

VINERGY CAPITAL INC.
(formerly Vinergy Cannabis Capital Inc.)

Condensed Interim Financial Statements

For the six months ended August 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

**NOTICE OF NO AUDITOR REVIEW OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these condensed interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company for the six months ended August 31, 2021 have been prepared by and are the responsibility of the Company's management, and have not been reviewed by the Company's auditors.

VINERGY CAPITAL INC.

(formerly Vinergy Cannabis Capital Inc.)

Condensed Interim Statements of Financial Position

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	August 31, 2021 \$	February 28, 2021 \$
Assets		
Current assets		
Cash and cash equivalents	574,561	128,421
Amounts receivable	27,095	20,758
Marketable securities (Note 4)	2,503,400	150,000
Prepaid expense (Note 13)	68,224	-
Total assets	3,173,280	299,179
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Notes 5 and 13)	1,221,489	1,139,633
Loans payable (Note 6)	235,000	481,000
Total liabilities	1,456,489	1,620,633
Shareholders' (deficit) equity		
Share capital (Note 7)	6,778,017	4,134,052
Share subscription (receivable) received (Note 7)	(50,000)	(15,000)
Warrant reserve	1,109,856	993,420
Share-based payment reserve	660,832	546,832
Equity component of convertible debt	176,251	176,251
Deficit	(6,958,165)	(7,157,009)
Total shareholders' (deficit) equity	1,716,791	(1,321,454)
Total liabilities and shareholders' equity	3,173,280	299,179

Nature of operations and continuance of business (Note 1)

Subsequent event (Note 14)

Approved and authorized for issuance by the Board of Directors on October 28, 2021:

/s/ "Arif Merali"

Arif Merali, Director

/s/ "Ken Ralfs"

Ken Ralfs, Director

(The accompanying notes are an integral part of these financial statements)

VINERGY CAPITAL INC.

(formerly Vinergy Cannabis Capital Inc.)

Condensed Interim Statements of Operations and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	For the three months ended August 31,		For the six months ended August 31,	
	2021 \$	2020 \$	2021 \$	2020 \$
		(Restated – See Note 12)		(Restated – See Note 12)
Operating expenses				
Consulting fees (Note 13)	294,952	2,500	300,452	10,000
General and administrative	6,376	63	9,849	199
Marketing	119,325	-	119,325	-
Professional fees (recovery)	(20,217)	1,000	6,132	1,423
Share-based payments	-	-	240,000	-
Transfer agent and filing fees	16,943	5,573	22,585	9,279
Total operating expenses	417,379	9,136	698,343	20,901
Loss before other (expense) income	(417,379)	(9,136)	(698,343)	(20,901)
Other (expenses) income				
Interest expense	(11,284)	(15,257)	(26,413)	(27,986)
Realized gain on sale of marketable securities	380	-	380	-
Gain on fair value of marketable securities	873,220	-	923,220	-
Total other (expense) income	862,316	(15,257)	897,187	(27,986)
Net income (loss) and comprehensive income (loss) for the period	444,937	(24,393)	198,844	(48,887)
Income (loss) per share, basic and diluted	0.04	(0.00)	0.00	(0.00)
Weighted average common shares outstanding	102,276,659	57,115,994	97,132,221	57,115,994

(The accompanying notes are an integral part of these financial statements)

VINERGY CAPITAL INC.

(formerly Vinergy Cannabis Capital Inc.)

Condensed Interim Statements of Changes in Equity (Deficit)

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Share capital		Warrant reserve \$	Share-based payment reserve \$	Equity component of convertible debt \$	Share subscriptions received \$	Deficit \$	Total shareholders' equity (deficit) \$
	Number of shares	Amount \$						
							(Restated – See Note 12)	(Restated – See Note 12)
Balance, February 29, 2020	57,115,994	3,805,928	732,162	171,016	176,251	–	(6,438,171)	(1,552,814)
Net loss for the period	–	–	–	–	–	–	(48,887)	(48,887)
Balance, August 31, 2020	57,115,994	3,805,928	732,162	171,016	176,251	–	(6,487,058)	(1,601,701)
Balance, February 28, 2021	79,115,994	4,134,052	993,420	546,832	176,251	(15,000)	(7,157,009)	(1,321,454)
Private placement	10,305,667	824,453	721,397	-	-	(50,000)	-	1,495,850
Share issue cost - cash	-	(31,848)	-	-	-	-	-	(31,848)
Agent's warrants	-	(27,500)	27,500	-	-	-	-	-
Exercise of share purchase warrants	13,234,998	1,626,860	(632,461)	-	-	-	-	994,399
Exercise of stock options	2,100,000	252,000	-	(126,000)	-	-	-	126,000
Share subscriptions received	-	-	-	-	-	15,000	-	15,000
Share-based payment	-	-	-	240,000	-	-	-	240,000
Net income for the period	-	-	-	-	-	-	198,844	198,844
Balance, August 31, 2021	104,756,659	6,778,017	1,109,856	660,832	176,251	(50,000)	(6,958,165)	1,716,791

(The accompanying notes are an integral part of these financial statements)

VINERGY CAPITAL INC.

(formerly Vinergy Cannabis Capital Inc.)
Condensed Interim Statements of Cash Flows
(Expressed in Canadian dollars)
(Unaudited – Prepared by Management)

	For the six months ended August 31,	
	2021	2020
	\$	\$
		(Restated – See Note 12)
Operating activities:		
Net (loss) income for the period	198,844	(48,887)
Items not involving cash:		
Interest charges	26,413	25,457
Share-based payments	240,000	–
Gain on fair value of marketable securities	(923,220)	–
Realized gain on sale of marketable securities	(380)	–
Changes in non-cash operating working capital:		
Amounts receivable	(6,337)	(1,217)
Prepaid expenses	(68,224)	–
Accounts payable and accrued liabilities	(40,557)	(160,872)
Net cash used in operating activities	(573,461)	(185,519)
Investing activities		
Marketable securities	(1,432,930)	–
Proceeds on sale of marketable securities	3,130	–
Net cash used in investing activities	(1,429,800)	–
Financing activities		
Loan payable (repaid)	(150,000)	105,713
Proceeds from shares issued and share subscriptions received	2,631,249	–
Share issuance costs	(31,848)	–
Net cash provided by financing activities	2,449,401	105,713
Change in cash and cash equivalents	446,140	(79,806)
Cash and cash equivalents, beginning of period	128,421	81,911
Cash and cash equivalents, end of period	574,561	2,105
Cash and cash equivalents consist of:		
Cash in bank	568,732	1,968
Cash in legal trust account	3,280	137
Cash in brokerage account	2,549	–
Total cash and cash equivalents	574,561	2,105
Cash paid for interest during the period	–	2,529
Cash paid for income taxes during the period	–	–
Non-cash investing and financing activities:		
Fair value transferred on exercise of warrants and stock options	758,461	–
Fair value of warrants issued as part of a private placement	721,397	–
Fair value of agent's warrants issued	27,500	–

(The accompanying notes are an integral part of these financial statements)

VINERGY CAPITAL INC.

(formerly Vinergy Cannabis Capital Inc.)

Notes to the Condensed Interim Financial Statements

Period ended August 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

1. Nature of Operations and Continuance of Business

Vinergy Capital Inc. (the “Company”) was incorporated as Vanguard Investments Corp. on March 20, 2001 under the provisions of the Alberta Business Corporations Act. On May 10, 2011, the Company changed its name to Vinergy Resources Ltd. and continued the Company’s registered jurisdiction from Alberta to British Columbia. On July 9, 2019, the Company changed its name to Vinergy Cannabis Capital Inc. On March 9, 2021, the Company changed its name to Vinergy Capital Inc. The Company’s head office is located at Suite 1000, 409 Granville Street, Vancouver, BC, V6C 1T2 and its shares are listed on the Canadian Securities Exchange (“CSE”) under the symbol “VIN”. During the year ended February 29, 2020, the Company became an investment issuer.

In March 2020, there was a global pandemic outbreak of COVID-19. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company’s control; however, it is possible that COVID-19 may have a material adverse effect on the Company’s business, results of operations and financial condition.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended August 31, 2021, the Company did not generate any revenues and incurred negative cash flow from operations. As at August 31, 2021, the Company has a working capital of \$1,716,791 and an accumulated deficit of \$6,958,165 since inception and expects to incur further losses in the development of its business. The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that with its current cash and other funds that may be obtained from external financing that it has sufficient working capital to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

2. Basis of Preparation

These condensed interim financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting.

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The assessment of the Company’s ability to continue as a going concern (note 1) requires significant judgment. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

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3. Significant Accounting Policies

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited financial statements as at February 28, 2021. The accompanying unaudited condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended February 28, 2021.

4. Marketable Securities

Investment in marketable securities	shares/Units Held	Investment Cost	August 31, 2021	February 28, 2021
	#	\$	\$	\$
Public Companies				
Bitcoin Well Inc.	2,000,000	500,000	580,000	-
Nurosene Health Inc.	536,000	482,400	938,000	-
Rockshield Capital Corp.	495,000	272,780	455,400	-
Private Company				
CWE European Holdings Ltd.	1,250,000	150,000	150,000	150,000
Leiiio Wellness Ltd.	500,000	175,000	175,000	-
Investment in warrants		-		
CWE European Holdings Ltd.	1,250,000	-	37,500	-
Leiiio Wellness Ltd.	250,000	-	37,500	-
Bitcoin Well Inc.	1,000,000	-	130,000	-
Total		1,580,180	2,503,400	150,000

During the six months ended August 31, 2021, the Company sold some of its marketable securities for total proceeds of \$3,130 and realized a gain of \$380.

5. Accounts Payable and Accrued Liabilities

	August 31, 2021	February 28, 2021
	\$	\$
Trade accounts payable	875,329	765,329
Accrued liabilities	9,899	28,021
Accrued interest payable (Notes 6 and 7)	336,261	346,283
	1,221,489	1,139,633

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Notes to the Condensed Interim Financial Statements

Period ended August 31, 2021

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6. Loans Payable

As at August 31, 2021, the Company had the following loans payable:

- a) On January 15, 2010, the Company issued a \$215,000 convertible debenture which bears interest at 10% per annum, is unsecured, and was due on January 16, 2015. The debenture was convertible into shares of the Company at a conversion price of \$0.05 per share at any time at the option of the holder prior to the due date. The Company's convertible debenture matured on January 16, 2015 and the Company continues to accrue interest at the rate of 10% per annum. The convertible debenture is currently in default.

The fair value of the equity component was determined to be \$176,251 which was recorded as equity and an equivalent discount on the convertible debenture. The accretion of the discount was recognized over the term of the debenture. As at August 31, 2021 and February 28, 2021, the carrying value of the convertible debenture is \$215,000 and accounts payable and accrued liabilities includes \$229,314 (February 28, 2021 - \$218,475) in interest with respect to these convertible debentures.

- b) The Company owed \$20,000 (February 28, 2021 – \$20,000) to a non-related party. The amount owing is unsecured, bears interest at 20% per annum compounded monthly, and is due on demand. As at August 31, 2021, the Company has incurred interest on this loan of \$81,928 (February 28, 2021 - \$78,028), which is included in accounts payable and accrued liabilities.
- c) On August 12, 2020, the Company issued a promissory note agreement for proceeds of \$96,000 to a non-related party. The promissory note is unsecured, bears interest at 20% per annum, and was due on December 31, 2021. As at August 31, 2021, the Company has incurred interest on this promissory note of \$20,252 (February 28, 2021 - \$10,573) to the non-related party which is included in accounts payable and accrued liabilities.
- d) On July 2, 2019, the Company entered into a loan agreement with ESG Global Impact Capital Inc. (formerly Block One Capital Inc) ("ESG") for \$250,000. The loan was unsecured, bears interest at 10% per annum and due on July 31, 2020. As at December 21, 2020, the Company entered into a debt settlement agreement with ESG to settle \$100,000 of the principal. The Company agreed to issue 2,000,000 units at a price of \$0.05 per unit. Each unit consist of one common share and one share purchase warrant exercisable at \$0.06 per share expiring on December 21, 2021. As at February 28, 2021, the Company had incurred interest on this promissory note of \$39,205 (February 28, 2021 - \$39,206) to the non-related party which is included in accounts payable and accrued liabilities. On April 14, 2021, the Company repaid the debt of \$150,000 plus interest of \$36,450 with a remaining interest payable of \$4,767 as at August 31, 2021. During the period ended August 31, 2021, the Company accrued interest of \$1,932 to April 14, 2021.

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7. Share Capital

Authorized: Unlimited number of common shares without par value

Issuance during the six months ended August 31, 2021:

On April 14, 2021, the Company completed a private placement and issued 10,305,667 units at \$0.15 per unit for gross proceeds of \$1,545,850 of which \$50,000 is included share subscription receivable as at August 31, 2021. Each unit consisted of one common share and one-half of a share purchase warrant exercisable at a price of \$0.25 per share expiring April 14, 2023. The fair value of warrants issued was determined to have a fair value of \$721,397 and was recorded in warrant reserve. The fair value of the warrants issued were estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 0.31%, dividend yield of 0%, volatility of 273%, and expected life of 2 years. The Company paid a cash finder's fee of \$31,848 and issued 262,320 agent's warrants. Each agent's warrants entitle the holder to purchase one share at a price of \$0.15 per share on or before October 14, 2021 and at a price of \$0.20 per share thereafter until April 14, 2022. The Company fair valued the agent's warrants at \$27,500 using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 0.16% to 0.22%, dividend yield of 0%, volatility of 235% to 273% and expected life of .5 to 1 year.

During the six months ended August 31, 2021, the Company issued 13,234,998 common shares for proceeds of \$994,399 pursuant to the exercise of share purchase warrants. The Company transferred \$632,461 from warrant reserves.

During the six months ended August 31, 2021, the Company issued 2,100,000 common shares for proceeds of \$126,000 pursuant to the exercise of stock options. The Company transferred \$126,000 from share-based payment reserves.

Issuance during the year ended February 28, 2021:

On November 23, 2020, the Company issued 20,000,000 units at \$0.015 per unit for gross proceeds of \$300,000, of which \$15,000 was receivable as at February 28, 2021. Each unit consisted of one common share and one share purchase warrant exercisable at a price of \$0.05 per share expiring on May 23, 2022. The fair value of warrants issued was determined to have a fair value of \$124,691 and was recorded in warrant reserve. The fair value of the warrants issued were estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 0.30%, dividend yield of 0%, volatility of 214%, and expected life of 1.5 years. In connection with this private placement, the Company paid a finder's fee of \$4,340 and issued 1,446,666 agent's warrants with a fair value of \$6,620. Each agent's warrant is exercisable at \$0.05 per share expiring on May 23, 2021. The fair value of the agent's warrants issued were estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 0.3%, dividend yield of 0%, volatility of 295%, and expected life of 0.5 years.

On January 18, 2021, Company issued 2,000,000 units with a fair value of \$293,722 to settle an outstanding loan payable of \$100,000 which resulted in a loss on settlement of \$193,722. Each unit consisted of one common share and one share purchase warrant exercisable at a price of \$0.06 per share expiring on December 21, 2021. The fair value of warrants issued was determined to have a fair value of \$32,806 and was recorded in warrant reserve. The fair value of the warrants issued were estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 0.30%, dividend yield of 0%, volatility of 302%, and expected life of 1 year.

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Notes to the Condensed Interim Financial Statements

Period ended August 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

8. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number of Warrants	Weighted average exercise price \$
Balance, February 29, 2020	12,861,664	0.15
Issued	23,446,666	0.05
Balance, February 28, 2021	36,308,330	0.06
Issued	5,415,154	0.24
Exercised	(13,054,998)	0.08
Expired	(1,773,332)	0.08
Balance, August 31, 2021	26,895,154	0.09

On January 18, 2021, the Company re-priced the 12,861,664 outstanding share purchase warrants from \$0.15 to \$0.08.

As at August 31, 2021, the Company had the following share purchase warrants outstanding:

Number of Warrants	Exercise price per warrant	Expiry date
2,000,000	\$0.06	December 21, 2021
19,480,000	\$0.05	May 23, 2022
5,152,834	\$0.26	April 14, 2023
262,320	\$0.15/\$0.20	April 14, 2022
26,895,154		

9. Stock Options

The Company has established a stock option plan for directors, employees and consultants which is administered by the board of directors with full and final authority with respect to the granting of all options. The exercise prices shall be determined by the board, but shall, in no event, be less than the closing market price of the Company's shares on the grant date, less the maximum discount permitted under the TSX Venture Exchange's policies. The number of common shares issuable under the plan may not exceed 10% of the issued and outstanding common shares. In addition, the number of common shares which may be reserved for issuance to any one individual may not exceed 5% of the issued common shares on a yearly basis. Options may be exercisable for a maximum of ten years from the date of grant.

On December 21, 2020, the Company granted 6,500,000 stock options to consultants, directors and an officer of the Company at a price of \$0.06 per share expiring five years from the date of grant. These stock options vest at the date of grant. During the year ended February 28, 2021, the Company has recorded a fair value of \$375,816 or \$0.06 per option which was determined using the Black Scholes option pricing model with the following assumptions: \$0.06 per share on grant date, 0.22% risk free rate, 0% dividend yield, 296% expected annualized volatility; 1.8 years expected stock option life and 0% forfeiture rate. Excepted annualized volatility was estimated based on reference to volatility of comparable companies.

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Notes to the Condensed Interim Financial Statements

Period ended August 31, 2021

(Expressed in Canadian dollars)

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9. Stock Options – (cont'd)

On April 14, 2021, the Company granted 1,200,000 stock options to a consultant at a price of \$0.26 per share expiring one year from the date of grant. These stock options vest at the date of grant. During the six months ended August 31, 2021, the Company recorded a fair value of \$240,000 or \$0.20 per option which was determined using the Black Scholes option pricing model with the following assumptions: \$0.26 per share on grant date, 0.30% risk free rate, 0% dividend yield, 235% expected annualized volatility; 1 years expected stock option life and 0% forfeiture rate. Excepted annualized volatility was estimated based on reference to volatility of comparable companies.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price \$
Outstanding, February 29, 2020	-	-
Granted	6,500,000	0.06
Outstanding, February 28, 2021	6,500,000	0.06
Granted	1,200,000	0.26
Exercised	(2,100,000)	0.06
Outstanding, August 31, 2021	5,600,000	0.10

As at August 31, 2021, the Company had stock options outstanding enabling holders to acquire the following:

Number of options	Exercise price per option	Expiry date
1,200,000	\$0.26	April 14, 2022
4,400,000	\$0.06	December 22, 2022
5,600,000		

10. Financial Instruments and Risk Management

(a) Fair Values

Fair value measurements are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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(Expressed in Canadian dollars)

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10. Financial Instruments and Risk Management – (cont'd)

(a) Fair Values

Marketable securities are classified as fair value through profit or loss and measured at fair value using level 1 inputs. The Company's investment in warrants are measured at fair value using Level 2 inputs. The fair values of financial instruments, which include cash and cash equivalents, amounts receivable, loans receivable, accounts payable and accrued liabilities, and loan payable, approximate their carrying values due to the relatively short-term maturity of these instruments.

(b) Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents. The Company limits its exposure to credit loss by placing its cash with high credit quality financial institutions. Amounts receivable consist of GST refunds due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

(c) Foreign Exchange Rate Risk

The Company is not exposed to any significant foreign exchange rate risk.

(d) Interest Rate Risk

The Company is not exposed to any significant interest rate risk.

(e) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs.

11. Capital Management

The Company manages its capital to maintain its ability to continue as a going concern and to provide returns to shareholders and benefits to other stakeholders. The capital structure of the Company consists of cash and cash equivalents and equity comprised of issued share capital, warrant reserve, share-based payments reserve, equity component of convertible debt, and share subscriptions received.

The Company manages its capital structure and makes adjustments to it in light of economic conditions. The Company, upon approval from its Board of Directors, will balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances.

The Company is not subject to externally imposed capital requirements and the Company's overall strategy with respect to capital risk management remained unchanged from the year ended February 28, 2021.

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12. Restatement

Management had determined that the financial statements need to be restated to correct for the inclusion of a loan agreement with a third party. The Company was not aware of the funds from the loan agreement were advanced directly to PhytoPharma during the year ended February 29, 2020.

The effects of the restatement on the financial statements for the three and six months ended August 31, 2020 are summarized below.

Condensed Interim Statements of Financial Position

As at August 31, 2020	Previously reported	Adjustments	Restated
	\$	\$	\$
Accounts payable and accrued liabilities	1,003,107	22,945	1,025,052
Loans Payable	125,713	250,000	265,713
Total liabilities	1,128,820	272,945	1,401,765
Deficit	(6,207,812)	(279,246)	(6,487,058)
Total shareholders' deficit	(1,322,455)	(279,246)	(1,601,701)

Condensed Interim Statements of Operations and Comprehensive Loss

For the three months ended August 31, 2020	Previously reported	Adjustments	Restated
	\$	\$	\$
Interest expense	(8,956)	(6,301)	(15,257)
Total other income (expense)	(8,956)	(6,301)	(15,257)
Net loss for the period	(18,092)	(6,301)	(24,393)

For the six months ended August 31, 2020	Previously reported	Adjustments	Restated
	\$	\$	\$
Interest expense	(15,384)	(12,602)	(27,986)
Total other income (expense)	(15,384)	(12,602)	(27,986)
Net loss for the period	(36,285)	(12,602)	(48,887)

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Notes to the Condensed Interim Financial Statements

Period ended August 31, 2021

(Expressed in Canadian dollars)

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12. Restatement – (cont'd)

Condensed Interim Statements of Changes in Equity

As at August 31, 2020	Previously reported	Adjustments	Restated
	\$	\$	\$
Deficit February 29, 2020	(6,171,527)	(266,644)	(6,438,171)
Net loss for the period	(36,285)	(12,602)	(48,887)
Total shareholders' equity (deficit)	(1,322,455)	(279,246)	(1,601,701)

Condensed Interim Statements of Cash Flows

For the six months ended August 31, 2020	Previously reported	Adjustments	Restated
	\$	\$	\$
Operating activities			
Net loss for the period	(36,285)	(12,602)	(48,887)
Interest expense	12,855	12,602	25,457

13. Related Parties

The following expense was incurred with key management personnel of the Company. Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include certain directors and officers.

		For the six months ended August 31,	
		2021	2020
Consulting fees			
Alnoor Nathoo	Director	\$ 55,000	\$ -
Harmony Corporate Services Ltd.	Company controlled by the CFO	31,750	-
Arif Merali	Director	9,000	-
Todd Violette	Former CEO and Director	135,417	-
		\$ 231,167	\$ -

As at August 31, 2021, the Company advanced \$2,735 (February 28, 2021 - \$Nil) on expenses to a director of the Company.

As at August 31, 2021, included in accounts payable and accrued liabilities is \$15,750 (February 28, 2021 - \$15,000) in consulting fees to a company controlled by the CFO.

On April 20, 2021, the Company entered into an employment agreement with the new Chief Executive Officer and director ("CEO") and a company controlled by the CEO whereby it agreed to pay the CEO \$250,000 per annum. The CEO will be entitled to an annual bonus of up to 8% of the base salary payable quarterly based on performance reviews by the Board of Directors and another bonus based on portfolio performance. On August 11, 2021, the CEO resigned.

VINERGY CAPITAL INC.

(formerly Vinergy Cannabis Capital Inc.)

Notes to the Condensed Interim Financial Statements

Period ended August 31, 2021

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

14. Subsequent Event

On September 17, 2021, the Company granted 250,000 stock options to a director of the Company at a price of \$0.09 per share for a period of three years from the date of grant, vesting at the date of grant.