

Financial Statements of

**VENERABLE VENTURES LTD.**

Years Ended March 31, 2022 and 2021  
(Expressed in Canadian Dollars)

---

**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 statements of financial position as at March 31, 2022 and 2021 and the statements of income (loss) and comprehensive income (loss), statements of changes in shareholders' equity (deficit) and statements of cash flows for the years 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, 2022 and March 31, 2021, and its financial performance and its cash flows for the years 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.

**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 Mickey Goldstein

Vancouver, British Columbia

July 29, 2022

*HARBORSIDE CPA LLP*

Harbourside CPA, LLP

Chartered Professional Accountants

**VENERABLE VENTURES LTD.**  
**Statements of Financial Position**  
(Expressed in Canadian Dollars)

	March 31, 2022	March 31, 2021
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 161,993	\$ 197
Amounts receivable	663	53
	<b>\$ 162,656</b>	<b>\$ 250</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 13,657	\$ 57,556
Notes payable (Note 6)	-	7,102
	<b>13,657</b>	<b>64,658</b>
<b>SHAREHOLDERS' EQUITY (DEFICIT)</b>		
Share capital (Note 7)	2,863,448	2,659,448
Deficit	(2,714,449)	(2,723,856)
	<b>148,999</b>	<b>(64,408)</b>
	<b>\$ 162,656</b>	<b>\$ 250</b>

Nature of operations and going concern (Note 1)

Approved on behalf of the Board of Directors:

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

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

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

**VENERABLE VENTURES LTD.**  
**Statements of Income (Loss) and Comprehensive Income (Loss)**  
(Expressed in Canadian Dollars)

	Years Ended March 31,	
	2022	2021
<b>Expenses</b>		
Amortization	\$ -	\$ 129
Professional fees	15,800	8,550
Listing and filing fees	19,774	8,822
Travel	-	3,127
Office and administration	16,692	86,364
	<b>(52,266)</b>	<b>(106,992)</b>
Gain on settlement of debt (Notes 4,6)	<b>61,673</b>	-
<b>Income (Loss) and Comprehensive Income (Loss)</b>	<b>\$ 9,407</b>	<b>\$ (106,992)</b>
<b>Basic and Diluted Income (Loss) Per Share</b>	<b>\$ 0.00</b>	<b>\$ (0.01)</b>
<b>Weighted Average Number of Common Shares Outstanding</b>	<b>12,017,058</b>	<b>8,314,581</b>

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

**VENERABLE VENTURES LTD.**  
**Statements of Changes in Shareholders' Equity (Deficit)**  
(Expressed in Canadian Dollars)

	Share Capital		Deficit	Shareholders' Equity (Deficit)
	Number of Shares	Amount		
<b>Balance, March 31, 2020</b>	4,712,937	\$ 2,382,419	\$ (2,616,864)	\$ (234,445)
Private placement (Note 7)	4,400,000	217,029	-	217,029
Warrants exercised (Note 7)	1,000,000	60,000	-	60,000
Loss and Comprehensive Loss	-	-	(106,992)	(106,992)
<b>Balance, March 31, 2021</b>	10,112,937	2,659,448	(2,723,856)	(64,408)
Warrants exercised (Note 7)	3,400,000	204,000	-	204,000
Income and Comprehensive Income	-	-	9,407	9,407
<b>Balance, March 31, 2022</b>	13,512,937	\$ 2,863,448	\$ (2,714,449)	\$ 148,999

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

**VENERABLE VENTURES LTD.****Statements of Cash Flows**

(Expressed in Canadian Dollars)

	Years Ended March 31,	
	2022	2021
<b>Operating activities</b>		
Income (Loss)	\$ 9,407	\$ (106,992)
Items not affecting cash:		
Amortization	-	129
Gain on settlement of debt (Notes 4,6)	(61,673)	-
Net changes in non-cash working capital:		
Amounts receivable	(610)	1,878
Accounts payable and accrued liabilities	10,086	(1,872)
	<b>(42,790)</b>	<b>(106,857)</b>
<b>Financing Activities</b>		
Private placement	-	217,029
Warrants exercised	204,000	60,000
Notes payable	586	(171,381)
	<b>204,586</b>	<b>105,648</b>
<b>Change in cash</b>	<b>161,796</b>	<b>(1,209)</b>
<b>Cash, beginning</b>	<b>197</b>	<b>1,406</b>
<b>Cash, end</b>	<b>\$ 161,993</b>	<b>\$ 197</b>

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

**VENERABLE VENTURES LTD.**  
**Notes to the Financial Statements**  
**Years Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)

---

**1. NATURE OF OPERATIONS 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 3123 – 595 Burrard Street, Vancouver, BC, V7X 1J1.

These 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 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 year ended March 31, 2022, the Company recorded income of \$9,407 (2021 - loss of \$106,992), and as at March 31, 2022, has an accumulated deficit of \$2,714,449 (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 financial statements do not include any adjustments to assets and liabilities should the Company be unable to continue as a going concern. These adjustments could be material.

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.

**VENERABLE VENTURES LTD.**  
**Notes to the Financial Statements**  
**Years Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)

---

**2. BASIS OF PRESENTATION**

(a) Statement of compliance

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

These financial statements were authorized for issue by the Board of Directors on July 29, 2022.

(b) Basis of Measurement

These 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 Judgments, 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:

*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 unutilized tax losses require management to assess the likelihood that the Company will

**VENERABLE VENTURES LTD.**  
**Notes to the Financial Statements**  
**Years Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)

---

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.

**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

**VENERABLE VENTURES LTD.**  
**Notes to the Financial Statements**  
**Years Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)

---

development, and future profitable production or proceeds from the disposition thereof.

(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.

**VENERABLE VENTURES LTD.**  
**Notes to the Financial Statements**  
**Years Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)

---

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.

*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

**VENERABLE VENTURES LTD.**  
**Notes to the Financial Statements**  
**Years Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)

---

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.

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

<b>Asset of Liability</b>	<b>Classification</b>
Cash	FVTPL
Amounts 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.

**VENERABLE VENTURES LTD.**  
**Notes to the Financial Statements**  
**Years Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)

---

(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.

(g) Share-Based Payments

The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. 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 share capital.

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 share capital 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.

**VENERABLE VENTURES LTD.**  
**Notes to the Financial Statements**  
**Years Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)

---

(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.

(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 financial statements.

**4. 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.

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**  
**Years Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)

---

During the year ended March 31, 2022, the Company sold its claims on the Trout Property, collectively the Trout Claims. Consideration for the sale represented settlement of outstanding debts in the amount of \$61,673 (Note 6).

**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.

**5. RELATED PARTY TRANSACTIONS**

As at March 31, 2022, \$Nil (March 31, 2021 - \$Nil) was owing to the related parties of the Company.

During the year ended March 31, 2022, the Company did not have any related party transactions.

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. 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 until June 14, 2025 (Note 7).

*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 years ended March 31, 2022 and 2021, the remuneration of directors and other members of key management personnel was \$Nil.

**6. NOTES PAYABLE**

Notes payable is comprised of the following:

	March 31, 2022	March 31, 2021
Notes payable	\$ -	\$ 7,102

**VENERABLE VENTURES LTD.**  
**Notes to the Financial Statements**  
**Years Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)

---

During the year ended March 31, 2022, the Company received a loan of \$10,999 from an unrelated party (2021: \$17,662). The loan is non-interest bearing and has no terms of repayment. Loan repayment of \$10,413 (2021: \$189,043) was made during the year ended March 31, 2022. As part of the settlement described in Note 4, \$7,688 was settled during the year ended March 31, 2022.

**7. 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 year ended March 31, 2022, the Company issued 3,400,000 common shares pursuant to the exercise of warrants for total proceeds of \$204,000 (Note 7(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 stock options to certain directors, officers, employees and consultants of the Company. Stock options issued under the Plan shall not exceed 10% of shares issued and outstanding at the time of granting of the options. Stock 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 as at March 31, 2022 or 2021.

**VENERABLE VENTURES LTD.**  
**Notes to the Financial Statements**  
**Years Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)

(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, March 31, 2022	-	\$ -

During the year ended March 31, 2022, 3,400,000 warrants with an exercise price of \$0.06 were exercised for total proceeds of \$204,000.

**8. 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.

**9. FINANCIAL INSTRUMENTS AND RISKS**

As at March 31, 2022, the Company's financial instruments consisted of cash, amounts receivable and accounts payable. The fair values of amounts receivable and accounts 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.

**VENERABLE VENTURES LTD.**  
**Notes to the Financial Statements**  
**Years Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)

---

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 and amounts receivable. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company's amounts receivable is primarily comprised of amounts owing from the Government of Canada for input tax credits receivable. Accordingly, the Company does not believe it is subject to significant credit risk. 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 8. 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) 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.

iii) Foreign Currency Risk

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

**VENERABLE VENTURES LTD.**  
**Notes to the Financial Statements**  
**Years Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)

---

**10. DEFINITIVE AMALGAMATION AGREEMENT**

On November 1, 2021, the Company announced that it had 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, 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.

As of March 31, 2022, the Transaction is on hold pending further development of assets held by Kapoose and financing conditions considered more favorable by the Company.

**VENERABLE VENTURES LTD.**  
**Notes to the Financial Statements**  
**Years Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)

**11. INCOME TAXES**

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

	<b>March 31, 2022</b>	March 31, 2021
Income (loss) for the year	\$ 9,407	\$ (106,992)
Statutory rate	27%	27%
Expected income tax payable (recoverable) at statutory rate	2,540	(28,888)
Adjustments due to change in statutory tax rates, prior year returns, and other	36,573	787
Share issue costs	-	(802)
Change in unrecognized deductible temporary differences	(39,113)	28,903
Total income tax recovery	\$ -	\$ -

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

	<b>March 31, 2022</b>	March 31, 2021
<b><u>Temporary Differences</u></b>		
Exploration and evaluation assets	\$ 319,025	\$ 335,541
Property and equipment	1,498	1,498
Share issue costs	481	(160)
SR&ED ITCs	-	38,615
Non-capital losses available for future period	414,215	398,838
	<b>735,219</b>	<b>774,332</b>
Unrecognized deferred tax assets	<b>(735,219)</b>	<b>(774,332)</b>
Net deferred tax assets	\$ -	\$ -

**VENERABLE VENTURES LTD.**  
**Notes to the Financial Statements**  
**Years Ended March 31, 2022 and 2021**  
(Expressed in Canadian Dollars)

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

	<b>March 31, 2022</b>	<b>Expiry Date Range</b>	March 31, 2021
<b><u>Temporary Differences</u></b>			
Exploration and evaluation assets	\$ 1,181,573	<b>No expiry date</b>	\$ 1,242,746
Property and equipment	\$ 5,548	<b>No expiry date</b>	\$ 5,548
Share issue costs	\$ (1,783)	<b>2022 – 2025</b>	\$ 594
Non-capital losses available for future period	\$ 1,534,130	<b>2027 – 2040</b>	\$ 1,477,177

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