

**CULMINA VENTURES CORP.**

Condensed Interim Financial Statements  
(Unaudited – Prepared by Management)  
(Expressed in Canadian Dollars)

For the six months ended June 30, 2020 and  
for the period from incorporation on  
March 25, 2019 to June 30, 2019

**Culmina Ventures Corp.**  
(the “Company” or “Culmina”)

**CONDENSED INTERIM FINANCIAL STATEMENTS**  
**As at and for the six months ended June 30, 2020**

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

Management of Culmina Ventures Corp. is responsible for the preparation of the accompanying unaudited condensed interim financial statements. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company’s auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

**CULMINA VENTURES CORP.**

## Condensed Interim Statements of Financial Position

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	As at June 30, 2020	As at December 31, 2019
<b>Assets</b>		
Current Assets		
Cash	\$ 3,451	3,095
Accounts receivable	3,270	3,940
Investment (Note 4)	1,350	3,105
<b>Total Assets</b>	<b>\$ 8,071</b>	<b>10,140</b>
<b>Liabilities and Shareholders' Deficiency</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 150,610	87,373
Promissory note payable (Note 6)	27,976	21,615
	<b>178,586</b>	<b>108,988</b>
Shareholders' Deficiency		
Share capital (Note 7)	124,653	124,653
Share-based payment reserve	6,692	6,692
Deficit	(301,860)	(230,193)
	<b>(170,515)</b>	<b>(98,848)</b>
<b>Total Liabilities and Shareholders' Deficiency</b>	<b>\$ 8,071</b>	<b>10,140</b>

Nature and continuance of operations (Note 1)

Approved on Behalf of the Board on August 25, 2020:

"Scott Ackerman"  
Scott Ackerman – CEO/CFO/Director

"Rick Cox"  
Rick Cox – Director

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

**CULMINA VENTURES CORP.**

## Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	For the three months ended		For the six	For the period
	June 30,		months ended	from
	2020	2019	June 30,	incorporation
			2020	on March 25,
				2019 to
				June 30,
				2019
<b>Expenses</b>				
Administration expenses	\$ 3,338	\$ 1,270	\$ 6,359	\$ 1,753
Finance expense	611	500	1,111	533
Management fees	-	20,000	-	20,000
Professional fees	30,597	11,524	60,597	11,524
Share-based payments	-	37,116	-	37,116
Transfer agent and filing fees	1,800	454	1,845	454
	<b>(36,346)</b>	<b>(70,864)</b>	<b>(69,912)</b>	<b>(71,380)</b>
<b>Other Items</b>				
Unrealized loss on investments at fair value (Note 4)	(405)	(3,105)	(1,755)	(4,725)
<b>Loss and comprehensive loss for the period</b>	<b>\$ (36,751)</b>	<b>\$ (73,969)</b>	<b>\$ (71,667)</b>	<b>\$ (76,105)</b>
<b>Weighted average number of shares outstanding – basic and diluted</b>				
	24,930,500	21,387,300	24,930,500	20,204,711
<b>Basic and diluted loss per share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>

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**CULMINA VENTURES CORP.**

Condensed Interim Statements of Changes in Shareholders' Equity/(Deficiency)

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	Share Capital		Reserves	Deficit	Total Shareholders' Equity/(Deficiency)
	Number (Note 7)	Amount			
<b>Balance, December 31, 2019</b>	<b>24,930,500</b>	<b>\$ 124,653</b>	<b>\$ 6,692</b>	<b>\$ (230,193)</b>	<b>\$ (98,848)</b>
Loss for the period	-	-	-	(71,667)	(71,667)
<b>Balance, June 30, 2020</b>	<b>24,930,500</b>	<b>\$ 124,653</b>	<b>\$ 6,692</b>	<b>\$ (301,860)</b>	<b>\$ (170,515)</b>
<b>Balance, (incorporation) – March 25, 2019</b>	-	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Common shares issued - Cash	5,000,000	25,000	-	-	25,000
Common share issued – Plan of Arrangement	19,930,500	-	-	-	-
Share-based payments	-	-	37,116	-	37,116
Loss for the period	-	-	-	(76,105)	(76,105)
<b>Balance, June 30, 2019</b>	<b>24,930,500</b>	<b>\$ 25,000</b>	<b>\$ 37,116</b>	<b>\$ (76,105)</b>	<b>\$ 13,989</b>

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

**CULMINA VENTURES CORP.**

## Condensed Interim Statements of Cash Flows

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	For the six months ended June 30, 2020	For the period from incorporation on March 25, 2019 to June 30, 2019
<b>Cash (used for) provided by:</b>		
<b>Operating Activities</b>		
Loss for the period	\$ (71,667)	\$ (76,105)
Items not involving cash:		
Accrued interest expense	1,111	533
Share-based payments	-	37,116
Unrealized loss on investment at fair value	1,755	4,725
Changes in non-cash working capital items:		
Amounts payable and accrued liabilities	63,237	14,269
Accounts receivable	670	(550)
	<b>(4,894)</b>	<b>(20,012)</b>
<b>Financing Activities</b>		
Proceeds from promissory note	5,250	-
Proceeds from share issuance	-	25,000
	<b>5,250</b>	<b>25,000</b>
<b>Change in cash for the period</b>	<b>\$ 356</b>	<b>\$ 4,988</b>
Cash, beginning of the period	3,095	-
<b>Cash, end of the period</b>	<b>\$ 3,451</b>	<b>\$ 4,988</b>

The accompanying notes are an integral part of these Condensed Interim Financial Statements.

## **CULMINA VENTURES CORP.**

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2020

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

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### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Culmina Ventures Corp. (the “Company” or “Culmina”) was incorporated under the British Columbia Business Corporations Act on March 25, 2019. The head office and records and registered office is located at 1600 – 609 Granville Street, Vancouver, British Columbia V7Y 1C3.

The Company is currently managing its investment portfolio and is investigating and evaluating business opportunities to either acquire or in which to participate.

In March 2019, the Company received \$25,000 in consideration of the issuance of 5,000,000 common shares of the Company (Note 7).

On May 29, 2019, ECC Diversified Inc. (“ECC”) completed a strategic reorganization of its assets by way of a plan of arrangement (the “Arrangement”) in which it spun out Culmina and other investee subsidiaries. The Arrangement was approved by the shareholders of ECC on May 17, 2019 and the Supreme Court of British Columbia issued its final order approving the Arrangement on May 28, 2019.

Pursuant to the terms of the Arrangement, ECC distributed to each shareholder of ECC, as of April 17, 2019, one common share in the capital of Culmina for every common share in the capital of ECC held. As a result, 19,930,500 common shares of the Company were issued (Note 7).

The Company incurred a net loss and comprehensive loss of \$71,667 for the period ended June 30, 2020. As at June 30, 2020, the Company has an accumulated deficit of \$301,860 and a working capital deficiency of \$170,515. Continuing business as a going concern is dependent upon the ability of the Company to obtain additional debt or equity financing, both of which are uncertain. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

These financial statements have been prepared in accordance with IFRS with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than a process of forced liquidation. These interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence.

## CULMINA VENTURES CORP.

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2020

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

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### 2. BASIS OF PRESENTATION

The condensed interim financial statements of the Company have been prepared in accordance with IFRS as issued by the International Accounting Standard Board (“IASB”) and in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. The condensed interim financial statements do not include all the information required for the full annual financial statements and should be read in conjunction with the most recent audited December 31, 2019 annual financial statements of the Company which are available on [www.sedar.com](http://www.sedar.com).

The financial statements of the Company are presented in Canadian dollars, which is the functional currency of the Company. The Company’s financial statements were authorized for issue by the Board of Directors on August 25, 2020.

### 3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim financial statements of the Company have been prepared on the historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting, except for the statements of cash flows.

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company’s most recent audited annual December 31, 2019 financial statements of the Company which are available on [www.sedar.com](http://www.sedar.com) and reflect all the adjustments necessary for fair presentation in accordance with IAS 34. There has been no material impact on these financial statements from changes in accounting standards during the period.

### 4. INVESTMENTS

All of the Company's investments have been classified as FVTPL.

	June 30, 2020		December 31, 2019	
	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$
Publicly traded securities	1,350	20,070	3,105	20,070
	1,350	20,070	3,105	20,070

## CULMINA VENTURES CORP.

Notes to the Condensed Interim Financial Statements  
For the six months ended June 30, 2020  
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### 4. INVESTMENTS (continued)

Changes in the Company's investments at fair value were as follows:

	June 30, 2020	December 31, 2019
	\$	\$
<b>Opening Balance</b>	<b>3,105</b>	-
<b>Acquisition of marketable securities</b>	-	20,070
<b>Unrealized loss</b>	<b>(1,755)</b>	(16,965)
<b>Ending Balance</b>	<b>1,350</b>	3,105

#### Publicly traded securities

The Company's publicly traded securities can be sold at any time at the Company's discretion subject to market conditions and from time to time hold period restrictions of not more than four months pursuant to the terms of each respective private placement subscription agreement, as well as escrow restrictions, if applicable. As at June 30, 2020 the Company's investments consisted of the following:

i. **MedMen Enterprises Inc. ("MedMen")**

As at June 30, 2020, the Company holds 4,500 common shares in MedMen valued at \$1,350. MedMen is a publicly traded company listed on the Canadian Securities Exchange.

### 5. RELATED PARTY TRANSACTIONS

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. 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 Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

During fiscal 2019, \$5,375 was recorded as share-based compensation costs for key management personnel. The Company also paid management fees of \$20,000 to ECC Diversified.

The Company has secured a promissory note with a related party; ECC is a shareholder of the Company. See Note 6 for details relating to this promissory note.

In fiscal 2020, the Company has secured a promissory note with a related party; ESOF (2017) is a shareholder of the Company. See Note 6 for details relating to this promissory note.

## **CULMINA VENTURES CORP.**

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2020

(Unaudited – Prepared by Management)

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### **6. PROMISSORY NOTE**

#### **ECC DIVERSIFIED INC.**

Pursuant to an agreement dated March 25, 2019, the Company purchased 4,500 common shares of MedMen from ECC for an aggregate price of \$20,070, payable by promissory note. The principal outstanding under this promissory note bears interest at the simple rate of 10% per annum. The entire unpaid principal and any interest is fully and immediately payable upon demand of ECC. The Company may repay the principal and all accrued interest thereon at any time and from time to time without notice or penalty.

Interest expense for the current period is \$1001. As at June 30, 2020, \$2,546 (December 31, 2019 - \$1,545) has been recorded as interest payable.

#### **ESOF (2017)**

In April 2020, the Company received \$5,250, payable by a promissory note. The principal outstanding under this promissory note bears interest at the simple rate of 10% per annum. The entire unpaid principal and any interest is fully and immediately payable upon demand of ESOF (2017). The Company may repay the principal and all accrued interest thereon at any time and from time to time without notice or penalty.

As at June 30, 2020, \$110, has been recorded as interest payable.

### **7. SHARE CAPITAL**

#### **(a) Authorized**

Unlimited number of common and preferred shares without par value.

#### **(b) Issued and outstanding**

As at June 30, 2020 the Company had 24,930,500 common shares issued and outstanding.

On March 25, 2019, the Company received \$25,000 through the issuance of 5,000,000 common shares at \$0.005 per share.

On May 29, 2019, ECC completed a strategic reorganization of its assets in which it spun out certain assets into Culmina. The transaction was carried out by way of an Arrangement pursuant to the *Business Corporations Act* (British Columbia). Under the terms of the Arrangement, shareholders of ECC received one common share of the Company for every common share of ECC they held as of April 17, 2019; as a result, 19,930,500 common shares of the Company were issued.

**CULMINA VENTURES CORP.**

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2020

(Unaudited – Prepared by Management)

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**7. SHARE CAPITAL (continued)**

The value associated with these shares is \$0.005 per share for a total of \$99,653 recorded to transaction costs.

	Number of Shares	Amount \$
<b>Balance, (incorporation) March 25, 2019</b>	-	-
March 25, 2019 – share issuance	5,000,000	25,000
May 29, 2019 – plan of arrangement	19,930,500	99,653
<b>Balance, December 31, 2019 and June 30, 2020</b>	<b>24,930,500</b>	<b>124,653</b>

**(c) Stock options**

On March 25, 2019, the Company adopted a stock option plan (the “Stock Option Plan”) whereby it can grant incentive stock options to directors, officers, employees, and technical consultants of the Company. The maximum number of shares that may be reserved for issuance under the Stock Option Plan is limited to 10% of the issued and outstanding common shares of the Company at any time. The vesting period for all options is at the discretion of the Board of Directors. The exercise price will be set by the Board of Directors at the time of grant and cannot be less than the discounted market price (if any) of the Company’s common shares.

The Stock Option Plan provides that the number of common shares that may be reserved for the issuance to any one individual upon exercise of all stock options held by such an individual may not exceed 5% of the issued and outstanding common shares, if the individual is a director or officer, or 2% of the issued and outstanding common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such options are granted. Options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) one year from the date of death or disability. Options granted under the Stock Option Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

On May 29, 2019, the Company granted a total of 2,490,000 incentive stock options to officers and a consultant to the Company, which vested immediately, having an exercise price of \$0.02 per share and expire in five years.

**CULMINA VENTURES CORP.**

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2020

(Unaudited – Prepared by Management)

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**7. SHARE CAPITAL (continued)**

Share purchase option transactions are summarized as follows:

	Number	Options Weighted Average Exercise Price
<b>Balance, (incorporation) March 25, 2019</b>	-	\$ -
Grants	2,490,000	0.02
<b>Outstanding and exercisable, December 31, 2019, and June 30, 2020</b>	<b>2,490,000</b>	<b>\$ 0.02</b>

The fair value of the options granted was determined to be \$6,692 using the Black-Scholes option pricing model under the following assumptions: risk-free interest rate – 1.36%; expected life – 5 years; expected volatility – 100% and expected dividends – nil.

**(c) Stock options (continued)**

Grant Date	Number of options Outstanding and Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
May 29, 2019	2,490,000	\$0.02	May 29, 2024	3.92
<b>Total</b>	<b>2,490,000</b>	<b>\$0.02</b>		<b>3.92</b>

**8. BASIC AND DILUTED LOSS PER SHARE**

The calculation of basic and diluted loss per share for the period ended June 30, 2020 was based on the loss attributable to common shareholders of \$71,667 and the weighted average number of common shares outstanding of 24,930,500.

## **CULMINA VENTURES CORP.**

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2020

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

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### **9. MANAGEMENT OF CAPITAL**

The Company defines capital as consisting of shareholder's deficiency (comprised of issued share capital, share-based payment reserve, and deficit). Management's objective is to provide investment management services to shareholders which includes investing in marketable securities for the purpose of returns in the form of investment income and capital appreciation, as well as the ability to meet its on-going operational obligations as they become due.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at June 30, 2020, the Company is not subject to any externally imposed capital requirements.

### **10. FINANCIAL INSTRUMENTS**

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### **Market Risk**

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

##### **(i) Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at June 30, 2020, the Company is not exposed to currency risk.

##### **(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market risk. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

**CULMINA VENTURES CORP.**

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2020

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

**10. FINANCIAL INSTRUMENTS (continued)****(iii) Price rate 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. Management closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Given the Company's limited market exposure at this time it has assessed there to be a low level of price rate risk.

**Credit Risk**

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

**Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At June 30, 2020, the Company has limited sources of revenue and has a cash balance of \$3,451 to settle current liabilities of \$178,586. As such, the Company has insufficient cash to fund corporate overhead costs and the repayment of the Company's debt obligations for the next year.

Until such time as the Company's investments increase in value or begin generating significant dividend income, the Company will remain dependent upon the financial support of its shareholders and debt holders or the sale of investments. If the Company is unable to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

Additionally, the Company likely has insufficient funds from which to finance any identified business acquisition and as such will require additional financing to accomplish the Company's long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern.

Consequently, the Company is exposed to liquidity risk as at June 30, 2020.

**CULMINA VENTURES CORP.**

Notes to the Condensed Interim Financial Statements

For the six months ended June 30, 2020

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

**10. FINANCIAL INSTRUMENTS (continued)****Fair Value Risk**

When participating in investment activities, the Company may incur losses if it is unable to resell the securities it has purchased or if it is forced to liquidate its holdings at less than their respective carrying values. The Company is also exposed to fair value risk as a result of its trading activities in publicly traded securities. All of the Company's investments are carried on a FVTPL basis and are recorded at their fair value. As such, changes in fair value affect earnings as they occur.

The fair value of cash, accounts payable and accrued liabilities, and promissory note payable at June 30, 2020 approximate their carrying values due to their short term to maturity.

As of June 30, 2020, the determination of estimated fair value of the Company's investments was as follows:

	June 30, 2020	Estimated fair values		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
FVTPL investments	1,350	1,350	-	-
	1,350	1,350	-	-