved profitable operations, has variable gains and losses depending on the valuations of its investments, and expects to incur further losses in the development of its business. These factors indicate a material uncertainty that may cast substantial doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is primarily dependent upon its ability to raise financing from equity markets or borrowings and upon successful results from its investments. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future. Accordingly, these condensed consolidated interim financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. If the going concern assumption was not used, then the adjustments required to report the Company's assets and liabilities on a liquidation basis could be material to these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements are presented in Canadian dollars and all values are rounded to the nearest dollar except where otherwise indicated.

2. Basis of Preparation

a) Statement of compliance

These condensed consolidated interim financial statements, including comparatives, are unaudited and have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of presentation

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's January 31, 2022 annual financial statements.

AJA Ventures Inc.

Notes to the Condensed Consolidated Interim Financial Statements

July 31, 2022

(Stated in Canadian Dollars)

(Unaudited)

2. Basis of Preparation (cont'd)

The preparation of interim financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the Company's last annual financial statements as at and for the year ended January 31, 2022 and filed on SEDAR.com.

These condensed consolidated interim financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published and effective at the time of preparation.

These condensed consolidated interim financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value.

These condensed consolidated interim financial statements include the accounts of the following entities:

	<u>Relationship</u>	<u>Percentage</u>	<u>Location of Incorporation</u>
AJA Ventures Inc.	Parent		Canada
1250148 BC Ltd.	Subsidiary	100%	Canada

Inter-company balances and transactions have been eliminated on consolidation.

c) Approval of the financial statements

The condensed consolidated interim financial statements of the Company for the three and six months ended July 31, 2022 were reviewed by the audit committee and approved and authorized for issue by the Board of Directors on September 23, 2022.

3. Deposit

During the year ended January 31, 2022, the Company entered into a purchase agreement (the "LPI Agreement") to acquire Living Proof Institute Inc. ("LPI"). Pursuant to the LPI Agreement, the Company will acquire all of the issued and outstanding securities of LPI, on a cash-free, debt-free basis, from Dr. Sachin Patel, the owner of LPI and an arm's length party to the Company.

Pursuant to the LPI Agreement, the Company will pay Dr. Patel cash consideration of \$935,000, of which \$50,000 will be paid as a non-refundable deposit (paid), and \$435,000 will be paid at closing, with the remaining cash consideration to be paid in eight equal quarterly instalments. Additionally, Dr. Patel will receive 8.25 million common shares of the Company, also to be issued in eight equal quarterly instalments, which will be subject to resale restrictions under applicable securities law. Concurrent with closing, Dr. Patel will be appointed as CEO and as a director of the Company.

The LPI Agreement has expired, although the Company, LPI and Dr. Sachin Patel remain in discussions regarding the completion of the acquisition. Completion of the acquisition is subject to numerous conditions, including the Company formalizing an extension to the LPI Agreement, completing an equity financing for gross proceeds of at least \$1.0 million (completed), and obtaining a listing of its common shares on the Canadian Securities Exchange. There is no assurance or guarantee that the Company will be able to complete the acquisition as described, or at all.

AJA Ventures Inc.

Notes to the Condensed Consolidated Interim Financial Statements

July 31, 2022

(Stated in Canadian Dollars)

(Unaudited)

4. Investments

	January 31, 2022	Purchases	Dispositions	Change in Fair Value	July 31, 2022
Cellular Goods Plc	\$ 3,127,836	\$ -	\$ (88,440)	\$(2,499,108)	\$ 540,288
Filament Ventures Corp.	190,000	-	-	(80,000)	110,000
	<u>\$ 3,317,836</u>	<u>\$ -</u>	<u>\$ (88,440)</u>	<u>\$(2,579,108)</u>	<u>\$ 650,288</u>

a) Cellular Goods Plc (“Cellular”)

Cellular is a UK based public company with a focus on establishing a premium high-quality, independently tested and compliant CBD consumer product brand. Its shares are listed and traded on the London Stock Exchange. The fair value change of \$2,499,108 (2021 – gain of \$2,963,553) represents a loss on mark-to-market of Cellular’s common shares. During the three months ended July 31, 2022, the Company sold 2,000,000 common shares for net proceeds of \$66,292 and realized a loss on sale of \$22,148.

b) Filament Health Corp. (formerly Filament Ventures Corp.) (“Filament”)

Filament is a Canadian based public company with a focus on being a natural psychedelic drug discovery and extraction company. During the year ended January 31, 2022, Filament’s shares were listed for trading on the NEO Exchange. Upon listing, the shares were put into escrow and as of July 31, 2022, all of the shares have been released from escrow. The fair value change of \$80,000 (2021 - \$nil) represents a loss on mark-to-market of Filament’s common shares.

5. Demand Loans

Demand loans relate to debts incurred by the Company in prior years. The demand loans are unsecured and are due on demand. During the three months ended July 31, 2022, the Company repaid \$48,110 of the demand loans.

6. Shareholders’ Equity

a) Authorized:

An unlimited number of common shares with no par value.

b) As at July 31, 2022, the Company has issued 48,415,813 common shares. During the three months ended July 31, 2022, the Company closed a private placement by issuing a total of 6,700,729 common shares at \$0.36 per share for gross proceeds of \$2,412,265. The Company incurred share issue costs of \$52,747.

c) Subscriptions received in advance:

As at April 30, 2022, the Company had received \$2,412,265 in advance proceeds for share subscriptions related to a \$0.36 private placement. The private placement closed during the three months ended July 31, 2022 and the subscriptions received in advance were transferred to common shares.

AJA Ventures Inc.

Notes to the Condensed Consolidated Interim Financial Statements

July 31, 2022

(Stated in Canadian Dollars)

(Unaudited)

6. Shareholders' Equity (cont'd)

d) Warrants:

The changes in warrants issued during the six months ended July 31, 2022 are as follows:

	Six months ended July 31, 2022	
	Number of warrants	Weighted- average exercise price
Balance, beginning and end of period	5,744,453	\$ 0.12

The weighted average remaining contractual life of outstanding warrants at July 31, 2022 was 1.3 years.

Warrants exercisable and outstanding as at July 31, 2022 are as follows:

Expiry Date	Number of warrants	Exercise Price
November 19, 2023	5,744,453	\$0.12

e) Income (loss) per share:

	Three months ended July 31, 2022	Three months ended July 31, 2021	Six months ended July 31, 2022	Six months ended July 31, 2021
Numerator:				
Net income (loss)	\$ (875,434)	\$ (725,621)	\$ (2,755,677)	\$ 2,864,747
Denominator:				
Weighted average number of common shares (basic)	47,614,639	33,587,000	44,713,753	17,688,677
Dilutive effect of share options	-	-	-	-
Dilutive effect of warrants	-	-	-	-
Weighted average number of common shares (diluted)	47,614,639	33,587,000	44,713,753	17,688,677
Basic and diluted income (loss) per common share	\$ (0.02)	\$ (0.02)	\$ (0.06)	\$ 0.16

AJA Ventures Inc.

Notes to the Condensed Consolidated Interim Financial Statements

July 31, 2022

(Stated in Canadian Dollars)

(Unaudited)

7. Share-based Payments

The Company has a rolling Stock Option Plan ('Plan') for directors, officers, employees and consultants of the Company. The Company may grant non-transferable options to individuals (which are exercisable over periods of up to ten years) as determined by the Board of Directors of the Company, to buy shares of the Company at the fair market value on the date the option is granted. The maximum number of shares which may be issuable under the Plan cannot exceed 10% of the total number of issued and outstanding shares on a non-diluted basis.

On August 1, 2021, the Company granted 1,250,000 stock options to Directors and officers. Each option is exercisable to acquire one common share at an exercise price of \$0.09 expiring July 31, 2026. The stock options vest as to 25% on date of grant and 12.5% every three months thereafter. During the six months ended July 31, 2022, the Company recognized \$13,973 (2021 - \$nil) for share-based payments. The weighted average remaining contractual life of outstanding share options at July 31, 2022 was 4 years.

8. Related Party Disclosures

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The following is a summary of the related party transactions that occurred during the six months ended July 31, 2022:

a) Compensation of key management personnel

The Company has determined that key management personnel consist of its Directors, the CEO and CFO.

	July 31, 2022	July 31, 2021
Management fees	\$ 46,705	\$ 48,469
Share-based payments - vested stock options	13,973	-
	<u>\$ 60,678</u>	<u>\$ 48,469</u>

As at July 31, 2022, \$10,500 (2021 - \$40,969) is owing to related parties and included in accounts payable and accrued liabilities.

AJA Ventures Inc.

Notes to the Condensed Consolidated Interim Financial Statements

July 31, 2022

(Stated in Canadian Dollars)

(Unaudited)

9. Financial Instruments and Capital Management

The investment operations of the Company's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including interest rate, credit, currency, liquidity and market risk. A discussion of the Company's use of financial instruments and their associated risk is provided below:

a) Fair value

The Company classifies its financial instruments using a fair value hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company's investments. The hierarchy of inputs and description of inputs is described as follows:

- Level 1: fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair values are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or
- Level 3: fair values are based on inputs for the asset or liability that are not based on observable market data, which are unobservable inputs.

		July 31, 2022				
	Notes	Level 1	Level 2	Level 3	Total	
FVTPL						
Cash		\$ 2,451,248	\$ -	\$ -	\$ 2,451,248	
Public company shares	4	650,288	-	-	650,288	
		<u>\$ 3,101,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,101,536</u>	

		January 31, 2022				
	Notes	Level 1	Level 2	Level 3	Total	
FVTPL						
Cash		\$ 2,624,648	\$ -	\$ -	\$ 2,624,648	
Public company investments	5	3,317,836	-	-	3,317,836	
		<u>\$ 5,942,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,942,484</u>	

The Company determines transfers between the levels of the fair value hierarchy to have occurred on the date of the event or change in circumstance that caused the transfer. Transfers from fair value Level 3 occur when quoted prices in active markets for identical assets or liabilities become available or inputs other than quoted prices become observable for the asset or liability either directly or indirectly. Transfers to fair value Level 1 occur when quoted prices in an active market for identical assets or liabilities become available.

Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about financial instruments. As at July 31, 2022, amounts reflected in the statements of financial position for cash are carrying amounts and approximate their fair values due to their short-term nature.

The fair value of unquoted investments is established using valuation techniques. These may include the use of recent arm's length transactions, a Black-Scholes option pricing model, discounted cash flow analysis, a probability-weighted expected return model, or a current value method. Where a fair value cannot be estimated reliably, the investment is reported at the carrying value at the previous reporting date.

AJA Ventures Inc.

Notes to the Condensed Consolidated Interim Financial Statements

July 31, 2022

(Stated in Canadian Dollars)

(Unaudited)

9. Financial Instruments and Capital Management (cont'd)

The Company assesses at each reporting period whether there is any objective evidence that the unquoted investments are impaired. The unquoted investments are deemed to be impaired, if and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future fair value of the investments that can be reliably measured.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is exposed to credit risk, with the carrying value being the Company's maximum exposure. The Company's cash consists of funds held at a chartered Canadian bank. The Company is required to review impairment of its financial assets at amortized costs at each reporting period and to review its allowance for doubtful accounts for expected future credit losses. The Company minimizes credit risk by performing credit reviews, ongoing credit evaluation and account monitoring procedures.

c) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected as a result of downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. The Company currently generates cash flow primarily from issuances of its common shares. The Company may in the future dispose of certain investments in order to fund obligations as they become due under normal operating conditions.

d) Market risk

The Company is exposed to certain market risk that the value of, or future cash flows from, the Company's financial assets will significantly fluctuate due to changes in market prices. The value of the financial assets may be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in its investments, and unfavorable market conditions could result in dispositions of investments at less than favorable prices. Additionally, the Company is required to mark to market its FVTPL investments at the end of each reporting period. This process could result in significant write-downs of the Company's investments over one or more reporting periods, particularly during periods of overall market instability, which would have a significant unfavorable effect on the Company's financial position.

The Company's investments include public company shares. The following table shows the estimated sensitivity on the statement of earnings (loss) and comprehensive earnings (loss) for the six-month period ended July 31, 2022 of the closing price of the Company's public company shares with all other variables held constant as at July 31, 2022:

Percentage of change in closing prices	Change in loss and comprehensive loss from % increase in closing price	Change in loss and comprehensive loss from % decrease in closing price
5%	\$32,514	\$(32,514)
10%	\$65,029	\$(65,029)

AJA Ventures Inc.

Notes to the Condensed Consolidated Interim Financial Statements

July 31, 2022

(Stated in Canadian Dollars)

(Unaudited)

9. Financial Instruments and Capital Management (cont'd)

e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk as cash only comprised bank account balances as of July 31, 2022. The Company had no interest rate swaps as at or during the six months ended July 31, 2022.

f) Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Financial instruments that impact the Company's earnings or loss due to currency fluctuations include foreign currency denominated assets and liabilities. The Company does not use derivative instruments or hedges to manage currency risks. The sensitivity of the Company's earnings or loss due to changes in the exchange rate between the foreign currency and Canadian dollar is included in the table below:

Currency denomination	Investments	Effect of +/- 10% change in currency
United Kingdom	\$ 540,288	\$ 54,029

g) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to identify and acquire new investments or business opportunities. The Company does not have any externally imposed capital requirements to which it is subject. The Company considers the aggregate of its cash and common shares as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new common shares; issue debt; acquire or dispose of assets; or adjust the amount of cash.

Most of the Company's investments are in the early stage of development and are not producing positive cash flow. As such, the Company is dependent on external financing to fund its activities. In order to carry out operations, the Company will spend its existing working capital and raise additional amounts as needed.