

INGLENOOK VENTURES LTD.

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

As at and for the period from incorporation on
January 14, 2021 to September 30, 2021

Inglenook Ventures Ltd.
(the “Company” or “Inglenook”)

INTERIM FINANCIAL STATEMENTS

As at and for the period of incorporation on January 14, 2021 to September 30, 2021

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Management of the Company is responsible for the preparation of the accompanying unaudited interim financial statements. The unaudited interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards (“IFRS”) for the preparation of interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company’s auditor has not performed a review of these 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.

INGLENOOK VENTURES LTD.

Interim Statement of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	As at September 30, 2021	
Assets		
Current Assets		
Cash	\$	18,357
GST receivable		3,562
Total Assets	\$	21,919
Liabilities and Shareholders' Deficiency		
Current Liabilities		
Accounts payable and accrued liabilities	\$	69,300
		69,300
Shareholders' Deficiency		
Share capital (Note 5)		124,653
Share-based payment reserve (Note 5)		437
Deficit		(172,471)
		(47,381)
Total Liabilities and Shareholders' Deficiency	\$	21,919

Nature and continuance of operations (Note 1)

Approved on Behalf of the Board on November 19, 2021:

"Scott Ackerman"
Scott Ackerman – CEO/Director

"Brent Ackerman"
Brent Ackerman - Director

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

INGLENOOK VENTURES LTD.

Interim Statement of Loss and Comprehensive Loss

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

		For the three months ended September 30, 2021	For the period from incorporation on January 14, 2021 to September 30, 2021
Expenses			
Administration and bank charges	\$	3,019	\$ 6,049
Management fees		30,000	65,000
Professional fees		265	265
Shareholder communication and filing fees		-	1,067
Share-based payments		-	437
Transaction costs (Note 5(b))		-	99,653
		(33,284)	(172,471)
Loss and comprehensive loss for the period	\$	(33,284)	\$ (172,471)
Weighted average number of shares outstanding – basic and diluted (Note 5)		24,930,500	19,774,734
Basic and diluted loss per share (Note 6)	\$	(0.00)	\$ (0.01)

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

INGLENOOK VENTURES LTD.

Interim Statement of Changes in Shareholders' Deficiency

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	Share Capital		Reserves	Deficit	Total Shareholders' Deficiency
	Number (Note 5)	Amount			
Balance, (incorporation) – January 14, 2021	-	\$ -	\$ -	\$ -	\$ -
Common shares issued - Cash	5,000,000	25,000	-	-	25,000
Common shares issued – Plan of Arrangement	19,930,500	99,653	-	-	99,653
Share-based payments	-	-	437	-	437
Loss for the period	-	-	-	(172,471)	(172,471)
Balance, September 30, 2021	24,930,500	\$ 124,653	\$ 437	\$ (172,471)	\$ (47,381)

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

INGLENOOK VENTURES LTD.

Interim Statement of Cash Flows

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	For the period from incorporation on January 14, 2021 to September 30, 2021
Cash provided by (used for):	
Operating Activities:	
Loss for the period	\$ (172,471)
Items not involving cash:	
Share-based payments	437
Transaction costs	99,653
Net change in non-cash working capital items:	
Accounts payable and accrued liabilities	69,300
GST receivable	(3,562)
	(6,643)
Financing Activity:	
Proceeds from share issuance	25,000
	25,000
Increase in cash for the period	18,357
Cash, beginning of the period	-
Cash, end of the period	\$ 18,357
Supplemental information:	
Interest paid	\$ -
Income taxes	\$ -

There was one significant non-cash transaction during the period from incorporation on January 14, 2021 to September 30, 2021. The Company issued 19,930,500 common shares per the Plan of Arrangement (Note 5).

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

INGLENOOK VENTURES LTD.

Notes to the Interim Financial Statements

For the period from incorporation on January 14, 2021 to September 30, 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

1. NATURE AND CONTINUANCE OF OPERATIONS

Inglenook Ventures Ltd. (the “Company” or “Inglenook”) was incorporated under the British Columbia Business Corporations Act on January 14, 2021. The Company’s head office and records and registered office is located at 1600 – 609 Granville Street, Vancouver, British Columbia V7Y 1C3.

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

In January 2021, the Company received \$25,000 in consideration of the issuance of 5,000,000 common shares of the Company (Note 5).

On March 22, 2021, ECC Diversified Inc. (“ECC”) completed a strategic reorganization of its assets in which it spun out Inglenook. The transaction was carried out by way of a plan of arrangement (the “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 March 22, 2021; as a result, 19,930,500 common shares of the Company were issued.

The Company incurred a net loss and comprehensive loss of \$172,471 for the period ended September 30, 2021. As at September 30, 2021, the Company has an accumulated deficit of \$172,471 and working capital deficiency of \$47,381. As at September 30, 2021, the Company had a history of losses; consequently, 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 interim 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.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. To date, COVID-19 has not had an adverse impact on the Company.

INGLENOOK VENTURES LTD.

Notes to the Interim Financial Statements

For the period from incorporation on January 14, 2021 to September 30, 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the interim financial statements in conformity with International Financial Reporting Standards (“IFRS”) requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(a) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year included:

i. Income tax

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in profit or loss both in the period of change, which would include any impact on cumulative provisions, and in future periods. Deferred tax assets (if any) are recognized only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse and a judgment as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets as well as the amounts recognized in profit or loss in the period in which the change occurs.

ii. Stock options

Determining the fair value of stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate, and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company’s future operating results or on other components of shareholders’ equity.

INGLENOOK VENTURES LTD.

Notes to the Interim Financial Statements

For the period from incorporation on January 14, 2021 to September 30, 2021

(Unaudited – Prepared by Management)

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2. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

(b) Critical accounting judgment

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the statements are, but are not limited to, the following:

i. Going concern

The preparation of the financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss and financial instruments classified as available-for-sale, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These financial statements were authorized by the Audit Committee and the Board of Directors of the Company on November 19, 2021.

(b) Share-based payments

The stock option plan allows Company directors, officers, employees, and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based payment expense with a corresponding increase in shareholders’ equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from share-based payment reserve to share capital.

In situations where equity instruments are issued to non-employees and some or all the services received by the entity as consideration cannot be specifically identified, they are all measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the services received.

INGLENOOK VENTURES LTD.

Notes to the Interim Financial Statements

For the period from incorporation on January 14, 2021 to September 30, 2021

(Unaudited – Prepared by Management)

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Share-based payments (continued)

The fair value is measured at grant date and each tranche is recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the number of stock options that are expected to vest.

(c) Share capital

Common shares are classified as share capital. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

(d) Income (loss) per share

The Company presents basic and diluted income (loss) per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Diluted income (loss) per share is calculated by dividing the income by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. In the Company’s case, diluted income (loss) per share is the same as basic income (loss) per share.

(e) 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.

(f) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. The Company does not have any provisions for the period presented.

INGLENOOK VENTURES LTD.

Notes to the Interim Financial Statements

For the period from incorporation on January 14, 2021 to September 30, 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantially enacted at the reporting date.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purpose. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable operations, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(h) Financial instrument measurement and valuation

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices that are observable for the assets or liability either directly or indirectly; and
Level 3	Inputs that are not based on observable market data.

The measurement of the Company's financial instruments is disclosed in Note 9 to these financial statements. Any financial instrument that is valued using level 2 or 3 inputs will involve estimation uncertainty.

INGLENOOK VENTURES LTD.

Notes to the Interim Financial Statements

For the period from incorporation on January 14, 2021 to September 30, 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Financial instrument measurement and valuation (continued)

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (“FVTOCI”) or at amortized cost. The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

The Company’s accounting policy for each of the categories is as follows:

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of income (loss). Realized and unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTPL are included in the statement of income (loss) in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss) in which they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset’s contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Impairment of financial assets at amortized cost: The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as the reporting date, with the risk of default as at the date of initial recognition, based on all information available, and reasonable and supportive forward-looking information.

INGLENOOK VENTURES LTD.

Notes to the Interim Financial Statements

For the period from incorporation on January 14, 2021 to September 30, 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

4. 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.

As of September 30, 2021, \$Nil was due to 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 the period from incorporation on January 14, 2021 to September 30, 2021, \$Nil was recorded as compensation costs for key management personnel and companies related to them.

5. SHARE CAPITAL

(a) Authorized

Unlimited number of common and preferred shares without par value.

(b) Issued and outstanding

As at September 30, 2021 the Company had 24,930,500 common shares issued and outstanding.

On January 14, 2021, the Company received \$25,000 through the issuance of 5,000,000 common shares at \$0.005 per share.

On March 22, 2021, ECC completed a strategic reorganization of its assets in which it spun out Inglenook. 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 March 22, 2021; as a result, 19,930,500 common shares of the Company were issued.

INGLENOOK VENTURES LTD.

Notes to the Interim Financial Statements

For the period from incorporation on January 14, 2021 to September 30, 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)**(b) Issued and outstanding (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 \$
Balance, (incorporation) January 14, 2021	-	-
January 14, 2021 – share issuance	5,000,000	25,000
March 22, 2021 – plan of arrangement	19,930,500	99,653
Balance, September 30, 2021	24,930,500	124,653

(c) Stock options

On January 14, 2021, 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 March 22, 2021, the Company granted a total of 1,950,000 incentive stock options to a director and consultants to the Company, which vested immediately, having an exercise price of \$0.10 per share.

INGLENOOK VENTURES LTD.

Notes to the Interim Financial Statements

For the period from incorporation on January 14, 2021 to September 30, 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)**(c) Stock options (continued)**

Share purchase option transactions are summarized as follows:

	Number	Weighted Average Exercise Price
Balance, (incorporation) January 14, 2021	-	\$ -
Grants	1,950,000	0.10
Outstanding and exercisable, September 30, 2021	1,950,000	\$ 0.10

The fair value of the options granted was determined to be \$437 using the Black-Scholes option pricing model under the following assumptions: risk-free interest rate – .23%; expected life – 2 and 2.57 years; expected volatility – 100% and expected dividends – nil.

Grant Date	Number of options Outstanding and Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
March 22, 2021	1,250,000	\$0.10	February 27, 2023	1.41
March 22, 2021	700,000	\$0.10	October 24, 2023	2.07
Total	1,950,000	\$0.10		1.65

6. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended September 30, 2021 was based on the loss attributable to common shareholders of \$172,471 and the weighted average number of common shares outstanding of 19,774,734.

7. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2021
	\$
Loss before income taxes	(172,471)
Expected income tax recovery at statutory rates	(46,567)
Change in unrecognized deferred tax assets	46,567
Income tax expense (recovery)	-

INGLENOOK VENTURES LTD.

Notes to the Interim Financial Statements

For the period from incorporation on January 14, 2021 to September 30, 2021

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

8. CAPITAL MANAGEMENT

The Company defines capital as consisting of shareholder's equity (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 September 30, 2021 the Company is not subject to any externally imposed capital requirements or debt covenants.

9. 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 September 30, 2021, 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.

INGLENOOK VENTURES LTD.

Notes to the Interim Financial Statements

For the period from incorporation on January 14, 2021 to September 30, 2021

(Unaudited – Prepared by Management)

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9. FINANCIAL INSTRUMENTS (continued)**(iii) Price rate risk**

The Company has no exposure to price risk with respect to equity prices as the Company is not listed. 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.

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 September 30, 2021, the Company has limited sources of revenue and has a cash balance of \$18,357 to settle current liabilities of \$69,300. As such, the Company has insufficient cash to fund corporate overhead costs for the next year.

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 September 30, 2021.

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Notes to the Interim Financial Statements

For the period from incorporation on January 14, 2021 to September 30, 2021

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9. FINANCIAL INSTRUMENTS (continued)**Fair Value Measurements**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market data.

As of September 30, 2021 the Company's financial instruments consist of cash, GST receivable, accounts payable and accrued liabilities. These financial instruments are classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments.