

Condensed Interim Financial Statements of

**VENERABLE VENTURES LTD.**

Three and Six Months Ended September 30, 2022 and 2021  
(Expressed in Canadian Dollars)  
(Unaudited)

## **NOTICE OF NO AUDITOR REVIEW**

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the financial statements, the financial statements must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Venerable Ventures Ltd. have been prepared by and are the responsibility of management, are approved by the Board of Directors, and have not been reviewed by the company's independent auditor.

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

	September 30, 2022	March 31, 2022
<b>ASSETS</b>		
Current assets		
Cash	\$ 89,455	\$ 161,993
Amounts receivable	3,432	663
<b>Total assets</b>	<b>\$ 92,887</b>	<b>\$ 162,656</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 6,274	\$ 13,657
<b>Total liabilities</b>	<b>6,274</b>	<b>13,657</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 6)	2,863,448	2,863,448
Deficit	(2,776,835)	(2,714,449)
Total shareholders' equity	86,613	148,999
<b>Total liabilities and shareholders' equity</b>	<b>\$ 92,887</b>	<b>\$ 162,656</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 unaudited condensed interim financial statements.

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

	Three Months Ended September 30,		Six Months Ended September 30,	
	2022	2021	2022	2021
<b>Expenses</b>				
Consulting	\$ 22,500	\$ -	\$ 45,000	\$ -
Listing and filing fees	2,604	817	3,159	6,672
Office and administration	3,000	373	6,427	18,136
Professional fees	2,800	2,550	7,800	2,550
	<b>(30,904)</b>	<b>(3,740)</b>	<b>(62,386)</b>	<b>(27,358)</b>
<b>Loss and comprehensive loss</b>	<b>(30,904)</b>	<b>(3,740)</b>	<b>(62,386)</b>	<b>(27,358)</b>
<b>Basic and diluted loss per share</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>13,512,937</b>	<b>10,929,421</b>	<b>13,512,937</b>	<b>10,521,179</b>

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

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

(Expressed in Canadian Dollars)

(Unaudited)

	<u>Share Capital</u>			<b>Total Shareholders' Equity (Deficit)</b>
	<b>Number of Shares</b>	<b>Amount</b>	<b>Deficit</b>	
<b>Balance, March 31, 2021</b>	10,112,937	\$ 2,659,448	\$ (2,723,856)	\$ (64,408)
Warrants exercised	3,400,000	204,000	-	204,000
Loss and comprehensive Loss	-	-	(27,358)	(27,358)
<b>Balance, September 30, 2021</b>	<b>13,512,937</b>	<b>\$ 2,863,448</b>	<b>\$ (2,751,214)</b>	<b>\$ 112,234</b>
<b>Balance, March 31, 2022</b>	13,512,937	\$ 2,863,448	\$ (2,714,449)	\$ 148,999
Loss and comprehensive Loss	-	-	(62,386)	(62,386)
<b>Balance, September 30, 2022</b>	<b>13,512,937</b>	<b>\$ 2,863,448</b>	<b>\$ (2,776,835)</b>	<b>\$ 86,613</b>

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

**VENERABLE VENTURES LTD.**  
**Condensed Interim Statements of Cash Flows**  
(Expressed in Canadian Dollars)  
(Unaudited)

	Six Months Ended September 30,	
	2022	2021
<b>Operating activities</b>		
Loss	\$ (62,386)	\$ (27,358)
Changes in non-cash working capital:		
Amounts receivable	(2,769)	(403)
Accounts payable and accrued liabilities	(7,383)	9,506
	<b>(72,538)</b>	<b>(18,255)</b>
<b>Financing Activities</b>		
Warrants exercised	-	204,000
Notes payable	-	586
	-	204,586
<b>Change in cash</b>	<b>(72,538)</b>	186,331
<b>Cash, beginning</b>	<b>161,993</b>	197
<b>Cash, end</b>	<b>\$ 89,455</b>	<b>\$ 186,528</b>

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

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**Notes to the Condensed Interim Financial Statements**  
**September 30, 2022**  
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**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 unaudited condensed interim financial statements have been prepared on the basis of a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2022, the Company had working capital of \$86,613 (March 31, 2022 - \$148,999). For the six months ended September 30, 2022, the Company recorded a loss of \$62,386 (2021 - \$27,358), and as at September 30, 2022, has an accumulated deficit of \$2,776,835 (March 31, 2022 - \$2,714,449). Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms that are acceptable to the Company. The material uncertainty of the Company’s success in raising additional capital funding casts significant doubt on the Company’s ability to continue as a going concern. These unaudited condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations for the foreseeable future. These adjustments could be material.

**2. BASIS OF PRESENTATION**

(a) Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standards 34, Interim Financial Reporting, and based on the principles of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board. These unaudited condensed interim financial statements should be read in conjunction with the Company’s annual audited financial statements for the year ended March 31, 2022, which include all of the Company’s significant accounting policies, and have been prepared in accordance with the same methods of application.

These unaudited condensed interim financial statements were authorized for issue by the Board of Directors on November 28, 2022.

(b) Basis of Measurement

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

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(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 periods reported.

In preparing these unaudited condensed interim financial statements the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited financial statements for the year ended March 31, 2022.

(d) 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.

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

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.

**5. RELATED PARTY TRANSACTIONS**

*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 Board of Directors and its executive officers.

During the six months ended September 30, 2022 and 2021, the remuneration of directors and other members of key management personnel was \$Nil.

**6. SHARE CAPITAL**

(a) **Authorized**

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

(b) **Issued and outstanding**

There were no shares issued during the six months ended September 30, 2022 or 2021.

(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 had no stock options outstanding as at September 30, 2022 or 2021.

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(d) **Warrants**

	Warrants outstanding	Weighted average exercise price
Balance, March 31, 2021	3,400,000	\$ 0.06
Exercised	(3,400,000)	0.06
Balance, March 31 and September 30, 2022	-	\$ -

The Company had no warrants outstanding as at September 30, 2022 or 2021.

**7. 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. 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.

**8. FINANCIAL INSTRUMENTS AND RISKS**

As at September 30, 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.

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. The Company's objective to managing liquidity risk is to ensure that it has

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sufficient liquidity available to meet its liabilities when due. The Company uses cash to settle its financial obligations as they fall due. The ability to do this relies on the Company maintaining sufficient cash on hand through equity and debt financing.

(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.

**9. 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 147,440,571 common shares outstanding, along with 49,664,846 warrants exercisable at a price of \$0.30 and 19,614,143 incentive stock options exercisable at prices ranging from \$0.05 to \$0.42. No cash consideration is payable by the company to Kapoose in connection with completion of the Transaction.

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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 September 30, 2022, the Transaction is on hold pending further development of assets held by Kapoose and financing conditions considered more favorable by the Company.