

VENCANNA VENTURES INC.
(formerly Top Strike Resources Corp.)
Condensed Interim Consolidated Financial Statements
For the Periods ended October 31, 2024 and 2023.
(Expressed in U.S. Dollars)
(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

VENCANNA VENTURES INC.
(formerly Top Strike Resources Corp.)

Condensed Interim Consolidated Statements of Financial Position as at October 31, 2024 and April 30, 2024.

(Expressed in U.S. Dollars)

(Unaudited)

As at		October 31, 2024	April 30, 2024
	Notes		
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 1,397,951	\$ 2,554,578
Accounts receivable	6	919,027	862,552
Inventory	8	480,297	992,379
Biological assets	9	-	29,711
Other receivables		23,558	9,932
Prepaid expenses	7	196,272	261,335
		3,017,105	4,710,487
Non-Current Assets			
Deposits	7	295,415	297,457
Investments		33,107	-
Property and equipment	10	5,847,906	5,801,169
Intangible assets	11	512,800	524,000
Goodwill	5	226,327	226,327
		\$ 9,932,660	\$ 11,559,440
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	12	\$ 1,983,426	\$ 2,215,632
Lease liabilities – current portion	13	714,938	508,388
		2,698,364	2,724,020
Non-Current Liabilities			
Lease liabilities	13	2,368,413	2,205,630
Provision from acquisition	5	88,899	90,000
Deferred tax liability	5	46,000	46,000
		5,301,676	5,065,650
SHAREHOLDERS' EQUITY			
Vencanna Ventures Inc. share capital		19,804,026	19,804,026
Warrant reserve		41,445	41,445
Contributed surplus		4,890,031	4,890,031
Accumulated other comprehensive income (loss)		(188,178)	(137,840)
Accumulated deficit		(18,438,445)	(17,106,131)
Equity attributed to shareholders of Vencanna Ventures Inc.		6,108,879	7,491,531
Non-controlling interest		(1,377,895)	(997,741)
		4,730,984	6,493,790
		\$ 9,932,660	\$ 11,559,440

Nature of operations and going concern – Note 1

Approved on behalf of the Board of Directors on December 29, 2024:

“W. S. McGregor”
Director
“J. Sharun”
Director

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

VENCANNA VENTURES INC.
(formerly Top Strike Resources Corp.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Income (Loss) for the Three and Six Months ended October 31, 2024 and 2023.

(Expressed in U.S. Dollars)

(Unaudited)

	Notes	Three months ended October 31, 2024	Three months ended October 31, 2023 (Restated) (Note 24)	Six months ended October 31, 2024	Six months ended October 31, 2023 (Restated) (Note 24)
Revenues		\$ 1,160,308	\$ -	\$ 2,414,623	\$ -
Cost of Sales		(862,282)	-	(2,030,625)	-
Gross Profit		298,026	-	383,988	-
EXPENSES					
Amortization and depreciation	10, 11	342,402	30,576	685,612	30,724
Consulting fees		-	-	-	4,950
Corporate communication		3,417	15,586	12,681	19,925
Development and licences		-	1,298	18,475	1,298
Interest and bank charges		6,571	42,127	18,467	75,859
Interest and accretion on leases	13	117,417	56,019	237,918	56,019
Marketing and selling		20,169	-	55,699	-
Office and miscellaneous		48,861	39,491	69,349	41,315
Professional fees		230,547	53,384	351,887	11,689
Property taxes and utilities		11,336	6,304	64,320	12,337
Salaries, benefits and bonuses	15	272,078	95,552	587,066	193,440
Travel, meals and entertainment		12,429	8,309	17,596	11,111
		(1,065,227)	(348,546)	(2,119,070)	(558,678)
OTHER INCOME AND (EXPENSES)					
Interest income		10,642	106,946	23,832	219,367
Change in fair value of derivative liability		-	(84,765)	-	(42,971)
Foreign exchange		(289)	153,837	(1,228)	56,854
		10,353	176,008	22,604	233,250
Net loss		(756,848)	(172,538)	(1,712,468)	(325,428)
Net loss attributed to:					
Vencanna shareholders' equity		(545,645)	(99,048)	(1,332,314)	(219,362)
Non-controlling interest	14	(211,203)	(73,490)	(380,154)	(106,066)
		(756,848)	(172,538)	(1,713,468)	(325,428)
Other comprehensive income (loss)					
Foreign exchange		(212,949)	(35,956)	(50,338)	127,764
Other comprehensive income (loss) attributed to:					
Vencanna Ventures Inc. shareholders' equity		(212,949)	(35,956)	(50,338)	127,764
Non-controlling interest		-	-	-	-
		(212,949)	(35,956)	(50,338)	127,764
Total comprehensive income (loss) attributable to:					
Vencanna Ventures Inc. shareholders' equity		(758,594)	(135,004)	(1,382,652)	(91,598)
Non-controlling interest		(211,203)	(73,490)	(380,154)	(106,066)
Total comprehensive income (loss)		\$ (969,797)	\$ (208,494)	\$ (1,762,806)	\$ (197,664)
Net loss per common share:					
Basic and diluted		\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding:					
Basic and diluted		222,644,952	181,283,390	222,644,952	181,283,390

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

VENCANNA VENTURES INC.
(formerly Top Strike Resources Corp.)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity for the Period Ended October 31, 2024 and 2023
(Expressed in U.S Dollars)

	Number of exchangeable shares	Number of common shares	Share capital	Warrant reserve	Contributed surplus	Accumulated other comprehensive income (loss)	Accumulated deficit	Non- controlling interest	Total shareholders' equity
Balance, April 30, 2023	-	181,283,390	\$ 17,215,302	\$ 3,454,969	\$ 1,435,062	\$ (131,579)	\$ (16,858,526)	\$ (549,100)	\$ 4,566,128
Expiry of warrants	-	-	-	(3,454,969)	3,454,969	-	-	-	-
Foreign exchange	-	-	-	-	-	127,764	-	-	127,764
Net loss for the period	-	-	-	-	-	-	(219,362)	(106,066)	(325,428)
Balance at October 31, 2023	-	181,283,390	\$ 17,215,302	\$ -	\$ 4,890,031	\$ (3,815)	\$ (17,077,888)	\$ (655,166)	\$ 4,368,464
Balance, April 30, 2024	55,974,604	222,644,952	\$ 19,804,026	\$ 41,445	\$ 4,890,031	\$ (137,840)	\$ (17,106,131)	\$ (997,741)	\$ 6,493,790
Foreign exchange	-	-	-	-	-	(50,338)	-	-	(50,338)
Net loss for the period	-	-	-	-	-	-	(1,332,314)	(380,154)	(1,712,468)
Balance at October 31, 2024	55,974,604	222,644,952	\$ 19,804,026	\$ 41,445	\$ 4,890,031	\$ (188,178)	\$ (18,438,445)	\$ (1,377,895)	\$ 4,730,984

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

VENCANNA VENTURES INC.**(formerly Top Strike Resources Corp.)**

Condensed Interim Consolidated Statements of Cash Flows for the Six-Month Periods Ended October 31, 2024 and 2023

(Expressed in U.S. Dollars)

(Unaudited)

	October 31, 2024	October 31, 2023 (Restated) (Note 24)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	\$ (1,712,468)	\$ (325,428)
Items not involving cash:		
Amortization and depreciation	685,612	30,724
Interest and accretion on lease liabilities	237,918	56,019
Change in fair value of derivative liability	-	42,971
Foreign exchange	-	(56,854)
Interest income	(23,832)	(219,367)
Changes in non-cash working capital:		
Prepaid expenses	(60,453)	(8,865)
Receivables	(43,407)	2,835
Inventory	541,853	-
Deposits	2,042	(227,072)
Accounts payable and accrued liabilities	(230,644)	66,195
Net cash used in operating activities	(603,379)	(638,842)
CASH FLOWS FROM INVESTING ACTIVITIES		
Notes receivable advanced	-	(113,577)
Investments	(33,688)	-
Purchase of property plant, and equipment	(146,192)	(83,533)
Net cash provided by investing activities	(179,880)	(197,110)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease payments	(340,886)	-
Net cash used in financing activities	(340,886)	-
Foreign exchange differences of cash and cash equivalents	(32,482)	126,711
Change in cash and cash equivalents during the period	(1,156,627)	(709,241)
Cash and cash equivalents, beginning of period	2,554,578	3,819,261
Cash and cash equivalents, end of period	\$ 1,397,951	\$ 3,110,020

During the periods ended October 31, 2024 and 2023, there were no non-cash transactions affecting cash flows from investing and financing activities.

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

VENCANNA VENTURES INC.

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Notes to the Condensed Interim Consolidated Financial Statements

Periods ended October 31, 2024 and 2023

(Expressed in U.S. Dollars)

(Unaudited)

1. Nature and Continuance of Operations

Vencanna Ventures Inc. (the “Company”) is focused, through strategic investments, grass root developments, and acquisitions, on early-stage high-growth cannabis initiatives within U.S. state compliant jurisdictions. On April 30, 2024, the Company acquired The Cannavative Group LLC (“Cannavative”) (Note 5). Cannavative is a licensed manufacturer and distributor of cannabis flower and extracted products in the state of Nevada.

The Company trades under the symbol “VENI” on the Canadian Securities Exchange. The Company’s principal place of business is located in Calgary, Alberta. The address of the Company’s registered office is 4200 Bankers Hall West, 888-3rd Street, SW, Calgary, Alberta, T2P 5C5.

As at October 31, 2024, the Company had working capital of \$318,741 and an accumulated deficit of \$18,438,445, and during the period ended October 31, 2024, the Company had negative cash flows from operations of \$630,379. However, while the Company has been successful in securing financing in the past, it will need to attain profitability from operations. There can be no assurance that the Company will be able to secure financings or generate positive cashflows in the future. These factors indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material.

2. Basis of Preparation

(a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”), and its interpretations, using accounting policies consistent with International Financial Reporting Standards (“IFRS”). The condensed interim consolidated financial statements should be read in conjunction with the audited financial statements for the year ended April 30, 2024, which have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee (“IFRIC”).

(b) Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial assets and financial liabilities to fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cashflow information.

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Notes to the Condensed Interim Consolidated Financial Statements

Periods ended October 31, 2024 and 2023

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2. Basis of Preparation (Continued...)**(c) Basis of Consolidation**

The consolidated financial statements include the financial statements of the Company and its controlled entities and subsidiaries. Subsidiaries are all entities over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. All intercompany transactions and balances are eliminated on consolidation.

On April 20, 2022, the Company announced that it was assisting community groups in New Jersey in joint submissions of cannabis business applications. The applications were submitted by TGC New Jersey LLC (“TGC”), CGT New Jersey LLC (“CGT”), and October Gold (“OG”, collectively with TGC and CGT, the “NJ Entities”). The New Jersey Cannabis Regulatory Commission (“CRC”) awarded TGC a Conditional Class 3 Annual Cultivation License, a Class 2 Annual Manufacturing License, and a Class 5 Conditional Retail License, and each of CGT and OG a Conditional Retail License. Insiders of the Company, including the CEO and an independent director (“Insiders”), are equity holders of TGC and OG respectively. Due to the combination of insider ownership interest, the occurrence of transaction activity, the insiders signing their respective operating agreements, and the NJ Entities signing of the purchase option agreements with the Company, the Company is deemed to exert significant influence over the NJ Entities. Management has assessed the terms and conditions of the investments in the NJ Entities under IFRS 10 Consolidated Financial Statements and has established that control exists under the nature of the agreement and as such the Company has accounted for the investment in NJ Entities using the full consolidation method and has accounted for non-controlling interests in the statement of financial position and statement of loss and comprehensive loss.

These consolidated financial statements include the accounts of the Company and all of its fully consolidated subsidiaries, comprising:

Entity	Relationship	Incorporation location	Functional currency-
Vencanna Acquisition Inc.	Wholly owned subsidiary	USA	U.S Dollars
The Cannavative Group LLC (“Cannavative”)	Wholly owned subsidiary	USA	U.S. dollar
Cannavative Extracts, LLC (“CE”)	Wholly owned subsidiary of Cannavative	USA	U.S. dollar
Cannavative Farms, LLC (“CF”)	Wholly owned subsidiary of Cannavative	USA	U.S. dollar
Vencanna DE LLC (“DE”)	Wholly owned subsidiary	USA	U.S. dollar
Vencanna KY LLC (“KY”)	Wholly owned subsidiary	USA	U.S. dollar
TGC New Jersey LLC (“TGC”)	Controlled entity	USA	U.S. dollar
CGT New Jersey LLC (“CGT”)	Controlled entity	USA	U.S. dollar
October Gold LLC (“OG”)	Controlled entity	USA	U.S. dollar

The Company does not hold any direct ownership interest in TGC, CGT, or OG, and as a result, has recorded a 100% non-controlling interest for these entities.

(d) Functional and presentation currency

These consolidated financial statements have been presented in U.S. dollars, which is a change in presentation currency from the Company’s previously reported financial statements. (Note 24). The Company’s functional currency, and that of Vencanna Acquisition Inc. is the Canadian dollar. The functional currency of the Company’s other subsidiaries and controlled entities, namely Cannavative, CE, CF, DE, KY, TGC, CGT and OG is the U.S. dollar.

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Notes to the Condensed Interim Consolidated Financial Statements

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(Unaudited)

3. Material Accounting Policies

The accounting policies set out in the audited consolidated financial statements for the year ended April 30, 2024 have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

(a) Accounting Standards Issued But Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendments to paragraph 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current is based on rights that are in existence at the end of the reporting period. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and must be applied retrospectively.

The Company does not anticipate significant impact upon adoption of this amendment.

4. Significant Accounting Judgement, Estimates and Assumptions

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

(a) Critical judgements in applying accounting policies

- i) The Company considers that it has control and decision making power over TGC, CGT, and OG , even though it does not own any of the voting rights or securities of these entities by virtue of the combination of Insider ownership interest, the occurrence of transaction activity, the Insiders signing their respective operating agreements, and the NJ Entities signing of the purchase option agreements with the Company. The Company evaluates all relevant facts and circumstances in assessing whether it has power over the NJ Entities, a key determinant of control. In addition, the Company assesses its exposure, or rights, to variable returns and its ability to use its power over the NJ Entities to affect the amount of its returns. Judgment is required to determine whether the Company has the right to make decisions that control the relevant activities of the NJ Entities, and thus the ability to impact its economic returns. Management performs ongoing reassessments of whether there are changes in the facts and circumstances that could impact the Company's ability to control and therefore consolidate the NJ Entities.
- ii) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy.
- iii) The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized to the extent of the amount expected to be utilized. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. which involves judgments or assessments made by management.

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4. Significant Accounting Judgement, Estimates and Assumptions (Continued...)

iv) At the end of each reporting period, management exercises judgment in assessing the Company's ability to continue as a going concern by reviewing the Company's performance, resources and future obligations. The conclusion that the Company will be able to continue as a going concern is subject to critical judgements of management with respect to assumptions surrounding the short and long-term operating budgets, expected profitability, investment and financing activities and management's strategic planning. The assumptions used in management's going concern assessment are derived from actual operating results along with industry and market trends, and are consistent with those used to evaluate impairment of goodwill and intangible assets as at April 30, 2024. Management believes there is sufficient capital to meet the Company's business obligations for at least the next twelve months, after taking into account expected cash flows and the Company's cash position at period-end.

(b) Use of critical accounting estimates and assumptions.

i) Business Acquisitions

In the completion of business acquisitions, management's judgment is required to estimate the fair value of purchase consideration and to identify and estimate the fair values of tangible and intangible assets, liabilities and non-controlling interests. Depending on the intangible asset being valued, the fair values have been determined using the excess earnings method, relief from royalty method, replacement cost method and the With-or Without Method. Critical estimates in valuing certain of the intangible assets and goodwill acquired include future expected cash flows from customer contracts, forecasted revenue, royalty rates, software development costs, obsolescence factor, customer attrition and discount rates. Unanticipated events and circumstances may occur that may affect the accuracy of such assumptions, estimates or actual results.

ii) Biological Assets and Inventory

In calculating the value of the biological assets and inventory, management is required to make a number of estimates, including estimating the stage of growth of cannabis up to the point of harvest, harvesting costs, selling costs, sales price, wastage and expected yields for the cannabis plant. In calculating final inventory values, management is required to determine an estimate of spoiled or expired inventory and compare the inventory cost to net realizable value. The Company's estimates are, by their nature, subject to change. Changes in the anticipated yield or quality will be reflected in future changes in the gain or loss on biological assets.

iii) Deferred Tax Assets

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

iv) Share-Based Compensation

Estimating the fair value for granted stock options and compensatory warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

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4. Significant Accounting Judgement, Estimates and Assumptions (Continued...)

v) Leases

When the Company recognizes a lease, the future lease payments are discounted using the Company's incremental borrowing. This significant estimate impacts the carrying amount of the lease liabilities and the interest expense recorded in profit or loss operations. The Company will also assess the lease term based on the conditions of the lease and determines whether it will extend the lease at the end of the lease contract or exercise an early termination option.

vi) Estimated Useful Lives, Depreciation of Property and Equipment and Amortization of Intangible Assets

Depreciation of property and equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Amortization of intangible assets is dependent upon estimates of useful lives and residual values which are determined through the exercise of judgment. Intangible assets that have indefinite useful lives are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions.

vii) Determination of CGUs.

Goodwill and indefinite life intangibles are allocated to the CGU that represents the lowest level within the Company at which management monitors goodwill or indefinite life intangibles, and not at a level higher than an operating segment. The Company considers the cultivation and extraction facility to be a CGU. For the purpose of impairment testing for goodwill, the Company allocates the goodwill to the group of CGU's expected to benefit from the synergies of the business combination which management has determined to be the state level. For the purpose of impairment testing for indefinite lived intangibles, the Company compares the lowest level CGU's carrying amount with its recoverable amount.

The Company considers Cannavative (including CE and CF), TGC, CGT, and OG as separate CGUs, resulting in 4 CGUs.

viii) Impairment of Non-Financial Assets

Where an indicator of impairment or reversal of impairment exists, an estimate of the recoverable amount of the non-financial assets is made. Recoverable amounts are based on the higher of their value-in-use and fair value less costs to sell. These calculations require the use of estimates and assumptions regarding market conditions, capital requirements, discount rates, future cash flows and profit margins. 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. Management does not expect a significant difference between value in use and fair value less cost to sell. A change in assumptions may significantly impact the potential impairment of these assets.

ix) Expected Credit Losses ("ECL")

The Company estimates ECL on its trade and other receivables, based on the analysis of historical bad debts, and the judgements used to predict future economic conditions.

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5. Business Combination

On April 30, 2024, the Company, via Vencanna Acquisition Inc. (“AcquisitionCo”), acquired all of the issued and outstanding membership units of The Cannavative Group LLC (“Cannavative”) (the “Acquisition”). Cannavative is a licensed manufacturer and distributor of cannabis flower and extracted products in the state of Nevada

On April 30, 2024, the Company issued to Cannavative’s shareholders 52,189,144 exchangeable units of AcquisitionCo (“Exchangeable Units”) and 97,539,421 exchangeable earnout units (“Earnout Units”). In addition, the Company incurred transaction costs associated with the Acquisition, and issued 3,785,460 exchangeable transaction units (“Transaction Units”) and 3,413,887 Earnout Units. The transaction cost units, valued at \$55,078, were expensed to the statement of loss and comprehensive loss.

Each Exchangeable Unit consists of one Exchangeable Share, and 0.2 Exchangeable A Warrants, and 0.2 Exchangeable B Warrants. Each Transaction Unit consist of one Exchangeable Share and 0.5 Exchangeable B Warrant. Each Exchangeable Share is exchangeable at a 1:1 ratio into common shares of the Company, at the discretion of the holders of the Exchangeable Shares.

Each whole Exchangeable A warrant is exercisable into one Exchangeable Share of AcquisitionCo at an exercise price of CDN\$0.10 for a period of nine months from issuance. Each whole Exchangeable B warrant is exercisable into one Exchangeable Share of AcquisitionCo at an exercise price of CDN\$0.13 for a period of eighteen months from issuance.

Each Earnout Unit consists of one Exchangeable Share, and one-half of an exchangeable earnout warrant (the “Earnout Warrants”). Each whole Earnout Warrant is exercisable, for a period of 12 month, into one Exchangeable Share of AcquisitionCo at an exercise price the greater of CDN\$0.10 and the market share price of the Company. The Earnout Units are to be issued contingent on the following:

- i) Net revenues of Cannavative for the twelve months ending December 31, 2024 exceed \$8,112,000 (the “2024 Earnout”); subject to the Minimum Profit Test in 2024; and
- ii) Net revenues of Cannavative for the twelve months ending December 31, 2025 exceed \$8,112,000 plus the 2024 Earnout, subject to the Minimum Profit Test in 2025.

The Minimum Profit Test is defined as the adjusted EBITDA of Cannavative (calculated as Net Revenues less cost of goods less cash expenses not including expenses associated with income taxes, depreciation, interest, bonuses or one-time expenses) divided by Net Revenues of Cannavative of not less than 12.5% for the twelve months ended December 31, 2024 and 2025 respectively.

The Earnout shares were valued at \$90,000 using the Monte-Carlo Simulation, with a volatility of 100%, interest rate of 5.25%, and a period of 1 year.

The non-voting exchangeable shares issued by AcquisitionCo (“Exchangeable Shares”), are exchangeable on a one-for-one basis into an equal number of commons shares of the Company. The Company treats the Exchangeable Shares as options with a value equal to a common share, which represents the holder’s claim on its pro rata equity of the Company. The Company has presented these Exchangeable Shares as a part of shareholders’ equity within these financial statements due to (i) the fact that they are economically equivalent to the Company’s publicly traded common shares with equal liquidation and distribution treatment, and (ii) while the holder of the Exchangeable Shares are subject to restrictions on transfer under United States securities laws, they may dispose of the Exchangeable Shares through the Canadian Stock Exchange (“CSE”) by exchanging them for common shares of the Company. Changes in, or the interpretation of, these facts would affect the presentation of the Exchangeable Shares from shareholders’ equity to non-controlling interests, however there would be no impact on gain/loss per share.

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(Unaudited)

5. Business Combination (Continued...)

The purchase price allocation for the Acquisition, as set forth in the table below, reflect various preliminary fair value estimates and analyses that may be subject to change within the measurement period. The primary areas of the preliminary purchase price allocations that may not yet be finalized relate to the fair values of certain tangible assets, the valuation of intangible assets acquired and residual goodwill. Measurement period adjustments that the Company determines to be material will be applied retrospectively to the period of acquisition in the Company's consolidated financial statements and, depending on the nature of the adjustments, other periods subsequent to the period of acquisition could be affected. The acquisition noted below was accounted for in accordance with IFRS 3, "Business Combinations" ("IFRS 3").

The purchase price for the Acquisition is as follows:

Purchase price:		
Fair value of exchangeable shares issued	\$	759,336
Fair value of exchangeable warrants issued		16,527
Loans payable to the Company		2,881,681
Contingent consideration of Earnout Units		90,000
Total consideration paid	\$	3,747,544
Allocated as follows:		
Cash and cash equivalents	\$	49,300
Accounts receivable, net of allowance		811,903
Prepaid expenses		162,843
Inventory		992,379
Biological assets		29,711
Property and equipment		3,039,000
Right of use asset		1,252,658
Brand (intangible asset)		224,000
License (intangible asset)		300,000
Accounts payable and accrued liabilities		(2,108,143)
Lease liability		(1,186,434)
Deferred tax liability		(46,000)
		3,521,217
Goodwill		226,327
	\$	3,747,544

Pro-forma disclosures

The following pro-forma supplemental information presents certain results of operations as if the acquisition had been completed on May 1, 2023 to the end of the fiscal year, April 30, 2024.

		Pro-forma
Revenues	\$	9,336,416
Net loss	\$	(1,519,177)

The pro-forma supplemental information is based on estimates and assumptions which are believed to be reasonable. The pro-forma supplemental information is not necessarily indicative of the Company's consolidated financial results in future periods or the results that would have been realized had the business acquisition been completed at the beginning of the period presented. The pro-forma supplemental information excludes business integration costs and opportunities.

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6. Accounts Receivable

As at October 31, 2024 and April 30, 2024, accounts receivable consists of the following:

	October 31, 2024	April 30, 2024
Trade receivables	\$ 847,594	\$ 811,902
Other	71,433	50,650
	\$ 919,027	\$ 862,552

The aging of accounts receivable is as follows:

	October 31, 2024	April 30, 2024
Current	\$ 538,278	\$ 755,973
1 – 30 days past due	150,065	92,410
31 – 60 days past due	114,002	80,017
61 – 90 days past due	11,797	15,611
91+ days past due	202,685	198,955
Allowance	(97,800)	(280,414)
	\$ 919,027	\$ 862,552

7. Prepaid amounts and Deposits

As at October 31, 2024 and April 30, 2024 the Company's prepaid amounts consist of the following:

	October 31, 2024	April 30, 2024
Prepaid lease hold improvements and ROUA	\$ -	\$ 98,493
Prepaid inventory	112,934	80,579
Prepaid expenses	83,338	82,263
	\$ 196,272	\$ 261,335

As at October 31, 2024 and April 30, 2024, the Company's deposits consist of lease deposits.

8. Inventory

	October 31, 2024	April 30, 2024
Work in progress	\$ 2,598	\$ 170,773
Finished goods	477,699	821,606
	\$ 480,297	\$ 992,379

During the period ended October 31, 2024, \$345,494 (2023 - \$Nil) of inventory was expensed to cost of sales.

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9. Biological Assets

The Company's biological assets consist of cannabis plants. The Company measures its cannabis plants at their fair value less costs to sell which is determined using a model that estimates the expected harvest yield in grams for plants currently being cultivated, and then adjusts the amount for the expected selling price per gram at the point of harvest.

A continuity of the Company's biological assets is as follows:

Balance, April 30, 2023	\$	-
Cannabis plants (from acquisition Note 5)		29,711
Balance, April 30, 2024		29,711
Transferred to inventory upon harvest		(29,711)
Balance, October 31, 2024	\$	-

A summary of the Company's inputs to estimate the fair value of the biological assets is as follows:

	October 31, 2024	April 30, 2024
Selling price per gram	n/a	\$2.29
Yield per plant	n/a	183.1 grams
Stage of growth	n/a	19%
Wastage	n/a	19%
Post-harvest processing costs per gram	n/a	\$0.13

10. Property and Equipment

	Leasehold Improvements	Furniture and Equipment	Vehicles	Computer Equipment	Right of Use Asset	Total
Cost						
Balance, April 30, 2023	\$ -	\$ 2,078	\$ -	\$ 5,047	\$ -	\$ 7,125
Additions	172,611	-	-	-	1,427,117	1,599,728
Additions from acquisition (Note 5)	941,000	2,071,000	18,000	9,000	1,252,658	4,291,658
Balance, April 30, 2024	1,113,611	2,073,078	18,000	14,047	2,679,775	5,898,511
Additions	146,192	-	-	-	589,807	735,999
Modifications	-	-	-	-	(14,836)	(14,836)
Balance, October 31, 2024	\$ 1,259,803	\$ 2,073,078	\$ 18,000	\$ 14,047	\$ 3,254,746	\$ 6,619,674
Accumulated Depreciation						
Balance, April 30, 2023	\$ -	\$ 1,234	\$ -	\$ 3,489	\$ -	\$ 4,723
Additions	6,859	145	-	384	85,059	92,447
Balance, April 30, 2024	6,859	1,379	-	3,873	85,059	97,170
Additions	174,444	207,161	1,800	1,500	289,507	374,412
Balance, October 31, 2024	\$ 181,303	\$ 208,540	\$ 1,800	\$ 5,373	\$ 374,566	\$ 771,582
Foreign exchange – April 30, 2024	\$ -	\$ (59)	\$ -	\$ (113)	\$ -	\$ (172)
Foreign exchange – October 31, 2024	\$ -	\$ (163)	\$ -	\$ (23)	\$ -	\$ (186)
Carrying Amount						
Balance, April 30, 2024	\$ 1,106,752	\$ 2,071,640	\$ 18,000	\$ 10,061	\$ 2,594,716	\$ 5,801,169
Balance, October 31, 2024	\$ 1,078,500	\$ 1,864,375	\$ 16,200	\$ 8,651	\$ 2,880,180	\$ 5,847,906

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11. Intangible Assets

On April 30, 2024, as part of the Business Combination (Note 5), the Company acquired the following intangible assets:

	Licenses	Brand	Total
Cost			
Balance, April 30, 2023	\$ -	\$ -	\$ -
Additions from acquisition (Note 5)	300,000	224,000	524,000
Balance, April 30, 2024, and October 31, 2024	\$ 300,000	\$ 224,000	\$ 524,000
Accumulated Depreciation			
Balance, April 30, 2023 and 2024	\$ -	\$ -	\$ -
Additions	-	11,200	11,200
Balance, October 31, 2024	\$ -	\$ 11,200	\$ 11,200
Carrying Amount			
Balance, April 30, 2024	\$ 300,000	\$ 524,000	\$ 524,000
Balance, October 31, 2024	\$ 300,000	\$ 518,400	\$ 512,800

12. Accounts Payable and Accrued Liabilities

	October 31, 2024	April 30, 2024
Trade payables	\$ 1,930,778	\$ 1,949,773
Accrued professional fees	14,732	201,240
Accrued payroll liabilities	37,916	64,619
	\$ 1,983,426	\$ 2,215,632

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13. Lease Liabilities

The Company leases various office and facility spaces for its operations.

The Company's obligation to make lease payments arising from the leases is calculated by discounting the fixed lease payments over the term of the leases at the Company's incremental borrowing rate, which is between 14% and 15.5% for the leases.

The following is a continuity of the Company's lease liabilities:

Balance April 30, 2023	\$	-
Additions		1,427,117
Additions from Acquisition (Note 5)		1,186,434
Interest expense on lease liabilities		173,244
Lease payments		(72,777)
Balance, April 30, 2024		2,714,018
Additions		491,315
Modifications		(10,401)
Interest expense on lease liabilities		237,918
Lease payments		(349,499)
Balance, October 31, 2024	\$	3,083,351
Current portion	\$	714,938
Long-term portion	\$	2,368,413

The following is a breakdown of the contractual undiscounted cash flows for lease liabilities as at October 31, 2024:

	October 31, 2024	
Due in the next year	\$	778,067
Due in two to three years		1,585,007
Due in four to five		776,403
More than five years		2,554,766
Total	\$	5,694,243

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14. Share Capital

(a) Authorized:

The Company has unlimited number of common shares with no par value (“Common Shares”). AcquisitionCo. has five hundred and fifty million shares of common stock, having a par value of \$0.00010 per share of which a total of 100,000 shares are designated as Class A Non-exchangeable voting shares and a total of 549,900,000 shares are designated as Class B Non-voting exchangeable shares (“Exchangeable Shares”).

(b) Issued shares

	October 31, 2024	April 30, 2024
Issued and outstanding		
Common Shares	222,644,952	222,644,952
Exchangeable Shares	55,974,604	55,974,604
Total	278,619,556	278,619,556

The Exchangeable Shares are exchangeable on a one-for-one basis into an equal number of commons shares of the Company. The Company treats the Exchangeable Shares as options with a value equal to a common share, which represents the holder’s claim on its pro rata equity of the Company (Note 5).

The Company had no share capital transactions during the period ended October 31, 2024.

During the year ended April 30, 2024, the Company had the following share capital transactions:

- On April 30, 2024, the Company issued 41,361,562 shares and 20,680,781 warrants in connection with the conversion of its Debenture and related accrued interest (Note 14). Each warrant is exercisable into one common share of the Company at a price of CDN\$0.075 until April 30, 2025. The warrants were valued at \$24,918 using the black Scholes Option Pricing Model, with the following assumptions: volatility: 100%, expected life: 1 year, risk free rate: 4.45%, and dividend rate of 0%.
- On April 30, 2024, the Company completed the acquisition of Cannavative (Note 5). Under the terms of the Acquisition, the previous shareholders of Cannavative received 52,189,144 Exchangeable Units, and 97,539,421 Earnout Units in exchange for their ownership in Cannavative. In addition, the Company incurred transaction costs associated with the Acquisition and issued 3,785,460 Transaction Units and 3,413,887 Earnout Units. The transaction cost units, valued at \$55,078, were expensed.

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14. Share Capital (Continued...)

(c) Warrants

A continuity schedule of the Company's warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, April 30, 2023	53,552,577	CDN\$0.06
Expired	(53,552,577)	CDN\$0.06
Issued on conversion of debt	20,680,781	CDN\$0.075
Exchangeable A Warrants	10,437,824	CDN\$0.10
Exchangeable B Warrants	12,330,554	CDN\$0.13
Balance, April 30, 2024 and October 31, 2024	43,449,159	CDN\$0.10

A Summary of the Company's warrants as at October 31, 2024 is as follows:

Number of Warrants Outstanding	Exercise Price	Weighted Average Remaining Life (Years)	Expiry Date
12,330,554 (Exchangeable B Warrants)	CDN\$0.13	1.00	October 31, 2025
20,680,781	CDN\$0.075	0.25	April 30, 2025
10,437,824 (Exchangeable A Warrants)	CDN\$0.10	0.25	January 31, 2025
43,449,159	CDN\$0.10	0.53	

A Summary of the Company's warrants as at April 30, 2024 is as follows:

Number of Warrants Outstanding	Exercise Price	Weighted Average Remaining Life (Years)	Expiry Date
12,330,554 (Exchangeable B Warrants)	CDN\$0.13	1.50	October 31, 2025
20,680,781	CDN\$0.075	1.00	April 30, 2025
10,437,824 (Exchangeable A Warrants)	CDN\$0.10	0.76	January 31, 2025
43,449,159	CDN\$0.10	1.08	

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14. Share Capital (Continued...)

(d) Stock Options

The Company has a share option plan for directors, officers, employees and consultants of the Company whereby share options representing up to 10% of the issued and outstanding common shares can be granted by the Board of Directors. The exercise price of each option equals no less than the market price of the Company's common shares on the date of grant.

The Company accounts for share-based compensation granted to directors, officers, employees and consultants using the Black-Scholes option-pricing model to determine the fair value of the plan at grant date. Share-based compensation expense is recorded and reflected as share-based compensation expense over the vesting period with a corresponding amount reflected in contributed surplus.

Non-controlling interest represents the net assets of the subsidiaries the holders of the Company's common shares do not directly own. The net assets of the non-controlling interest are represented by the holders of the exchangeable shares at AcquisitionCo. Non-controlling interest also represents the net assets of the NJ Entities the Company does not directly own but controls by virtue of the Company fully funding the operations, and Insiders having equity positions and decision-making powers. As of October 31, 2024, the holders of the Exchangeable Shares represent approximately 20% of the Company.

A continuity schedule of the Company's stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, April 30, 2023	17,466,740	CDN\$0.05
Expired	(12,466,740)	CDN\$0.05
Balance, April 30, 20234	5,000,000	CDN\$0.05
Expired	(5,000,000)	-
Balance, October 31, 2024	-	-

(d) Non-controlling Interest

Non-controlling interest represents the net assets of the entities that the holders of the Company's common share and Exchangeable shares do not directly own. This represents the net assets of the NJ Entities.

A reconciliation of the Non-controlling interest for the period ended October 31, 2024 is as follows:

	Non-controlling interest	
Balance, April 30, 2023	\$	(549,100)
Share of loss		(448,641)
Balance, April 30, 2024		(997,741)
Share of loss		(380,154)
Balance, October 31, 2024	\$	(1,377,895)

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15. Related Parties

During the period ended October 31, 2024, the Company incurred legal expenses from a law firm for \$19,988 (2023 - \$19,750) of which the corporate secretary of the Company is a partner. As at October 31, 2024, accounts payable and accrued liabilities included amounts payable to the law firm of \$6,127 (2023 - \$6,451).

Transactions with other related parties:

- The lease held by Cannavative (Note 5), is a lease with a related party. The lease expires on November 30, 2024, though the Company may extend the lease to April 30, 2027. The Company has the option to exit the lease at any time subject to providing a notice.

16. Financial Instruments**Fair values**

Financial instruments are classified into one of the following categories: fair value through profit and loss (“FVTPL”); amortized cost; and fair value through other comprehensive income (“FVTOCI”). The carrying value of the Company’s financial instruments are classified into the following categories:

Financial Instrument	Category	October 31, 2024	April 30, 2024
Cash and cash equivalents	FVTPL	\$ 1,397,951	\$ 2,554,578
Accounts receivable	Amortized cost	\$ 919,027	\$ 862,552
Investments	FVTPL	\$ 33,107	\$ -
Accounts payable and accrued liabilities	Amortized cost	\$ 1,983,426	\$ 2,215,632
Leases	Amortized cost	\$ 3,083,351	\$ 2,714,018
Provision from acquisition	Amortized cost	\$ 88,899	\$ 90,000

16. Financial Instruments (Continued...)

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy based on the degree to which the inputs used to determine the fair value are observable. The three levels of the fair value hierarchy are:

- 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 value 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 and cash equivalents is measured at fair value, using level 1 inputs. The fair value of accounts receivable, other receivables, notes receivable, and accounts payable and accrued liabilities approximate their carrying amounts due to their current nature. The Company’s other financial liability as at October 31, 2024 were their investments, and the provision from acquisition, which was recorded at fair value on the date of the acquisition.

Financial instrument risk exposure

The Company’s financial instruments are exposed to a number of financial and market risks including credit, liquidity, currency, interest rate and price risks. The Company may, or may not, establish from time-to-time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company’s management does not believe that the current size, scale and pattern of cash flow of its operations would warrant such hedging activities.

Credit risk

Credit risk is the risk of financial loss to the Company that arises from the possibility that the Company’s customers may experience financial difficulty and be unable to fulfil their contract commitments. The Company mitigates the risk of credit loss by entering into contracts with established customers and by placing its cash with major financial institutions. The gross carrying amount of a trade receivable is written off when the Company has no reasonable expectations of recovering the balance in its entirety or a portion thereof.

The cash balance is primarily held in a chequing accounts at reputable financial institutions. The Company is exposed to credit risk inherent in its accounts receivable via credit extended to customers.

The carrying value of cash, accounts receivable and notes receivable represents the Company's maximum credit exposure.

As at October 31, 2024, the Company had an allowance of \$97,800 (April 30, 2024 - \$280,414) on its accounts receivable.

As at October 31, 2024 and April 30, 2024, the Company’s maximum exposure to credit risk is as follows:

	October 31, 2024	April 30, 2024
Cash and cash equivalents	\$ 1,397,951	\$ 2,554,578
Accounts receivable	919,027	862,552
Other receivables	23,558	9,932
	\$ 2,340,536	\$ 3,427,062

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16. Financial Instruments (Continued...)

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 endeavors to ensure that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holding of cash.

The following are the contractual maturities of the undiscounted cash flows of financial liabilities for which there are cash outflows as at October 31, 2024:

Financial liability	Due in 1 year	Due in 2-3 years	Due in 4-5 yrs	Due after 5 years	Total
Accounts payable and accrued liabilities	\$ 1,983,426	\$ -	\$ -	\$ -	\$ 1,983,426
Lease liabilities	778,067	1,585,007	776,403	2,554,766	5,694,243
	\$ 2,761,493	\$ 1,585,007	\$ 776,403	\$ 2,554,766	\$ 7,677,669

As at October 31, 2024, the Company had cash and cash equivalents and accounts receivable of \$1,397,951, which is not sufficient to settle the non-discounted financial liabilities due within a year. The Company will need to use cash from operations, or source other funds in order to settle the liabilities due.

Market risk

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

(a) Interest risk

The Company is exposed to interest rate risk to the extent that the cash maintained at its banking institution is subject to floating rates of interest. The interest rate risk on cash is not considered significant.

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate based on the changes in foreign exchange rates. The functional currency of the parent company is the Canadian Dollar, while the functional currencies of its subsidiaries are the U.S. Dollar.

The operating results and financial position of the Company are reported in U.S. dollars. For financial instruments held in other than the U.S. Dollar, the Company is subject to foreign currency risk. The Company holds certain cash and accounts payable and accrued liabilities in Canadian Dollars. As at October 31, 2024, a 10% change in the foreign exchange rate of the U.S. Dollar versus the Canadian Dollar would have an impact of approximately \$127,000 on accumulated other comprehensive income (loss). As of October 31, 2024 and April 30, 2024, the Company had no hedging agreements in place for foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time.

(c) Price risk

The Company is exposed to price risk with respect to movements in market prices for goods which may impact revenue, cost of sales and the results of operations. Management closely monitors demand and market prices of its finished goods and raw materials to determine the appropriate course of action to be taken by the Company.

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17. Capital Risk Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its activities as a merchant capital firm. 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 Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible optimized capital structure in order to pursue state compliant cannabis investments focused throughout the value chain. In the management of capital, the Company includes its cash balances (October 31, 2024 - \$1,397,951) and components of shareholders' equity (October 31, 2024 - \$4,760,984). The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or adjust the amount of cash and cash equivalents and investments.

At this stage of the Company's development, in order to maximize on-going development efforts, the Company does not pay out dividends. Management reviews its capital management approach on an on-going 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 October 31, 2024. The Company is not subject to externally imposed capital requirements.

18. Commitments and Contingencies

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of October 31, 2024 and April 30, 2024, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations. As of October 31, 2024 and April 30, 2024, there are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party to the Company or has a material interest adverse to the Company's interest.

19. Segmented Information

The Company operates in one reportable operating segment, being the, manufacturing and distribution of cannabis flowers and extract products on the United States.

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20. Restatement and Change in Presentation Currency

During the year ended April 30, 2024, the Company had discovered an error in a prior judgement, which has resulted in a restatement of comparative numbers in these consolidated financial statements. In the prior year, the Company had assessed that they were an investment entity, and had recorded its investments in the NJ Entities as investments. During the year ended April 30, 2024, the Company determined that they had control over the NJ Entities, and these should be consolidated retrospectively.

Effective April 30, 2024, the Company has changed its presentation from the Canadian Dollar to the U.S. Dollar. The change in presentation currency was accounted for as a change in accounting policy and applied retrospectively.

In light of the acquisition of Cannavative, which occurred on April 30, 2024, the Company changed the presentation currency effective April 30, 2024.

The Company believes that U.S. dollar financial reporting provides more relevant presentation of the Company's financial position, funding and treasury functions, financial performance, and cash flows.

A change in presentation currency represents a change in accounting policy as defined in IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, which requires restatement of comparative information as if the accounting policy was always adopted.

Foreign currency transactions are translated into an entity's functional currency at exchange rates in effect on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the foreign exchange rate applicable at that date. Realized and unrealized exchange gains and losses are recognized through profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. For consolidated entities with a functional currency different from the Company's presentation currency, assets and liabilities are translated to the presentation currency at the period end exchange rates, and the results of operations are translated at average exchange rates for the period. The resulting translation adjustments are recorded within other comprehensive income.

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20. Restatement and Change in Presentation Currency (Continued...)

Below is a reconciliation from the prior period's financial statements, to the amounts presented on these condensed interim consolidated financial statements.

Reconciliation of the statement of loss and comprehensive loss for the three months period ended October 31, 2023:

Three months	October 31, 2023 as previously reported (CDN\$)	Adjustment (CDN\$)	Restated (CDN\$)	Restated to presentation currency (USD)
EXPENSES				
Amortization and depreciation	184	41,319	41,053	\$ 30,576
Corporate communication	21,019	-	21,019	15,586
Development and licences	-	1,762	1,762	1,298
Interest and bank charges	55,684	1,499	57,183	42,127
Interest and accretion on lease liabilities	-	76,040	76,040	56,019
Office and miscellaneous	4,763	48,842	53,605	39,491
Professional fees	31,376	40,953	72,329	53,284
Property taxes and utilities	-	8,550	8,550	6,304
Rent expense	8,550	(8,550)	-	-
Salaries, benefits and bonuses	129,676	-	129,676	95,552
Travel, meals and entertainment	7,327	3,951	11,278	8,309
	(258,579)	(214,366)	(472,945)	(348,546)
Interest income	145,171	-	145,171	106,946
Change in fair value of derivative liability	60,592	(175,652)	(115,060)	(84,765)
Unrealized change in fair value of due from related parties	(113,582)	113,582	-	-
Foreign exchange	205,885	-	205,882	153,827
	298,063	(62,070)	235,993	176,008
Net income (loss)	39,484	(276,436)	(236,952)	(172,538)
Net income (loss) attributable to:				
Shareholders' equity	39,484	(176,679)	(137,195)	(99,048)
Non-controlling interest	-	(99,757)	(99,757)	(73,490)
	39,484	(276,436)	(236,952)	(172,538))
Other comprehensive income (loss)				
Foreign exchange	-	-	-	(35,956)
Other comprehensive income (loss) attributable to:				
Shareholders' equity	-	-	-	(35,956)
Non-controlling interest	-	-	-	-
	-	-	-	(35,956)
Total comprehensive income (loss) attributable to:				
Shareholders' equity	39,484	(176,679)	(137,195)	(135,004)
Non-controlling interest	-	(99,757)	(99,757)	(73,490)
	39,484	(276,436)	(236,952)	\$ (208,494)
Net loss per common share:				
Basic and diluted	0.00	n/a	(0.00)	\$ (0.00)
Weighted average number of common shares outstanding:				
Basic and diluted	181,283,390	n/a	181,283,390	181,283,390

VENCANNA VENTURES INC.
(formerly Top Strike Resources Corp.)
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Periods ended October 31, 2024 and 2023
(Expressed in U.S. Dollars)
(Unaudited)

20. Restatement and Change in Presentation Currency (Continued...)

Reconciliation of the statement of loss and comprehensive loss for the six months period ended October 31, 2023:

Six months	October 31, 2023 as previously reported (CDNS)	Adjustment (CDNS)	Restated (CDNS)	Restated to presentation currency (USD)
EXPENSES				
Amortization and depreciation	382	40,958	41,340	\$ 30,724
Consulting	-	6,660	6,600	4,950
Corporate communication	26,809	-	26,809	19,925
Development and licences	-	1,747	1,747	1,298
Interest and bank charges	100,423	1,648	102,071	75,859
Interest and accretion on lease liabilities	-	75,375	75,375	56,019
Office and miscellaneous	7,195	48,396	55,591	41,315
Professional fees	73,636	76,647	150,283	111,689
Property taxes and utilities	-	16,600	16,600	12,337
Rent expense	16,600	(16,600)	-	-
Salaries, benefits and bonuses	260,280	-	260,280	193,440
Travel, meals and entertainment	10,151	4,814	14,965	11,122
	(495,476)	(256,245)	(751,721)	(558,678)
Interest income	295,165	-	295,165	219,367
Change in fair value of derivative liability	(57,819)	-	(57,819)	(42,971)
Unrealized change in fair value of due from related parties	25,032	(25,032)	-	-
Foreign exchange	76,499	-	76,499	56,854
	338,877	(25,032)	313,845	233,250
Net income (loss)	(156,599)	(281,277)	(437,876)	(325,428)
Net income (loss) attributable to:				
Shareholders' equity	(156,599)	(138,560)	(295,159)	(219,362)
Non-controlling interest	-	(142,717)	(142,717)	(106,066)
	(156,599)	(281,277)	(437,876)	(325,428)
Other comprehensive income (loss)				
Foreign exchange	-	-	-	127,764
Other comprehensive income (loss) attributable to:				
Shareholders' equity	-	-	-	127,764
Non-controlling interest	-	-	-	-
	-	-	-	127,764
Total comprehensive income (loss) attributable to:				
Shareholders' equity	(156,599)	(138,560)	(295,159)	(91,598)
Non-controlling interest	-	(142,717)	(142,717)	(106,066)
	(156,599)	(281,277)	(437,876)	\$ (197,664)
Net loss per common share:				
Basic and diluted	(0.00)	n/a	(0.00)	\$ (0.00)
Weighted average number of common shares outstanding:				
Basic and diluted	181,283,390	n/a	181,283,390	181,283,390

VENCANNA VENTURES INC.
(formerly Top Strike Resources Corp.)
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Periods ended October 31, 2024 and 2023
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20. Restatement and Change in Presentation Currency (Continued...)

Reconciliation of the statement of cash flows for the six-month period ended October 31, 2023:

Six months	October 31, 2023 as previously reported (CDN\$)	Adjustments (CDN\$)	Restated (CDN\$)	Restated to presentation currency (USD)
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss for the period	(156,599)	(281,277)	(437,876)	\$ (325,428)
Items not involving cash:				
Amortization and depreciation	381	40,958	41,339	30,724
Interest and accretion on lease liabilities	-	75,375	75,375	56,019
Interest income	(236,521)	(58,645)	(295,166)	(219,367)
Change in fair value of due from related party	57,819	(57,819)	-	-
Change in fair value of derivative liability	(25,032)	82,851	57,819	42,971
Foreign exchange	(76,499)	-	(76,499)	(56,854)
Loan accretion	1,513	(1,513)	-	-
Changes in non-cash working capital:				
Prepaid expenses	1,837	(13,765)	(11,928)	(8,865)
Receivables	3,814	-	3,814	2,835
Due to related parties	(591,943)	591,943	-	-
Accounts payable and accrued liabilities	74,366	14,701	89,067	66,195
Security deposits	-	(305,533)	(305,533)	(227,072)
Net cash used in operating activities	(946,864)	87,276	(859,588)	(638,842)
CASH FLOWS FROM INVESTING ACTIVITIES				
Issuance of notes receivable	(152,822)	-	(152,822)	(113,577)
Interest received	234,395	(234,395)	-	-
Purchase of property, plant, and equipment	-	(112,396)	(112,396)	(83,533)
Net cash provided by (used in) investing activities	81,573	(346,791)	(265,218)	(197,110)
Foreign exchange differences of cash and cash equivalents				
	5,400	259,515	264,915	126,711
Change in cash during the period	(859,891)	-	(859,891)	(709,241)
Cash, beginning of period	5,179,361	5,179,361	5,179,361	3,819,261
Cash, end of period	4,319,470	5,179,361	4,319,470	\$ 3,110,020

VENCANNA VENTURES INC.
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Periods ended October 31, 2024 and 2023
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20. Restatement and Change in Presentation Currency (Continued...)

Reconciliation of the statement of changes in shareholders' equity for the period as at October 31, 2023:

	October 31, 2023 As previously reported (CDN\$)	Adjustments (CDN\$)	Restated (CDN\$)	Restated to presentation currency (USD)
Share capital	21,967,258	-	21,967,258	\$ 17,215,302
Warrant reserve	-	-	-	-
Contributed surplus	6,442,239	-	6,442,239	4,890,031
Accumulated other comprehensive income	-	-	-	(3,815)
Accumulated deficit	(22,114,711)	(179,562)	(22,294,273)	(17,077,888)
Non-controlling interest	-	(873,842)	(873,842)	(655,166)
TOTAL SHAREHOLDERS' EQUITY	6,249,786	(1,053,404)	5,241,382	\$ 4,368,464