

VENERABLE VENTURES LTD.

Financial Statements

For the Years Ended March 31, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Venerable Ventures Ltd.

Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of Venerable Ventures Ltd. (the "Company"), which comprise the statement of financial position as at March 31, 2021, and the statement of loss and comprehensive loss, statement of changes in shareholders' deficit and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which indicates the existence of a material uncertainty that may cast significant doubt about Venerable Ventures Ltd.'s ability to continue as a going concern.

Other Matter

The financial statements of Venerable Ventures Ltd. as at, and for the year ended March 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on September 14, 2020.

Information other than the Financial Statements and the Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in Management's discussion and analysis report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's discussion and analysis report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Geoffrey Dodds.

HARBORSIDE CPA LLP

VENERABLE VENTURES LTD.

Statements of Financial Position

(Expressed in Canadian dollars)

As at

	March 31, 2021	March 31, 2020
ASSETS		
Current		
Cash	\$ 197	\$ 1,406
GST/HST recoverable	53	1,931
Total current assets	<u>250</u>	<u>3,337</u>
Non-current		
Equipment (Note 5)	-	129
	<u>\$ 250</u>	<u>\$ 3,466</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 7)	\$ 57,556	\$ 59,428
Notes payable (Note 9)	7,102	178,483
	<u>64,658</u>	<u>237,911</u>
SHAREHOLDERS' DEFICIT		
Share capital (Note 10)	2,659,448	2,382,419
Deficit	<u>(2,723,856)</u>	<u>(2,616,864)</u>
	<u>(64,408)</u>	<u>(234,445)</u>
	<u>\$ 250</u>	<u>\$ 3,466</u>

General business description and going concern (Note 1)

Approved on behalf of the Board:

"Marilyn Miller"

"Alan MacDonald"

Director
Marilyn Miller

Director
Alan MacDonald

Vancouver, BC
July 29, 2021

VENERABLE VENTURES LTD.

Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

For the year ended

	March 31, 2021	March 31, 2020
EXPENSES		
Amortization	\$ 129	\$ 55
General exploration expenses	-	1,750
Listing & filing fees	8,822	14,315
Office & administration	86,364	87,205
Professional fees	8,550	6,000
Travel and entertainment	3,127	18,703
	<u>106,992</u>	<u>128,028</u>
OTHER INCOME (EXPENSE)		
Impairment of exploration and evaluation asset	-	(1,340,087)
	<u>(106,992)</u>	<u>(1,468,115)</u>
LOSS AND COMPREHENSIVE LOSS FOR THE YEAR	\$ (106,992)	\$ (1,468,115)
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.31)</u>
Weighted average number of shares outstanding	<u>8,314,581</u>	<u>4,712,937</u>

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

VENERABLE VENTURES LTD.

Statement of Changes in Shareholders' Deficit

(Expressed in Canadian dollars)

For the years ended March 31, 2021 and 2020

	Number of Shares	Capital Stock	Deficit	Total Shareholders' Deficit
Balance, March 31, 2019	4,712,937	\$ 2,382,419	\$ (1,148,749)	\$ 1,233,670
Loss for the year	-	-	(1,468,115)	(1,468,115)
Balance, March 31, 2020	4,712,937	\$ 2,382,419	\$ (2,616,864)	\$ (234,445)
Private placement	4,400,000	217,029	-	217,029
Warrants exercised	1,000,000	60,000	-	60,000
Loss for the year	-	-	(106,992)	(106,992)
Balance, March 31, 2021	10,112,937	\$ 2,659,448	\$ (2,723,856)	\$ (64,408)

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

VENERABLE VENTURES LTD.

Statements of Cash Flows

(Expressed in Canadian dollars)

For the years ended

	March 31, 2021	March 31, 2020
Cash flows from operating activities		
Net loss for the year	\$ (106,992)	\$ (1,468,115)
Items not affecting cash:		
Amortization	129	56
Impairment of exploration and evaluation asset	-	1,340,087
Changes in non-cash working capital		
Accounts receivable	1,878	(815)
Prepaid expense	-	53,900
Accounts payable and accrued liabilities	(1,872)	12,909
Cash used in operating activities	<u>(106,857)</u>	<u>(61,978)</u>
Cash flows from financing activities		
Proceeds from issuance of shares	217,029	-
Proceeds from exercise of warrants	60,000	-
Proceeds (repayment) of notes payable	(171,381)	51,478
Cash provided by financing activities	<u>105,648</u>	<u>51,478</u>
INCREASE (DECREASE) IN CASH	(1,209)	(10,500)
CASH – Beginning of year	<u>1,406</u>	<u>11,906</u>
CASH – End of year	\$ 197	\$ 1,406

There were no non-cash transactions affecting cash flows from investing and financing activities for the years ended March 31, 2021 and 2020.

Venerable Ventures Ltd.
Notes to the Financial Statements
For the years ended March 31, 2021 and 2020

1. GENERAL BUSINESS DESCRIPTION AND GOING CONCERN

Venerable Ventures Ltd. (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.

The Company’s ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. The Company has minimal capital resources available to meet obligations and as at March 31, 2021 has a working capital deficit of \$64,408 (2020 - \$234,574), a loss for the year ended March 31, 2021 of \$106,992 (2020 - \$1,468,115) and a deficit of \$2,723,856 (2020 - 2,616,864) as at March 31, 2021. Management of the Company does not expect that cash flows for the Company’s operations will be sufficient to cover all of its operating requirements, financial commitments and business development priorities during the next twelve months. Accordingly, the Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. These conditions may indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

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. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

2. BASIS OF PRESENTATION

a) Statement of compliance to International Financial Reporting Standards

The financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 1, “Presentation of Financial Statements” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

b) Basis of presentation

These financial statements have been presented in Canadian dollars, which is also the functional currency of the Company. The financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Venerable Ventures Ltd.
Notes to the Financial Statements
For the years ended March 31, 2021 and 2020

2. BASIS OF PRESENTATION (continued...)

c) Reclassification

Certain prior year amounts have been reclassified to conform with current year's presentation.

c) Approval of the financial statements

The financial statements of the Company for the year ended March 31, 2021 were authorized for issue by the Board of Directors on July 29, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign Currency Translation

The Company's presentation currency and functional currency of its operations is the Canadian dollar as this is the principal currency of the economic environment in which the Company operates.

Transactions in foreign currencies are recorded in the Company's functional currency at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of each reporting period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined.

All gains and losses on translation of foreign currency balances and transactions are included in profit or loss.

(b) Exploration and Evaluation Assets

Costs incurred before the Company has obtained the legal rights to explore an area are expensed. Costs to acquire exploration and evaluation assets are capitalized as incurred. Costs related to the exploration and evaluation of exploration and evaluation assets are expensed as incurred. The Company considers mineral rights to be assets and accordingly, the Company capitalizes certain costs related to the acquisition of mineral rights.

The Company considers each exploration and evaluation asset to be a separate cash generating unit.

Any option payments received by the Company from third parties or tax credits refunded to the Company are credited to the capitalized cost of the exploration and evaluation asset or shown as an expense recovery depending on the nature of the activity generating the refund. If payments received exceed the capitalized cost of the exploration and evaluation asset, the excess is recognized as income in the year received. The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, and future profitable production or proceeds from the disposition thereof.

3. SIGNIFICANT ACCOUNTING POLICIES (continued...)

(c) Impairment

At the end of each reporting period, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(d) Financial Instruments

Financial assets and financial liabilities are recognized on the statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading 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. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Venerable Ventures Ltd.
Notes to the Financial Statements
For the years ended March 31, 2021 and 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued...)

(d) Financial Instruments (continued...)

Measurement (continued...)

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

Venerable Ventures Ltd.
Notes to the Financial Statements
For the years ended March 31, 2021 and 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued...)

(d) Financial Instruments (continued...)

The Company's financial assets and liabilities are recorded and measured as follows:

Asset of Liability	Classification
Cash	FVTPL
Other receivable	Amortized cost
Accounts payable	Amortized cost
Notes payable	Amortized cost

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

(e) Impairment of Financial Assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in a separate line item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(f) Share capital

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

Venerable Ventures Ltd.
Notes to the Financial Statements
For the years ended March 31, 2021 and 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued...)

(g) Share-Based Payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

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

(h) Warrants

When the Company issues units that are comprised of a combination of shares and warrants, the value is assigned to shares and warrants using the residual method whereby proceeds are allocated first to capital stock based on the market trading price of the common shares at the time the units are priced, and any excess is allocated to warrants.

(i) Income Taxes

Income tax on profit or loss for the year comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous years.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions.

(j) Earnings (loss) Per Share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weight average number of common shares outstanding when the effect is anti-dilutive.

Venerable Ventures Ltd.
Notes to the Financial Statements
For the years ended March 31, 2021 and 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued...)

(k) Accounting standards, amendments and interpretations not yet adopted:

Other accounting standards and amendments to existing accounting standards that have been issued and have future effective dates that are not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

4. SIGNIFICANT ACCOUNT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the years reported.

Critical Judgements

The preparation of these financial statements requires management to make judgements regarding the going concern of the Company, as previously discussed in Note 1, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates, and has been determined to be the Canadian dollar.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the financial statements include:

(a) Recovery of Deferred Tax Assets

Judgment is required in determining whether deferred tax assets are recognized on the statement of financial position. Deferred tax assets, including those arising from un-utilized tax losses require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods.

5. EQUIPMENT

Cost		
As at March 31, 2020	\$	2,653
Additions		-
As at March 31, 2021	\$	2,653

Venerable Ventures Ltd.
Notes to the Financial Statements
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5. EQUIPMENT (continued...)

Accumulated Amortization		
As at March 31, 2020	\$	2,524
Amortization		129
As at March 31, 2021	\$	2,653
Net Book Value		
As at March 31, 2020	\$	129
As at March 31, 2021	\$	-

6. 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 consideration, the Company made additional payments totaling \$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. The Property is subject to a 2% net smelter royalty and a repurchase agreement in the event of a change business or insolvency and other conditions.

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.

Venerable Ventures Ltd.
Notes to the Financial Statements
For the years ended March 31, 2021 and 2020

6. EXPLORATION AND EVALUATION PROPERTIES (continued...)

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.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	March 31, 2021	March 31, 2020
Accounts payable	\$ 50,056	\$ 53,428
Accrued liabilities	7,500	6,000
Total	\$ 57,556	\$ 59,428

8. RELATED PARTY TRANSACTIONS

As at March 31, 2021, \$Nil (2020 - \$Nil) was owing to the related parties of the Company.

During the year ended March 31, 2021, the Company had the following related party transactions:

- 1,300,000 units were issued to two directors of the Company at \$0.05 per unit for gross proceeds of \$65,000 (2020 - \$Nil). Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$0.06 for five years. (See Note 10)
- Included in travel and entertainment was a \$2,500 (2020 - \$Nil) reimbursement paid to a director of the Company

During the year ended March 31, 2020, there were no related party transactions except for the assignment of the note payable (See Note 9).

Compensation of Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that its key management personnel are the members of the Company's current and former Board of Directors and its executive officers.

During the year ended March 31, 2021 and 2020, the remuneration of directors and other members of key management personnel was \$Nil.

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9. NOTES PAYABLE

Notes payable is comprised of the following:

	March 31, 2021	March 31, 2020
Notes payable	\$ 7,102	\$ 178,483

On March 31, 2020, the Company assigned debt from a related party to a third party in the amount of \$178,483.

The loan is non-interest bearing and has no terms of repayment.

10. SHARE CAPITAL

a) Authorized, issued and outstanding common shares

- Unlimited common shares without par value
- Unlimited preferred shares without par value

b) Issued and outstanding common shares:

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

- On June 15, 2020, the Company completed a non-brokered private placement financing issuing 4,400,000 units at a price of \$0.05 per unit for proceeds of \$217,029, net of share issue costs of \$2,971. Each unit consists of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of \$0.06 for five years. The warrants were valued at \$Nil, using the residual value method.
- On February 16, 2021, the Company issued 1,000,000 common shares for a total of 1,000,000 warrants exercised at \$0.06 per share for total proceeds of \$60,000.

During the year ended March 31, 2020, the Company had no share capital transactions.

c) Share 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 did not issue any share options during the year ended March 31, 2021 and 2020, and had no share options outstanding as at March 31, 2021 and 2020.

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10. SHARE CAPITAL (continued...)

d) Warrants

The following is a summary of warrant activities for the years ended March 31, 2021 and 2020:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, March 31, 2020 and 2019	-	\$ -
Warrants issued	4,400,000	\$0.06
Warrants exercised	(1,000,000)	\$0.06
Outstanding, March 31, 2021	3,400,000	\$0.06

As at March 31, 2021, the Company had the following share purchase warrants outstanding:

Outstanding	Exercise Price	Remaining Life (Years)	Expiry Date
3,400,000	\$0.06	4.21	June 14, 2025

11. CAPITAL RISK 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 period ended March 31, 2021. The Company is not subject to externally imposed capital requirements.

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12. FINANCIAL INSTRUMENTS AND RISKS

As at March 31, 2021, the Company's financial instruments consisted of cash, accounts payable and notes payable. The fair values of accounts payable and notes payable approximate their carrying values because of their current nature.

The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

The Company's financial instruments are exposed to a number of risks that are summarized below:

(a) 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 is subject to credit risk on its cash. The Company limits its exposure to credit loss by placing its cash term deposits with major financial institutions. The carrying value of these financial assets represents the maximum credit exposure.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due, and arises principally from the Company's accounts payable. The Company manages liquidity risk through the management of its capital structure as described in Note 11. The Company believes it has sufficient funds to support ongoing operating expenditures and meet its liabilities as they fall due.

(c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rates for the Company is considered minimal. The Company has no interest bearing borrowings.

(ii) Foreign Currency Risk

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in a foreign currency. The Company does not have any accounts in foreign currencies and considers foreign currency risk insignificant.

(iii) Price Risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and evaluation activities is subject to risks associated with fluctuations in the market price of commodities.

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13. INCOME TAXES

The following is a reconciliation of income taxes attributable to operations computed at the statutory tax rates to income tax recovery.

	March 31, 2021	March 31, 2020
Loss for the year	\$ (106,992)	\$ (1,468,115)
Statutory rate	27%	27%
Expected income tax recoverable at statutory rate	(28,888)	(396,391)
Adjustments due to change in statutory tax rates, prior year returns, and other	787	1,517
Share issue cost	(802)	-
Change in unrecognized deductible temporary differences	28,903	394,874
Total income tax recovery	\$ -	\$ -

The significant components of the Company's unrecognized deferred tax assets are as follows:

	March 31, 2021	March 31, 2020
<u>Temporary Differences</u>		
Exploration and evaluation assets	\$ 335,541	\$ 335,541
Property and equipment	1,498	1,448
Share issue costs	(160)	-
SR&ED ITCs	38,615	38,615
Non-capital losses available for future period	398,838	369,824
	774,332	745,428
Unrecognized deferred tax assets	(774,332)	(745,428)
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	March 31, 2021	Expiry Date Range	March 31, 2020
<u>Temporary Differences</u>			
Exploration and evaluation assets	\$ 1,242,746	No expiry date	\$ 1,242,746
Property and equipment	\$ 5,548	No expiry date	\$ 5,363
Share issue costs	\$ 594	2022 - 2025	\$ 52,897
Non-capital losses available for future period	\$ 1,477,177	2027 - 2040	\$ 1,369,720

Tax attributes are subject to review and potential adjustment by tax authorities.