

Veji Holdings Ltd.

**Condensed Consolidated Interim Financial
Statements**

For the three months ended March 31, 2023

(Expressed in Canadian dollars) (unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The accompanying unaudited condensed consolidated interim financial statements of the Veji Holdings Ltd. ("Veji" or 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 financial statements.

Veji Holdings Ltd.
Condensed Consolidated Interim Statements of Financial Position
As at March 31, 2023 and December 31, 2022
(Expressed in Canadian dollars)

	March 31, 2023	December 31, 2022
	(unaudited)	(audited)
Assets		
Current assets		
Cash	\$ 58,793	\$ 11,569
Accounts receivable (note 4)	574	31,423
Short term investments (note 5)	-	225,000
Total current assets	<u>59,367</u>	<u>267,992</u>
Total assets	<u>\$ 59,367</u>	<u>\$267,992</u>
Liabilities and shareholders' equity (deficiency)		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 3,897,561	\$ 3,914,853
Loans and borrowings (note 7)	3,934,668	3,930,319
Total current liabilities	<u>7,832,229</u>	<u>7,845,172</u>
Total liabilities	<u>7,832,229</u>	<u>7,845,172</u>
Shareholders' equity (deficiency)		
Share capital (note 8)	11,308,027	11,308,027
Contributed surplus (note 9)	3,760,237	3,752,610
Accumulated deficit	(22,714,479)	(22,508,795)
Accumulated other comprehensive loss	(126,647)	(129,022)
Total shareholders' equity (deficiency)	<u>(7,772,862)</u>	<u>(7,577,180)</u>
Total liabilities and shareholders' equity (deficiency)	<u>\$ 59,367</u>	<u>\$ 267,992</u>

Going Concern (note 2)
Subsequent events (note 18)

Approved on August 23, 2023, by the Board of Directors

Director signed "Kory Zelickson"

Director signed "Kenneth Jones"

See accompanying notes to the condensed consolidated interim financial statements

Veji Holdings Ltd.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
For the three months ended March 31, 2023 and March 31, 2022
(Expressed in Canadian dollars) (unaudited)

	Three months ended	
	March 31, 2023	March 31, 2022
Revenue (note 10)	\$ -	\$ 1,547,795
Cost of goods sold	-	959,758
Gross profit	<u>-</u>	<u>588,037</u>
Operating expenses		
Selling and distribution (note 11)	-	1,015,784
General and administrative (note 12)	29,596	1,987,713
Loss on sale of short-term investment	172,704	-
Realized and unrealized foreign exchange loss	-	503
Total operating expenses	<u>202,300</u>	<u>3,004,000</u>
Operating loss	<u>\$ (202,300)</u>	<u>\$ (2,415,963)</u>
Interest expense, net	3,384	72,313
Net finance expense	<u>3,384</u>	<u>72,313</u>
Net loss for the period	<u>(205,684)</u>	<u>(2,488,276)</u>
Other comprehensive loss:		
Items that may be reclassified subsequently to profit or loss:		
Currency translation adjustment	2,375	49,754
Total comprehensive loss for the period	<u>(203,309)</u>	<u>(2,438,522)</u>
Weighted average number of common shares outstanding	28,584,626	28,584,626
Basic and diluted net loss per share (note 13)	<u>\$ (0.01)</u>	<u>\$ (0.09)</u>

See accompanying notes to the condensed consolidated interim financial statements

Veji Holdings Ltd.
Condensed Consolidated Interim Statements of Changes in Equity (Deficiency)
For the three months ended March 31, 2023 and 2022
(Expressed in Canadian dollars) (unaudited)

	Number of shares	Share capital	Shares to be issued	Contributed Surplus	Accumulated Deficit	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2021	28,584,626	\$ 11,308,027	\$ -	\$ 3,659,931	\$ (12,684,246)	\$ (337)	\$ (113,074)
Net loss and comprehensive loss for the period	-	-	-	-	(2,488,276)	49,754	(2,438,522)
Shares issued	-	-	-	-	-	-	4,299,119
Share based compensation	-	-	-	37,185	-	-	(199,500)
Balance at March 31, 2022	28,584,626	\$ 11,308,027	\$ -	\$ 3,697,116	\$ (15,172,522)	\$ 49,417	\$ (117,962)
Balance at December 31, 2022	28,584,626	\$ 11,308,027	\$ -	\$ 3,752,610	\$ (22,508,795)	\$ (129,022)	\$ (7,577,180)
Net loss and comprehensive loss for the period	-	-	-	-	(205,684)	2,375	(203,309)
Share based compensation	-	-	-	7,627	-	-	7,627
Balance at March 31, 2023	28,584,626	\$ 11,308,027	\$ -	\$ 3,760,237	\$ (22,714,479)	\$ (126,647)	\$ (7,772,862)

See accompanying notes to the condensed consolidated interim financial statements

Veji Holdings Ltd.
Condensed Consolidated Interim Statements of Cash Flows
For the three months ended March 31, 2023 and 2022
(Expressed in Canadian dollars) (unaudited)

	March 31, 2023	March 31, 2022
Operating activities		
Net loss	\$ (205,684)	\$ (2,488,276)
Items not requiring an outlay of cash:		
Depreciation of equipment	-	6,339
Depreciation of right-of-use-asset	-	8,651
Amortization of intangibles	-	96,246
Share based compensation	7,627	37,185
Accretion of contingent consideration	-	11,831
Unrealized currency translation gain	-	(3,547)
Loss on sale of investments	172,704	-
	<u>(25,354)</u>	<u>(2,331,571)</u>
Net change in non-cash working capital balances:		
Accounts receivable	30,850	(41,157)
Inventory	-	193,133
Prepaid expenses	-	109,784
Accounts payable and accrued liabilities	(17,290)	396,479
Due to related parties	-	(10,799)
Deferred revenue	-	97,102
	<u>(11,793)</u>	<u>(1,587,029)</u>
Investing activities		
Purchase of equipment	-	(7,944)
Intangible development costs	-	(54,007)
Proceeds from sale of short-term investment	52,292	-
	<u>52,292</u>	<u>(61,951)</u>
Financing activities		
Payments of lease obligations	-	(5,817)
Proceeds from loans and borrowings	4,349	1,600,785
	<u>4,349</u>	<u>1,594,968</u>
Increase (decrease) in cash during the period	44,848	(54,012)
Effect of exchange rate changes on cash	2,376	1,286
Cash, beginning of period	11,569	143,021
Cash, end of period	<u>\$ 58,793</u>	<u>\$ 90,295</u>

See accompanying notes to the condensed consolidated interim financial statements

Veji Holdings Ltd.
Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2023
(Expressed in Canadian dollars) (unaudited)

1. REPORTING COMPANY

Veji Holdings Ltd. was incorporated on July 30, 2019 under the Business Corporations Act of British Columbia. Its current principal business activity is a holding company. Previously, Veji operated a digital marketplace which offered thousands of plant-based and sustainable living products directly to consumers from a wide array of brands.

The Company's registered office is located at 666 Burrard Street, Suite 2500, Vancouver, British Columbia, V6C 2X8. Beginning on November 10, 2021, the Company became listed on the Canadian Securities Exchange and trades under the symbol VEJL.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements do not include all of the disclosures required for annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2022.

These condensed consolidated interim financial statements of the Company were approved by the Board of Directors ("Board") on August 23, 2023.

Basis of consolidation

These condensed consolidated interim financial statements include the accounts of Veji Holdings Ltd. and its 100% owned subsidiaries Veji Inc., Veji Holdings Ltd (UK), Veg Essentials LLC and VEDGEco USA, Inc.

All intercompany transactions and balances have been eliminated upon consolidation.

A subsidiary is a company which is controlled by Veji. The Company has control over a subsidiary when it is exposed to or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

A subsidiary is fully consolidated from the date on which control is obtained by the Company and is deconsolidated from the date that control ceases.

Basis of measurement

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

Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency of the Company. The functional currency of the Company's material subsidiaries being Veg Essentials LLC and VEDGEco USA, Inc. is the United States Dollar.

Veji Holdings Ltd.
Notes to the Condensed Consolidated Interim Financial Statements
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2. BASIS OF PRESENTATION (continued)

Going concern

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes the Company will be able to realize its assets and settle its liabilities in the normal course of business. The nature of the Company's commencement of operations resulted in significant expenditures for setting up the operations to scale for a large volume of transactions. The eventual generation of profit is dependent upon several factors including expanding into various markets, the ability of the Company to obtain financing to support growth and scale of operations, and to continue to meet working capital and operating cash flows.

To date, the Company has not generated positive cash flows from operations. For the three months ended March 31, 2023, the Company incurred a net loss of \$205,684 and as at March 31, 2023 the Company had an accumulated deficit of \$22,714,479. These conditions give rise to a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to obtain additional funding from loans or equity financings provided by the Company's existing shareholders and/or new shareholders or through other arrangements. There is no assurance that the Company will be successful in this regard. These events and conditions indicate a material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern.

These condensed consolidated interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and consolidated statement of financial position classifications that would be necessary were the going concern assumption deemed to be inappropriate. These adjustments could be material.

Critical accounting estimates and judgments

The preparation of the Company's condensed consolidated interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses, and accompanying disclosures. Actual results may differ from these estimates. Estimates and underlying assumption are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those applied to the Company's annual audited consolidated financial statements for the year ended December 31, 2022.

Share consolidation

On March 28, 2022, the Company completed a one-for-four share consolidation of all outstanding common shares. Shares reserved under the Company's equity and incentive plans were adjusted to reflect the share consolidation. All share and per share data presented in the Company's condensed consolidated interim financial statements have been retroactively adjusted to reflect the share consolidation unless otherwise noted.

3. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in these condensed consolidated interim financial statements are the same as those applied to the Company's annual audited consolidated financial statements for the year ended December 31, 2022.

Veji Holdings Ltd.
Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2023
(Expressed in Canadian dollars) (unaudited)

4. ACCOUNTS RECEIVABLE

Accounts receivable consist of:

	March 31, 2023	December 31, 2022
Government remittances receivable	\$ 574	\$ 31,423
	<u>\$ 574</u>	<u>\$ 31,423</u>

Trade receivables are amounts due from customers for onboarding fees and marketing packages. They are generally due for settlement within 30 days and are therefore all classified as current.

5. SHORT TERM INVESTMENTS

Short term investments are comprised of guaranteed investment certificates with a term of twelve months at the time of purchase and common shares of PlantX Life Inc. received from the sale of its domain, VeganEssentials.com and certain associated intellectual property and assets of PlantX Life Inc. The common shares are held for trading and are measured at fair value at each reporting date, with changes in fair value recognized in profit or loss. The common shares were sold during the period ended March 31, 2023.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of:

	March 31, 2023	December 31, 2022
Trade accounts payable	\$ 1,739,804	\$ 1,729,726
Accrued liabilities and other payables	2,157,757	2,185,126
	<u>\$ 3,897,561</u>	<u>\$ 3,914,853</u>

7. LOANS AND BORROWINGS

Below is a summary of loans and borrowings of the Company:

	March 31, 2023	December 31, 2022
Short-term debt:		
Working capital loans (i)	\$ 182,966	\$ 183,115
Unsecured loan (ii)	736,104	736,104
Revolving grid note (iii)	679,426	679,426
Due to related party (iv)	191,320	185,674
Current portion of long-term debt	2,146,000	2,146,000
Total short-term debt	<u>\$ 3,934,668</u>	<u>\$ 3,930,319</u>
Long-term debt:		
Loan from related party (v)	2,146,000	500,000
Less: Current portion of loan from related party	(2,146,000)	(500,000)
Total long-term debt	<u>\$ -</u>	<u>\$ -</u>

Veji Holdings Ltd.**Notes to the Condensed Consolidated Interim Financial Statements****For the three months ended March 31, 2023****(Expressed in Canadian dollars) (unaudited)**

- (i) Working capital loans relate to short term funding advances from financial institutions, whereby in exchange for funding advances, the Company is required to remit to the financial institutions, periodic payments determined on the basis of a percentage of the Company's collections from customers during the same period (the remittance rate between 5% to 20%), such that the total amounts remitted by the Company in excess of the advanced amounts, represent an effective financing fee of between 6% to 13% over the remittance period.

The working capital loans are secured against the Company's accounts receivable balances underlying the remittance rate requirement, together with any cash balance held by the Company in a designed bank account used by the Company with its platform for customers.

- (ii) Represents various amounts advanced by former directors of Veg Essentials LLC and VEDGEco USA, Inc. The unsecured loan is interest free and repayable on demand.
- (iii) The revolving grid note facility was closed with a former related party of VEDGEco USA, Inc., with the total facility amounting to US\$500,000, available to VEDGEco USA, Inc. in five equal monthly advances starting September 15, 2021, priced at an interest rate of 10% per annum and maturity on September 14, 2022.
- (iv) The Company was advanced amounts totaling \$191,320 by a director of the Company. The advances are non-interest bearing and repayable on demand.
- (v) On September 8, 2021, the Company entered into a promissory note with a director for a loan amounting to \$500,000 with interest at 10% per annum, payable quarterly and maturity on December 8, 2022. On July 27, 2022, the Company entered into an agreement with a director to convert advances of \$1,646,000 into a senior secured loan with a maturity date of May 24, 2024 and an interest rate of 10% per annum, payable quarterly.

8. SHARE CAPITAL

The Company is authorized to issue an unlimited number of common shares without par value. As at March 31, 2023, there were 28,584,626 (December 31, 2022 – 28,584,626) common shares issued and outstanding.

9. STOCK OPTION PLAN, WARRANTS AND ADVISOR OPTIONS

An employee stock option plan (the "Stock Option Plan") was established by the Company to attract and retain employees, consultants, officers and directors of the Company. The Stock Option Plan provides for the granting of options to purchase common shares of the Company. Under the Stock Option Plan, stock options generally vest over a period of two years and expire five years from the grant date.

For the three months ended March 31, 2023, share based compensation expense of \$7,627 (2022 – \$37,185), was recorded in the Condensed Consolidated Interim Statements of Loss and Comprehensive Loss in relation to the Stock Option Plan and Contributed Surplus.

The following table summarizes the continuity of the stock options during the three months ended March 31, 2023 and 2022:

Veji Holdings Ltd.
Notes to the Condensed Consolidated Interim Financial Statements
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(Expressed in Canadian dollars) (unaudited)

9. STOCK OPTION PLAN, WARRANTS AND ADVISOR OPTIONS (continued)

	March 31, 2023		March 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	2,468,750	\$ 1.27	2,790,000	\$ 1.28
Granted during period	-	-	-	1.28
Exercised during period	-	-	-	0.40
Forfeited during period	-	-	(1,250)	1.40
Outstanding, end of period	2,468,750	1.28	2,788,750	1.28
Exercisable, end of period	2,423,750	\$ 1.26	1,607,000	\$ 1.28

WARRANTS AND ADVISOR OPTIONS

The Company has outstanding share warrants and advisor options. Each warrant and advisor option is convertible into one common share of the Company upon exercise. The following table summarizes warrants and advisor options outstanding and exercisable:

Date of issuance	Date of expiry	Exercise price	March 31, 2023 outstanding and exercisable	March 31, 2022 outstanding and exercisable
September 2, 2020	September 2, 2025	\$ 0.60 (a)	5,000,000	5,000,000
September 11, 2020	September 11, 2025	\$ 1.00 (a)	2,500,000	2,500,000
July 6, 2021	July 6, 2023	\$ 1.40	155,490	155,490
November 1, 2021	November 1, 2023	\$ 2.00	1,526,327	1,526,327
			<u>9,181,817</u>	<u>9,181,817</u>

(a) The exercise price of the warrants issued on September 2, 2020 increased to \$0.60 from \$0.004 and the exercise price of the warrants issued September 11, 2020 increased to \$1.00 from \$0.04 (collectively these warrants are referred to as the "2020 warrants") upon the Company listing on a public stock exchange. Given the repricing terms of these 2020 warrants and the embedded derivative thereof, the Company estimated the fair value of these warrants (classified as financial liabilities at FVTPL) at grant date and at December 31, 2020 to be \$nil. At the point of completing a listing in November 2021, the Company remeasured the fair value of these warrants to be \$3,117,856 which was recorded as a loss on remeasurement of warrant liability within the consolidated statements of loss and comprehensive loss. Pursuant to the repricing adjustment, the Company determined that the 2020 warrants met the criteria for classification as equity instruments and accordingly, at December 31, 2021 \$3,117,856 has been reclassified within contributed surplus. The fair value of the 2020 warrants was remeasured using the Black-Scholes Option Pricing model, with the following estimated inputs: risk free rate of interest of 1.36%, expected volatility of 54.11% and expected life of 4 years.

(b) The weighted average exercise price of warrants outstanding is \$0.96 at the end of the period March 31, 2023.

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(Expressed in Canadian dollars) (unaudited)

10. REVENUE

Revenue arises from the sales of goods to customers through online store orders on the Company's marketplaces. As of July 2021, the Company began offering optional marketing services to third party marketplace vendors. These services include targeted ads, social media marketing, influencer marketing and product features on our website.

Services revenue from strategic partnerships with customers are recognized as the service milestones are performed and is measured at the agreed upon transaction price based on the underlying arrangement which defines the consideration expected to be received.

The following table summarizes revenue disaggregated by Marketplace revenue and Services revenue for the periods presented:

	March 31, 2023	March 31, 2022
Major service lines revenue		
Marketplace	\$ -	\$ 1,471,257
Marketing services	-	76,538
	<u>\$ -</u>	<u>\$ 1,547,795</u>

11. SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses are comprised of the following:

	March 31, 2023	March 31, 2022
Marketing and advertising	\$ -	\$ 139,704
Freight, packaging and warehousing	-	744,696
Contract services	-	63,430
Other	-	67,954
	<u>\$ -</u>	<u>\$ 1,015,784</u>

12. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses are comprised of the following:

	March 31, 2023	March 31, 2022
Compensation and contract services	\$ 3,300	\$ 904,477
Professional services	10,051	624,303
Share based compensation	7,627	37,185
Software and IT expenses	4,013	131,144
Insurance	-	34,747
Licenses, dues and subscriptions	-	21,186
Rent and lease	-	36,831
Depreciation and amortization	-	111,236
Other	997	86,604
	<u>\$ 29,596</u>	<u>\$ 1,987,713</u>

Veji Holdings Ltd.
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(Expressed in Canadian dollars) (unaudited)

13. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted net loss per share for the three months ended March 31, 2023 was based on the loss attributable to common shareholders of \$205,684 (2022 - \$2,488,276) and the basic and diluted weighted average number of common shares outstanding of 28,584,626 (2022 – 28,584,626).

14. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties and related party transactions are summarized below and include transactions with the following individuals or entities:

Key management compensation

Key management personnel, including companies controlled by them, are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

Remuneration attributed to key management personnel is summarized as follows for the period ended:

	March 31, 2023	March 31, 2022
Management wages	\$ -	\$ 155,000
Directors' fees	-	-
Share based compensation	<u>6,529</u>	<u>23,702</u>
	<u>\$ 6,529</u>	<u>\$ 178,702</u>

15. CAPITAL MANAGEMENT

The Company's objectives in managing its capital are as follows:

- To safeguard its ability to continue as a going concern; and
- To have sufficient capital to be able to meet its strategic objectives including the continued expansion of its services offerings and locales.

Given the current start-up phase, the Company's primary source of capital is derived from debt and equity issuances. Capital consists of equity attributable to common shareholders.

The Company has no externally imposed capital requirements and manages its capital structure in accordance with its strategic objectives and changes in economic conditions. In order to maintain or adjust its capital structure, the Company may issue new shares in the form of private placements and/or secondary public offerings. There has been no change in the Company's approach to capital management during the period ended March 31, 2023.

16. FINANCIAL INSTRUMENTS

Carrying value and fair value

The Company's financial instruments comprise cash, short term investments, accounts receivable, amounts due from related party, loans and borrowings, accounts payable and accrued liabilities and amounts due to related parties.

Veji Holdings Ltd.
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(Expressed in Canadian dollars) (unaudited)

16. FINANCIAL INSTRUMENTS (continued)

Financial instruments recognized at fair value on the consolidated statement of financial position are classified in fair value hierarchy levels as follows:

- Level 1: Valuation based on unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques based on inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices)
- Level 3: Valuation techniques with unobservable market inputs (involves assumptions and estimates by management).

Cash, short-term investments, accounts receivable and amounts due from related party are recorded at amortized cost.

Accounts payable and accrued liabilities and amounts due to related parties are classified as other financial liabilities and are recorded at amortized cost.

Fair value

The carrying amounts of cash, accounts receivable, amounts due from and due to related parties, loans and borrowings, accounts payable and accrued liabilities do not materially differ from their fair values given their short-term period to maturity.

17. RISK MANAGEMENT AND LIQUIDITY

The Company's activities expose it to a variety of financial risks, including foreign exchange risk, credit risk and interest rate risk.

Credit risk

Credit risk is the risk of economic loss arising from a counterparty's failure to repay or service debt according to the contractual terms. Financial instruments that potentially subject the Company to credit risk consist of cash.

The carrying amount of the Company's financial assets represents the Company's maximum exposure to credit risk. The Company manages credit risk by placing cash and short-term investments with major Canadian financial institutions. The Company manages credit risk of its accounts receivable by only extending credit to creditworthy customers. Management believes the credit risk is low.

Foreign Exchange Risk

The Company operates in Canada and the United States and therefore, currently, has limited exposure to foreign exchange risk arising from transactions denominated in foreign currencies. Other than Canadian dollar balances, the Company holds balances in cash, accounts receivable and due to related parties and accounts payable that are denominated in US\$ as outlined below. Accordingly, the Company is subject to foreign exchange risk relating to such balances in connection with fluctuations against the Canadian dollar. The Company has no program in place for hedging foreign currency risk.

The Company held the following foreign currency denominated balances as at March 31, 2023 and December 31, 2022:

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17. RISK MANAGEMENT AND LIQUIDITY (continued)

	March 31, 2023	December 31, 2022
Cash (US \$)	\$ 1,075	\$ 1,520
Accounts receivable (US \$)	-	-
Accounts payable and accrued liabilities (US \$)	(1,763,666)	(1,838,692)
Lease obligation (US \$)	-	-
Loans and borrowings (US \$)	(1,597,347)	(1,598,646)
Total (US \$)	<u>\$ (3,359,938)</u>	<u>\$ (3,435,818)</u>
Foreign exchange rate	1.3544	1.3013
Equivalent in Canadian dollars	<u>\$ (4,550,700)</u>	<u>\$ (4,471,030)</u>

Based on the balances held as at March 31, 2023, a 10% appreciation of the Canadian dollar relative to the US dollar would have resulted in a decrease in the net loss for the period ended of approximately \$455,070 (December 31, 2022 – \$447,103)

Interest Rate Risk

Interest rate risk is the risk that cash flows will fluctuate due to changes in market interest rates. While the Company's financial assets are generally not exposed to significant interest rate risk because of their short-term nature, changes in interest rates will have a corresponding impact on interest income realized on such assets.

The Company's financial liabilities are not exposed to significant interest rate risk because they are either non interest bearing or carry a fixed interest rate. Changes in interest rates will not have a corresponding impact on interest expense incurred on such liabilities.

Liquidity Risk

Liquidity risk arises from the Company's general and capital financing needs. The Company continuously monitors and reviews both actual and forecasted cash flows and matches the maturity profile of financial assets and liabilities, when feasible.

18. SUBSEQUENT EVENT

On April 21, 2023, Veji announced that, having received approval from the Supreme Court of British Columbia (Vernon Registry) for its Division I proposal pursuant to the Bankruptcy and Insolvency Act (Canada), the Company intends to issue 25,726,146 common shares to its creditors to settle outstanding debt in the approximate amount of \$4,000,000.