

VENERABLE VENTURES LTD.

Condensed Interim Financial Statements
Three and Six Months Ended September 30, 2021 and 2020
Unaudited – Prepared by Management
(Expressed in Canadian Dollars)

VENERABLE VENTURES LTD.
Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	September 30, 2021	March 31, 2021
ASSETS		
Current		
Cash	\$ 186,528	\$ 197
Other receivable	456	53
	\$ 186,984	\$ 250
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 67,062	\$ 57,556
Notes payable (note 4)	7,688	7,102
	74,750	64,658
SHAREHOLDERS' EQUITY (DEFICIT)		
Capital stock (note 5)	2,863,448	2,659,448
Deficit	(2,751,214)	(2,723,856)
	112,234	(64,408)
	\$ 186,984	\$ 250

Nature of operations and going concern (Note 1)
Subsequent event (Note 7)

Approved on behalf of the board:

"Alan MacDonald"
..... Director
Alan MacDonald

"Marilyn Miller"
..... Director
Marilyn Miller

VENERABLE VENTURES LTD.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2021	2020	2021	2020
Expenses				
Amortization	\$ -	\$ 10	\$ -	\$ 19
Professional fees	2,550	-	2,550	-
Listing and filing fees	817	3,248	6,672	3,894
Travel and expenses	-	-	-	3,127
Office and administration	373	23,301	18,136	27,139
Loss and Comprehensive Loss for the Period	\$ 3,740	\$ 26,559	\$ 27,358	\$ 34,179
Basic and Diluted Loss Per Share	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted Average Number of Common Shares Outstanding	10,929,421	9,112,937	10,521,179	7,309,658

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

VENERABLE VENTURES LTD.**Condensed Interim Statements of Changes in Shareholders' Equity (Deficit)**

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Capital Stock		Reserves	Deficit	Shareholders' Equity (Deficit)
	Number of Shares	Amount			
Balance, March 31, 2020	4,712,937	\$ 2,382,419	\$ -	\$ (2,616,864)	\$ (234,445)
Private placement (note 5)	4,400,000	220,000	-	-	220,000
Share issue costs	-	(119,037)	116,054	-	(2,983)
Loss and comprehensive loss for the period	-	-	-	(34,179)	(34,179)
Balance, September 30, 2020	9,112,937	\$ 2,483,382	\$ 116,054	\$ (2,651,045)	\$ (51,609)
Balance, March 31, 2021	10,112,937	\$ 2,659,448	\$ -	\$ (2,723,856)	\$ (64,408)
Warrants exercised (note 5)	3,400,000	204,000	-	-	204,000
Loss and comprehensive loss for the period	-	-	-	(27,358)	(27,358)
Balance, September 30, 2021	13,512,937	\$ 2,863,448	\$ -	\$ (2,751,214)	\$ 112,234

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

VENERABLE VENTURES LTD.
Condensed Interim Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

	Six Months Ended September 30,	
	2021	2020
Operating activities		
Loss for the period	\$ (27,358)	\$ (34,179)
Items not affecting cash:		
Amortization	-	19
Net changes in non-cash working capital:		
Other receivable	(403)	(398)
Accounts payable and accrued liabilities	9,506	(22,275)
Cash used in operating activities	(18,255)	(56,833)
Financing Activities		
Private placement	-	220,000
Share issue costs	-	(2,983)
Warrants exercised	204,000	-
Notes payable	586	(160,936)
Cash provided by financing activities	204,586	56,081
Increase (decrease) in cash	186,331	(752)
Cash, beginning of period	197	1,406
Cash, end of period	\$ 186,528	\$ 652

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

VENERABLE VENTURES LTD.
Notes to the Condensed Interim Financial Statements
Six Months Ended September 30, 2021 and 2020
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company was incorporated under the *Business Corporations Act* (British Columbia) on January 11, 2010. The principal business activity of the Company is the acquisition and exploration of mineral properties located in Canada. The Company is listed on the TSX Venture Exchange (“TSX-V”) under the symbol “VLV”.

The principal address of the Company is 666 Burrard Street, Suite 500, Vancouver, British Columbia, Canada, V3C 3P6.

These unaudited condensed interim financial statements have been prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern and meet its commitments as they become due, including completion of the acquisition, exploration and development of its mineral properties, is dependent on the Company’s ability to obtain the necessary financing.

Several conditions cast significant doubt on the validity of the going concern assumption. For the six months ended September 30, 2021, the Company has incurred an operating loss of \$27,358 (2020 - \$34,179), and as at September 30, 2021, has an accumulated deficit of \$2,751,214 (March 31, 2021 - \$2,723,856). The Company has limited resources, no source of operating cash flow, and no assurance that sufficient funding will continue to be available to conduct further exploration and development of its mineral property interests.

The business of mining exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The recoverability of amounts shown for mineral property interests is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. The carrying value of the Company’s mineral property interests does not reflect current or future values. The unaudited condensed interim financial statements do not include any adjustments to assets and liabilities should the Company be unable to continue as a going concern.

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. As at the date of this report, the Company has not been directly impacted by the spread of COVID-19 however timelines for work conducted by contractors and suppliers has significantly lengthened.

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2. BASIS OF PRESENTATION

(a) **Statement of compliance**

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, and based on the principles of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. These unaudited condensed interim financial statements should be read in conjunction with the Company’s annual audited financial statements for the year ended March 31, 2021, which include all of the Company’s significant accounting policies, and have been prepared in accordance with the same methods of application.

These unaudited condensed interim financial statements were authorized for issue by the Board of Directors of the Company on November 29, 2021.

(b) **Basis of Measurement**

These unaudited condensed interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

(c) **Significant Accounting Estimates and Judgments**

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

In preparing these unaudited condensed interim financial statements the significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements for the year ended March 31, 2021.

3. EXPLORATION AND EVALUATION PROPERTIES

Trout Property

In 2011, the Company acquired an option (the “First Option”) with Robert Carmichael and Landmark Geological Inc. (the “First Optionors”) to acquire a 100% right, title and interest in and to certain mining claims known as the Trout Claims, located in the Nechako Plateau area, Omineca Mining Division, near Vanderhoof, British Columbia (the “Property”). The original agreement required initial cash payments and share issuances to the First Optionors and during the first three years, the Company paid an aggregate of \$255,000 and issued an aggregate 60,000 shares.

On May 15, 2014, the Company entered into an amended agreement with the First Optionors of the Property resulting in the addition of new claims and the extension of the option agreement. In

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consideration, the Company made additional payments totalling \$20,000 and issued 40,000 shares to the First Optionors.

On November 23, 2015, the Company entered into a Mineral Property Purchase Agreement (the “Purchase Agreement”) with the First Optionors of the Trout Property that has completed the purchase of the Trout Property. Pursuant to the Purchase Agreement, the Company made a final payment of \$10,000 and issued 400,000 shares of the Company.

As a result of these agreements, the Company has paid an aggregate of \$285,000 and issued an aggregate of 500,000 shares to the First Optionors.

On March 9, 2012, the Company signed an option agreement (the “Second Option”) with BCT Mining Corp. (the “Second Optionors”), whereby the Company could earn up to a 100% right, title and interest in and to mining claims known as the Trout Claims, located adjacent to the Property. The Company completed the option agreement by paying an aggregate of \$60,000 and issuing an aggregate of 22,500 shares.

During the year ended March 31, 2020, the Company wrote down all costs associated with this property.

Grub Property

On July 26, 2016, the Company announced that it entered into a Grubstake agreement with Landmark Geological Inc. in relation to staking the Grub Property and paying approved expenditures in relation to the staking. In consideration of the Grubstake agreement the Company issued 20,000 shares to Landmark Geological Inc. In addition, the Company will pay \$20,000 if a drill program is initiated on this property and pay an additional \$50,000 if the exploration expenditures exceed \$1,000,000.

During the year ended March 31, 2020, the Company wrote down all costs associated with this property.

4. NOTES PAYABLE

Notes payable is comprised of the following:

	September 30, 2021	March 31, 2021
Notes payable	\$ 7,688	\$ 7,102

During the six months ended September 30, 2021, the Company received loan of \$10,999 from an unrelated party (2020: \$17,662). The loan is non-interest bearing and has no terms of repayment. Loan repayment of \$10,413 was made during the six months ended September 30, 2021 (2020: \$189,043).

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5. SHARE CAPITAL

(a) **Authorized**

Unlimited number of common shares without par value
Unlimited number of preferred shares without par value

(b) **Issued and outstanding**

During the six months ended September 30, 2021, the Company issued 3,400,000 common shares pursuant to the exercise of warrants for total proceeds of \$204,000 (Note 5(d)).

During the year ended March 31, 2021, the Company had the following share capital transactions:

- In June 2020, the Company completed a non-brokered private placement financing issuing 4,400,000 units at a price of \$0.05 per unit for total proceeds of \$220,000. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$0.06 until June 14, 2025. The warrants were valued at \$Nil, using the residual value method.
- In February 2021, the Company issued 1,000,000 common shares pursuant to the exercise of 1,000,000 warrants exercised for total proceeds of \$60,000.

(c) **Stock options**

The Company has adopted a stock option plan (the “Plan”) that allows the Company to issue options to certain directors, officers, employees and consultants of the Company. Options issued under the Plan shall not exceed 10% of shares issued and outstanding at the time of granting of the options. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the market price of the shares (defined as the last closing market price of the Company’s shares on the last day shares are traded prior to the grant date), less the applicable discount permitted by the TSX-V rules. Stock options granted under the Plan vest immediately subject to vesting terms, which may be imposed at the discretion of the directors.

The Company has no stock options outstanding.

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(d) **Warrants**

	Warrants outstanding	Weighted average exercise price
Balance, March 31, 2020	-	\$ -
Issued	4,400,000	0.06
Exercised	(1,000,000)	0.06
Balance, March 31, 2021	3,400,000	0.06
Exercised	(3,400,000)	0.06
Balance, September 30, 2021	-	\$ -

During the six months ended September 30, 2021, 3,400,000 warrants with an exercise price of \$0.06 were exercised for total proceeds of \$204,000.

6. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the periods presented. The Company is not subject to externally imposed capital requirements.

7. SUBSEQUENT EVENT

The Company entered into a definitive amalgamation agreement dated effective November 1, 2021 (the "Agreement"), pursuant to which it proposes to acquire all of the outstanding share capital of Kapoose Creek Wellness Ltd. ("Kapoose") (the "Transaction"), an arm's-length life sciences and natural health product development company, established under the laws of the Province of British Columbia. The Agreement replaces the letter of intent previously entered into between the Company and Kapoose, dated effective September 7, 2021.

The Agreement was entered into with Kapoose and 1327688 B.C. Ltd. ("Subco"), a newly established subsidiary of the Company. In accordance with the terms of the Agreement, Kapoose will amalgamate with Subco with the resulting amalgamated entity continuing as a wholly owned subsidiary of the Company, and all existing common shares of Kapoose will be exchanged for an equivalent number of common shares of the Company. Following completion of the Transaction,

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all existing share purchase warrants and incentive stock options of Kapoose will be exercisable to acquire common shares of the Company under their existing terms. Kapoose currently has 130,108,510 common shares outstanding, along with 49,664,846 warrants exercisable at a price of \$0.30 and 12,900,000 incentive stock options exercisable at prices ranging from \$0.10 to \$0.42. No cash consideration is payable by the company to Kapoose in connection with completion of the Transaction.

No finders' fees or commissions are payable in connection with the Transaction. Prior to closing of the Transaction, the Company intends to apply to list its common shares on the Canadian Securities Exchange ("CSE"), and voluntarily delist its shares from the TSX-V, as well as complete a concurrent financing. On closing of the Transaction, it is anticipated that the Company will change its name to Kapoose Creek Wellness Ltd., and will reconstitute its board and management to consist of nominees of Kapoose.

Completion of the Transaction remains subject to a number of conditions, including the completion of satisfactory due diligence, the negotiation and finalization of definitive documentation, receipt of any required regulatory and third party consents, approval of minority shareholders of the Company to the delisting of the Company's common shares from the TSX-V, the CSE having conditionally accepted the listing of the Company's common shares and the TSX-V having accepted the voluntarily delisting of the Company's common shares, and the satisfaction of other customary closing conditions.

The Transaction cannot close until the required approvals are obtained, and the Company's common shares have been delisted from the TSX-V. There can be no assurance that the Transaction will be completed as proposed or at all or that the Company's common shares will be listed and posted for trading on any stock exchange. Trading in the Company's common shares is currently halted, and it is anticipated that trading will remain halted until completion of the Transaction.