

Magen Ventures I Inc.

(A Capital Pool Company)

Unaudited Condensed Interim Financial Statements

**For the three and nine month periods
ended September 30, 2022 and for the three
month period ended September 30, 2021
and for the period from February 9, 2021
(Date of Incorporation) to September 30,
2021**

(In Canadian Dollars)

Magen Ventures I Inc.
 Unaudited Condensed Interim Statements of Financial Position
 (in Canadian Dollars)

	September 30, 2022	December 31, 2021
Assets		
Current assets		
Cash held in trust (Note 3)	\$ 110,531	\$ 210,725
Prepays	2,825	-
Short-term investments (Note 4)	4,294,036	4,259,971
	\$ 4,407,392	\$ 4,470,696
Liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 139,481	\$ 19,925
Shareholders' Equity		
Share capital, net of issuance costs (Note 6)	4,360,215	4,360,215
Contributed surplus (Note 6)	495,137	495,137
Accumulated deficit	(587,441)	(404,581)
	4,267,911	4,450,771
	\$ 4,407,392	\$ 4,470,696

Approved by the Board Jesse Kaplan
 CEO (Signed)

Jesse Kaplan
 CFO (Signed)

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

Magen Ventures I Inc.

Unaudited Condensed Interim Statements of Loss and Comprehensive Loss

For the Three and Nine Month Periods Ended September 30, 2022 and For the Three Month Period Ended September 30, 2021 and For the Period from February 9, 2021 (Date of Incorporation) to September 30, 2021 (in Canadian Dollars)

	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	For the period from February 9, 2021 (Date of Incorporation) to September 30, 2021
Expenses				
Professional fees	\$ 32,804	\$ 78,277	\$ 203,684	\$ 104,771
Filing fees	-	1,902	13,241	19,728
Interest income (Note 4)	(25,232)	(5,046)	(27,388)	(5,046)
Unrealized (gain)/loss (Note 4)	2,993	-	(6,677)	-
Stock-based compensation	-	-	-	258,655
Net loss and comprehensive loss for the period	\$ (10,565)	\$ (75,133)	\$ (182,860)	\$ (378,108)
Net loss per share (basic and diluted)	(0.00)	(0.00)	(0.00)	(0.01)
Weighted average shares outstanding (basic and diluted)	60,000,000	60,000,000	60,000,000	35,003,419

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Magen Ventures I Inc.

Unaudited Condensed Interim Statements of Cash Flows

For the Nine Month Period Ended September 30, 2022 and

For the Period from February 9, 2021 (Date of Incorporation) to September 30, 2021

(in Canadian Dollars)

	Nine Months Ended September 30, 2022	For the period from February 9, 2021 (Date of Incorporation) to September 30, 2021
Cash provided by (used in):		
Operating activities		
Net loss for the period	\$ (182,860)	\$ (378,108)
Interest income (non-cash)	(27,388)	(5,046)
Unrealized gain	(6,677)	-
Stock-based compensation	-	258,655
Change in Prepays	(2,825)	-
Change in accounts payable and accrued liabilities	119,556	6,960
Cash used in operating activities	(100,194)	(117,539)
Investing activities		
Short-term investments		(4,249,380)
Cash provided by investing activities	-	(4,249,380)
Financing activities		
Share subscription, net of issuance costs	-	4,596,697
Cash provided by financing activities	-	4,596,697
Net change in cash	(100,194)	229,778
Cash, beginning of period	210,725	-
Cash, end of period	\$ 110,531	\$ 229,778

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

Magen Ventures I Inc.**Unaudited Condensed Interim Statements of Changes in Equity****For the Nine month period ended September 30, 2022 and for the period from February 9, 2021 (Date of Incorporation) to September 30, 2021**

(in Canadian Dollars)

	Number of Shares	Share Capital	Contributed Surplus	Accumulated Deficit	Shareholders' Equity
Opening Balance, February 9, 2021 (Date of Incorporation)	-	-	-	-	-
Common shares issued	60,000,000	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
Share issuance cost (cash)	-	(403,303)	-	-	(403,303)
Share issuance cost (agent warrants)	-	(236,482)	236,482	-	-
Stock option compensation	-	-	258,655	-	258,655
Net loss for the period	-	-	-	(378,108)	(378,108)
Balance, September 30, 2021	60,000,000	\$ 4,360,215	\$ 495,137	\$ (378,108)	\$ 4,477,244
Balance, January 1, 2022	60,000,000	\$ 4,360,215	\$ 495,137	\$ (404,581)	\$ 4,450,771
Loss for the period	-	-	-	(182,860)	(182,860)
Balance, September 30, 2022	60,000,000	\$ 4,360,215	\$ 495,137	\$ (587,441)	\$ 4,267,911

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

Magen Ventures I Inc.
Notes to the Unaudited Condensed Interim Financial Statements
For the Three and Nine month periods ended September 30, 2022 and for the
Three month period ended September 30 and for the period from February 9,
2021 (Date of Incorporation) to September 30, 2021
(in Canadian Dollars)

1. INCORPORATION AND NATURE OF BUSINESS

Magen Ventures I Inc. (the "Corporation") was incorporated under the *Business Corporations Act* (Ontario) on February 9, 2021 and is a Capital Pool Company as defined in Policy 2.4 (the "Policy") of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual. The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT") as defined in the Policy. The Corporation has not commenced commercial operations and has no assets other than cash held in trust, prepaids, and short-term investments. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT.

The head office and the registered head office of the Corporation is located at 77 King Street West, Suite 400, Toronto, ON M5K 0A1.

On March 16, 2022 the Corporation entered into a business combination agreement (the "Business Combination Agreement") with Grey Wolf Animal Health Inc. (the "Grey Wolf"), pursuant to which a wholly-owned subsidiary of the Corporation and Grey Wolf will amalgamate pursuant to a three-cornered amalgamation under the *Business Corporations Act* (Ontario) (the "Amalgamation"). The Amalgamation will result in the reverse takeover of the Corporation by the shareholders of Grey Wolf. Following the completion of the Amalgamation, the Corporation, as the issuer resulting therefrom, is expected to trade on the Exchange and carry on the current business of Grey Wolf under the name "Grey Wolf Animal Health Corp." or such other name as may be determined by Grey Wolf and is acceptable to the applicable regulatory authorities. This proposed transaction is intended to be the QT for the Corporation. The transaction was not closed as at September 30, 2022.

On July 28, 2022 the Corporation and Grey Wolf amended the Business Combination Agreement to extend the completion deadline to November 30, 2022 and amend the consolidation ratio of the Common Shares from "19.1667 to 1" to "16.6667 to 1" or such other ratio as may be agreed to between the Corporation and Grey Wolf.

On November 7, 2022, the Board of Directors approved the unaudited condensed interim financial statements for the three and nine month periods ended September 30, 2022, for the three month period ended September 30, 2021 and for the period from the date of incorporation (February 9, 2021) to September 30, 2021.

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2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards *IAS 34 – Interim Financial Reporting* 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”).

These unaudited condensed interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets, and financial liabilities. These condensed interim financial statements are presented in Canadian dollars, which is the Corporation’s functional and presentation currency.

The accounting policies applied by the Corporation in these Condensed Interim Financial Statements are the same as those applied by the Corporation in the audited financial statements for the period ended December 31, 2021. Accordingly, certain disclosures included in audited financial statements prepared in accordance with IFRS as issued by the IASB have been condensed or omitted and these Financial Statements should be read in conjunction with the Corporation’s audited Financial Statements for the period ended December 31, 2021.

3. CASH HELD IN TRUST

Cash held in trust includes an amount of \$110,531 (2021 – \$210,725), held with the legal firm of the Corporation.

4. SHORT-TERM INVESTMENTS

On July 5, 2021, the Corporation invested \$4,249,380 with the Agent (as defined herein). These deposits were made for \$1,249,380 in National Bank of Canada (“NBC”) and \$3,000,000 in DUCA GIC .65%. During the nine months period ended September 30, 2022 the Corporation earned \$27,388 (2021 – \$5,046) in interest and \$6,677 in unrealized gain (2021 – “nil”). The financial assets are classified as Fair Value through Profit and Loss (FVTPL) under IFRS 9.

5. ACCOUNTS PAYABLES AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include following amounts:

	September 30, 2022	December 31, 2021
Accounts Payable	\$ 5,851	\$ 6,093
Accrued Liabilities	133,630	13,832
Total	\$ 139,481	\$ 19,925

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6. SHARE CAPITAL

The following table reflects share capital balance as at September 30, 2022:

	<u>Number of Shares</u>	<u>Amount</u>
Balance, February 9, 2021 (Date of Incorporation)	-	-
Shares issued	60,000,000	\$ 5,000,000
Issuance cost		(639,785)
Balance, December 31, 2021 and September 30, 2022	60,000,000	\$ 4,360,215

a. Escrowed Shares

On February 22, 2021, the Corporation issued 9,800,000 common shares in the capital of the Corporation (“Common Shares”) at \$0.05 per share for gross proceeds of \$490,000.

On April 9, 2021, the Corporation issued a total of 10,200,000 Common Shares at \$0.05 per share for total proceeds of \$510,000.

Share issuance costs of \$17,503 were associated with these issuances.

All Common Shares: (a) issued at a price below the price of the Common Shares issued in the Corporation’s initial public offering (“IPO”); and (b) all shares acquired from treasury after the IPO but before the date of the Final QT Exchange Bulletin (as defined in the Policy) which are, directly or indirectly, beneficially owned or controlled by Non-Arm’s Length Parties (as defined in the Policy) to the Corporation, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

20,000,000 issued and outstanding Common Shares are held in escrow pursuant to the requirements of the Exchange.

b. Initial Public Offering

On June 17, 2021 the Corporation completed its IPO of 40,000,000 Common Shares at \$0.10 per share (\$4,000,000). The Corporation paid a commission of 9% of the gross proceeds to Canaccord Genuity Corp. (the “Agent”), and granted the Agent warrants to purchase 3,200,000 Common Shares exercisable for a period ending sixty months from the closing of the IPO, exercisable at \$0.10 per share. The Corporation also reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the IPO. Cash issuance costs of \$385,800 were associated with these issuances and the value attributed to the warrants granted to the Agent is \$236,482.

Options

The Corporation has established a stock option plan for its directors, officers and consultants under which the Corporation may grant options from time to time to acquire, a maximum of 10% of the issued and outstanding Common Shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors.

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Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and are exercisable as determined by the Board of Directors when the option is granted. Options expire within 90 days of termination of employment or holding office as director or officer of the Corporation (other than in connection with the completion of the QT – in which case 1 year) and, in the case of death, expire within a maximum period of one year after such death, subject to the expiry date of the option.

Any options granted, and any shares issued upon exercise of options, prior to the Corporation's completion of a QT will be subject to escrow restrictions. In addition to the foregoing, any options with an exercise price less than the offering price per Common Share in the IPO will be subject to the same escrow release schedule as the Common Shares issued for a price less than the offering price per Common Share in the IPO.

The following table reflects the continuity of stock options and warrants:

	Number of Stock Options and Warrants	Weighted Average Exercise Price (\$)
Balance, February 9, 2021	-	-
Granted to directors and officers (i)	5,000,000	\$0.05
Granted to directors and officers (ii)	1,000,000	\$0.10
Granted to Agent (iii)	3,200,000	\$0.10
Balance, December 31, 2021 and September 30, 2022	9,200,000	\$0.07

- i. On February 22, 2021, the Corporation granted 5,000,000 stock options to directors and officers, which are exercisable within five years from the date of grant at an exercise price of \$0.05 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, discount rate of 0.22%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$184,474.
- ii. On June 17, 2021, the Corporation granted 1,000,000 stock options to directors and officers, which are exercisable within five years from the date of grant at an exercise price of \$0.10 per share. These options were valued on the date of issue using the Black-Scholes option pricing model with the following assumptions: dividend yield 0%, discount rate of 0.82%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$74,181.
- iii. In addition, on June 17, 2021, the Corporation granted 3,200,000 warrants to the Agent, which are exercisable within five years from the date of grant at an exercise price of \$0.10 per share. These warrants were valued on the date of issue using the Black-Scholes warrant pricing model with the following assumptions: dividend yield 0%, discount rate of 0.39%, expected volatility of 100% and an expected life of five years. The value attributed to these options was \$236,482.

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The following table reflects the actual stock options and warrants issued and outstanding as of September 30, 2022:

Expiry Date	Exercise Price	Remaining Contractual Life (Years)	Number of Stock Options and Warrants Outstanding	Number of Stock Options and Warrants Vested (Exercisable)
February 22, 2026	\$0.05	3.39	5,000,000	5,000,000
June 17, 2026	\$0.10	3.71	1,000,000	1,000,000
June 17, 2026	\$0.10	3.71	3,200,000	3,200,000
Balance, September 30, 2022	\$0.07	3.54	9,200,000	9,200,000

7. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Corporation includes equity, comprised of share capital and accumulated deficit in the definition of capital.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Corporation may attempt to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation.

Risk Disclosures and Fair Values

The Corporation's financial instruments carried at amortized cost consist of cash held in trust, short-term investment, and accounts payable and accrued liabilities, which approximate fair value due to the relatively short-term maturity of the instruments. It is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks arising from these financial instruments.

8. RELATED PARTY TRANSACTIONS

The Corporation incurred stock-based compensation expense related to directors and officers was \$nil for the nine months period ended September 30, 2022 (in 2021- \$258,655).

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9. SUBSEQUENT EVENTS

On November 2, 2022, the Corporation and Grey Wolf announced its conditional approval of the proposed QT by the Exchange and in connection therewith filed the filing statement pursuant to the policies of the Exchange.